

FINAL OFFICIAL STATEMENT DATED APRIL 30, 2019

NEW MONEY: Book-Entry-Only

RATING: See "Ratings" herein.

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 Notes is excludable from gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not a specific preference item for purposes of the Federal alternative minimum tax. In the opinion of Bond Counsel, based on existing statutes, interest on the Notes 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 **\$5,000,000** **General Obligation Bond Anticipation Notes**

Dated: May 15, 2019
Due: August 29, 2019
CUSIP: 036519QG4

Rate: 2.25%
Yield: 1.70%
Underwriter: Piper Jaffray & Co.

Principal and interest on the Notes will be payable at maturity.

The Notes are being offered for sale and will bear interest at such rate or rates per annum as are specified by the successful bidder or bidders in accordance with the Notice of Sale, dated April 22, 2019.

The Notes will be issued by means of a book-entry-only system 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 Notes will not receive certificates representing their ownership interest in the Notes. Principal of, redemption premium, if any, and interest on the Notes will be payable by the City or its agent to DTC or its nominee as registered owner of the Notes. Ownership of the Notes may be in principal amounts of \$5,000 or integral multiples thereof. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry-Only Transfer System" herein.)

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

The Notes are offered for delivery when, as and if issued, subject to the approving opinion of Joseph Fasi LLC, Bond Counsel of Hartford, Connecticut. It is expected that delivery of the Notes in book-entry-only form will be made to DTC or its agent via "FAST" on or about May 15, 2019. The Registrar, Transfer Agent, Certifying Agent, and Paying Agent will be U.S. Bank National Association.

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 Notes 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 Notes 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 Notes 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.

Table of Contents

	<u>Page</u>		<u>Page</u>
Note Issue Summary.....	1	IV. Tax Base Data.....	22
I. Note Information.....	2	Property Tax.....	22
Introduction.....	2	Assessments.....	22
Municipal Advisor.....	2	Levy.....	22
The Notes.....	3	Comparative Assessed Valuations.....	23
Description of the Notes.....	3	Property Tax Levies and Collections.....	24
Redemption Provisions.....	3	Property Tax Receivable.....	24
Authorization and Purpose.....	3	Ten Largest Taxpayers.....	25
Use of Proceeds.....	3	V. Debt Summary.....	26
Book-Entry-Only Transfer System.....	3	General Obligation Principal Amount of Indebtedness.....	26
DTC Practices.....	5	Short Term Debt.....	26
Replacement Bonds.....	5	General Obligation Debt Annual Bonded Maturity Schedule.....	26
Security and Remedies.....	5	Self-Supporting Debt Annual Bonded Maturity Schedule.....	27
Qualification for Financial Institutions.....	6	Overlapping/Underlying Debt.....	27
Availability of Continuing Disclosure Information.....	6	Debt Statement.....	27
Rating.....	6	Current Debt Ratios.....	28
Insurance.....	6	Bond Authorization.....	28
II. The Issuer.....	7	Temporary Financing.....	28
Description of the Municipality.....	7	Clean Water Fund Program.....	29
Government Organization.....	8	Limitation of Indebtedness.....	30
Board of Education.....	8	Statement of Debt Limitation.....	30
City Officials.....	8	Authorized but Unissued Debt.....	31
Municipal Services.....	8	Principal Amount of Outstanding Debt.....	31
Educational Services.....	10	Ratios of Net Long-Term Debt to Valuation, Population and Income.....	31
School Enrollment.....	10	Ratio of Total General Fund Debt Service Expenditures To Total General Fund Expenditures and Transfers Out.....	32
School Facilities.....	10	VI. Financial Administration.....	33
Municipal Employees.....	11	Fiscal Year.....	33
Employee Relations and Collective Bargaining.....	11	Basis of Accounting.....	33
Binding Arbitration.....	11	Budget Procedure.....	33
III. Economic and Demographic Information.....	12	Capital Improvement Plan.....	34
Economic Condition and Outlook.....	12	Audit.....	34
Population and Density.....	16	Liability Insurance.....	34
Age Distribution of the Population.....	16	Pensions.....	34
Income Distribution.....	16	Other Post Employment Benefits.....	35
Income Levels.....	17	Compensated Absences.....	36
Educational Attainment.....	17	Risk Management.....	36
Major Employers.....	17	Investment Policy.....	36
Employment by Industry.....	18	Comparative Balance Sheets.....	37
Employment Data.....	18	General Fund Revenues and Expenditures.....	38
Age Distribution of Housing.....	19	VII. Legal and Other Information.....	39
Commute to Work.....	19	Litigation.....	39
Housing Inventory.....	19	Documents Furnished at Delivery.....	39
Housing Vacancy Rates.....	20	Concluding Statement.....	40
Owner Occupied Housing Values.....	20	Appendix A - 2018 General Purpose Financial Statements	
Number and Size of Households.....	21	Appendix B - Form of Opinion of Bond Counsel and Tax Exemption	
Building Permits.....	21	Appendix C - Form of Continuing Disclosure Agreement	
Land Use Breakdown.....	21	Appendix D - Notice of Sale	

Note Issue Summary

The information in this Note 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:	Tuesday, April 30, 2019 at 11:30 A.M. (Eastern Time).
Location of Sale:	Ansonia City Hall, Office of the Acting Comptroller, 253 Main Street, Ansonia, CT 06401.
Issuer:	City of Ansonia, Connecticut (the "City").
Issue:	\$5,000,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	May 15, 2019.
Interest Due:	At maturity: August 29, 2019.
Principal Due:	At maturity: August 29, 2019.
Purpose:	The proceeds of the Notes are being used to finance a new police headquarters and various City Capital Improvements.
Redemption:	The Notes are subject to redemption prior to maturity.
Security and Remedies:	The Notes 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 and interest on the Notes when due.
Credit Rating:	No application for a rating on the Notes has been made to any rating agency. The City's outstanding bond rating is "AA" from S&P Global Ratings and "Aa3" from Moody's Investor Service.
Note Insurance:	The City does not expect to direct purchase a credit enhancement facility.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Notes <u>shall NOT</u> 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 Notes.
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 Notes 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.
Municipal Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut will act as Municipal 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 Notes in book-entry-only form will be made to The Depository Trust Company on or about May 15, 2019. Delivery of the Notes will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Ms. Kimberly A. DeStefano, Acting Comptroller, Ansonia City Hall, 253 Main Street, Ansonia, Connecticut 06401. Telephone (203) 736-5916.

I. Note 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 \$5,000,000 General Obligation Bond Anticipation Notes (the "Notes") 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 Notes. 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 Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The Notes are being offered for sale through public bidding. A Notice of Sale dated April 22, 2019 has been furnished to prospective bidders and is included herein as Appendix D for the Notes. 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 Notes.

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 2018 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 Notes and notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed in substantially the form of Appendix C to this Official Statement.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Municipal Advisor to the City with respect to the issuance of the Notes (the "Municipal Advisor"). The Municipal 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 Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Notes

Description of the Notes

The Notes will be dated May 15, 2019 and will be due and payable as to both principal and interest at maturity, August 29, 2019. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes 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 established by DTC and its participants. See “Book-Entry Transfer System”. The Notes are not subject to redemption prior to maturity.

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

Information regarding reoffering prices or yields, if any, in the official statement, is provided by and solely the responsibility of the winning bidder or bidders.

Redemption Provisions

The Notes are NOT subject to redemption prior to maturity.

Authorization and Purpose

The Notes 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 Board of Aldermen. (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 Notes are expected to finance the following projects.

<i>Project</i>	<i>Amount Authorized</i>	<i>Maturing Notes Due: 5/15/19</i>	<i>This Issue Notes Due: 8/29/19</i>
Capital Improvements 2016-17	\$ 18,295,000	\$ 5,000,000	\$ 5,000,000
<i>Totals.....</i>	\$ 18,295,000	\$ 5,000,000	\$ 5,000,000

Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes 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 Notes, one fully-registered Note certificate will be issued for each interest rate on the Notes.

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 S&P Global Ratings 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all the Notes 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 the Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments with respect to the Notes 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 the City or Paying Agent, on the 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 nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying 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 Notes at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note 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 the City believes to be reliable, but the City 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 Notes 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 Notes

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

Security and Remedies

The Notes 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 Notes when due.

Unless paid from other sources, the Notes 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 or of qualified disabled persons taxable at limited amounts. There were 161.88 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 Notes 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 Notes.

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 or City property to secure the Notes, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation debt including the Notes and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order a payment of a judgment on such Notes 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 may 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 Notes 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.

Under the Federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 thereof, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such chapter. 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 town, 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.

Qualification for Financial Institutions

The Notes shall NOT 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 for interest expense allocable to the Notes.

Availability of Continuing Disclosure 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 Notes, substantially in the form attached as Appendix C to this Official Statement (the “Continuing Disclosure Agreements”). The winning bidders’ obligation to purchase the Notes shall be conditioned upon their receiving, at or prior to the delivery of the Notes, 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

No application has been made to any rating agency for a rating on the Notes. The City’s current outstanding bond ratings are “AA” by S&P Global Ratings (“S&P”) and “Aa3” by Moody’s Investors Service (“Moody’s”). Such ratings reflect only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agencies furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. In the past the City has furnished certain information and materials to rating agencies, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by rating agencies if, in their judgment, circumstances so warrant.

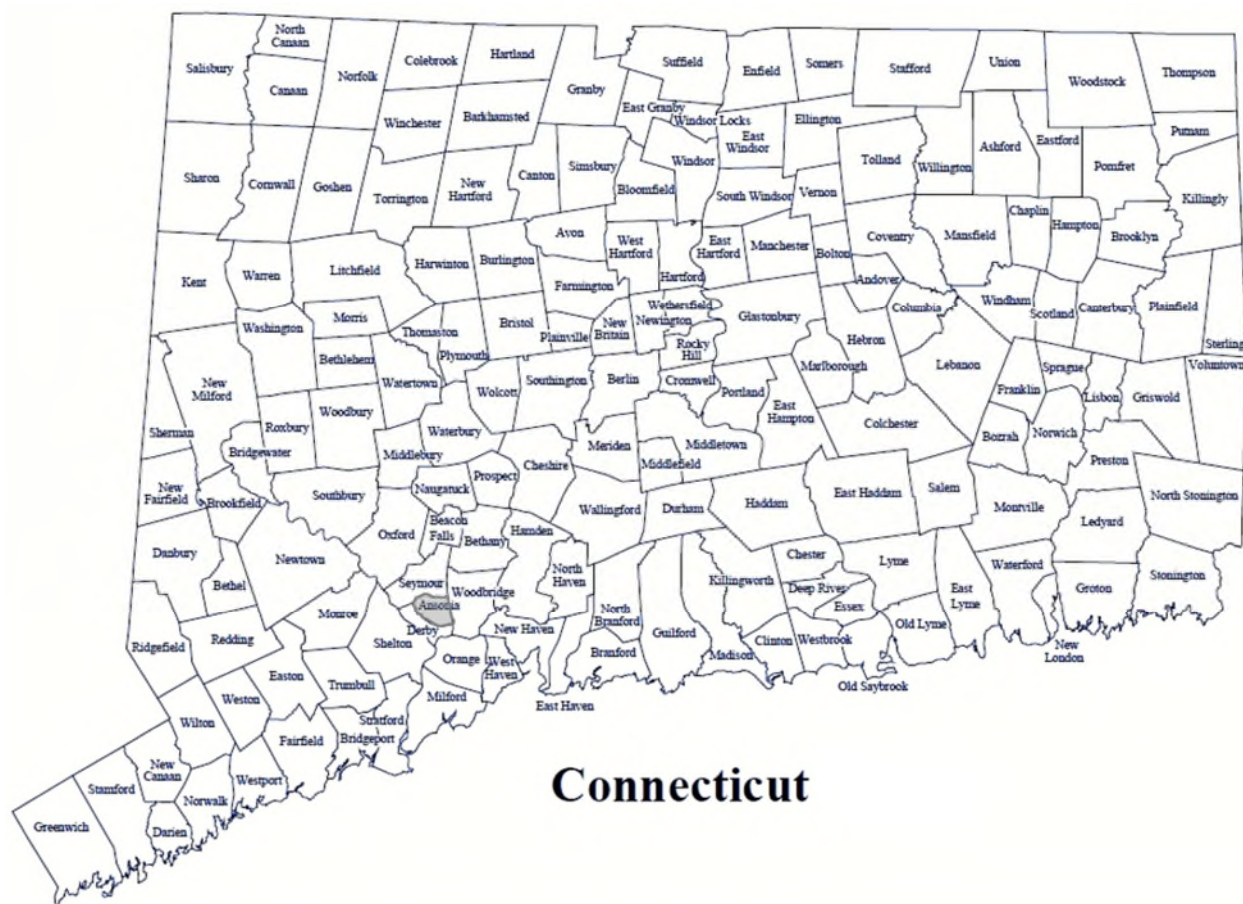
A rating is not legally required for the City to issue debt. The City’s Municipal Advisor, Phoenix Advisors, recommends that all bonded, long-term, debt be submitted for a credit rating.

Insurance

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

(The remainder of this page intentionally left blank)

II. The Issuer



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

<i>Office</i>	<i>Name</i>	<i>Manner of Selection</i>	<i>Date of Election / Appointment</i>
Mayor	David S. Cassetti	Elected	December 2017
City Treasurer	Judy Larkin Nicolari	Elected	December 2017
Comptroller (Acting).....	Kimberly A. DeStefano	Appointed	February 2019
Chairman, Board of Apportionment and Taxation	Gary Cassetti	Elected	January 2019
President, Board of Aldermen	Lorie Vaccaro	Elected	January 2019
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. The department is 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, the department sponsors 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 is being repaid solely from assessments and revenues generated by the WPCA. 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 2018-19 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, 2018 was 2,359 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
<u>Historical</u>						
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
2016-17	1,232	360	671	101	66	2,430
2017-18	1,238	362	592	91	65	2,348
2018-19	1,070	528	598	109	54	2,359
<u>Projected</u>						
2019-20	1,036	554	580	100	61	2,331
2020-21	1,020	576	562	100	61	2,319
2021-22	1,021	565	589	100	61	2,336
2022-23	983	576	586	100	61	2,306

Note: Special Education students allocated to individual grades.

Note: Special Education column is for outplaced students starting Fiscal Year 2017.

Source: Superintendent's Office.

School Facilities

School	Grades	Date of Construction (Remodeling)	Number of Classrooms	10/1/2018 Enrollment	Rated Capacity
Ansonia High.....	9-12	1999	56	598	700
Ansonia Middle....	Pre-K, 7-8	1936 (2000)	37	429	650
Mead	K-6	1967 (1998)	28	634	650
Prendergast.....	K-6	1959 (1998)	39	644	650
Total.....			160	2,305	2,650

Note: Enrollment does not include outplaced Special Education students.

Source: Superintendent's Office.

Municipal Employees

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

	2018-19	2017-18	2016-17	2015-16	2014-15
General Government.....	307	343	350	358	378
Board of Education.....	375	427	401	403	408
Total.....	682	770	751	761	786

Source: City of Ansonia.

Employee Relations and Collective Bargaining

	Positions Covered	Current Contract Expiration Date
General Government Unions		
Police - AFSCME, Council 15	37.0	6/30/2017 ¹
Public Works - Teamsters Local Union #667.....	24.0	6/30/2020
Clerical - UPSEU Local 424, Unit 38	36.0	6/30/2020
Sub-Total.....	97.0	
Board of Education Unions		
Teachers - Ansonia Federation of Teachers, Local 1012 AFL-CIO	163.0	6/30/2020
Administrators - Ansonia Administrators Organization	9.0	6/30/2020
Custodians - Teamsters Local Union #677, Ansonia BOE		
Custodian/Maintenance Personnel.....	17.0	6/30/2021
Secretaries/Nurses/Library - Ansonia Federation of		
Educational Personnel, AFL Local 3543.....	16.0	6/30/2021
Paraprofessionals - Ansonia Federation of Paraprofessionals, AFL Local 2181.....	14.0	6/30/2021
Cafeteria Workers - Ansonia BOE Food Service Employees United Public Service		
Employees Union, Local 424 – Unit 29.....	18.0	6/30/2020
Sub-Total.....	237.0	
Total.....	334.0	

¹ In negotiation.

Source: Director of Human Resources.

Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified 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 of Connecticut 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 of the parties. 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. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, 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 the 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

The City of 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 five and a half years Ansonia has experienced steadily increasing economic activity, accompanied by reinvestment in its infrastructure. Symbolic of Ansonia’s transformation was 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 square foot facility has been home to Farrel-Pomini, a multinational manufacturing company that specializes in the manufacturing of extrusion devices for the plastics industry for over 150 years. The Farrel-Pomini Corporation relocated from downtown Ansonia, where it had operated for over 150 years to a new industrial park. They were contemplating a relocation out of Connecticut. The new facility represents a \$10,000,000 investment in Ansonia and the preservation of approximately 90 + jobs as the company relocated and expanded its operations. They have added five new jobs in the past year and a half. These jobs are highly paid, technically skilled labor in the engineering field.

A major inducement for Farrel-Pomini to stay in Ansonia was a mix of state (\$750,000), federal (\$1,000,000) and city (\$250,000) funds to construct an access roadway that made the project feasible. With the relocation of Farrel-Pomini, the city realized an estimated \$300,000 in new tax revenue from the business and retained 90+ high tech jobs in the Valley.

