

New Issue

Rating: S&P Global Ratings "A2"/Stable Outlook

**ADDENDUM DATED APRIL 16, 2025
TO PRELIMINARY OFFICIAL STATEMENT DATED APRIL 8, 2025**

CITY OF NEW LONDON, WISCONSIN
(Waupaca and Outagamie Counties)

**\$2,100,000* SEWERAGE, WATER AND ELECTRIC SYSTEM MORTGAGE
REVENUE, SERIES 2025A**

The bid opening for the above-referenced Notes has been rescheduled to April 24, 2025 at 10:00 A.M. C.T. The dated date of the Notes will be May 7, 2025.

*Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 8, 2025

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Bonds shall be designated as "qualified tax-exempt obligations".

New Issue

Rating Application Made: Moody's Investors Service, Inc.

CITY OF NEW LONDON, WISCONSIN (Waupaca and Outagamie Counties)

\$2,100,000* SEWERAGE, WATER AND ELECTRIC SYSTEM MORTGAGE REVENUE BONDS, SERIES 2025A

BID OPENING: April 17, 2025, 10:00 A.M., C.T.

CONSIDERATION: Not later than 11:59 P.M., C.T. on April 17, 2025 (PARAMETERS RESOLUTION)

PURPOSE/AUTHORITY/SECURITY: The \$2,100,000* Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A (the "Bonds") are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City of New London, Wisconsin (the "City"), to provide funds for the public purpose of financing additions, improvements and extensions to the City's Sewerage System and combined Water and Electric System, (collectively, the "Utility System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of income and revenue of the Utility System. The Bonds are being issued on a parity with the City's outstanding Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2016B dated May 26, 2016; the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2018B dated June 28, 2018; the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2019A dated June 27, 2019 and the Sewerage, Water and Electric System Mortgage Revenue Refunding Bonds, Series 2020B dated October 29, 2020 and senior to the City's outstanding Sewerage, Water and Electric System Revenue Bonds, Series 2024C, dated August 14, 2024. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: May 7, 2025

MATURITY: December 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$110,000	2032	\$90,000	2039	\$120,000
2026	75,000	2033	95,000	2040	125,000
2027	75,000	2034	100,000	2041	125,000
2028	75,000	2035	100,000	2042	135,000
2029	85,000	2036	105,000	2043	140,000
2030	85,000	2037	110,000	2044	150,000
2031	85,000	2038	115,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$60,000 per maturity or mandatory redemption amount. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: December 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on December 1, 2035 and thereafter are subject to call for prior optional redemption on December 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$2,073,750.

MAXIMUM BID: \$2,310,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$42,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: City officials, a bank or trust company, as selected by the City.

