

**CITY OF ANSONIA, CONNECTICUT**  
**AUDITED FINANCIAL STATEMENTS**  
**AND**  
**REQUIRED AND OTHER SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2018**



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# CITY OF ANSONIA, CONNECTICUT

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## **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
<b>REVENUES</b>						
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)	-
<b>TOTAL REVENUES</b>	<b>71,976</b>	<b>68,178</b>	<b>4,331</b>	<b>4,623</b>	<b>76,307</b>	<b>72,801</b>
<b>EXPENSES</b>						
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
<b>TOTAL EXPENSES</b>	<b>68,180</b>	<b>73,150</b>	<b>3,252</b>	<b>3,177</b>	<b>71,432</b>	<b>76,327</b>
<b>INCREASE(DECREASE) IN NET POSITION</b>	<b>3,795</b>	<b>(4,971)</b>	<b>1,079</b>	<b>1,445</b>	<b>4,875</b>	<b>(3,526)</b>
Net position at beginning of year, as restated for July 1, 2017	26,707	46,923	25,682	24,236	52,389	71,159
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 30,502</b>	<b>\$ 41,952</b>	<b>\$ 26,761</b>	<b>\$ 25,682</b>	<b>\$ 57,263</b>	<b>\$ 67,633</b>

## 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**

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
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
<b>TOTAL ASSETS</b>	<b>92,486,973</b>	<b>53,543,786</b>	<b>146,030,759</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension	2,877,837	-	2,877,837
Deferred outflows related to OPEB	1,186,040	-	1,186,040
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 96,550,850</b>	<b>\$ 53,543,786</b>	<b>\$ 150,094,636</b>
<b>LIABILITIES</b>			
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
<b>TOTAL LIABILITIES</b>	<b>65,931,271</b>	<b>26,782,754</b>	<b>92,714,025</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	117,541	-	117,541
<b>NET POSITION</b>			
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)
<b>TOTAL NET POSITION</b>	<b>30,502,038</b>	<b>26,761,032</b>	<b>57,263,070</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 96,550,850</b>	<b>\$ 53,543,786</b>	<b>\$ 150,094,636</b>

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
<b>ASSETS</b>							
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
<b>TOTAL ASSETS</b>	<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>
<b>LIABILITIES</b>							
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
<b>TOTAL LIABILITIES</b>	<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>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
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>
<b>FUND BALANCES</b>							
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
<b>TOTAL FUND BALANCES</b>	<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>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<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
<b>REVENUES</b>							
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
<b>TOTAL REVENUES</b>	<b>65,024,223</b>	<b>226,566</b>	<b>5,698,925</b>	<b>56,683</b>	<b>4,130</b>	<b>1,847,767</b>	<b>67,155,239</b>
<b>EXPENDITURES</b>							
<b>Current:</b>							
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
<b>TOTAL EXPENDITURES</b>	<b>68,077,306</b>	<b>229,279</b>	<b>5,755,796</b>	<b>28,700</b>	<b>4,518,567</b>	<b>2,020,004</b>	<b>80,629,652</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,053,083)</b>	<b>(2,713)</b>	<b>(56,871)</b>	<b>27,983</b>	<b>(4,514,437)</b>	<b>(172,237)</b>	<b>(7,771,358)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
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)
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>(1,103,500)</b>	<b>-</b>	<b>585,384</b>	<b>-</b>	<b>8,963,116</b>	<b>-</b>	<b>8,445,000</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>							
<b>Fund balances</b>	<b>(4,156,583)</b>	<b>(2,713)</b>	<b>528,513</b>	<b>27,983</b>	<b>4,448,679</b>	<b>(172,237)</b>	<b>673,642</b>
At July 1, 2017	11,812,283	50,000	(298,547)	559,193	(2,988,185)	1,061,683	10,196,427
<b>FUND BALANCES</b>	<b>7,655,700</b>	<b>47,287</b>	<b>229,966</b>	<b>587,176</b>	<b>1,460,494</b>	<b>889,446</b>	<b>10,870,069</b>
<b>AT JUNE 30, 2018</b>	<b>\$ 7,655,700</b>	<b>\$ 47,287</b>	<b>\$ 229,966</b>	<b>\$ 587,176</b>	<b>\$ 1,460,494</b>	<b>\$ 889,446</b>	<b>\$ 10,870,069</b>