Farrel-Pomini joins the existing tenants at the Fountain Lake Commerce Park, which include Spectrum Molding Resources (a 68,000 square foot, state-of-the-art facility), NPI Manufacturers and Homa Pump Technology, Inc. The creation of the access road to the top of the Fountain Lake Industrial Park opens an additional 2-3 site pads and 40 acres for future development. Currently, the owner is solidifying an agreement with a developer to purchase and utilize the remaining 40+ acres for light industrial use. The owner has agreed to a profit-sharing arrangement with the City and expects to receive another \$1 million in investment in the creation of site pads for additional tenants from the U.S. Economic Development Administration. This is a strong example of the public private partnerships which Mayor Cassetti and his administration have prioritized. The key to attracting and retaining investment has been the securing of over \$53 million in grant funding over the past five and a half years. This investment in infrastructure and the tools that allow investment to occur has spurred development that had been stagnant for decades in Ansonia.

The City utilized for the first time its tax abatement program to lure 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 the City, Better Packages doubled their research and development space from 1,000 square feet to 2,000 square feet, consolidated their Tampa, Florida operations to the City and saw an increase of 12% in their workforce. Moreover, it recently expanded an additional 5,000 square feet totaling 15,000 square feet and is thriving in its new home. They have also established a training facility to employ additional workers. They have inquired about additional expansion space. These public private partnerships which the City has created are garnering state-wide recognition. The State of Connecticut Department of Economic and Community Development's Celebrate CT recently recognized and awarded the City for one of the state's best regional economic development projects - Fountain Lake.

The City assisted with the relocation of Road Ready Cars from Bridgeport to the site of a former car dealership that had been vacant and blighted for nearly a decade. The City applied for a remediation grant for the owner to remove on site contaminated soil and received funding in the amount of \$600,000 which allowed the new owner to obtain bank financing and to remediate the soil. That development has brought over 100 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 crafted an agreement between the City and the owners which has resulted in the demolition

of 100,000 square feet of abandoned factories. The demolition has freed up between 10-12 acres of clean developable land. The biggest challenge the City faces is having available land for development. Because the City has had a rich tradition of manufacturing, a most common request is for manufacturing space. To that end, the City is working diligently to secure funding and to initiate a study of the site, to determine the future economic opportunities for the site, including planning for a new road that would extend from the original Riverside Drive Road and lead out to Route 8 making for easier truck passage and quicker interstate access. The City also worked with EPA and CT DEEP to remove over \$2 million in above ground waste found on the site to clean a good portion of the property.

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 is working with Cazenovia Creek LLC who has purchased many of the City's delinquent tax liens and who is interested in purchasing the liens for this property which total over \$2 million. They would like to enter into an arrangement to purchase and develop it through their subsidiary entity. In the meantime, it is the city's intent to create a feasibility plan for redevelopment and to continue to secure remediation and demolition funds to clear more development space. The City anticipates a \$750,000 demolition grant for a portion of the site in June. The City is currently in discussions with a company that creates power generation plants which could result in future opportunities for this property.

Two privately owned developments, 158 Main Street and 200 Main Street are being completely renovated to include 65 units of market rate residential dwellings with retail on the first floor. The City is negotiating the sale of two large municipally owned buildings that sit in a crucial commercial corridor on 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 has contributed assessment and remediation funds from state grants it secured. The City is working together with the developers and the State of Connecticut Department of Economic and Community Development 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 a chain restaurant. Also included in the development is the construction of Aspen Dental which is slated to break ground this spring. HomeGoods, one of the nation's largest discount retailers of home furnishings and décor, opened a 35,000 square foot store in the Fall of 2017.

Apart from the large-scale development noted above, the City 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, Chiffrigo, The Hub, Copper City Bar and Grille, the Polish Deli, the Bangkok Room, Prima, expansion of Crave Restaurant (which was voted Best Latino Restaurant in 2015 and 2018 by Connecticut Magazine) with an outdoor patio. This past year Massimino's Restaurant, a mainstay in the City for fourteen years, built 6,000 sf of new construction in downtown and has opened its new restaurant and catering facility. The City is also renovating 65,000 sf of space to accommodate its new Police Headquarters and senior center. New parking will be constructed on East Main Street and a new parking garage is being contemplated to accommodate the expected pedestrian traffic around Main Street.

In addition to the restaurants, the City has also seen a proliferation of specialty stores, fitness facilities, automotive service providers, and professional offices. These include New Headings Adventure Gear, Brannigan's Auto Repairs and Service (recently expanded), Riverwalk Cross Training Center, Preferred Property Management Services and Copper City Development (property management and development). The beauty and hair cutting school anticipates over 200 students to be trained in downtown Ansonia. The city also welcomed a home healthcare and clothing store for nurses, aids, and Beyond Homecare Services and Beyond Scrubs which is a home healthcare specialty agency. Ace Cosmetology opened its doors in the last year. Two City owned buildings (153 Main Street and 497 East Main Street) which have sat vacant in downtown for many years, are being sought after by three different developers. One is planning 91 residential market rate apartments with a retail and restaurant component, another wants to add jobs and relocate and expand its light industrial operation currently in Derby to downtown Ansonia. They also would like to add residential lofts above their operation and a third developer contemplates 200 residential units with the addition of their own building on East Main Street.

With a new cultural Commission creating events, this past year's Harvest Festival drew over 10,000 residents and visitors in the downtown. The City's downtown is bustling with new events and new dining experiences. The Valley Arts Council relocated to Main Street and are showcasing their artwork, teaching art classes, creating studio art space for local artists in the largely unused Armory building. They are also hosting events in the City's downtown.

The City has secured \$500,000 in grant funds to complete segment 8 of the City's greenway project which had been stalled in the previous administration. This new segment includes a railroad crossing and pedestrian bridge and loops around to make a connection with downtown. Additional grant funds were secured for segments 3 and 4 which will highlight a lighthouse and restaurant row. A \$300,000 grant was obtained to restore sidewalks, curbing, lighting and other amenities on Main Street which has seen an abundance of activity in the past five years. Another grant was obtained to create the design for a segment of the greenway which will connect to Seymour. The City has the only river walk in the Lower Naugatuck Valley. City efforts have been recognized by the Connecticut Building Congress, a national panel of contractors for its design and implementation.

The new establishments join an existing business community that includes national and regional chains such as Big Y which has undergone significant renovations, 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). Rite Aid and Fitzpatrick's Jeep Dealership have newly renovated their businesses, with Fitzpatrick's spending \$1.2 million. The City also hosts several manufacturers (Stelray Plastic Products, Inc. which is building 10,000 sf of new commercial space, and American Precision Manufacturing) and construction companies. Stani Dairy, LLC now occupies 5,000 sf of light industrial space. This was a homegrown business that now produces yogurt for stores such as Fresh Market and Trader Joe's. They are also looking to create a retail store for their products and have been looking for sites.

RugPad USA relocated to downtown Ansonia from Bridgeport occupying 173,000 sf of space in the former Farrel buildings which had been dormant for 10 years. They have 100 employees and recently informed the City that they are looking for an additional 20,000 sf of space.

In addition to the business development activity, the City has made investments in its infrastructure and its public facilities. This includes a \$5.2 million grant for the total reconstruction from curb to curb including new decorative lighting and utilities, sidewalks, benches and landscaping. This road stretches for 1.5 miles in a commercial corridor along Wakelee Avenue. And \$2.1 million in funding to eradicate safety issues on a main road (Pulaski Highway and Prindle Avenue) that sees foot traffic from local students, and reconstruction/repaving of a municipal parking lot on West Main adjacent to the City's Train Station, and the paving of 60 city roads within the past 5 and 1/2 years. The City is in line to receive \$1.5 million in Road funding to improve and enhance the State Street Corridor that sees pedestrian traffic from the YMCA, the Amory which houses many of the children's recreational activities and a school in that area. The City is also preparing a grant application for several low-mid income census tract sidewalk rehabilitation areas in the lower ward section of the City.

The City is part of a twenty 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 the City, Sheila O'Malley, serves as the Regional Chair and has over 23 years of federal and municipal economic development experience.

The City is also part of a twenty-town consortium which is part of the first ever Connecticut Land Bank. The Land Bank was formed to assist municipalities with the redevelopment of chronically burdened brownfield sites. The City is also a member of the Naugatuck Valley Regional Brownfields' Pilot and its Economic Director serves as the vice-chairman. This 18-town region has access to assessment and remediation funds which the pilot uses to turn contaminated sites back into productive reuse. These funds have been used to turn Road Ready around have been accessed for the developer who is creating retail space adjacent to a Target and have been instrumental in helping with the former Ansonia Copper and Brass (ACB) site. The City was recently awarded a \$200,000 grant to evaluate the ACB site to conduct an A2 survey, do preliminary design work for an access road to Route 8 from ACB and to conduct sub-surface testing to determine amount of contamination on site.

To date, the City has received over \$54 million in grant funds. The City was also awarded an opportunity zone (one of only a handful in Connecticut) which allows developers to receive an abatement on their capital gains tax up to ten years or indefinitely depending on the duration of their project and provided it is in an opportunity zone. This zone runs along Main Street and further incentivized development along this critical corridor. Under the Mayor's leadership, the City has made it a priority to incentivize development, allowing for powerful tools including the City and Town Development Act which is a Public Act that allows a municipality to partner with private development by extending tax abatement of real property tax up to 20 years and securing grant funds to help bridge the gap on difficult sites.

The City has taken the initiative to eradicate unsightly conditions across the City with its powerful anti-blight law. The blight 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. The City now has the ability to remediate blighted properties in less than two weeks. Over 400 blighted properties have been remediated since its inception. The new program is seeing a positive impact on property values, helped attract investors in the City and has generated hundreds of thousands of dollars in revenue as owners have either paid the fines or pay them when the properties are sold or turned over to the lenders.

(The remainder of this page intentionally left blank)

Population and Density

Year	Actual Population¹	% Increase	Density³
2017 ²	18,953	(1.5)	3,148
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, 2013-2017.

³ Per square mile: 6.02 square miles.

Age Distribution of the Population

Age	City of Ansonia		State of Connecticut	
	Number	Percent	Number	Percent
Under 5.....	837	4.4%	186,188	5.2%
5 - 9.....	1,165	6.1	206,536	5.7
10 - 14.....	1,762	9.3	225,831	6.3
15 - 19.....	1,123	5.9	249,777	6.9
20 - 24.....	1,196	6.3	245,849	6.8
25 - 34.....	2,417	12.8	439,239	12.2
35 - 44.....	2,440	12.9	433,401	12.1
45 - 54.....	2,630	13.9	535,611	14.9
55 - 59.....	1,341	7.1	266,501	7.4
60 - 64.....	1,239	6.5	229,788	6.4
65 - 74.....	1,560	8.2	318,515	8.9
75 - 84.....	679	3.6	167,133	4.6
85 and over.....	564	3.0	90,109	2.5
Total.....	18,953	100.0%	3,594,478	100.0%
Median Age (Years).....	39.1		40.8	

Source: American Community Survey 2013-2017

Income Distribution

Income	City of Ansonia		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	383	8.5%	27,787	3.1%
\$10,000 to \$14,999.....	145	3.2	16,143	1.8
\$15,000 to \$24,999.....	525	11.7	41,072	4.6
\$25,000 to \$34,999.....	338	7.5	52,218	5.8
\$35,000 to \$49,999.....	448	9.9	82,371	9.2
\$50,000 to \$74,999.....	560	12.4	134,356	15.0
\$75,000 to \$99,999.....	540	12.0	122,244	13.6
\$100,000 to \$149,999.....	1,096	24.3	186,352	20.8
\$150,000 to \$199,999.....	284	6.3	100,359	11.2
\$200,000 or more.....	185	4.1	132,765	14.8
Total.....	4,504	100.0%	895,667	100.0%

Source: American Community Survey 2013-2017

Income Levels

	City of Ansonia	State of Connecticut
Per Capita Income, 2017 ¹	\$ 24,896	\$ 41,365
Per Capita Income, 2010.....	\$ 26,225	\$ 36,775
Median Family Income, 2017 ¹	\$ 68,160	\$ 93,800
Median Family Income, 2010	\$ 71,329	\$ 84,170

¹ American Community Survey, 2013-2017

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.....	549	4.3%	104,623	4.2%
9th to 12th grade.....	792	6.2	137,877	5.6
High School graduate.....	5,218	40.5	673,582	27.2
Some college, no degree.....	2,596	20.2	422,535	17.0
Associate's degree	1,125	8.7	188,481	7.6
Bachelor's degree.....	1,405	10.9	532,055	21.5
Graduate or professional degree.....	1,185	9.2	421,144	17.0
Total.....	12,870	100.0%	2,480,297	100.0%
Total high school graduate or higher (%)	89.6%		90.2%	
Total bachelor's degree or higher (%)....	20.1%		38.4%	

Source: American Community Survey 2013-2017

Major Employers As of March 2019

Name	Business	Approximate Number of Employees
City of Ansonia.....	Municipality	682
Birmingham Group Health Services	Health care	100
Ansonia Plastics	Manufacturing	100
Target	Retail	100
NPI Medical	Healthcare	100
Farrell-Pimoni.....	Manufacturing	85
Big Y Supermarket.....	Retail grocery	85
Road Ready Cars	Car Dealership	75
Marshalls/HomeGoods.....	Retail	60
Stop & Shop Supermarket.....	Retail grocery	60
Better Packages	Manufacturing	50
Stelray Corp.	Manufacturing	50
Bob's Stores	Retail	50
RUGPAD USA	Retail	50

Employment by Industry
Employed Persons 16 Years and Over

Sector	City of Ansonia		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining	9	0.1%	7,166	0.4%
Construction	446	5.3	104,122	5.8
Manufacturing	1,227	14.7	191,519	10.6
Wholesale trade	148	1.8	44,741	2.5
Retail trade	1,390	16.6	193,016	10.7
Transportation and warehousing, and utilities	311	3.7	68,926	3.8
Information	145	1.7	42,200	2.3
Finance, insurance, real estate, rental & leasing	636	7.6	163,810	9.1
Professional, scientific, management, administrative, and waste mgmt services	632	7.5	208,130	11.5
Education, health and social services	2,168	25.9	478,083	26.5
Arts, entertainment, recreation, accommodation and food services	617	7.4	153,679	8.5
Other services (except public administration)	285	3.4	82,538	4.6
Public Administration	360	4.3	67,156	3.7
Total Labor Force, Employed	8,374	100.0%	1,805,086	100.0%

Source: American Community Survey 2013-2017

Employment Data
By Place of Residence

Period	City of Ansonia		Percentage Unemployed		
	Employed	Unemployed	City of Ansonia	Bridgeport /	State of
				Stamford	Connecticut
February 2019	8,685	573	6.2	4.4	4.4
Annual Average					
2018	8,767	526	5.7	4.1	4.1
2017	8,844	623	6.6	4.7	4.7
2016	8,787	678	7.2	5.2	5.3
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

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

Age Distribution of Housing

Year Built	City of Ansonia		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	3,260	41.8%	338,011	22.4%
1940 to 1969.....	2,595	33.2	535,477	35.5
1970 to 1979.....	816	10.5	200,217	13.3
1980 to 1989.....	586	7.5	191,939	12.7
1990 to 1999.....	302	3.9	114,261	7.6
2000 or 2009.....	233	3.0	105,131	7.0
2010 or later.....	15	0.2	22,675	1.5
Total Housing Units	7,807	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Commute to Work

	City of Ansonia		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone	6,925	85.6%	1,387,093	78.2%
Car pools	486	6.0	143,925	8.1
Used public transportation	219	2.7	86,778	4.9
Walked	251	3.1	51,059	2.9
Used other means	92	1.1	19,988	1.1
Worked at home	113	1.4	85,156	4.8
Total	8,086	100.0%	1,773,999	100.0%

Mean travel to work (minutes)	25.8	—	26.0	—
-------------------------------	------	---	------	---

Source: American Community Survey 2013-2017

Housing Inventory

Type	City of Ansonia		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached	3,651	46.8%	892,621	59.2%
1-unit, attached	477	6.1	81,393	5.4%
2 units	1,848	23.7	123,040	8.2%
3 or 4 units	968	12.4	130,914	8.7%
5 to 9 units	285	3.7	82,787	5.5%
10 to 19 units	256	3.3	56,540	3.8%
20 or more units	315	4.0	128,477	8.5%
Mobile home	7	0.1	11,564	0.8%
Boat, RV, van, etc.	-	-	375	0.0%
Total Inventory.....	7,807	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Housing Vacancy Rates

Housing Units	City of Ansonia		State of Connecticut	
	Units	Percent	Units	Percent
Occupied housing units	6,981	89.4%	1,361,755	90.3%
Vacant housing units	826	10.6%	145,956	9.7%
Total Units	7,807	100.0%	1,507,711	100.0%
Homeowner vacancy rate	—	1.8	—	1.9
Rental vacancy rate	—	11.6	—	6.6

Source: American Community Survey 2013-2017

Owner Occupied Housing Values

Specified Owner-Occupied Units	City of Ansonia		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	151	3.6%	24,038	2.7%
\$50,000 to \$99,999.....	62	1.5	29,789	3.3
\$100,000 to \$149,999.....	600	14.4	83,320	9.2
\$150,000 to \$199,999.....	1,097	26.3	141,024	15.6
\$200,000 to \$299,999.....	1,780	42.7	244,356	26.9
\$300,000 to \$499,999.....	415	10.0	236,671	26.1
\$500,000 to \$999,999.....	64	1.5	106,192	11.7
\$1,000,000 or more.....	-	-	41,408	4.6
Total.....	4,169	100.0%	906,798	100.0%
Median Sales Price.....	\$208,700		\$270,100	

Source: American Community Survey 2013-2017

(The remainder of this page intentionally left blank)

Number and Size of Households

<i>Household Characteristics</i>	<i>City of Ansonia</i>		<i>State of Connecticut</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Persons in households	18,886	—	3,478,451	—
Persons per household (average)	2.71	—	2.55	—
Persons per family (average)	3.46	—	3.15	—
Family households	4,504	64.5%	895,667	65.8%
Non-family households	2,477	35.5%	466,088	34.2%
All Households	6,981	100.0%	1,361,755	100.0%
Family households by type				
Married couple	2,815	62.5%	664,611	74.2%
Female householders, no spouse	1,270	28.2%	171,544	19.2%
Other	419	9.3%	59,512	6.6%
Total Family Households	4,504	100.0%	895,667	100.0%
Non-family households by type				
Householders living alone	2,170	87.6%	383,275	82.2%
Other	307	12.4%	82,813	17.8%
Total Non-Family Households	2,477	100.0%	466,088	100.0%

Source: American Community Survey 2013-2017

Building Permits

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

<i>Fiscal Year</i> <i>Ending 6/30</i>	<i>Residential</i>		<i>Commercial /Industrial</i>		<i>Totals</i>	
	<i>No.</i>	<i>Value</i>	<i>No.</i>	<i>Value</i>	<i>No.</i>	<i>Value</i>
2018	803	\$ 6,625,084	64	\$ 1,391,064	867	\$ 8,016,148
2017	798	6,155,294	63	1,911,905	861	8,067,199
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

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 physical revaluation occurred for the assessment year commencing October 1, 2017. The City's next physical observation will be for the assessment year commencing October 1, 2027. 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 Vehicles. Section 12-71e of the General Statutes allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (1) 39.00 mills for the 2016 assessment year (fiscal year beginning July 1, 2017 and ending June 30, 2018) or (2) 45 mills for the assessment year commencing October 1, 2017 and each assessment year thereafter. Section 4-66l of the Connecticut General Statutes establishes the municipal revenue sharing account which provides that sales tax revenue diverted to the fund shall mitigate the revenue loss attributed to the motor vehicle property tax cap. Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but prior to the first day of August in such assessment year, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ratio is based on the number of months of ownership, including the month of registration, to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal of market value.