BOND COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT. 1</p> <p>THE BONDS. 1</p> <p style="padding-left: 20px;">GENERAL. 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION. 1</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE. 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES. 2</p> <p style="padding-left: 20px;">SECURITY. 2</p> <p style="padding-left: 20px;">UTILITY SYSTEM REVENUE DEBT</p> <p style="padding-left: 40px;">OUTSTANDING. 4</p> <p style="padding-left: 20px;">UTILITY SYSTEM DEBT OUTSTANDING. 5</p> <p style="padding-left: 20px;">HISTORIC UTILITY SYSTEM DEBT</p> <p style="padding-left: 40px;">SERVICE COVERAGES. 7</p> <p style="padding-left: 20px;">DESCRIPTION OF ELECTRIC SYSTEM. 8</p> <p style="padding-left: 20px;">DESCRIPTION OF SEWERAGE SYSTEM. 12</p> <p style="padding-left: 20px;">DESCRIPTION OF WATER SYSTEM. 14</p> <p style="padding-left: 20px;">RATING. 18</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE. 18</p> <p style="padding-left: 20px;">LEGAL OPINION. 18</p> <p style="padding-left: 20px;">STATEMENT REGARDING COUNSEL</p> <p style="padding-left: 40px;">PARTICIPATION. 19</p> <p style="padding-left: 20px;">TAX EXEMPTION. 19</p> <p style="padding-left: 20px;">ORIGINAL ISSUE DISCOUNT. 19</p> <p style="padding-left: 20px;">BOND PREMIUM. 20</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS. 21</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR. 21</p> <p style="padding-left: 20px;">MUNICIPAL ADVISOR AFFILIATED</p> <p style="padding-left: 40px;">COMPANIES. 21</p> <p style="padding-left: 20px;">INDEPENDENT AUDITORS. 21</p> <p style="padding-left: 20px;">RISK FACTORS. 21</p> <p>VALUATIONS. 24</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS;</p> <p style="padding-left: 40px;">PROPERTY TAXES. 24</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS. 25</p> <p style="padding-left: 20px;">2024 EQUALIZED VALUE BY CLASSIFICATION. 25</p> <p style="padding-left: 20px;">TREND OF VALUATIONS. 25</p> <p style="padding-left: 20px;">LARGER TAXPAYERS. 26</p> <p>DEBT. 26</p> <p style="padding-left: 20px;">DIRECT DEBT. 26</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY. 27</p> <p style="padding-left: 20px;">FUTURE FINANCING. 27</p> <p style="padding-left: 20px;">DEBT LIMIT. 27</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT. 28</p> <p style="padding-left: 20px;">OVERLAPPING DEBT. 30</p> <p style="padding-left: 20px;">DEBT RATIOS. 30</p>	<p>TAX LEVIES AND COLLECTIONS. 31</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS. 31</p> <p style="padding-left: 20px;">PROPERTY TAX RATES. 32</p> <p style="padding-left: 20px;">LEVY LIMITS. 32</p> <p style="padding-left: 20px;">REVENUE FROM THE STATE. 34</p> <p>THE ISSUER. 34</p> <p style="padding-left: 20px;">CITY GOVERNMENT. 34</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS. 34</p> <p style="padding-left: 20px;">OTHER POST EMPLOYMENT BENEFITS. 36</p> <p style="padding-left: 20px;">LITIGATION. 36</p> <p style="padding-left: 20px;">MUNICIPAL BANKRUPTCY. 37</p> <p style="padding-left: 20px;">FUNDS ON HAND. 37</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS. 38</p> <p style="padding-left: 20px;">SUMMARY GENERAL FUND INFORMATION. 39</p> <p>GENERAL INFORMATION. 40</p> <p style="padding-left: 20px;">LOCATION. 40</p> <p style="padding-left: 20px;">LARGER EMPLOYERS. 40</p> <p style="padding-left: 20px;">BUILDING PERMITS. 41</p> <p style="padding-left: 20px;">U.S. CENSUS DATA. 42</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA. 42</p> <p>FINANCIAL STATEMENTS. A-1</p> <p>FORM OF LEGAL OPINION. B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM. C-1</p> <p>FORM OF CONTINUING DISCLOSURE</p> <p style="padding-left: 20px;">CERTIFICATE. D-1</p> <p>FORM OF PARAMETERS RESOLUTION. E-1</p> <p>NOTICE OF SALE. F-1</p> <p>BID FORM</p>
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CITY OF NEW LONDON COMMON COUNCIL

		<u>Term Expires</u>
Mark Herter	Mayor	April 2026
John Hass	Council President	April 2026
Mike Barrington	Aldersperson	April 2026
Robert L. Besaw	Aldersperson	April 2027
BaLynda Croy	Aldersperson	April 2027
David Dorsey	Aldersperson	April 2026
John Faucher	Aldersperson	April 2026
Dennis Herter	Aldersperson	April 2026
Charlene Magolski	Aldersperson	April 2027
Bernie Ritchie Jr	Aldersperson	April 2027
Tim Roberts	Aldersperson	April 2027

ADMINISTRATION

Chad Hoerth, City Administrator
Judy M. Radke, City Treasurer/Finance Director
Nicole Ryerson, City Clerk
Jason Bessette, Utility Manager

PROFESSIONAL SERVICES

Wolf River Lawyers, SC, City Attorney, New London, Wisconsin
Quarles & Brady LLP, Bond Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other office located in Roseville, Minnesota)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of New London, Wisconsin (the "City") and the issuance of its \$2,100,000* Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A (the "Bonds"). **The Common Council adopted a resolution on March 18, 2025 (the "Parameters Resolution"), which authorized the City Administrator or the City Treasurer/Finance Director to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 17, 2025, neither the City Administrator nor the City Treasurer/ Finance Director will have the authority to accept a bid for Bonds, and all bids for the Bonds will be rejected.**

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's municipal advisor. A copy of this Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 7, 2025. The Bonds will mature on December 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing December 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Parameters Resolution.