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	
<b>REVENUES</b>				
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
<b>TOTAL REVENUES</b>	<b>58,444,327</b>	<b>59,986,732</b>	<b>59,978,324</b>	<b>(8,408)</b>
<b>EXPENDITURES</b>				
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
<b>TOTAL EXPENDITURES</b>	<b>62,877,476</b>	<b>65,318,581</b>	<b>63,031,407</b>	<b>2,287,174</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,433,149)</b>	<b>(5,331,849)</b>	<b>(3,053,083)</b>	<b>2,278,766</b>
<b>OTHER FINANCING USES</b>				
Operating transfers in(out)	-	(562,711)	(1,103,500)	(540,789)
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>-</b>	<b>(562,711)</b>	<b>(1,103,500)</b>	<b>(540,789)</b>
<b>REVENUES AND OTHER FINANCING USES OVER(UNDER) EXPENDITURES</b>				
	<b>\$ (4,433,149)</b>	<b>\$ (5,894,560)</b>	<b>(4,156,583)</b>	<b>\$ 1,737,977</b>
Fund balance at July 1, 2017			11,812,283	
<b>FUND BALANCE AT JUNE 30, 2018</b>			<b>\$ 7,655,700</b>	

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
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
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
<b>TOTAL CURRENT ASSETS</b>	<b>10,396,050</b>
Capital assets -(net of accumulated depreciation)	43,234,825
<b>TOTAL ASSETS</b>	<b>\$ 53,630,875</b>
<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,178,543</b>
LONG-TERM DEBT - net of current portion	24,691,300
<b>TOTAL LIABILITIES</b>	<b>26,869,843</b>
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	16,598,362
Unrestricted	10,162,670
<b>TOTAL NET POSITION</b>	<b>26,761,032</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 53,630,875</b>

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	2,698,261
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	2,035,262
NET INCOME	1,079,429
Net position at July 1, 2017	25,681,603
NET POSITION AT JUNE 30, 2018	\$ 26,761,032

See notes to financial statements.

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

	Business-type Activities- <u>Water Pollution Control Authority</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 1,651,071
Cash payments to suppliers	(974,736)
Cash payments to employees	<u>(693,448)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(17,113)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES - investment income</b>	<b>20,231</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Noncapital grant receipts	<u>46,959</u>
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b><u>46,959</u></b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Project fees revenues	2,499,665
Purchase of capital assets	-
Payments of principal and interest	<u>(2,460,126)</u>
<b>NET CASH PROVIDED BY CAPITAL FINANCING ACTIVITIES</b>	<b><u>39,539</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>89,616</b>
Cash and cash equivalents at July 1, 2017	<u>7,534,513</u>
<b>CASH AND CASH EQUIVALENTS AT JUNE 30, 2018</b>	<b><u>\$ 7,624,129</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
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	<u>4,374</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ (17,113)</u></b>

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>\$ 3,162,257</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**  
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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**  
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- (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**  
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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

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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**  
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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.



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**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**  
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**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>

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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**  
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(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**  
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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.

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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
Parametric 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.

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**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**  
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**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
<b>Governmental activities:</b>				
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>
<b>Business-type activity:</b>				
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**  
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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.

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**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**  
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**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:

	Outstanding Amount
\$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			
	Principal	Interest	Total	
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**  
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	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  
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**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.

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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.

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**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>

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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	<u>(76,650)</u>	<u>1,609</u>	<u>(150,538)</u>	<u>(225,579)</u>
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:



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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  
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**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](http://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.