Section 12-124a of the Connecticut General Statutes, as amended, permits a municipality, upon approval by 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. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. Section 12-170v of the Connecticut General Statutes permits a municipality upon approval by its legislative body to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

The City has not approved the use of the 12-124a or 12-170v abatement provisions to date.

All State of Connecticut permitted veterans and elderly tax relief programs are utilized.

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 lien-ed 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
2018	62.6	23.3	5.3	8.8	\$1,140,918	\$149,632	\$ 991,286	0.93
2017 ¹	72.3	13.2	5.2	10.1	996,750	14,587	982,163	9.03
2016	71.3	12.1	5.9	10.7	914,860	14,053	900,807	0.36
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)

¹ Revaluation.

Source: Assessor's Office, City of Ansonia.

(The remainder of this page intentionally left blank)

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 6/30/2018
2017 ¹	2019 ²	\$ 982,163	37.32	\$ 37,052	IN COLLECTION		
2016	2018	900,807	37.32	33,895	95.6%	4.4%	4.44%
2015	2017	897,567	37.32	33,672	96.2%	3.8%	1.60%
2014	2016	894,130	37.52	33,632	96.7%	3.3%	1.38%
2013	2015	892,497	38.61	33,873	96.5%	3.5%	1.23%
2012 ¹	2014	892,674	39.34	35,366	96.0%	4.0%	0.53%
2011	2013	1,174,494	27.65	32,475	96.3%	3.7%	0.54%
2010	2012	1,165,382	26.25	30,440	96.2%	3.8%	0.38%
2009	2011	1,164,620	25.75	29,887	96.5%	3.5%	0.19%
2008	2010	1,164,788	25.25	29,387	96.8%	3.2%	0.14%

¹ Revaluation.

² Subject to audit.

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

Property Tax Receivable

Fiscal Year Ending 6/30	Total Uncollected	Uncollected for Current Year of Levy
2018	\$ 2,096,486	\$ 1,504,881
2017	2,487,258	784,911
2016	2,629,780	1,124,080
2015	2,389,521	1,176,623
2014	3,449,940	1,427,900
2013	3,066,562	1,210,304
2012	2,837,066	1,175,955
2011	2,822,043	1,009,470
2010	2,596,800	927,286
2009	2,496,407	1,124,635

Source: Tax Collector's Report, Annual Audited Financial Statements.

(The remainder of this page intentionally left blank)

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
United Illuminating Co.....	Electric Utility	\$ 13,601,290	1.37%
AGS Ansonia LLC.....	Shopping Center (Big Y)	13,549,200	1.37%
Yankee Gas Services Co.....	Gas Utility	11,784,050	1.19%
Ansonia E & A LLC.....	Shopping Center (Stop & Shop)	8,799,500	0.89%
Target Corporation.....	Shopping Center	8,599,800	0.87%
445 Beaver Brook, LLC.....	Apartments	6,255,960	0.63%
Ansonia Riverview Apartment, LLC...	Apartments	4,057,250	0.41%
Regional Water Authority.....	Water Utility	3,961,610	0.40%
Ansonia BK LLC	Shopping Center	3,744,900	0.38%
Nissan Infiniti LT	Motor Vehicles	2,969,500	0.30%
Total.....		\$ 77,323,060	7.80%

¹ Based on October 1, 2018 Net Taxable Grand List of \$991,285,843.

Source: Assessor's Office.

(The remainder of this page intentionally left blank)

V. Debt Summary
General Obligation Principal Amount of Indebtedness
As of May 15, 2019
(Pro Forma)

Long-Term Debt ¹			Amount of	Outstanding	Fiscal Year
Date	Purpose	Rate %	Original Issue	After This Issue	of Final Maturity
09/01/16	General Purpose.....	2.00-3.00	\$ 4,970,000	\$ 4,220,000	2036
02/01/18	Series A - General Purpose.....	2.25-4.00	3,730,000	3,730,000	2038
02/01/18	Series A - School.....	2.25-4.00	1,565,000	1,565,000	2038
02/01/18	Series B - General Purpose.....	3.00-4.00	3,150,000	2,940,000	2033
Total			\$ 13,415,000	\$ 12,455,000	

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

Short-Term Debt
As of May 15, 2019
(Pro Forma)

Project	Amount Authorized	Maturing Notes Due: 5/15/19	This Issue Notes Due: 8/29/19
Capital Improvements 2016-17	\$ 18,295,000	\$ 5,000,000	\$ 5,000,000
Totals.....	\$ 18,295,000	\$ 5,000,000	\$ 5,000,000

General Obligation Debt Annual Bonded Maturity Schedule¹
As of May 15, 2019
(Pro Forma)

Fiscal Year Ended	Principal	Interest	Total	Cumulative Principal Retired
2019 ²	\$ -	\$ -	\$ -	0.0%
2020	740,000	367,745	1,107,745	5.9%
2021	740,000	340,645	1,080,645	11.9%
2022	740,000	313,545	1,053,545	17.8%
2023	740,000	286,445	1,026,445	23.8%
2024	740,000	260,745	1,000,745	29.7%
2025	740,000	243,145	983,145	35.6%
2026	740,000	224,635	964,635	41.6%
2027	740,000	205,215	945,215	47.5%
2028	740,000	184,885	924,885	53.5%
2029	740,000	164,450	904,450	59.4%
2030	740,000	143,910	883,910	65.4%
2031	735,000	123,265	858,265	71.3%
2032	735,000	102,615	837,615	77.2%
2033	735,000	81,615	816,615	83.1%
2034	520,000	60,265	580,265	87.2%
2035	520,000	46,380	566,380	91.4%
2036	520,000	32,250	552,250	95.6%
2037	275,000	17,531	292,531	97.8%
2038	275,000	8,938	283,938	100.0%
Total.....	\$ 12,455,000	\$ 3,208,224	\$ 15,663,224	

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

² Excludes \$1,625,000 in principal payments and \$398,620 in interest payments from July 1, 2018 through May 15, 2019.

Self-Supporting Debt Annual Bonded Maturity Schedule ²
As of May 15, 2019
(Pro Forma)

Fiscal Year Ended	Principal	Interest	Total	Cumulative Principal Retired
2019 ¹	\$ 184,753	\$ 45,731	\$ 230,484	0.8%
2020	1,974,754	485,371	2,460,125	9.4%
2021	2,014,613	445,512	2,460,125	18.1%
2022	2,055,277	404,849	2,460,125	26.7%
2023	2,096,761	363,364	2,460,125	35.4%
2024	2,139,083	321,042	2,460,125	44.0%
2025	2,182,259	277,866	2,460,125	52.6%
2026	2,226,307	233,819	2,460,126	61.3%
2027	2,040,443	190,417	2,230,860	69.1%
2028	2,003,923	150,515	2,154,438	76.7%
2029	2,044,371	110,067	2,154,438	84.2%
2030	2,085,636	68,803	2,154,438	91.8%
2031	2,127,733	26,706	2,154,438	99.4%
2032	179,238	299	179,537	100.0%
Total.....	\$ 25,355,152	\$ 3,124,361	\$ 28,479,513	

¹ Excludes \$1,750,930 in principal payments and \$478,711 in interest payments from July 1, 2018 through March 14, 2019.

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 May 15, 2019
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose	\$ 10,890,000
Schools	1,565,000
Sewers	-
Total Long-Term Debt.....	12,455,000
Short-Term Debt (Includes this issue due 8/29/19).....	5,000,000
Total Overall Debt.....	17,455,000
Less: School Construction Grants Receivable ²	-
Total Overall Net Debt.....	\$ 17,455,000

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 May 15, 2019
(Pro Forma)**

Population ¹	18,953
Net Taxable Grand List (10/1/18)	\$ 991,285,843
Estimated Full Value	\$ 1,416,122,633
Equalized Grand List (10/1/16) ²	\$ 1,435,095,890
Money Income per Capita ¹	\$ 26,225

	Total Overall Debt	Total Overall Net Debt
Per Capita.....	\$920.96	\$920.96
Ratio to Net Taxable Grand List.....	1.76%	1.76%
Ratio to Estimated Full Value.....	1.22%	1.22%
Ratio to Equalized Grand List.....	1.22%	1.22%
Debt per Capita to Money Income per Capita.....	3.51%	3.51%

¹ U.S. Department of Commerce, American Community Survey, 2013-2017.

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 resolution by the Board of Aldermen and approved at referendum. Notice of passage of the bond resolution shall be provided by newspaper publication.

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).

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:

<u>Sewer Revenue Secured</u>					
<u>Project</u>	<u>IFO/PLO</u>	<u>Date of Issue</u>	<u>Principal Loan</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Collection System	PLO	9/30/2007	\$5,082,808.11	2.0%	\$2,105,417.69
Sewage Treatment Plant	PLO	06/29/2012	\$35,822,894.59	2.0%	\$23,249,734.45

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 May 15, 2019 (Pro Forma)

Total Tax Collections (including interest and lien fees)

Received by the Treasurer for the year ended June 30, 2018 \$ 32,953,880

Reimbursement For Revenue Loss:

Tax relief for elderly -

Base for Debt Limitation Computation..... \$ 32,953,880

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 74,146,230	-	-	-	-
4 1/2 times base.....	-	\$148,292,460	-	-	-
3 3/4 times base.....	-	-	\$123,577,050	-	-
3 1/4 times base.....	-	-	-	\$107,100,110	-
3 times base.....	-	-	-	-	\$ 98,861,640
Total Debt Limitation.....	\$ 74,146,230	\$148,292,460	\$123,577,050	\$107,100,110	\$ 98,861,640

Indebtedness:

Bonds Outstanding.....	\$ 10,890,000	\$ 1,565,000	\$ - ²	\$ -	\$ -
Notes – This Issue.....	5,000,000	-	-	-	-
Debt Authorized But Unissued.....	9,025,000	-	-	-	-
Total Indebtedness.....	24,915,000	1,565,000	-	-	-
Less:					
State School Grants Receivable ¹	-	-	-	-	-
Total Net Indebtedness.....	24,915,000	1,565,000	-	-	-

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS..... \$ 49,231,230 \$146,727,460 \$123,577,050 \$107,100,110 \$ 98,861,640

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 \$27,901,270 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 \$230,677,160.

**Authorized but Unissued Debt
As of May 15, 2019
(Pro Forma)**

Project	Amount Authorized	Previously Bonded	Paydowns / Grants Expected or Received	Maturing Notes Due: 5/15/19	This Issue Notes Due: 12/5/19	Debt Authorized but Unissued
Demolition of the Riverside						
Housing Complex.....	\$ 5,200,000	\$ 3,150,000	\$ 1,025,000	\$ -	\$ -	\$ 1,025,000
Capital Improvements 2016-17	18,295,000	5,295,000	-	5,000,000	5,000,000	8,000,000
Totals.....	\$ 23,495,000	\$ 8,445,000	\$ 1,025,000	\$ 5,000,000	\$ 5,000,000	\$ 9,025,000

**Principal Amount of Outstanding Debt
Last Five Fiscal Years**

Long-Term Debt	2018	2017	2016	2015	2014
Bonds.....	\$ 14,080,000	\$ 8,140,000	\$ 5,700,000	\$ 8,500,000	\$ 11,340,000
Clean Water Fund.....	1,991,678	2,254,673	2,830,966	3,077,265	3,318,700
Sub-Total.....	16,071,678	10,394,673	8,530,966	11,577,265	14,658,700
Short-Term Debt					
Bond Anticipation Notes....	2,000,000	5,405,001	6,905,000	6,075,000	6,325,000
Grand Total.....	\$ 18,071,678	\$ 15,799,674	\$ 15,435,966	\$ 17,652,265	\$ 20,983,700

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 (%)
2018	\$ 897,567	\$1,282,238	\$ 14,080	1.57%	1.10%	18,953	\$ 742.89	2.98%
2017	894,130	1,277,329	8,140	0.91%	0.64%	18,953	429.48	1.73%
2016	892,497	1,274,996	5,700	0.64%	0.45%	18,953	300.74	1.21%
2015	892,674	1,275,248	8,500	0.95%	0.67%	18,953	448.48	1.80%
2014	1,174,494	1,677,848	11,340	0.97%	0.68%	18,953	598.32	2.40%

¹ U.S. Bureau of Census, American Community Survey, 2013-2017.

² U.S. Bureau of Census, American Community Survey, 2013-2017: Money Income Per Capita \$24,896.

(The remainder of this page intentionally left blank)

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

<i>Fiscal Year Ended 6/30</i>	<i>Total Debt Service</i>	<i>Total General Fund Expenditures ¹</i>	<i>Ratio of General Fund Debt Service to Total General Fund Expenditures (%)</i>
2019 ²	\$ 7,057,270	\$ 56,352,752	12.52%
2018	7,194,348	69,180,806	10.40%
2017	7,793,764	75,635,952	10.30%
2016	8,199,236	67,985,380	12.06%
2015	7,868,338	63,610,501	12.37%
2014	8,787,631	63,866,446	13.76%
2013	9,109,490	65,544,136	13.90%
2012	8,738,794	60,374,860	14.47%
2011	8,830,110	60,091,435	14.69%

¹ GAAP basis of accounting. Includes Transfers out.

² Budgetary basis of accounting; subject to audit

(The remainder of this page intentionally left blank)

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.

Section 4-66l(h) (the "Act"), as amended, reduces a municipality's 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 municipality's 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.

The Act requires that each municipality 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.

For fiscal years ending June 20, 2020 and each year thereafter, each municipal revenue sharing grant is proportionately reduced if amounts in the revenue sharing account are insufficient to fund all the revenue sharing grants.

The City's budget process must also anticipate the impact of the State's budget which proceeds simultaneously with the City's. Every session legislative proposals are set forth which if enacted would impact Connecticut municipalities. It is impossible to predict which will be enacted, if any. In the current legislative session one proposal contained in the Governor's budget is to transfer 25% of normal teacher retirement cost, not including unfunded pension liability, to municipalities.