The City will select City officials or a bank or trust company to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after December 1, 2035 shall be subject to optional redemption prior to maturity on December 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of financing additions, improvements and extensions to the City's Utility System.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$2,100,000	
Transfers from Prior Issue DSR Funds	1,602,819	
Estimated Interest Earnings	<u>27,673</u>	
Total Sources		\$3,730,492
Uses		
Estimated Underwriter's Discount	\$26,250	
Costs of Issuance	79,450	
Deposit to Debt Service Reserve Fund (DSRF)	1,163,095	
Deposit to Project Construction Fund	2,459,833	
Rounding Amount	<u>1,864</u>	
Total Uses		\$3,730,492

*Preliminary, subject to change.

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Parameters Resolution authorizing the issuance and sale of the Bonds, the form of which is attached hereto as Appendix E.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE City but are payable only out of "Net Revenues" of the Utility System that are pledged to the Special Redemption Fund provided for in the Bond Resolution (the "Special Redemption Fund"). Net Revenues are defined as all revenues of the Utility System derived from any source less current expenses, excluding depreciation, debt service, tax equivalents, replacements and capital expenditures. In the case of the electric system portion of the Utility System, current expenses include costs of purchasing, producing and delivering electric power and energy and specifically fuel costs, costs of transmission services, reserve service, interchange service, and all other costs of purchase power, including obligations under the

Power Supply Contract between the City and WPPI and all payments required by credit obligations. In the Parameters Resolution, the City covenanted to deposit Net Revenues in an amount sufficient to pay principal of and interest on the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2016B, dated May 26, 2016 (the "Series 2016B Bonds"); the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2018B, dated June 28, 2018 (the "Series 2018B Bonds"); the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2019A, dated June 27, 2019 (the "Series 2019A Bonds"); and the Sewerage, Water and Electric System Mortgage Revenue Refunding Bonds, Series 2020B, dated October 29, 2020 (the "Series 2020B Bonds") (collectively, the "Outstanding Bonds"), the Bonds and the Sewerage, Water and Electric System Revenue Bonds, Series 2024C, dated August 14, 2024 (the "2024C Bonds") in the Special Redemption Fund and to use the funds in the Special Redemption Fund only for the purpose of paying principal of and interest on the Bonds, the Outstanding Bonds and the 2024C Bonds.

The claim of the owners of the Bonds with respect to the Special Redemption Fund is on a parity with the claim granted to the owners of the Outstanding Bonds and senior to the claim granted to the owners of the 2024C Bonds.

Rate Covenant: In the Parameters Resolution, the City covenanted to maintain the Utility System in reasonably good condition and operate the Utility System, and to establish, charge and collect such lawfully established rates and charges for the services rendered by the Utility System, so that in each fiscal year Net Revenues shall not be less than 125% of the annual principal and interest requirement on all outstanding bonds payable from the Net Revenues of the Utility System, including the Outstanding Bonds, the Bonds and the 2024C Bonds.

Additional Bonds Test: The City reserves the right to issue additional bonds payable from the Net Revenues of the Utility System on a parity with the outstanding bonds payable from the Net Revenues of the Utility System ("Parity Bonds"), including the Outstanding Bonds and the Bonds. No bonds or obligations payable from the Net Revenues of the Utility System may be issued in such a manner as to enjoy priority over the Bonds.

Among the other requirements, the City must meet the following test with respect to Net Revenues of the Utility System before Parity Bonds may be issued:

The Net Revenues for the fiscal year immediately preceding the issuance of such additional obligations must have been at least equal to one and one-quarter (1.25) times the highest annual interest and principal requirements on all Outstanding Bonds, Bonds and any Parity Bonds then outstanding payable from the revenues of the Utility System, and the obligations so proposed to be issued, for any succeeding fiscal year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the Utility System for the last completed fiscal year which would, in the written opinion of an independent consulting engineer or independent certified public accountant, certified municipal advisor or the Wisconsin Public Service Commission employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the immediate prior fiscal year.