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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**  
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**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:

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<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.

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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.

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**PENSION TRUST FUNDS**

**COMBINING STATEMENT OF NET POSITION**

**June 30, 2018**

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

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

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

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**  
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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.



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**NOTES TO FINANCIAL STATEMENTS**  
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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:

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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>

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*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**  
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**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.

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**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>\$ 29,703,857</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**  
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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><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></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>
<b>Total OPEB liability</b>	
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.

## **OTHER SUPPLEMENTARY INFORMATION**

**NONMAJOR GOVERNMENTAL FUNDS**

## **SPECIAL REVENUE FUNDS**

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

*Police Seizure* — is used to account for the seized assets from assets made by the Ansonia Police Department.

*Municipal Parking Authority* — is used to account for fees paid for parking.

*School Cafeteria* — is used to account for a school lunch program and the federal and state grants that are included within that program.

*Economic NTA* — is used to account for funds used for the economic betterment of the City of Ansonia.



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

	Police Seizure	Municipal Parking Authority	School Cafeteria	Economic NTA	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 68,736	\$ 168,191	\$ 565,546	\$ 9,130	\$ 811,603
Receivables:					
Intergovernmental	-	-	272,852	-	272,852
Inventory	-	-	9,495	-	9,495
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 68,736</b>	<b>\$ 168,191</b>	<b>\$ 847,893</b>	<b>\$ 9,130</b>	<b>\$ 1,093,950</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 202,104	\$ -	\$ 202,104
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>202,104</b>	<b>-</b>	<b>202,104</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenue-grants	-	-	-	2,400	2,400
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	9,495	-	9,495
Assigned	68,736	168,191	636,294	6,730	879,951
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>68,736</b>	<b>168,191</b>	<b>645,789</b>	<b>6,730</b>	<b>889,446</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 68,736</b>	<b>\$ 168,191</b>	<b>\$ 847,893</b>	<b>\$ 9,130</b>	<b>\$ 1,093,950</b>

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

<b>REVENUES</b>					
Federal and state grants	\$ 15,141	\$ -	\$ 1,499,385	\$ -	\$ 1,514,526
Charges for services	-	24,820	293,548	-	318,368
Income on investments	87	567	14,219	-	14,873
<b>TOTAL REVENUES</b>	<b>15,228</b>	<b>25,387</b>	<b>1,807,152</b>	<b>-</b>	<b>1,847,767</b>
<b>EXPENDITURES</b>					
Education	-	-	1,993,722	-	1,993,722
Public safety	26,282	-	-	-	26,282
Human services	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>26,282</b>	<b>-</b>	<b>1,993,722</b>	<b>-</b>	<b>2,020,004</b>
<b>EXCESS OF REVENUES (UNDER) OVER EXPENDITURES</b>					
	(11,054)	25,387	(186,570)	-	(172,237)
Fund balance at July 1, 2017	79,790	142,804	832,359	6,730	1,061,683
<b>FUND BALANCE (DEFICIT) AT JUNE 30, 2018</b>	<b>\$ 68,736</b>	<b>\$ 168,191</b>	<b>\$ 645,789</b>	<b>\$ 6,730</b>	<b>\$ 889,446</b>

## **FIDUCIARY FUNDS**

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts, Expendable Trusts, Non-Expendable Trusts and Agency Funds.

Agency Funds — utilize the modified accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and are used to account for the activities as listed below:

- Student Activity
- Student Scholarship Fund
- Senior Center
- Performance Bonds