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 2018-19	Fiscal 2019-2020	Fiscal 2020-21	Fiscal 2021-2022	Fiscal 2022-23	Fiscal 2023-24	Total
Board of Education.....	\$ 660,000	\$ 1,200,000	\$ 4,691,500	\$ -	\$ -	\$ -	\$ 6,551,500
Community Development	-	-	-	-	-	-	-
Culture-Recreation	-	50,000	-	-	-	-	50,000
Infrastructure	275,000	-	-	-	-	-	275,000
Public Safety	12,000,000	1,083,000	277,750	1,035,000	250,000	250,000	14,895,750
Public Works	200,000	-	-	-	-	-	200,000
Roadways	370,000	250,000	250,000	250,000	250,000	250,000	1,620,000
Total.....	\$ 13,505,000	\$ 2,583,000	\$ 5,219,250	\$ 1,285,000	\$ 500,000	\$ 500,000	\$ 23,592,250
Proposed Funding							
Bonds.....	\$ 13,000,000	\$ 1,468,000	\$ 602,750	\$ 1,035,000	\$ -	\$ -	\$ 16,105,750
Grants.....	350,000	847,400	3,508,540	-	250,000	250,000	5,205,940
General Fund.....	155,000	267,600	1,107,960	250,000	250,000	250,000	2,280,560
Total.....	\$ 13,505,000	\$ 2,583,000	\$ 5,219,250	\$ 1,285,000	\$ 500,000	\$ 500,000	\$ 23,592,250

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. The City has three different participating groups of employees within this plan, the Ansonia Clerical Employees, the Ansonia City 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	1,157	4,590	(3,433)	25.2%	-	-
7/1/2016	1,157	4,590	(3,433)	25.2%	-	-
7/1/2017	926	4,414	(3,488)	21.0%	-	-

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, 2015. 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 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%	\$ 20,335,000	N/A
6/30/2015	-	27,766,684	(27,766,684)	0.0%	18,585,724	N/A
6/30/2016	-	27,766,684	(27,766,684)	0.0%	18,585,724	N/A
6/30/2017	-	32,993,470	(32,993,470)	0.0%	19,225,433	N/A
6/30/2018	-	29,703,857	(29,703,857)	0.0%	19,865,142	N/A

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

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, 2018 is \$429,034.

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, 2018 or the three prior years. Insurance premiums of 535,731 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.

Comparative Balance Sheets – General Fund

Assets:	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Cash and cash equivalents	\$ 12,686,950	\$ 13,766,534	\$ 17,392,518	\$ 19,263,829	\$ 19,867,287
Investments	-	-	-	-	-
Receivables:					
Property taxes, net of allowance for					
collection losses of \$220,000.....	3,381,367	2,267,258	2,409,780	2,169,521	3,229,940
Sewer assessments.....	24,129	25,796	46,768	64,227	92,593
Intergovernmental.....	303,090	149,901	1,529,198	278,238	528,708
Accounts	580,852	354,161	385,700	319,125	196,329
Prepaid items/Inventory	110,095	244,856	78,865	-	-
Due from other funds	1,455,820	2,027,351	79,791	291,596	78,738
Total Assets	\$ 18,542,303	\$ 18,835,857	\$ 21,922,620	\$ 22,386,536	\$ 23,993,595
Liabilities, Equity, & Other Credits:					
<u>Current Liabilities</u>					
Accounts payable and accrued liabilities	\$ 3,567,124	\$ 3,305,405	\$ 3,577,871	\$ 2,847,013	\$ 4,100,533
Bond anticipation note	-	-	-	-	3,000,000
Due to other funds	3,111,058	1,170,196	946,469	706,907	1,371,695
	\$ 6,678,182	\$ 4,475,601	\$ 4,524,340	\$ 3,553,920	\$ 8,472,228
<u>Deferred Inflows of Resources</u>					
Taxes	\$ 2,799,693	\$ 2,178,077	\$ 2,187,601	\$ 1,937,395	\$ 2,923,885
Grants	1,384,598	344,099	1,635,243	942,293	753,323
Assessments	24,130	25,797	46,768	64,227	92,593
	4,208,421	2,547,973	3,869,612	2,943,915	3,769,801
Total Liabilities & Deferred Inflows of Resources	\$ 10,886,603	\$ 7,023,574	\$ 8,393,952	\$ 6,497,835	\$ 12,242,029
<u>Fund Balances</u>					
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	-	-	-	-	-
Committed	2,318,548	5,843,804	3,804,440	2,714,034	-
Assigned	-	-	-	-	-
Unassigned	5,337,152	5,968,479	9,724,228	13,174,667	9,532,434
Total Fund Balances	\$ 7,655,700	\$ 11,812,283	\$ 13,528,668	\$ 15,888,701	\$ 9,532,434
Total Liabilities, Deferred Inflow of					
Resources and Fund Balances.....	\$ 18,542,303	\$ 18,835,857	\$ 21,922,620	\$ 22,386,536	\$ 21,774,463
Unassigned Fund Balance as % of Revenue	8.0%	9.1%	14.8%	19.8%	14.2%
Total Fund Balance as % of Revenue	11.4% ¹	18.0%	20.6%	23.9%	14.2%

¹ See "General Fund Balance and Expenditures" footnote #3 on page 38.

(The remainder of this page intentionally left blank)

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

	Adopted Budget ¹ 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016	Actual 6/30/2015
Revenues:					
Property Taxes & Assessments.....	\$ 36,951,065	\$ 33,939,072	\$ 33,351,603	\$ 32,497,383	\$ 34,134,309
Intergovernmental.....	16,696,397	28,550,301	29,855,052	29,372,130	27,853,347
Licenses and permits	218,500	389,088	158,548	98,958	175,888
Current Charges.....	321,090	728,648	2,283,391	1,981,646	1,700,948
Fines.....	733,000	13,080	20,946	13,353	12,470
Interest, reimbursements and other	1,432,700	1,404,034	1,382,849	1,661,876	2,722,404
Total.....	\$ 56,352,752	\$ 65,024,223	\$ 67,052,389	\$ 65,625,346	\$ 66,599,366
Expenditures:					
General Government.....	\$ 5,328,316	\$ 4,803,233	\$ 4,911,602	\$ 4,843,331	\$ 5,086,883
Education.....	31,260,484	37,032,077	36,357,164	33,267,445	32,135,587
Public Works.....	3,839,581	4,293,500	4,108,205	4,065,291	4,278,733
Public Safety.....	7,313,424	7,437,296	7,738,542	7,484,291	6,951,611
Human Services.....	905,345	903,250	966,951	888,017	896,713
Grants-Education.....	-	5,674,302	6,391,227	5,240,532	4,894,247
Grants - Municipal	648,332	739,300	451,228	2,988,804	1,311,586
Capital Outlay.....	-	-	7,205	838,847	186,803
Debt Service.....	7,057,270	7,194,348	7,793,764	8,199,236	7,868,338
Total.....	\$ 56,352,752	\$ 68,077,306	\$ 68,725,888	\$ 67,815,794	\$ 63,610,501
Excess (Deficiency) of Revenues					
Over Expenditures.....	\$ -	\$ (3,053,083)	\$ (1,673,499)	\$ (2,190,448)	\$ 2,988,865
Other Financing Sources (Uses):					
Bond Premium.....	-	-	122,228	-	-
Bond Issuance	-	-	4,970,000	-	-
Operating transfers in.....	-	-	1,774,950	-	1,148,272
Operating transfers out.....	-	(1,103,500)	(6,910,064)	(169,586)	-
Net Other Financing Sources (Uses).....	\$ -	\$ (1,103,500)	\$ (42,886)	\$ (169,586)	\$ 1,148,272
Excess (Deficiency) Of Revenues And Other					
Financing Sources Over Expenditures and					
Other Financing Uses.....	\$ -	\$ (4,156,583) ³	\$ (1,716,385)	\$ (2,360,034)	\$ 4,137,137
Fund Equity, Beginning of Year.....	7,655,700 ⁴	11,812,283	13,528,668	15,888,701	11,751,564
Restatement	-	-	-	1 ²	-
Fund Equity, End of Year.....	\$ 7,655,700	\$ 7,655,700	\$ 11,812,283	\$ 13,528,668	\$ 15,888,701

¹ Budgetary basis of accounting; subject to audit

² As restated.

³ The City planned the use of fund balance for fiscal years 2018, 2017 and 2016 to stabilize the tax rate, to better align the fund balance percentage in accordance with the City's financial policy, adopted May 2015 by the Board of Aldermen, and to match Federal and State resources for various projects. The unassigned fund balance totaling \$5.3 million as of 6/30/18 puts the City in line with its 8-10% of the General Fund operating budget.

⁴ The City is projecting an operating deficit (GAAP basis) of approximately \$1.3 million for 6/30/19, which includes a \$475,000 planned use of fund balance offset in part by a \$200,000 operating surplus, \$310,000 for an unexpected sewer main break and a \$700,000 settlement payment to the Board of Education. The 6/30/19 total fund balance is expected to decrease from \$7.6 million to about \$6.3 million and unassigned fund balance is projected to decrease from \$5.3 million to approximately \$4.5 million.

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 Corporation Counsel, 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 Notes will be furnished the following documentation when the Notes 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 Notes 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 Notes 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. A receipt for the purchase price of the Notes.
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 Notes in substantially the form of Appendix C attached hereto.
6. The Issuer will provide to the winning bidder of the Notes up to 25 copies of the Official Statement for this Note 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 Municipal 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 Notes.

A record of the proceedings taken by the City in authorizing the Notes 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.

(The remainder of this page intentionally left blank)

Concluding Statement

This Official Statement is submitted only in connection with the sale of the Notes 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/ *Kimberly A. DeStefano*
KIMBERLY A. DESTEFANO, ACTING COMPTROLLER

Dated: April 30, 2019

Appendix A

2018 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, 2018. 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.

(This page intentionally left blank)



Guiding Successful People

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

Shelton
1000 Bridgeport Avenue,
Suite 210
Shelton, Connecticut 06484
P: 203-925-9600

Principals

John A. Accavallo CPA
Darin L. Offerdahl MBA CPA
Kerry L. Emerson

Francis H. Michaud Jr. CPA*
Sandra M. Woodbridge CPA*
Dominic L. Cusano MBA CPA*
*indicates retired

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, 2018, 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, 2018, 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, City's Municipal Employers' Retirement System Contributions, City's Proportionate Share of Net Pension Liability – Teachers Retirement Plan and Changes in the OPEB Liability and Related Ratios on pages 6-13 and 64-69 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, schedule of nationally recognized municipal security information repository, and the schedule of property tax levies 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 December 26, 2018 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

Ansonia, Connecticut
December 26, 2018

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, 2018. 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 \$57,263(*net position*).
- The Governmental and Business-Type activities total net assets increased/(decreased) by \$3,795 and \$1,080, respectively.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,870, a increase of \$674 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,338 or 7.84% of total general fund expenditures.
- The City's government-wide activities total debt increased by \$4,902 (9.96%) during the current fiscal year.
- The City's business-type activities total debt decreased by \$1,907 (6.68%) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, City Grants, 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 71). 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 62 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 63 to 69 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 70 to 81 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$41,953 at the June 30, 2018 an increase of \$6,964 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 26,424	\$ 24,275	\$ 10,396	\$ 10,193	\$ 36,820	\$ 34,468
Capital assets	66,063	58,874	43,235	44,258	109,298	103,132
Total assets	92,487	83,149	53,631	54,451	146,118	137,600
Deferred outflows of resources	4,064	2,333	-	-	4,064	2,333
Long-term liabilities outstanding	54,138	33,993	26,636	28,543	80,774	62,537
Other liabilities	11,793	9,536	233	226	12,027	9,762
Total liabilities	65,931	43,529	26,870	28,770	92,801	72,299
Deferred inflows of resources	118	-	-	-	118	-
Net position:						
Invested in capital assets, net of related debt	49,524	44,739	16,598	15,715	66,123	60,453
Restricted	9	10	-	-	9	10
Unrestricted	(19,032)	(2,797)	10,163	9,966.82	(8,869)	7,170
Total net position	\$ 30,502	\$ 41,952	\$ 26,761	\$ 25,682	\$ 57,263	\$ 67,633

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 \$5,044 in the current fiscal year. The government-wide activities accounted for \$3,795 of this increase added against the Business-type activities that had an increase in net position of \$1,080 primarily due to the charges for services in the business activities which were greater than increases in ongoing expenses during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities — Governmental activities increased the City's net position by \$3,795. Key elements of the increase are as follows:

- Overall expenses decreased by approximately \$4,969 (6.79%) due to decreases in the Public Works expenses under the prior year of \$3,149 (52.42%), Capital Outlay \$638 (30.98%), Public Safety \$937 (11.37%). Increases of expenses compared to the prior year was reported in General Government \$1,139 (28.9%).
- Depreciation for the current year was \$2,538.
- Overall revenues increased by \$3,797 (5.57%). The primary reason was decreased operating grants of \$1,638 and charges for services of \$1,370 (31.12%) netted against an increase in Capital grants of \$5,545 (523.15%) when compared against prior year.

City's Changes in Net position (\$000)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues:						
Charges for services	\$ 3,019	\$ 4,388	\$ 4,264	\$ 4,493	\$ 7,283	\$ 8,881
Operating grants/contributions	27,492	29,130	47	110	27,539	29,240
Capital grants/contributions	6,605	1,060	-	-	6,605	1,060
General revenues:						
Property taxes	34,561	33,342	-	-	34,561	33,342
Grants and contributions not restricted to specific programs	137	153			137	153
Unrestricted investment earnings	180	105	20	20	200	125
Gain(Loss) on disposal of assets	(18)	-	-	-	(18)	-
TOTAL REVENUES	71,976	68,178	4,331	4,623	76,307	72,801
EXPENSES						
General government	5,077	3,939	-	-	5,077	3,939
Education	45,884	46,503	-	-	45,884	46,503
Public works	2,857	6,006	2,698	2,585	5,555	8,591
Public safety	7,306	8,243	-	-	7,306	8,243
Human services	985	1,105	-	-	985	1,105
Capital outlay	1,423	2,061	-	-	1,423	2,061
Debt service	4,648	5,293	553	593	5,202	5,886
TOTAL EXPENSES	68,180	73,150	3,252	3,177	71,432	76,327
INCREASE(DECREASE) IN NET POSITION	3,795	(4,971)	1,079	1,445	4,875	(3,526)
Net position at beginning of year, as restated for July 1, 2017	26,707	46,923	25,682	24,236	52,389	71,159
NET POSITION AT END OF YEAR	\$ 30,502	\$ 41,952	\$ 26,761	\$ 25,682	\$ 57,263	\$ 67,633

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities — Business-type activities increased the City's net position by \$1,445. Key elements of this increase are as follows:

- Charges for services, for business-type activities, decreased by \$229 due to a decrease in user charges and demand. Operating grants/contributions from the State of Connecticut decreased by \$63. Even with the decrease in total revenues of \$292 added with slightly higher than previous years' expense of \$113 the WPCA reported an increase in net position of \$1,080.

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 \$10,870, a increase of \$674 in comparison with the prior year. Approximately 65.09% of this total amount or \$7,075 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 medical costs (\$400), 2) committed for compensated absences (\$429), 3) Committed for Capital Projects (\$615), 4) Committed for Future Budgets (\$475), 5) committed for workers compensation (\$400), 6) assigned for Special Revenue Funds (\$1,467) and 7) is non-spendable inventories (\$9).

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 \$5,337, while total fund balance reached \$7,656. 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 \$68,726. Unassigned fund balance represents 8.69% of the total general fund expenditures, while total fund balance represents 17.19% of that same amount.

In the current fiscal year, the City's general fund balance decreased by \$4,157, as indicated on page 21. The revenues amounted to \$59,978 while expenditures were \$63,031. It was anticipated during the preparation of the budget for the year ended June 30, 2018 that \$475 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 \$26,761 of which \$16,598 represents an investment in capital assets net of related debt. The total increase in net position for the fund was \$1080. 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 (\$1,414 increase in appropriations) can be briefly summarized as follows:

- \$409 decrease in appropriations for Board of Apportionment and Taxation.
- \$242 increase in appropriations for City Government.
- \$252 increase in appropriations for Police Department.
- \$326 increase in appropriations for Building and Refuse.
- \$500 increase in appropriations for Board of Education-Operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- \$1,237 increase in appropriations for Board of Education-Grants
- \$99 increase in appropriations for Grants - City.

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

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 increase in Building and Refuse was the City's anticipated costs for the various capital improvements.

The increase in Fire Department was the unanticipated capital costs.

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

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

- Actual revenues were unfavorable when compared to the final budget by \$8 due primarily less grant monies being recognized as revenues than anticipated in the fiscal year of \$944.
- Actual expenditures were favorable when compared to the Final Budget by \$2,287 primarily due to favorable results in the Board of Apportionment and Taxation (\$192), Police Department (\$152) Board of Education-Grants (\$871) and Insurance/Debt Service (\$1,057 netted against unfavorable Board of Education-operations (\$256).

Capital Asset and Debt Administration

Capital Assets — The City's investment in capital assets for its governmental and business type activities as of June 30, 2018, amounts to \$109,298 (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 1.01% before depreciation.

During the fiscal year the City's governmental activities invested in infrastructure such as the Riverwalk-Segment 8 \$1,414, Mead School Portables \$1,610, Wakelee Avenue \$1,077 and the Armory renovations of \$330. 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	5,711		5,711
Land improvements	1,231	-	1,231
Buildings and system	33,234	-	33,234
Machinery and equipment	4,259	49	4,308
Infrastructure	8,251	42,186	50,437
	<u>\$ 66,063</u>	<u>\$ 43,235</u>	<u>\$ 109,298</u>

Additional information on the City's capital assets can be found in Note 7 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 \$14,080. This amount is backed by the full faith and credit of the government. The City's total bonded debt increased by \$5,940 (72.9%) during the current fiscal year due to the issuance of a new bond in the amount of \$8,445.

Compensated Absences – the compensated absences liability of the City decreased by \$9 to \$2,496. City departments which comprise the majority of the balance are the Board of Education (\$898), Police (\$1,096), Public Works (\$150) and the Library Department (\$91).

Net Pension Liability — the City had total net pension liability of \$7,289. This obligation decreased by \$1,109 during the year ended June 30, 2018.

Other Post-Employment Benefits – At the end of the current fiscal year, the City had total other post-employment benefit obligations of \$29,704. This obligation increased by \$219 during the year ended June 30, 2018.