Service to the City: The reasonable cost and value of any service rendered to the City by the Utility System by furnishing sewerage, water, and electric services for public purposes, including reasonable health protection charges, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of Utility System Revenues, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. The reasonable cost and value of such service to the City in each year shall be in an amount which, together with revenues of the Utility System, will produce Net Revenues equivalent to not less than 1.25 times the annual debt service due on the Outstanding Bonds, Bonds any Parity Bonds and the 2024C Bonds. Such compensation for such service rendered to the City shall, in the manner provided herein above, be paid into the separate and special funds described in the Parameters Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, if necessary, and (c) applicable levy limits, if any; and neither this covenant nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Bond Reserve Account: In the Parameters Resolution, the City covenanted and agreed that upon the issuance of the Bonds an amount equal to the "Reserve Requirement" will be on deposit in the Reserve Account and will be maintained therein as additional security for the payment of principal of and interest on the Bonds and the Outstanding Bonds. Reserve Requirement is defined as an amount, determined as of the date of issuance of the Bonds, equal to the lesser of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of the Bonds, plus the amount permitted pursuant to Section 148(d)(1) of the Code and Regulations, (b) the maximum annual debt service on the Outstanding Bonds and the Bonds in any bond year; and (c) 125% of average annual debt service on the Outstanding Bonds and the Bonds. The 2024C Bonds are not secured by the Reserve Account.

Mortgage: The Bonds are secured by a mortgage lien upon the Utility System on a parity with the mortgage lien granted to the owners of the Outstanding Bonds.

UTILITY SYSTEM REVENUE DEBT OUTSTANDING

All outstanding Utility System Revenue debt of the City is listed on page 5.

HISTORIC UTILITY SYSTEM DEBT SERVICE COVERAGES

The exhibit on the Page 7 presents the three-year historic debt service coverages of the Utility System.

City of New London, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Electric, Sewer, and Water Revenues
(As of 05/07/2025)

	Sewerage, Water & Electric System Mortgage Revenue Bonds Series 2016B		Sewerage, Water & Electric System Mortgage Revenue Bonds Series 2018B		Sewerage, Water & Electric System Mortgage Revenue Bonds Series 2019A		Sewerage, Water & Electric System Mortgage Revenue Refunding Bonds Series 2020B		Sewerage, Water & Electric System Revenue Bonds (SDWFL) 1) Series 2024C	
Dated	05/26/2016		06/28/2018		06/27/2019		10/29/2020		08/14/2024	
Amount	\$3,030,000		\$3,400,000		\$7,545,000		\$3,135,000		\$801,846	
Maturity	12/01		12/01		12/01		12/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	150,000	66,475	150,000	91,208	350,000	178,500	320,000	29,800	0	9,106
2026	160,000	63,700	150,000	85,208	360,000	168,000	325,000	23,400	32,571	17,826
2027	165,000	60,500	160,000	79,208	370,000	157,200	330,000	16,900	33,342	17,047
2028	165,000	56,375	165,000	72,808	385,000	146,100	345,000	10,300	34,130	16,249
2029	170,000	52,250	170,000	67,858	390,000	134,550	345,000	6,850	34,937	15,432
2030	175,000	47,150	175,000	62,758	405,000	122,850	340,000	3,400	35,764	14,596
2031	180,000	41,900	180,000	57,333	415,000	110,700			36,609	13,740
2032	185,000	36,500	190,000	51,663	430,000	98,250			37,475	12,864
2033	190,000	30,950	195,000	45,488	440,000	85,350			38,362	11,967
2034	200,000	24,300	205,000	38,955	455,000	72,150			39,269	11,049
2035	205,000	16,800	210,000	31,985	465,000	58,500			40,197	10,110
2036	215,000	8,600	220,000	24,740	480,000	44,550			41,148	9,148
2037			230,000	17,040	495,000	30,150			42,121	8,163
2038			240,000	8,760	510,000	15,300			43,117	7,155
2039									44,137	6,123
2040									45,181	5,067
2041									46,250	3,986
2042									47,343	2,879
2043									48,463	1,746
2044									49,609	587
	2,160,000	505,500	2,640,000	735,008	5,950,000	1,422,150	2,005,000	90,650	770,027	194,840

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 5564-05, the amount of disbursements as of March 1, 2025, is \$761,753.70.