**CITY OF ANSONIA, CONNECTICUT  
COMBINING SCHEDULE OF CHANGES IN ASSETS  
AND LIABILITIES – AGENCY FUNDS  
YEAR ENDED JUNE 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>STUDENT ACTIVITY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 196,316	\$ 294,238	\$ 293,257	\$ 197,297
<b>LIABILITIES</b>				
Due to student groups	\$ 196,316	\$ 294,238	\$ 293,257	\$ 197,297
<b>STUDENT SCHOLARSHIP FUNDS</b>				
<b>ASSETS</b>				
Investments	\$ 247,813	\$ 29,361	\$ 10,750	\$ 266,424
<b>LIABILITIES</b>				
Due to student groups	\$ 247,813	\$ 29,361	\$ 10,750	\$ 266,424
<b>SENIOR CENTER</b>				
<b>ASSETS</b>				
Cash	\$ 301	\$ 8,478	\$ 7,881	\$ 898
<b>LIABILITIES</b>				
Due to seniors	\$ 301	\$ 8,478	\$ 7,881	\$ 898
<b>PERFORMANCE BONDS</b>				
<b>ASSETS</b>				
Cash	\$ 112,477	\$ 5,207	\$ 32,372	\$ 85,312
<b>LIABILITIES</b>				
Due to developers	\$ 112,477	\$ 5,207	\$ 32,372	\$ 85,312
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 309,094	\$ 307,923	\$ 333,510	\$ 283,507
Investments	247,813	29,361	10,750	266,424
TOTAL ASSETS	\$ 556,907	\$ 337,284	\$ 344,260	\$ 549,931
<b>LIABILITIES</b>				
Due to student groups	\$ 444,129	\$ 323,599	\$ 304,007	\$ 463,721
Due to seniors	301	8,478	7,881	898
Due to developers	112,477	5,207	32,372	85,312
TOTAL LIABILITIES	\$ 556,907	\$ 337,284	\$ 344,260	\$ 549,931

## **OTHER SCHEDULES**

**CITY OF ANSONIA, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES  
YEAR ENDED JUNE 30, 2018**

Grand List October 1,	Uncollected Taxes July 1, 2017 and Current List	Corrections of Error			Balance to be Collected
		Additions	Deductions	Suspense	
2001	\$ 16,212	\$ -	\$ 16,212	\$ -	\$ -
2002	15,527	-	-	-	15,527
2003	14,949	-	-	-	14,949
2004	10,617	-	-	-	10,617
2005	16,601	-	-	-	16,601
2006	14,632	-	-	-	14,632
2007	27,931	-	-	-	27,931
2008	43,966	-	-	-	43,966
2009	58,689	-	-	-	58,689
2010	119,635	-	-	-	119,635
2011	170,091	293	553	-	169,831
2012	195,250	106	657	-	194,699
2013	449,189	1,686	3,235	-	447,640
2014	549,057	568	6,187	-	543,438
2015	784,912	11,107	25,354	-	770,665
	2,487,258	13,760	1,159,390	-	2,448,820
2015	33,980,962	83,751	183,018	-	33,881,695
<b>TOTAL</b>	<b>\$ 36,468,220</b>	<b>\$ 97,511</b>	<b>\$ 1,342,408</b>	<b>\$ -</b>	<b>\$ 36,330,515</b>

**SCHEDULE OF WATERLINE ASSESSMENTS  
YEAR ENDED JUNE 30, 2016**

Uncollected Assessments July 1, 2017	Collections				Uncollected Assessments June 30, 2018
	Assessments	Interest	Lien	Total	
<u>\$ 25,796</u>	<u>\$ 1,667</u>	<u>\$ 1,924</u>	<u>\$ 1,248</u>	<u>\$ 4,839</u>	<u>\$ 24,129</u>

Collections

				Uncollected Taxes
Taxes	Interest	Liens & Fees	Totals	June 30,2018
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	15,527
-	-	-	-	14,949
(442)	558	-	116	11,059
(24)	-	-	(24)	16,625
541	983	24	1,548	14,091
-	2,026	24	2,050	27,931
3,640	5,150	24	8,814	40,326
2,513	3,228	54	5,795	56,176
3,194	9,641	78	12,913	116,441
(5,601)	5,833	128	360	175,432
7,853	8,639	244	16,737	186,846
29,767	28,719	3,908	62,394	417,873
80,537	36,311	9,651	126,499	462,900
230,355	72,372	37,139	339,866	540,310
352,334	118,823	1,037	577,066	2,096,486
32,376,814	-	-	32,376,814	1,504,881
<u>\$ 32,729,148</u>	<u>\$ 118,823</u>	<u>\$ 1,037</u>	<u>\$ 32,953,880</u>	<u>\$ 3,601,367</u>