General Obligation Bonds - a summary of the general obligation bonds of the City of Ansonia, Connecticut, at June 30, 2018 is as follows:

Governmental Activities

	Principal	Interest	Total
Due in 2019	\$ 4,585	\$ 1,707	\$ 6,292
Due in 2019 to 2023	3,700	1,119	4,819
Due in 2024 to 2028	3,685	616	4,301
Due in 2029 to 2033	1,560	139	1,699
Due in 2034 to 2036	550	26	576
	<u>\$ 14,080</u>	<u>\$ 3,607</u>	<u>\$ 17,687</u>

Note Payable - a summary of the note payable of the City of Ansonia, Connecticut, at June 30, 2018 is as follows:

Notes Payable- State of Connecticut Business-type Activities

	Principal	Interest	Total
Due in 2019	\$ 1,945	\$ 515	\$ 2,460
Due in 2020 to 2024	10,331	1,970	12,301
Due in 2025 to 2029	10,140	934	11,074
Due in 2030 to 2034	4,220	88	4,308
	<u>\$ 26,636</u>	<u>\$ 3,507</u>	<u>\$ 30,143</u>

The City maintains an “AA” rating from Standard & Poor’s and an “Aa3” rating from Moody’s for general obligation debt.

The current debt limitation for the City is \$230,677 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 5.5% vs. 6.2% in the prior year, which is higher than the Connecticut unemployment rate of 5.1%.
- The Connecticut state government has reported an anticipated deficit for 2017-18, 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 decreased to \$5,337.

All of these factors were considered in preparing the City's budget for the 2018-19 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

(This page intentionally left blank)

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 18,653,850	\$ 7,624,129	\$ 26,277,979
Investments	533,334	-	533,334
Receivables:			
Property taxes, net of allowance for collection losses of \$220,000	3,381,367	-	3,381,367
Sewer Project fees receivable, net of allowance for uncollectable of \$97,000	-	2,133,831	2,133,831
Sewer user fees receivable, net of allowance of \$75,000	-	638,090	638,090
Sewer assessments	24,129	-	24,129
Intergovernmental	3,010,637	-	3,010,637
Accounts	623,558	-	623,558
Inventory	9,495	-	9,495
Prepaid items	100,285	-	100,285
Internal balances	87,089	(87,089)	-
Capital assets (net of accumulated depreciation)			
Land	13,377,372	1,000,285	14,377,657
Construction in progress	5,711,236	-	5,711,236
Land improvements	1,230,555	-	1,230,555
Buildings and system	33,233,844	-	33,233,844
Machinery and equipment	4,259,217	48,767	4,307,984
Infrastructure	8,251,005	42,185,773	50,436,778
TOTAL ASSETS	92,486,973	53,543,786	146,030,759
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	2,877,837	-	2,877,837
Deferred outflows related to OPEB	1,186,040	-	1,186,040
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 96,550,850	\$ 53,543,786	\$ 150,094,636
LIABILITIES			
Accounts payable and accrued liabilities	\$ 4,966,497	\$ 146,291	\$ 5,112,788
Bond anticipation notes	2,000,000	-	2,000,000
Deferred revenue - grants	4,613,652	-	4,613,652
Deferred revenue -other	213,301	-	213,301
Noncurrent liabilities:			
Due within one year	9,096,833	1,945,163	11,041,996
Due in more than one year	45,040,988	24,691,300	69,732,288
TOTAL LIABILITIES	65,931,271	26,782,754	92,714,025
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	117,541	-	117,541
NET POSITION			
Investment in capital assets, net of related debt	49,524,320	16,598,362	66,122,682
Restricted for:			
Inventories	9,495	-	9,495
Unrestricted:			
Net assets	(19,031,777)	10,162,670	(8,869,107)
TOTAL NET POSITION	30,502,038	26,761,032	57,263,070
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 96,550,850	\$ 53,543,786	\$ 150,094,636

See notes to financial statements.

**CITY OF ANSONIA, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental activities:			
General government	\$ (5,077,216)	\$ 690,374	\$ 412,226
Education	(45,883,506)	576,500	26,964,968
Public works	(2,857,167)	454,402	56,863
Public safety	(7,306,201)	1,227,655	15,141
Human services	(985,479)	69,714	42,423
Capital outlay	(1,422,575)	-	-
Interest on long-term debt	(4,648,336)	-	-
TOTAL GOVERNMENTAL ACTIVITIES	(68,180,480)	3,018,645	27,491,621
TOTAL BUSINESS-TYPE ACTIVITIES	(3,251,709)	4,263,948	46,959
TOTAL PRIMARY GOVERNMENT	\$ (71,432,189)	\$ 7,282,593	\$ 27,538,580

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

Net position at July 1, 2017, as restated

NET POSITION AT JUNE 30, 2018

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position Primary Government			
Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
\$ 701,597	\$ (3,273,019)	\$ -	\$ (3,273,019)
-	(18,342,038)	-	(18,342,038)
-	(2,345,902)	-	(2,345,902)
-	(6,063,405)	-	(6,063,405)
-	(873,342)	-	(873,342)
5,903,814	4,481,239	-	4,481,239
-	(4,648,336)	-	(4,648,336)
6,605,411	(31,064,803)	-	(31,064,803)
-	-	1,059,198	1,059,198
<u>\$ 6,605,411</u>	(31,064,803)	1,059,198	(30,005,605)
	34,560,689	-	34,560,689
	137,460	-	137,460
	179,866	20,231	200,097
	(18,372)	-	(18,372)
	<u>34,859,643</u>	<u>20,231</u>	<u>34,879,874</u>
	3,794,840	1,079,429	4,874,269
	<u>26,707,198</u>	<u>25,681,603</u>	<u>52,388,801</u>
	<u>\$ 30,502,038</u>	<u>\$ 26,761,032</u>	<u>\$ 57,263,070</u>

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Economic Development Commission	City Grants	Library Endowment Fund	Capital Projects	Other Governmental Funds	Totals Governmental Funds
ASSETS							
Cash	\$ 12,686,950	\$ 29,904	\$ 4,538,836	\$ 53,372	\$ 523,375	\$ 811,603	18,644,040
Investments	-	-	-	533,334	-	-	533,334
Receivables:							
Property taxes, net of allowance for collection losses of \$220,000	3,381,367	-	-	-	-	-	3,381,367
Sewer assessments	24,129	-	-	-	-	-	24,129
Intergovernmental	303,090	-	1,498,294	-	-	272,852	2,074,236
Accounts	580,852	42,236	-	470	-	-	623,558
Inventory	-	-	-	-	-	9,495	9,495
Prepaid items	110,095	-	-	-	-	-	110,095
Due from other funds	1,455,820	-	-	-	3,111,058	-	4,566,878
TOTAL ASSETS	<u>\$ 18,542,303</u>	<u>\$ 72,140</u>	<u>\$ 6,037,130</u>	<u>\$ 587,176</u>	<u>\$ 3,634,433</u>	<u>\$ 1,093,950</u>	<u>\$ 29,967,132</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 3,567,124	\$ -	\$ 1,008,971	\$ -	173,939	\$ 202,104	4,952,138
Bond anticipation note	-	-	-	-	2,000,000	-	2,000,000
Due to other funds	3,111,058	-	1,368,731	-	-	-	4,479,789
TOTAL LIABILITIES	<u>6,678,182</u>	<u>-</u>	<u>2,377,702</u>	<u>-</u>	<u>2,173,939</u>	<u>202,104</u>	<u>11,431,927</u>
DEFERRED INFLOWS OF RESOURCES							
Taxes	2,799,693	-	-	-	-	-	2,799,693
Grants	1,384,598	24,853	3,429,462	-	-	2,400	4,841,313
Assessments	24,130	-	-	-	-	-	24,130
	<u>4,208,421</u>	<u>24,853</u>	<u>3,429,462</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>7,665,136</u>
FUND BALANCES							
Fund balances:							
Nonspendable- inventories	-	-	-	-	-	9,495	9,495
Committed for medical costs	400,000	-	-	-	-	-	400,000
Committed for compensated absences	429,034	-	-	-	-	-	429,034
Committed for capital projects	614,514	-	-	-	-	-	614,514
Committed for future budgets	475,000	-	-	-	-	-	475,000
Committed for workers compensation	400,000	-	-	-	-	-	400,000
Assigned for Special Revenue Funds	-	-	-	587,176	-	879,951	1,467,127
Unassigned	5,337,152	47,287	229,966	-	1,460,494	-	7,074,899
TOTAL FUND BALANCES	<u>7,655,700</u>	<u>47,287</u>	<u>229,966</u>	<u>587,176</u>	<u>1,460,494</u>	<u>889,446</u>	<u>10,870,069</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	<u>\$ 18,542,303</u>	<u>\$ 72,140</u>	<u>\$ 6,037,130</u>	<u>\$ 587,176</u>	<u>\$ 3,634,433</u>	<u>\$ 1,093,950</u>	

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.	66,063,229
Long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	3,760,224
Deferred outflows and inflows of resources related to pensions, deferred charges or credits on debt refundings and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.	3,946,337
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(54,137,821)
Net position of governmental activities	<u>\$ 30,502,038</u>

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, 2018

	General	Economic Development Commission	City Grants	Library Endowment Fund	Capital Projects	Other Governmental Funds	Totals Governmental Funds
REVENUES							
Property taxes	\$ 33,939,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,939,072
State grants-education	25,612,694	-	-	-	-	-	25,612,694
State grants-municipal	2,937,607	226,566	5,677,248	-	-	1,514,526	10,355,947
Licenses and permits	389,088	-	-	-	-	-	389,088
Current charges	728,648	-	-	11,367	-	318,368	1,058,383
Fines	13,080	-	-	-	-	-	13,080
Unrealized/realized gain on investment	-	-	-	42,423	-	-	42,423
Interest, reimbursements and other	1,404,034	-	21,677	2,893	4,130	14,873	1,447,607
TOTAL REVENUES	65,024,223	226,566	5,698,925	56,683	4,130	1,847,767	67,155,239
EXPENDITURES							
Current:							
General government	4,803,233	-	-	-	-	-	4,803,233
Education	37,032,077	-	-	-	-	1,993,722	39,025,799
Public works	4,293,500	-	-	-	-	-	4,293,500
Public safety	7,437,296	-	-	-	-	26,282	7,463,578
Human services	903,250	-	-	28,700	-	-	931,950
Grants-Education	5,674,302	-	-	-	-	-	5,674,302
Grants-Municipal	739,300	-	-	-	-	-	739,300
Capital outlay	-	229,279	5,755,796	-	4,518,567	-	10,503,642
Debt Service	7,194,348	-	-	-	-	-	7,194,348
TOTAL EXPENDITURES	68,077,306	229,279	5,755,796	28,700	4,518,567	2,020,004	80,629,652
REVENUES OVER (UNDER) EXPENDITURES	(3,053,083)	(2,713)	(56,871)	27,983	(4,514,437)	(172,237)	(7,771,358)
OTHER FINANCING SOURCES (USES):							
Bond Premium	-	-	-	-	-	-	-
Bond Issuance	-	-	-	-	8,445,000	-	8,445,000
Operating transfers in	-	-	585,384	-	518,116	-	1,103,500
Operating transfers out	(1,103,500)	-	-	-	-	-	(1,103,500)
TOTAL OTHER FINANCING SOURCES(USES)	(1,103,500)	-	585,384	-	8,963,116	-	8,445,000
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES							
Fund balances	(4,156,583)	(2,713)	528,513	27,983	4,448,679	(172,237)	673,642
At July 1, 2017	11,812,283	50,000	(298,547)	559,193	(2,988,185)	1,061,683	10,196,427
FUND BALANCES	7,655,700	47,287	229,966	587,176	1,460,494	889,446	10,870,069
AT JUNE 30, 2018	\$ 7,655,700	\$ 47,287	\$ 229,966	\$ 587,176	\$ 1,460,494	\$ 889,446	\$ 10,870,069

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, 2018**

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

Net change in fund balances - total governmental funds	\$ 673,642
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.	7,188,151
Revenues from taxes and assessments are reported as income in the year revenues provide current financial resources to governmental funds.	619,951
Revenues of school construction grants are reported as resources to governmental funds.	(1,399,132)
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 as Pension expense	427,741
Change in deferred outflows related to OPEB	1,186,040
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.	(4,901,553)
Change in net position of governmental activities	\$ <u>3,794,840</u>

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, 2018

	Budgeted amounts			Variance with Final Budget- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 33,526,329	\$ 33,556,329	\$ 33,939,072	\$ 382,743
State grants-education	20,323,888	21,511,031	20,566,795	(944,236)
State grants-municipal	2,851,630	2,945,049	2,937,607	(7,442)
Licenses and permits	112,000	112,000	389,088	277,088
Current charges	601,080	757,537	728,648	(28,889)
Fines	18,000	18,000	13,080	(4,920)
Interest, reimbursements, and other	1,011,400	1,086,786	1,404,034	317,248
TOTAL REVENUES	58,444,327	59,986,732	59,978,324	(8,408)
EXPENDITURES				
Current				
Board of Apportionment and Taxation	629,259	220,081	28,211	191,870
City government	2,356,623	2,598,304	2,585,504	12,800
Elections	81,540	86,540	77,750	8,790
Building inspector	283,808	286,995	273,756	13,239
Mayors office	151,907	202,997	191,975	11,022
Finance	501,361	501,361	473,557	27,804
Information Technology	251,150	243,150	240,630	2,520
Economic development	147,521	149,821	149,785	36
Tax collector	215,490	260,490	249,023	11,467
Tax assessor	170,785	170,785	150,615	20,170
Town and City Clerk	362,526	367,526	365,428	2,098
Municipal planning	37,800	37,800	14,900	22,900
Police department	6,079,040	6,330,762	6,178,717	152,045
Fire department	358,486	377,705	363,886	13,819
ARMS	820,750	873,223	868,514	4,709
Emergency operation center	29,800	29,800	26,179	3,621
Engineering	46,944	46,944	36,896	10,048
Building and refuse	3,935,846	4,262,106	4,256,604	5,502
Board of Education-operations	31,260,484	31,760,484	31,986,178	(225,694)
Grants-Board of Education	5,278,010	6,515,153	5,674,302	840,851
Nature Center	212,726	212,726	204,370	8,356
Senior Center	160,443	160,443	141,192	19,251
Library	467,671	467,671	449,728	17,943
Recreation	101,244	118,449	107,959	10,490
Insurance / debt service	8,249,473	8,250,923	7,194,348	1,056,575
Grants-City	685,589	784,142	739,300	44,842
TOTAL EXPENDITURES	62,877,476	65,318,581	63,031,407	2,287,174
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,433,149)	(5,331,849)	(3,053,083)	2,278,766
OTHER FINANCING USES				
Operating transfers in(out)	-	(562,711)	(1,103,500)	(540,789)
TOTAL OTHER FINANCING SOURCES(USES)	-	(562,711)	(1,103,500)	(540,789)
REVENUES AND OTHER FINANCING USES OVER(UNDER) EXPENDITURES				
	\$ (4,433,149)	\$ (5,894,560)	(4,156,583)	\$ 1,737,977
Fund balance at July 1, 2017			11,812,283	
FUND BALANCE AT JUNE 30, 2018			\$ 7,655,700	

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF NET POSITION – PROPRIETARY FUND
JUNE 30, 2018

	Business-type Activities-
	Water Pollution Control Authority
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 7,624,129
Sewer user project fees receivable (net of allowance for uncollectable of \$97,000)	2,133,831
Sewer user fees receivable (net of allowance for uncollectable of \$75,000)	638,090
TOTAL CURRENT ASSETS	10,396,050
Capital assets -(net of accumulated depreciation)	43,234,825
TOTAL ASSETS	\$ 53,630,875
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities, including compensated absences	\$ 146,291
Deferred revenue	-
Due to other funds	87,089
Current portion of long-term debt	1,945,163
TOTAL CURRENT LIABILITIES	2,178,543
LONG-TERM DEBT - net of current portion	24,691,300
TOTAL LIABILITIES	26,869,843
NET POSITION	
Investment in capital assets, net of related debt	16,598,362
Unrestricted	10,162,670
TOTAL NET POSITION	26,761,032
TOTAL LIABILITIES AND NET POSITION	\$ 53,630,875

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

	Business-type Activities-
	Major Water Pollution Control Authority
OPERATING REVENUES	
Charges for services	\$ 1,742,428
OPERATING EXPENSES	
Salaries, benefits and claims	695,743
Materials and supplies	340,884
Depreciation	1,023,102
Utilities	413,448
Professional and consulting	45,966
Administration and operation	179,118
Total operating expenses	<u>2,698,261</u>
OPERATING LOSS	(955,833)
NON-OPERATING REVENUES(EXPENSES)	
Project fee revenue	2,521,520
Grant income	46,959
Interest income	20,231
Interest expense	(553,448)
NET NON-OPERATING REVENUE	<u>2,035,262</u>
NET INCOME	1,079,429
Net position at July 1, 2017	<u>25,681,603</u>
NET POSITION AT JUNE 30, 2018	<u>\$ 26,761,032</u>

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2018

	Business-type Activities- Water Pollution Control Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,651,071
Cash payments to suppliers	(974,736)
Cash payments to employees	(693,448)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(17,113)
CASH FLOWS FROM INVESTING ACTIVITIES - investment income	20,231
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Noncapital grant receipts	46,959
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	46,959
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Project fees revenues	2,499,665
Purchase of capital assets	-
Payments of principal and interest	(2,460,126)
NET CASH PROVIDED BY CAPITAL FINANCING ACTIVITIES	39,539
NET INCREASE IN CASH AND CASH EQUIVALENTS	89,616
Cash and cash equivalents at July 1, 2017	7,534,513
CASH AND CASH EQUIVALENTS AT JUNE 30, 2018	\$ 7,624,129
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (955,833)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,023,101
Changes in assets and liabilities:	
Accounts receivable	(91,357)
Accounts payable	2,602
Due to other funds	4,374
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (17,113)

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 120,213	\$ 283,507
Investments	3,041,985	266,424
Other receivables	918	-
TOTAL ASSETS	<u>3,163,116</u>	<u>549,931</u>
LIABILITIES - other liabilities	<u>861</u>	<u>549,931</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES	<u>\$ 3,162,257</u>	<u>\$ -</u>

See notes to financial statements.

**CITY OF ANSONIA, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2018**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
City of Ansonia	\$ 592,806
Plan members	<u>23,413</u>
	616,219
Investment income:	
Net appreciation (depreciation) in fair value of investments	217,932
Interest and dividends	<u>66,166</u>
	284,098
Less investment management fees	<u>26,309</u>
Net investment income	<u>257,789</u>
TOTAL ADDITIONS	874,008
DEDUCTIONS	
Benefits and other deductions	<u>715,724</u>
TOTAL DEDUCTIONS	<u>715,724</u>
CHANGE IN NET ASSETS	158,284
Net position held in trust for pension benefits and other purposes at July 1, 2017	<u>3,003,973</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES AT JUNE 30, 2018	<u><u>\$ 3,162,257</u></u>

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), was implemented on July 1, 2017. This statement revised and established new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions. Among other requirements, Statement No. 75 required governments to report a liability on the face of the financial statements for the OPEB that they provide: 1) Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. 2) Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. 3) Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The effects of the implementation of this statement is discussed in Note 14.

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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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) *City Grants* — is used to account for grant activity that requires more than one year to complete.
- (iv) *Library* — is used to account for the programs to provide literature and educational programs.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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 resources 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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, 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 liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPES liability), less the amount of the OPES plan's fiduciary net position. The OPES plan's fiduciary net position is determined using the same valuation methods that are used by the OPES plan for purposes of preparing its statement of fiduciary net position. The net OPES liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. 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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2017	\$ 10,196,427
Add: governmental capital assets, including general fixed assets and infrastructure as of July 1, 2017	122,984,290
Add: school construction grants receivable as of July 1, 2017	2,335,533
Add: tax revenue receivable as of July 1, 2017	2,178,076
Add: waterline revenue receivable as of July 1, 2017	25,797
Add: deferred interest in refunding	(50,943)
Add: deferred outflows	2,444,463
Deduct: accumulated depreciation as of July 1, 2017	(64,109,212)
Deduct: general obligation bonds payable as of July 1, 2017	(8,140,000)
Deduct: capital lease payable as of July 1, 2017	(656,580)
Deduct: net pension liability as of July 1, 2017	(8,398,347)
Deduct: other post retirement benefits as of July 1, 2017	(14,242,317)
A restatement to the July 1, 2017 net position was due recognizing the unfunded Other Post-employment Benefit liability	(15,242,838)
Deduct: compensation absences payable and other long-term liabilities as of July 1, 2017	(2,505,243)
Deduct: Deferred inflows related to pension as of July 1, 2017	(111,908)
NET POSITION AS OF JULY 1, 2017, as restated	<u>\$ 26,707,198</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$54,137,821 difference are as follows:

Bonds payable	\$ 14,080,000
Deferred interest	109,930
Net pension liability	7,288,921
Capital lease obligations	458,909
Other post retirement benefits	29,703,857
Compensated absences	<u>2,496,204</u>
Net adjustment to reduce fund balance - total	
governmental funds to arrive at net assets - governmental activities	<u>\$ 54,137,821</u>

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 \$7,188,151 difference are as follows:

Capital outlay	\$ 9,745,013
Depreciation expense	(2,538,490)
Loss on disposal of assets	<u>(18,372)</u>
Net adjustment to increase net changes in fund balances- total	
governmental funds, to arrive at changes in netassets of governmental activities	<u>\$ 7,188,151</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$4,901,553 difference are as follows:

General obligation debt principal repayments	\$ 2,505,000
General obligation debt issuance	(8,445,000)
Deferred interest	(65,157)
Premium on bonds	6,170
Capital lease	197,671
Net pension liability	1,109,426
Other post retirement benefits	(218,702)
Compensated absences	9,039
	<hr/>
Net adjustment to decrease net assets in fund balances - total	
governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (4,901,553)</u>

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 \$1,425,710 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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(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, 2018	\$ 59,978,324	\$ 63,031,407	\$ 7,655,700
State Teachers' Retirement on-behalf payments, not recognized for budgetary purposes	<u>5,045,899</u>	<u>5,045,899</u>	<u>-</u>
Balance, GAAP basis at June 30, 2018	<u>\$ 65,024,223</u>	<u>\$ 68,077,306</u>	<u>\$ 7,655,700</u>

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, 2018:

	Carrying and Fair Values
Deposits	\$ 12,114,183
Stif	413,437
Moneymarket	<u>14,144,269</u>
	<u>\$ 26,671,889</u>

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, 2018, the carrying amount of the City's deposits was \$26,671,889. The Primary Government balances were \$26,277,979, the Pension Trust Fund was \$120,213 and Agency Funds were \$283,507. The bank balances of

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

funds on deposit totaled \$29,539,555. Of the bank balance, \$939,259 was covered by federal depository insurance, \$2,857,030 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 \$25,713,266 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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 are shown below:

	<u>Carrying and Fair Values</u>	<u>Cost</u>	<u>Average Credit Quality Ratings</u>	<u>Weighted Average Maturity (Years)</u>
Library Fund:				
Mutual funds-Equity				
Fidelity Floating Rate High Inc	\$ 26,916 *	26,077	N/A	N/A
Blackrock Global Long/Short Credit	29,158 *	28,655	N/A	N/A
Cambiar International Equity	46,418 *	43,306	N/A	N/A
Fidelity Small Cap Discovery	32,225 *	27,872	N/A	N/A
Principal MidCap Instl.	42,827 *	35,008	N/A	N/A
Other mutual funds	328,660	332,169	N/A	N/A
JP Morgan Core Bond	27,130 *	27,417	N/A	N/A
Pension Fund:				
Mutual funds-Equity				
American Fundamental Investor	276,335 *	250,097	N/A	N/A
American Europacific Growth	407,192 *	385,992	N/A	N/A
Harbor Capital Appreciation	273,083 *	226,380	N/A	N/A
Dodge & Cox International Stock Fund	239,563 *	237,782	N/A	N/A
Neuberger and Berman Genesis	238,197 *	242,620	N/A	N/A
Vanguard 500 Index	466,679 *	366,938	N/A	N/A
Vanguard Total Bond Mrkt	370,122 *	384,581	N/A	N/A
Western Asset Core Plus Bond	620,755 *	643,085	N/A	N/A
Parametruc Comm-Strategy-I	150,059 *	165,815	AA	5.87
Scholarship Fund:				
Other mutual funds	266,424	266,424	N/A	N/A
	<u>\$ 3,841,743</u>	<u>\$ 3,690,218</u>		

*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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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. All of the interfund payable are expected to be repaid within one year.

As of **June 30, 2018**, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 1,455,820	\$ 3,111,058
Enterprise Fund	-	87,089
Special Revenue-City Grants	-	1,368,731
Capital Projects	-	(3,111,058)
	<u>\$ 1,455,820</u>	<u>\$ 1,455,820</u>

The purpose of the transfers to/from the General Fund to the Capital Project Fund was to pay down bond anticipation notes. The interfund transfers for the year ended **June 30, 2018** are as follows:

The interfund transfers as of June 30, 2018 is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
Major Fund:		
General Fund	\$ -	\$ 1,103,500
City Grants	585,384	
Capital Project Fund	518,116	-
	<u>\$ 1,103,500</u>	<u>\$ 1,103,500</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – CAPITAL ASSETS

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

	Balance July 1, 2017	Additions/ Transfers	Disposal/ Transfers	Balance June 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,377,372	\$ -	\$ -	\$ 13,377,372
Construction in progress	4,761,139	7,151,142	6,201,045	5,711,236
	18,138,511	7,151,142	6,201,045	19,088,608
Capital assets, being depreciated:				
Land improvements	3,627,405		-	3,627,405
Buildings and system	62,896,328	2,889,563	-	65,785,891
Machinery and equipment	19,930,536	917,063	89,380	20,758,219
Infrastructure	18,391,510	4,988,290	-	23,379,800
	104,845,779	8,794,916	89,380	113,551,315
Less accumulated depreciation for:				
Land improvements	2,362,659	34,191	-	2,396,850
Buildings and system	31,430,358	1,121,689	-	32,552,047
Machinery and equipment	15,495,291	1,074,719	71,008	16,499,002
Infrastructure	14,820,904	307,891	-	15,128,795
	64,109,212	2,538,490	71,008	66,576,694
Total capital assets, being depreciated, net	40,736,567	6,256,426	18,372	46,974,621
Governmental activities capital assets, net as restated	<u>\$ 58,875,078</u>	<u>\$ 13,407,568</u>	<u>\$ 6,219,417</u>	<u>\$ 66,063,229</u>
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	1,869,033	-	-	1,869,033
Infrastructure	54,489,838	-	-	54,489,838
	58,383,271	-	-	58,383,271
Less accumulated depreciation for:				
Buildings and system	2,024,400	-	-	2,024,400
Machinery and equipment	1,813,163	7,103	-	1,820,266
Infrastructure	11,288,066	1,015,999	-	12,304,065
	15,125,629	1,023,102	-	16,148,731
Total capital assets being depreciated, net	43,257,642	(1,023,102)	-	42,234,540
Business-type activity capital assets, net	<u>\$ 44,257,927</u>	<u>\$ (1,023,102)</u>	<u>\$ -</u>	<u>\$ 43,234,825</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

Governmental activities:	
Education	\$ 1,592,868
Public works	354,202
Public safety	279,465
General government	207,133
Human services	104,822
Total depreciation expense - governmental activities	<u>\$ 2,538,490</u>

NOTE 8 – LONG-TERM DEBT

Changes in long-term debt for the year ended **June 30, 2018** was as follows:

	Balance at July 1, 2017	Increases	Decreases	Balance at June 30, 2018	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 8,140,000	\$ 8,445,000	\$ 2,505,000	\$ 14,080,000	\$ 1,625,000
Deferred interest	(65,157)		(65,157)	-	-
Premium on bonds	116,100		6,170	109,930	6,148
Capital leases	656,580		197,671	458,909	116,764
Compensated absences	2,505,243	52,557	61,596	2,496,204	60,000
Other post retirement benefit obligations*	29,485,155	218,702		29,703,857	-
Net pension Liability	<u>8,398,347</u>	<u>78,535</u>	<u>1,187,961</u>	<u>7,288,921</u>	<u>7,288,921</u>
Governmental activity long-term liabilities	<u>\$ 49,236,268</u>	<u>\$ 8,794,794</u>	<u>\$ 3,893,241</u>	<u>\$ 54,137,821</u>	<u>\$ 9,096,833</u>
Business type activities:					
Notes payable - State of Connecticut	<u>\$ 28,543,140</u>	<u>\$ -</u>	<u>\$ 1,906,678</u>	<u>\$ 26,636,462</u>	<u>\$ 1,945,163</u>

*The unfunded Other-Post Employment Benefit liability is a new long-term liability beginning in Fiscal Year 2017-2018 as a result of the implementation of GASB No. 75. A restatement to the July 1, 2017 government-wide net assets to reflect unfunded actuarial accrued liability for the plan recognized on the statement of net asset. 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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

General Obligation Bonds

As of **June 30, 2018**, the outstanding general obligation bonded indebtedness serviced by the general fund of the City was as follows:

	<u>Outstanding Amount</u>
\$23,500,000 serial bond; issue of 1998; due October 2018; effective interest at 4.497%	\$ 1,165,000
\$3,150,000 serial bond issue of 2018; due June 2033; effective interest ranging from 3.1% to 4.0%	3,150,000
\$5,295,000 serial bond issue of 2018; due June 2038; effective interest ranging from 2.25% to 4.0%	5,295,000
\$4,970,000 serial bond issue of 2016; due March 2036; effective interest ranging from 2.000% to 3.000%	4,470,000
	<u>\$ 14,080,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,625,000	\$ 398,620	\$ 2,023,620
2020	740,000	367,745	1,107,745
2021	740,000	340,645	1,080,645
2022	740,000	313,545	1,053,545
2023	740,000	286,445	1,026,445
2024	740,000	260,745	1,000,745
2025	740,000	243,145	983,145
2026	740,000	224,635	964,635
2027	740,000	205,215	945,215
2028	740,000	184,885	924,885
2029	740,000	164,450	904,450
2030	740,000	143,910	883,910
2031	735,000	123,265	858,265
2032	735,000	102,615	837,615
2033	735,000	81,615	816,615
2034	520,000	60,265	580,265
2035	520,000	46,362	566,362
2036	520,000	32,250	552,250
2037	275,000	17,531	292,531
2038	275,000	8,938	283,938
	<u>\$ 14,080,000</u>	<u>\$ 3,606,826</u>	<u>\$ 17,686,826</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Notes Payable- State of Connecticut

As of **June 30, 2018**, the outstanding notes payable serviced by the Business-type activities of the City was as follows:

	<u>Outstanding Amount</u>
\$5,082,808 note payable to the State of Connecticut; payable in monthly installments of \$25,474 until September 30, 2026; effective interest rate at 2.0%	\$ 1,991,678
\$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%	24,644,784
	<u>\$ 26,636,462</u>

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

	Business-type activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,945,162	\$ 514,964	\$ 2,460,126
2020	1,984,425	475,701	2,460,126
2021	2,024,479	435,647	2,460,125
2022	2,065,342	394,784	2,460,126
2023	2,107,029	353,097	2,460,126
2024	2,149,558	310,568	2,460,126
2025	2,188,865	267,180	2,456,045
2026	1,928,622	225,817	2,154,439
2027	1,967,550	186,889	2,154,439
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
	<u>\$ 26,636,462</u>	<u>\$ 3,506,967</u>	<u>\$ 30,143,430</u>

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, 2018**, 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 \$1,083,468, with approximately \$311,579 in accumulated depreciation, in the governmental activities was acquired under capital lease obligations. Future minimum lease payments under the capital lease are as follows:

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

	2019	\$	131,470
	2020		131,470
	2021		78,865
	2022		78,865
	2023		78,864
			<u>499,534</u>
Less amounts representing interest			<u>(40,625)</u>
		\$	<u>458,909</u>

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, 2018	\$ 32,953,880
Reimbursement for revenue loss:	
Tax Relief for Elderly	<u>-</u>
	Base \$ <u>32,953,880</u>

The Connecticut General Statutes provide that the total authorized debt of the City shall not exceed seven times the above base, or \$230,677,162, 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	\$ 74,146,231				
4 ½ times base		\$ 148,292,461			
3 ¾ times base			\$ 123,577,051		
3 ¼ times base				\$ 107,100,111	
3 times base	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ 98,861,641
Total debt limitation	74,146,231	148,292,461	123,577,051	107,100,111	98,861,641
Indebtedness:					
Bonds payable	12,915,000	1,165,000	-	-	-
Bond anticipation notes	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of outstanding and authorized debt	<u>\$ 59,231,231</u>	<u>\$ 147,127,461</u>	<u>\$ 123,577,051</u>	<u>\$ 107,100,111</u>	<u>\$ 98,861,641</u>

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, 2018** was \$1,399,132. Additional payments for principal and interest aggregating \$936,401 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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$535,731 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.

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

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 2017 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, 2017. 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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Pension Liability

At June 30, 2017, the City reported a liability of \$904,642 for its proportionate share of the CMERS' net pension liability. The net pension liability was measured as of June 30, 2017. 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, 2017, to the measurement date of June 30, 2017.

Net Pension Liability of the City: The components of the net pension liability of the City at **June 30, 2018** was as follows:

	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Total City of Ansonia MERS
Total pension liability	\$ 21,282,045	\$ 16,159,825	\$ 24,095,960	\$ 61,537,830
Plan fiduciary net assets	<u>19,510,671</u>	<u>14,814,790</u>	<u>26,307,727</u>	<u>60,633,188</u>
Net Pension Liability	<u>\$ 1,771,374</u>	<u>\$ 1,345,035</u>	<u>\$ (2,211,767)</u>	<u>\$ 904,642</u>
Plan fiduciary net position as a percentage of the total pension liability	91.68%	91.68%	109.18%	98.53%
Percentage of the total	<u>1.071606%</u>	<u>0.813689%</u>	<u>2.88118%</u>	<u>4.76647%</u>

Pension expense and deferred outflows/inflows of resources

For the year ended **June 30, 2018**, the City recognized pension expense for their portion of the CMERS of \$1,629,150. At **June 30, 2018**, the City 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	Deferred	Deferred	Deferred
	Outflows of Resources	Outflows(Inflows) of Resources	Outflows of Resources	Outflows of Resources
Differences between expected and actual experience	\$ 33,676	\$ 25,571	\$ 886,644	\$ 945,891
Changes in proportional difference between employer contributions and proportional shares of contributions	72,908	22,528	84,609	180,045
Net difference between projected and actual earnings on investments	<u>141,842</u>	<u>107,703</u>	<u>253,669</u>	<u>503,214</u>
Total	<u>\$ 248,426</u>	<u>\$ 155,802</u>	<u>\$ 1,224,922</u>	<u>\$ 1,629,150</u>
Percentage of total	<u>1.071606%</u>	<u>0.813689%</u>	<u>2.881177%</u>	<u>4.766472%</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Total City of Ansonia MERS
<u>Year Ending June 30,</u>				
2019	\$ 81,826	\$ 30,088	\$ 446,268	\$ 558,182
2020	170,065	97,089	567,626	834,780
2021	73,185	27,016	361,566	461,767
2022	(76,650)	1,609	(150,538)	(225,579)
Total	<u>\$ 248,426</u>	<u>\$ 155,802</u>	<u>\$ 1,224,922</u>	<u>\$ 1,629,150</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 - June 30, 2012.