**CITY OF ANSONIA, CONNECTICUT**  
**SCHEDULE OF NATIONALLY RECOGNIZED MUNICIPAL**  
**SECURITIES INFORMATION REPOSITORY**  
**YEAR ENDED JUNE 30, 2018**

Gross Grand List-October 1, 2016	\$ 914,022,702
Net Grand List-October 1, 2016	896,306,413

	Grand List Assessment
Ten Largest Taxpayers:	
United Illuminating Co	\$ 12,416,090
Ansonia Shopping Center LLC	8,601,000
Target Corp	8,249,960
Yankee Gas Services Co	8,144,430
Ansonia E & A LLC	6,511,000
445 Beaver Brook, LLC	4,700,300
Regional Water Authority	4,085,090
Ansonia Copper & Brass Inc	4,000,313
Ansonia Riverview Apartments LLC	3,572,572
Nissan Infiniti LTD	3,265,960

Debt Statement as of June 30, 2018:

Short Term Debt	2,000,000
Long Term Debt	14,080,000
Total Direct Debt	16,080,000
Less: School construction grants	(936,401)
Water assessments receivable	(24,129)
Total Net Direct Debt	<u>\$ 15,119,470</u>

Current Debt Ratios

(Pro Forma)	
Population (2015)*	18,950
Net Grand List(Taxable)-October 1, 2014	\$ 896,306,413
Estimated Full Value (70%)	\$ 632,142,943
Equalized Net Taxable Grand List**	\$ 903,061,347
Money Income per Capita (2017)*	\$ 43,386

\* Connecticut Economic Resource Center, Inc. (Cerc)

\*\* State of Connecticut, Office of Policy and Management

	Total Direct Debt	Total Net Direct Debt
Per Capita	849	798
Ratio to Net Taxable Grand List	1.79%	1.69%
Ratio to Estimated Full Value	2.54%	2.39%
Ratio to Equalized Net Taxable Grand List	1.78%	1.67%
Per Capita to Money Income per Capita	1.96%	1.84%



**CITY OF ANSONIA, CONNECTICUT  
SCHEDULE OF TAX LEVIES AND COLLECTIONS  
YEAR ENDED JUNE 30, 2018**

Fiscal Year Ended June 30	Grand List of October 1	Net Taxable Grand List	Tax Rate (In Mills)	Total Adjusted Tax Levy	% Collected End of Each Fiscal Year	% Uncollected End of Each Fiscal Year
2018	2016	\$ 898,306,413	37.32	\$ 32,376,814	95.6%	4.4%
2017	2015	895,033,088	37.32(a) and 37.00(b)	33,671,714	97.6%	2.4%
2016	2014	906,803,116	37.52	33,615,325	96.7%	3.3%
2015	2013	892,497,451	38.61	34,636,255	96.6%	3.4%
2014	2012	892,673,611	39.34	35,133,842	95.9%	4.1%
2013	2011	1,174,493,645	27.65	32,474,853	96.3%	3.7%
2012	2010	1,165,382,074	26.25	30,667,475	96.2%	3.8%
2011	2009	1,164,619,962	25.75	29,887,189	96.6%	3.4%
2010	2008	1,164,802,258	25.25	29,387,424	96.8%	3.2%
2009	2007	1,168,865,537	25.25	29,438,985	96.2%	3.8%
2008	2006	810,574,013	32.32	26,265,607	96.1%	3.9%
2007	2005	803,305,236	32.30	26,051,162	96.6%	3.4%

(a) motor vehicle