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

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:

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Asset Class	MERS Target	MERS Long-Term
	Allocation	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%	3.90%
Real estate	7%	5.10%
Private equity	10%	7.60%
Alternative investments	8%	4.10%
Liquidity fund	<u>3%</u>	0.40%
	<u>100%</u>	

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	Current	1% Increased
	to 7%	Discount Rate 8%	to 9%
Ansonia Clerical-MERS	\$ 3,027,526	\$ 1,771,374	\$ 705,923
Ansonia City Employees-MERS	\$ 2,298,853	\$ 1,345,035	\$ 536,020
Ansonia Police-MERS	\$ 1,207,493	\$(2,211,767)	\$ (5,055,685)

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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.

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

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.

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

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

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>\$ 43,622,931</u>
Total	<u>\$ 43,622,931</u>
City's covered-employee payroll	\$ 17,599,433
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%
Plan fiduciary net position as a percentage of the total pension liability	55.93%

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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

proportionate share of the net pension liability. For the year ended June 30, 2017, the City recognized pension expense and revenue of \$5,045,899 in on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21%	7.30%
Developed non-U.S. equities	18%	7.50%
Emerging markets (non-U.S.)	9%	8.60%
Core fixed income	7%	1.70%
Inflation linked bond fund	3%	1.30%
Emerging market bond	5%	4.80%
High yield bonds	5%	3.70%
Real estate	7%	5.90%
Private equity	11%	10.90%
Alternative investments	8%	0.70%
Liquidity fund	<u>6%</u>	0.40%
Total	<u>100%</u>	

Discount Rate

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

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

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

Other Information

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

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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Benefit provision may be amended by the employer through the collective bargaining agreement. As of July 1, 2017, 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

20

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, 2017, 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, 2017, 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

20

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.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

PENSION TRUST FUNDS

COMBINING STATEMENT OF NET POSITION

June 30, 2018

	Police Pension Fund	City Employees' Retirement	Total Pension Trust Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 54,746	\$ 65,467	\$ 120,213
Investments	795,336	2,246,648	3,041,984
Other receivables	223	695	918
TOTAL ASSETS	\$ 850,305	\$ 2,312,810	\$ 3,163,115
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Other liabilities	\$ 201	\$ 660	\$ 861
TOTAL CURRENT LIABILITIES	201	660	861
NET POSITION			
Reserved for employee retirement system	850,105	2,312,153	3,162,258
TOTAL NET POSITION	850,105	2,312,153	3,162,258
TOTAL LIABILITIES AND NET POSITION	\$ 850,306	\$ 2,312,813	\$ 3,163,119

CITY OF ANSONIA, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
YEAR ENDED JUNE 30, 2018

ADDITIONS			
Contributions			
City of Ansonia	\$ 294,243	\$ 298,563	\$ 592,806
Plan members	-	23,413	23,413
Total contributions	294,243	321,976	616,219
Investment income (loss)			
Net appreciation in fair value of investments	86,161	131,771	217,932
Interest and dividends	18,526	47,641	66,167
	104,687	179,412	284,099
Less investment management fees	13,809	12,500	26,309
Net investment income	90,878	166,912	257,790
TOTAL ADDITIONS	385,121	488,888	874,009
DEDUCTIONS - benefits and other			
benefits and other deductions	460,771	254,953	715,724
TOTAL DEDUCTIONS	460,771	254,953	715,724
CHANGE IN NET ASSETS	(75,650)	233,935	158,285
Net position held for pension benefits and other purposes at July 1, 2017	925,755	2,078,218	3,003,973
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES AT JUNE 30, 2018	\$ 850,105	\$ 2,312,153	\$ 3,162,258

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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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.

	<u>Police Pension</u>	<u>City Employees' Retirement</u>
Large Cap Equity	40.00%	32.50%
Mid/Small Cap Equity	10.00%	7.50%
International Equity (Developed)	8.00%	18.00%
International Equity (Emerging)	2.00%	4.50%
High Quality Fixed Income	30.00%	32.50%
Commodity	<u>10.00%</u>	<u>5.00%</u>
	<u>100%</u>	<u>100%</u>

Rate of Return: For the year ended **June 30, 2018**, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Asset Class	<u>Police Pension</u>		<u>City Employees'</u>	
	<u>Long-Term</u>		<u>Long-Term</u>	
	Expected Real Rate of Return	Weightin g	Expected Real Rate of Return	Weightin g
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%	<u>0.26%</u>	2.63%	<u>0.13%</u>
		3.89%		4.01%
Long-term inflation expectation		<u>2.25%</u>		<u>2.25%</u>
Long-term expected nominal return		<u>6.14%</u>		<u>6.26%</u>

Concentrations

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

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

	Police Pension Fund	City Employees' Retirement
Total pension liability	\$ 4,417,196	\$ 5,129,340
Plan fiduciary net assets	<u>850,105</u>	<u>2,312,152</u>
Net Pension Liability	<u>\$ 3,567,091</u>	<u>\$ 2,817,188</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>19.25%</u>	<u>45.08%</u>

Actuarial Assumptions (GASB 67): The total pension liability was determined by an actuarial valuation as of July 1, 2017, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2017. 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, 2017	July 1, 2017
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%	6.75%
Inflation	2.25%	2.25%
Retirement age	60	65
	RP-2000	RP-2000
	projected to valuation date	projected to valuation date
Mortality	using Scale AA	using Scale AA

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, 2018**(see the discussion of the pension plan's investment policy) are summarized in the following table:

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Asset Class	Police Pension	City Employees'
	Long-Term	Retirement
	Expected Real	Long-Term
	Rate of Return	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% for the City Pension and 8% for the Police Pension. 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% for the City Pension and 8% for the Police Pension, 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:

	1% Decrease	Current	1%
	to 7%	Discount	Increased to
<u>Net Pension Liability (Asset)</u>		<u>Rate 8%</u>	<u>9%</u>
Police Pension	<u>\$ 3,937,188</u>	<u>\$3,567,091</u>	<u>\$ 3,248,395</u>
	1% Decrease	Current	1%
	to 6.50%	Discount	Increased to
<u>Net Pension Liability (Asset)</u>		<u>Rate 7.5%</u>	<u>8.5%</u>
City Employees' Retirement	<u>\$ 3,420,898</u>	<u>\$2,817,188</u>	<u>\$ 2,309,594</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2018, the City recognized pension expense of \$247,296 for the Police Pension Plan and \$215,806 for the City Pension Plan. The City reported deferred outflows of resources related to pensions from the following sources:

	<u>Police Pension</u>		<u>City Pension</u>		<u>Total</u>	<u>Total</u>
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 51,392	\$ -	\$ 73,914	\$ -	\$ 125,306	\$ -
Changes in assumptions	332,020	-	791,361	-	1,123,381	-
Net difference between projected and actual earnings on investments	<u>-</u>	<u>(24,894)</u>	<u>-</u>	<u>(32,521)</u>	<u>-</u>	<u>(57,415)</u>
Total	<u>\$ 383,412</u>	<u>\$ (24,894)</u>	<u>\$ 865,275</u>	<u>\$ (32,521)</u>	<u>\$ 1,248,687</u>	<u>\$ (57,415)</u>

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 inactive, which was also 5 years. Amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

	<u>Police Pension</u>	<u>City Pension</u>
<u>Year Ending June 30,</u>		
2019	\$ 50,729	\$ 181,484
2020	41,230	178,762
2021	22,835	150,398
2022	34,844	175,559
2023	43,633	119,286
Thereafter	<u>165,247</u>	<u>27,265</u>
Total	<u>\$ 358,518</u>	<u>\$ 832,754</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2017. The post-retirement plan does not issue stand-alone financial reports.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) will be immediately recognized as OPEB Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

The employer does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis.

Membership in the plan consisted of the following at July 1, 2017, the date of the last actuarial valuation.

Active plan members	369
Retirees	92
Spouses of Retirees	37
Total members	<u>498</u>

The City's annual OPEB Liability is as follows:

Total OPEB liability	\$ 29,703,857
Plan fiduciary net position	<u>-</u>
Towns net OPEB liability	<u>\$ 29,703,857</u>
Covered payroll	N/A
Total OPEB liability as a % of covered payroll	N/A

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 74 and 75.

Discount rate

Discount rate	3.87%
20 Year Tax-Exempt Municipal Bond Yield	3.87%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Actuarial Assumptions

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

Valuation Date	July 1, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.75%
Healthcare cost trend rates	8.11% - 4.40% over 65 years
Salary increases	Grade by service for certified, 3.50% for all others

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

Balance as of June 30, 2017	<u>\$ 29,485,155</u>
Service cost	\$ 1,217,245
Interest on net OPEB liability	1,086,085
Administrative expenses	-
Investment gains or losses	-
Expected assumptions changes or inputs	(1,348,511)
Contributions made	<u>(736,117)</u>
Decrease in net OPEB liability	<u>218,702</u>
Net OPEB liability, ending	<u><u>\$ 29,703,857</u></u>

Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.87%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate.

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	<u>\$ 347,598,720</u>	<u>\$ 29,703,857</u>	<u>\$ 25,665,700</u>

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

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	<u>\$ 25,009,476</u>	<u>\$ 29,703,857</u>	<u>\$ 35,731,871</u>

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

OPEB Expense and Deferred outflows/inflows of Resources

The City recognized OPEB expense of \$2,140,859. The City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings	-	(1,186,040)
Changes of assumptions or other inputs	-	-
Total	<u>\$ -</u>	<u>\$ (1,186,040)</u>

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

<u>Year Ending June 30,</u>	
2019	\$ (162,471)
2020	(162,471)
2021	(162,471)
2022	(162,471)
2023	(162,471)
Thereafter	(373,685)

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, 2018**. 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 \$2,000,000 during the year ended June 30, 2018 in the form of a bond anticipation note at a rate of 1.25% per annum) due March 14, 2019.

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14– PRIOR PERIOD ADJUSTMENT

The City implemented GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions during the year ended June 30, 2018. The standard requires that the beginning balance of the OPEB obligation be restated as follows:

	<u>OPEB Liability</u>	<u>Net Assets</u>	<u>OPEB Expense</u>
Balance at June 30, 2017, before restatement	\$ -	\$ 41,950,036	\$ -
Restatement of OPEB balance (GASB 75)	<u>15,242,838</u>	<u>(15,242,838)</u>	<u>-</u>
Balance at June 30, 2017, as restated	<u>\$ 15,242,838</u>	<u>\$ 26,707,198</u>	<u>\$ -</u>

NOTE 15– SUBSEQUENT EVENT

Subsequent events were evaluated through December 26, 2018, the date the financial statements were available to be issued.

CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2018

Fiscal Year Ended June 30,	Police Retirement Plan		City Employee Retirement Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
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	265%
2016	294,243	107%	297,672	120%
2017	294,243	107%	297,672	120%
2018	294,243	100%	297,672	100%

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, 2017	July 1, 2017
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	6.75%	7.50%

**CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2018**

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
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	3,555	24.3%	-	-
July 1, 2014	1,141	4,696	3,555	24.3%	-	-
July 1, 2015	1,157	4,590	3,433	25.2%	-	-
July 1, 2016	1,157	4,590	3,433	25.2%	-	-
July 1, 2017	926	4,414	3,488	21.0%	-	-

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

	<u>Year ending June 30, 2018</u>		<u>Year ending June 30, 2017</u>		<u>Year ending June 30, 2016</u>		<u>Year ending June 30, 2015</u>		<u>Year ending June 30, 2014</u>	
	Police Retirement Plan	Employees' Retirement Plan	Police Retirement Plan	Employees' Retirement Plan	Police Retirement Plan	Employees' Retirement Plan	Police Retirement Plan	Employees' Retirement Plan	Police Retirement Plan	Employees' Retirement Plan
Total Pension Liability										
Service cost	\$ -	\$ 57,525	\$ -	\$ 64,096	\$ -	\$ 89,865	\$ -	\$ 78,361	\$ -	\$ 68,206
Interest on total pension liability	282,415	322,853	293,790	311,337	338,253	251,485	347,042	237,527	-	248,200
Effect of economic/demographic gains or (losses)										
gains or (losses)	76,395	523	5,143	42,192	(62,880)	(29,411)	34,864	96,546	353,794	(250,860)
Change in assumptions	104,846	92,907	-	-	327,835	1,176,880	-	-	64,990	-
Benefit payments	(460,771)	(254,953)	(474,143)	(239,067)	(483,694)	(220,056)	(499,847)	(232,587)	(506,513)	(183,112)
Net change in total pension liability	2,885	218,855	(175,210)	178,558	119,514	1,268,763	(117,941)	179,847	(87,729)	(117,566)
Total Pension Liability, beginning	<u>4,414,311</u>	<u>4,910,485</u>	<u>4,589,521</u>	<u>4,731,927</u>	<u>4,470,007</u>	<u>3,463,164</u>	<u>4,587,948</u>	<u>3,283,317</u>	<u>4,675,677</u>	<u>3,400,883</u>
Total pension liability, ending (a)	4,417,196	5,129,340	4,414,311	4,910,485	4,589,521	4,731,927	4,470,007	3,463,164	4,587,948	3,283,317
Fiduciary Net Position										
Employer contributions	\$ 294,243	\$ 297,672	\$ 310,314	\$ 356,918	\$ 315,777	\$ 356,918	\$ 400,000	\$ 866,274	\$ 400,000	\$ -
Member contributions	-	24,303	-	29,471	-	29,354	-	28,328	-	29,547
Investment income net										
of investment expenses	90,878	166,912	118,758	243,410	(18,735)	(33,475)	30,649	41,510	191,750	114,892
Benefit payments	(460,771)	(254,953)	(474,143)	(239,067)	(483,694)	(220,056)	(499,847)	(232,587)	(506,513)	(183,112)
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(75,650)	233,934	(45,071)	390,732	(186,652)	132,741	(69,198)	703,525	85,237	(38,673)
Fiduciary Net Position, beginning	925,755	2,078,218	970,826	1,687,486	1,157,478	1,554,745	1,226,676	851,220	1,141,439	889,893
Fiduciary net position, ending (b)	<u>850,105</u>	<u>2,312,152</u>	<u>925,755</u>	<u>2,078,218</u>	<u>970,826</u>	<u>1,687,486</u>	<u>1,157,478</u>	<u>1,554,745</u>	<u>1,226,676</u>	<u>851,220</u>
Net pension liability, ending (a)-(b)	<u>\$ 3,567,091</u>	<u>\$ 2,817,188</u>	<u>\$ 3,488,556</u>	<u>\$ 2,832,267</u>	<u>\$ 3,618,695</u>	<u>\$ 3,044,441</u>	<u>\$ 3,312,529</u>	<u>\$ 1,908,419</u>	<u>\$ 3,361,272</u>	<u>\$ 2,432,097</u>
Fiduciary net position as a %										
of total pension liability	19.25%	45.08%	20.97%	42.32%	21.15%	35.66%	25.89%	44.89%	26.74%	25.93%
Covered payroll	N/A	\$ 1,062,197	N/A	\$ 1,089,169	N/A	\$ 1,316,677	N/A	\$ 1,447,525	N/A	\$ 1,278,903
Net pension liability as a %										
of covered payroll	N/A	265%	N/A	260%	N/A	231%	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 THE CITY'S MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
PENSION CONTRIBUTIONS

	Year ending June 30, 2018			Year ending June 30, 2017			Year ending June 30, 2016			Year ending June 30, 2015		
	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS
Contractually required contribution	97,672	363,499	714,097	156,918	365,527	695,888	356,815	289,939	631,613	356,815	289,939	631,613
Contributions in relation to the contractually required contribution	(97,672)	(363,499)	(714,097)	(156,918)	(365,527)	(695,888)	(356,815)	(289,939)	(631,613)	(356,815)	(289,939)	(631,613)
Contribution deficiency(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered payroll	\$ 2,550,925	\$ 1,936,957	\$ 4,404,883	\$ 2,254,708	\$ 1,984,058	\$ 4,130,423	\$ 2,254,708	\$ 1,984,058	\$ 4,130,423	\$ 2,254,708	\$ 1,984,058	\$ 4,130,423
Contribbtions as a percentage of covered payroll	<u>3.83%</u>	<u>18.77%</u>	<u>16.21%</u>	<u>6.96%</u>	<u>18.42%</u>	<u>16.85%</u>	<u>15.83%</u>	<u>14.61%</u>	<u>15.29%</u>	<u>15.83%</u>	<u>14.61%</u>	<u>15.29%</u>

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

CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN

	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>\$ 43,622,931</u>	<u>\$ 46,022,526</u>	<u>\$ 35,215,816</u>
Total	<u>\$ 43,622,931</u>	<u>\$ 46,022,526</u>	<u>\$ 35,215,816</u>
City's covered-employee payroll	\$ 17,599,433	\$ 16,510,289	\$ 17,223,714
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%

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

CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 1,217,245
Interest	1,086,085
Expected assumptions changes or inputs	(1,348,511)
Benefit payments, including refunds of member contributions	<u>(736,117)</u>
Net change in total OPEB liability	218,702
 Total OPEB liability - beginning	 <u>29,485,155</u>
Total OPEB liability - ending (a)	<u>\$ 29,703,857</u>
 Covered payroll	 N/A
Total OPEB liability as a percentage of covered payroll	N/A

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

(This page intentionally left blank)

Appendix B

Form of Opinion of Bond Counsel and Tax Exemption

(This page intentionally left blank)

JOSEPH FASI LLC

56 ARBOR STREET, SUITE 418
HARTFORD, CONNECTICUT 06106

A T T O R N E Y S A T L A W

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 \$5,000,000 City of Ansonia, Connecticut General Obligation Bond Anticipation Notes, bearing a Dated Date and an Original Issue Date of May 15, 2019, maturing August 29, 2019 (the "notes").

We have examined a record of the proceedings authorizing the notes, a Tax Regulatory Agreement of the City dated May 15, 2019 (the "Tax Regulatory Agreement"), and other proofs submitted to us.

The notes 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 notes, 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 an Official Statement or other offering material relating to the notes (except to the extent, if any, stated in such 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 notes under authority of the constitution and statutes of the State of Connecticut and that when certified by the Certifying Agent the notes are a valid and binding general obligation 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 161.88 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 notes in order that interest on the notes 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 notes 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 notes is excludable from gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not a specific preference item for purposes of the Federal alternative minimum tax. We express no opinion regarding any other Federal tax consequences of ownership or disposition of, or receipt of interest on, the notes.

In rendering the foregoing opinions regarding the Federal income tax treatment of interest on the notes, 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 notes 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 any other State tax consequences of ownership or disposition of, or receipt of interest on, the notes.

The rights of owners of the notes and the enforceability of the notes 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

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met subsequent to delivery of the Notes in order that interest on the Notes 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 Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Notes 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 Notes 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 Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes 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 Notes is excludable from gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not a specific preference item for purposes of the Federal alternative minimum tax.

The "Tax Cut and Jobs Act" (H.R.1), repealed the Federal alternative minimum tax on corporations for taxable years beginning after December 31, 2017. For tax years beginning on or prior to December 31, 2017, interest on the Notes is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of the Federal alternative minimum tax on corporations.

Ownership of the Notes may also 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 Notes. Prospective purchasers of the Notes, 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 Notes.

In the opinion of Bond Counsel, based on existing statutes, interest on the Notes 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 Notes are advised to consult their own

tax advisors regarding the state and local tax consequences of ownership and disposition of the Notes.

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

FUTURE EVENTS

The Federal and State tax treatment of municipal bonds (including bond anticipation notes) is determined by Federal, State and local legislation, administrative pronouncements and court decisions. For example, The Tax Cut and Jobs Act, H.R.1, signed by the President on December 22, 2017, eliminated the alternative minimum tax on corporations for tax years beginning January 1, 2018, and changed individual and corporate tax rates and deductions. These changes to Federal tax law may also change the benefit of tax exempt bond ownership. Such Federal legislative proposals are continually being proposed and 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. The enactment of such proposals may adversely affect the tax treatment of: the interest paid on the Notes, 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.

Appendix C

Form of Continuing Disclosure Agreement

(This page intentionally left blank)

CONTINUING DISCLOSURE AGREEMENT

By The

CITY OF ANSONIA, CONNECTICUT

In Connection With The Issuance And Sale Of

\$5,000,000 City Of Ansonia, Connecticut

General Obligation Bond Anticipation Notes, Dated May 15, 2019

WHEREAS, the City of Ansonia, Connecticut (the "Issuer") has heretofore authorized the issuance of \$5,000,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes (the "Notes") bearing a Dated Date of May 15, 2019, maturing on August 29, 2019; and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the notes to provide notices of listed events 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 notes 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 Notes to meet the requirements of the Rule; and

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

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

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

"Listed Events" shall mean any of the events listed in Section 2 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>

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

Section 2. 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:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities; if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

(xiii) 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;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

Section 3. 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 Notes.

Section 4. 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 5. 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 adversely affect the beneficial owners of the Notes 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.

Section 6. 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 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 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 notice of occurrence of a Listed Event.

Section 7. 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 Notes.

Section 8. 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 of the beneficial owners of the Notes and shall be enforceable by them. 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 Notes of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes 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 Notes.

[Signature Page Follows]

CONTINUING DISCLOSURE AGREEMENT

By The

CITY OF ANSONIA, CONNECTICUT

In Connection With The Issuance And Sale Of

\$5,000,000 City Of Ansonia, Connecticut

General Obligation Bond Anticipation Notes, Dated May 15, 2019

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 _____
Kimberly A. DeStefano
Acting Comptroller

(This page intentionally left blank)

Appendix D

Notice of Sale

(This page intentionally left blank)

NOTICE OF SALE
\$5,000,000
CITY OF ANSONIA, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES

The City of Ansonia, Connecticut (the "Issuer"), will receive **ELECTRONIC BIDS via *PARITY*[®]** and **SEALED PROPOSALS** until:

11:30 A.M. (E.D.T.)
Tuesday, April 30, 2019

at **Ansonia City Hall, Office of the Acting Comptroller, 253 Main Street, Ansonia, Connecticut 06401**, for the purchase of:

\$5,000,000 CITY OF ANSONIA
GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: May 15, 2019
Due: August 29, 2019

NOT BANK QUALIFIED

The Notes will be payable to the registered owner on the maturity date and are not subject to redemption prior to maturity. They will bear interest (which interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Book-Entry/Denominations

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public, **unless the no book-entry option is requested**. See option for No Book-Entry below. The Notes will be issued in registered form and one note certificate for each interest rate 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 Notes in the minimum 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 or bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent in same-day funds to DTC or its nominee as registered owner of the Notes. 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.

Option For No Book-Entry

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate, and the request is submitted with the bid. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the City as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes, and is a qualified public depository under Connecticut law. The City reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, they are non-transferable, and must be held to maturity by the winning bidder requesting the No Book-Entry option.

Submitting Proposals

Proposals for the purchase of said Notes must be in the form of proposal for purchase attached hereto. A proposal may be for all or any part of the Notes but any proposal for a part must be for a minimum of \$100,000, of principal amount per interest rate bid, or a whole multiple thereof, and the total of all principal amounts bid shall not exceed \$5,000,000. No bid for less than par and accrued interest, if any, will be considered.

Unless all bids are rejected the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. The Issuer reserves the right to award to any bidder all or any part of the Notes bid for in his proposal. If a bidder is awarded only a part of the Notes bid for in his proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four places.

Any bid received after the time specified, as determined in the sole discretion of the Issuer, will not be reviewed or honored by the Issuer.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Notes must be submitted through the facilities of **PARITY**® until 11:30 A.M. (E.D.T.) on Tuesday, April 30, 2019. 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 Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Notes 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 Notes 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 Notes. 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 Notes, 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.

Sealed Bids

Sealed bids for the Notes must be in the form of proposal for purchase attached hereto, enclosed in sealed envelopes marked "Proposal for Notes" and addressed to David S. Cassetti,

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

Award

The Notes 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 April 30, 2019. 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 or bidders will be furnished with their opinion without charge.

The Notes 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 161.88 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 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 Notes (i) is excludable from 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 a specific preference item for purposes of the Federal alternative minimum tax.

Under existing statutes, the interest on the Notes 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 Notes, and further, will assume continuing compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement.

No opinion regarding any other Federal or State tax consequences of ownership or disposition of, or receipt of interest on, the **Notes** will be expressed.

See "Form of Opinion of Bond Counsel and Tax Matters" herein.

Issue Price Establishment and Certification

By submitting a bid each bidder agrees and is obligated to provide to the Issuer prior to closing an Issue Price Certificate in accordance with this Notice of Sale.

10% Sales Test or Hold-the-Offering-Price Rule to Apply if Competitive Sale Requirements are Not Satisfied

Summary: To establish issue price the Issuer expects the sale of the Notes to qualify under the competitive sale provisions of Treasury Regulation Section 1.148-1(f)(3)(i) and to establish the issue price pursuant to the competitive sale regulations.

In the event, in the opinion of Bond Counsel, the competitive sale regulations are not satisfied either the general rule of Treasury Regulation Section 1.148-1(f)(2) establishing the issue price as the first price at which 10% of each maturity is sold to the public (“General Rule”), or, the Hold-the-Offering-Price Rule, will apply. The winning bidder will communicate in writing to the Issuer the Issue Price Rule to be applied to the Notes before the close of business on the date of the sale. If no selection is made the Hold-the-Price Rule will apply.

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

If the no book-entry option is selected by the winning bidder, the issue price certificate will state that the winning bidder will hold the notes in its own portfolio without distribution to the public.

This Summary is qualified by the Terms of Issue Price Establishment and Certification of this Notice of Sale as follows:

Establishment of Issue Price: The winning bidder shall assist the Issuer in establishing the issue price of the Notes and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, in the form attached hereto as Notice of Sale Exhibits A-1, A-2 or A-3 (depending on the method of issue price determination).

All actions to be taken by the Issuer under this notice of sale to establish the issue price of the Notes may be taken on behalf of the Issuer by its Municipal Advisor. Any notice or report to be provided to the Issuer shall be provided to the Issuer’s Bond Counsel.

Competitive Sale: The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:

- (i) the Issuer shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the Issuer may receive bids from at least three underwriters of municipal notes who have established industry reputations for underwriting new issuances of municipal notes; and
- (iv) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid, and by submitting a bid, a bidder is representing that it has an established industry reputation for underwriting new issuances of municipal bonds.

Failure to Meet Competitive Sale Requirements: In the event that the competitive sale regulations are not satisfied, the Issuer shall so advise the winning bidder. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that the Notes will be subject to either the 10% Rule or the Hold-the-Offering-Price Rule in order to establish the issue price of the Notes.

If the Competitive Sale Rule requests are not met, the winning bidder will notify the Municipal Advisor and Bond Counsel in writing before 5:00 P.M. (Hartford time) on the day of the award of the Issue Price Rule to be applied to each maturity of the Notes. Failure to do so will result in application of the Hold-the-Offering-Price Rule.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes or all Notes have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes or all Notes have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Notes are awarded by the Issuer to the winning bidder.

No Book-Entry Issue Price Certification. In the event the no book-entry option is selected the issue price certificate will provide that the winner bidder will hold the Notes in its own portfolio without distribution to the public.

Documentation to Winning Bidders

In addition to Bond Counsel’s opinion, the winning bidder or bidders will also be furnished with a Signature and No Litigation Certificate, and 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 Notes will be certified by U.S. Bank National Association, unless the no book-entry option is chosen and the winning bidder elects pursuant to this Notice of Sale to be the Certifying Agent, Registrar and Paying Agent.

Bank Qualification

The Notes **shall NOT** 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 expenses allocable to the Notes.

Delivery and Payment

The Notes will be delivered to DTC or its Agent via “Fast” on or about May 15, 2019. The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. 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 by the purchaser. The Issuer’s Municipal Advisor will apply for CUSIP numbers in accordance with MSRB Rule G-34. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of the Issuer’s Municipal Advisor to obtain such numbers and to supply them to the Issuer in a timely manner, the purchaser’s failure to pay CUSIP charges or any other CUSIP assignment failure or delay.

If the no book-entry option is chosen the Notes will be delivered to the winning bidder, and a CUSIP number will not be required.

The purchase price must be paid in Federal Funds.

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 each winning bidder **25** copies of the Official Statement prepared for this 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 bidder at its own expense by arrangement with the printer. If the Issuer's municipal 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 Notes.

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 timely notice of the occurrence of certain listed events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the notes.

More Information

More information regarding this issue and the Issuer, reference is made to the Official Statement. Bid forms and copies of the Official Statement dated April 30, 2019, 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

Kimberly A. DeStefano
Acting Comptroller

April 22, 2019

(See attached for form of Proposal for Purchase)

PROPOSAL FOR NOTES
Electronic Bids via **PARITY**[®] or Sealed Written Proposals Accepted

April 30, 2019

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 April 22, 2019, which Notice is made a part of this proposal, we offer to purchase the indicated principal amount of \$5,000,000 of City of Ansonia, Connecticut General Obligation Bond Anticipation Notes and to pay therefor par and accrued interest, if any, to the date of delivery, and pay the premium specified below, if any (and we provide our computations of net interest cost carried to four decimals and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal) as follows:

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

Principal amount	_____	_____ %
Stated interest rate	_____	Percent Net Interest Cost
Premium	_____	(Four Decimals)

The undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in Federal Funds on the date of the Notes or as soon thereafter (but no later than 30 days thereafter) as such Notes may be prepared and ready for delivery by the Issuer.

(Name of Bidder)

(Mailing Address)

(Telephone Number)

(Authorized Signature)

(Facsimile Number)

☐ We request that the Notes be issued in non-book-entry form, and be registered in the name of the bidder, as provided in the Notice of Sale.

☐ **Only if submitting request that Notes not be issued in book-entry form:** We request to be designated as the Certifying Agent, Registrar and Paying Agent for the Notes, as provided in the Notice of Sale.

NOTICE OF SALE EXHIBIT A-1

COMPETITIVE SALE ISSUE PRICE CERTIFICATE

\$5,000,000 CITY OF ANSONIA, CONNECTICUT GENERAL OBLIGATION BOND ANTICIPATION NOTES

Delivery Date: May 15, 2019

Single Maturity Date: August 29, 2019

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”])[the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] as Purchaser of the Notes, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”).

1. ***Reasonably Expected Initial Offering Price.*** (a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”) attached hereto. The Expected Offering Prices are the prices for the Notes used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Notes. (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid. (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Notes in accordance with the specified written terms contained in the Notice of Sale published by the Issuer.

2. [SHORT NAME OF UNDERWRITER] believes it has an established industry reputation for underwriting new issuances of municipal notes.

3. ***Defined Terms.*** (a) *Maturity* means the Notes which all have the same maturity date and credit and payment terms. Notes with different stated interest rates are treated as separate Maturities. (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Notes. The Sale Date of the Notes is Tuesday, April 30, 2019. (d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate, including the members of the Underwriting Group) to participate in the initial sale of the Notes to the Public, including the Purchaser, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Notes, and by Joseph Fasi LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[UNDERWRITER][REPRESENTATIVE]

By:_____

Name:_____

Title:_____

Dated: April 30, 2019

SCHEDULE A EXPECTED OFFERING PRICES *(To Be Attached)*

SCHEDULE B COPY OF UNDERWRITER'S BID *(To Be Attached)*

NOTICE OF SALE EXHIBIT A-2

AT LEAST 10% OF EACH MATURITY ACTUALLY SOLD AT A SINGLE PRICE ISSUE PRICE CERTIFICATE

\$5,000,000 CITY OF ANSONIA, CONNECTICUT GENERAL OBLIGATION BOND ANTICIPATION NOTES

Delivery Date: May 15, 2019

Single Maturity Date: August 29, 2019

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”])[the “Representative”)], on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), as Purchaser of the Notes, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”).

1. ***Sale of the Notes.*** As of the date of this certificate the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means CITY OF ANSONIA, CONNECTICUT.

(b) *Maturity* means the Notes which all have the same maturity date and credit and payment terms. Notes with different interest rates are treated as separate Maturities. The Notes have one maturity date.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Notes, and by

JOSEPH FASI LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[UNDERWRITER][REPRESENTATIVE]

By:_____

Name:_____

Title:_____

Dated: April 30, 2019

SCHEDULE A SALE PRICES *(To Be Attached)*

PRICING WIRE *(To Be Attached)*

NOTICE OF SALE EXHIBIT A-3

HOLD-THE-OFFERING-PRICE RULE ISSUE PRICE CERTIFICATE

\$5,000,000 CITY OF ANSONIA, CONNECTICUT GENERAL OBLIGATION BOND ANTICIPATION NOTES

Delivery Date: March 14, 2019

Single Maturity Date: May 15, 2019

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”])[the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] as Purchaser of the Notes, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”).

1. *Initial Offering Price of the Notes.*

(a) [SHORT NAME OF UNDERWRITER][the “Representative”] offered each Maturity of the Notes to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the Underwriting Group] has[have] agreed in writing that, (i) for each Maturity of the [Hold-the-Offering-Price Maturities] Notes, it[they] would neither offer nor sell any of the Notes of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Notes at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes [Hold-the-Offering-Price Maturities] at a price that is higher than the respective Initial Offering Price for the Maturity of the Notes during the Holding Period.

2. *Defined Terms.*

(a) *Holding Period* means, for each Maturity of the Notes, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (Tuesday, April 30, 2019), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriting Group] has[have] sold at least 10% of such Maturity of the Notes to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means the City of Ansonia, Connecticut

(c) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities. The Notes have one maturity date, May 15, 2019.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is April 30, 2019.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Notes, and by Joseph Fasi LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Title: _____

Dated: April 30, 2019

SCHEDULE A INITIAL OFFERING PRICES (*To Be Attached*)

SCHEDULE B PRICING WIRE (*To Be Attached*)