--Continued on next page

City of New London, Wisconsin
Schedule of Bonded Indebtedness continued
Revenue Debt Secured by Electric, Sewer, and Water Revenues
(As of 05/07/2025)

Sewerage, Water & Electric System Mortgage Revenue Bonds Series 2025A									2024 Net Revenue Available for Debt Service** \$4,908,251
Dated	05/07/2025								
Amount	\$2,100,000*								
Maturity	12/01								
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending	Coverage
2025	110,000	48,816	1,080,000	423,904	1,503,904	14,545,027	6.91%	2025	3.26
2026	75,000	81,735	1,102,571	439,868	1,542,440	13,442,456	13.97%	2026	3.18
2027	75,000	78,923	1,133,342	409,777	1,543,118	12,309,114	21.22%	2027	3.18
2028	75,000	76,230	1,169,130	378,061	1,547,191	11,139,984	28.70%	2028	3.17
2029	85,000	73,523	1,194,937	350,462	1,545,399	9,945,047	36.35%	2029	3.18
2030	85,000	70,446	1,215,764	321,199	1,536,963	8,729,283	44.13%	2030	3.19
2031	85,000	67,335	896,609	291,007	1,187,617	7,832,674	49.87%	2031	4.13
2032	90,000	64,215	932,475	263,492	1,195,967	6,900,198	55.84%	2032	4.10
2033	95,000	60,876	958,362	234,631	1,192,992	5,941,837	61.97%	2033	4.11
2034	100,000	57,266	999,269	203,720	1,202,989	4,942,568	68.37%	2034	4.08
2035	100,000	53,416	1,020,197	170,811	1,191,008	3,922,371	74.90%	2035	4.12
2036	105,000	49,486	1,061,148	136,524	1,197,672	2,861,222	81.69%	2036	4.10
2037	110,000	45,318	877,121	100,671	977,792	1,984,101	87.30%	2037	5.02
2038	115,000	40,907	908,117	72,122	980,239	1,075,984	93.11%	2038	5.01
2039	120,000	36,215	164,137	42,338	206,475	911,846	94.16%	2039	23.77
2040	125,000	30,971	170,181	36,038	206,219	741,665	95.25%	2040	23.80
2041	125,000	25,383	171,250	29,369	200,619	570,416	96.35%	2041	24.47
2042	135,000	19,696	182,343	22,575	204,918	388,072	97.52%	2042	23.95
2043	140,000	13,472	188,463	15,218	203,681	199,609	98.72%	2043	24.10
2044	150,000	6,990	199,609	7,577	207,186	0	100.00%	2044	23.69
	2,100,000	1,001,215	15,625,027	3,949,362	19,574,389				

* Preliminary, subject to change.

**The debt service coverage ratios included on this page are calculated using 2024 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2024 and future Net Revenues may be materially different.

HISTORIC STATEMENT OF REVENUES AND EXPENSES

The following table sets forth the historic comparison of Net Revenues and debt service secured by revenues of the electric, sewer and water systems for the four year period ending December 31, 2024.

	Audited	Audited	Audited	Unaudited
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues				
Charges for Services	\$ 19,688,742	\$ 22,053,882	\$ 21,267,290	\$ 21,712,701
Other Operating Revenues	<u>228,485</u>	<u>225,788</u>	<u>226,985</u>	<u>243,249</u>
Total Operating Revenues	19,917,227	22,279,670	21,494,275	21,955,950
Operating Expenses				
Operation and Maintenance	15,909,883	18,021,881	17,161,858	17,545,281
Depreciation and Amortization	<u>2,066,825</u>	<u>2,131,871</u>	<u>2,233,210</u>	<u>2,347,790</u>
Total Operating Expenses	<u>17,976,708</u>	<u>20,153,752</u>	<u>19,395,068</u>	<u>19,893,071</u>
Operating Income	1,940,519	2,125,918	2,099,207	2,062,879
Plus:				
Depreciation and Amortization	2,066,825	2,131,871	2,233,210	2,347,790
Interest Income	<u>107,545</u>	<u>(48,938)</u>	<u>484,750</u>	<u>497,582</u>
Net Revenues Available for Debt Service	\$ 4,114,889	\$ 4,208,851	\$ 4,817,167	\$ 4,908,251
Debt Service				
2013 issue	\$ 419,345	\$ 401,445	\$ 388,360	\$ -
2016 issue	194,185	192,625	190,885	219,025
2018 issue	232,208	232,408	237,408	242,008
2019 issue	527,350	528,050	523,450	528,700
2020 issue	<u>317,058</u>	<u>327,200</u>	<u>331,600</u>	<u>335,800</u>
Total Debt Service	\$ 1,690,146	\$ 1,681,728	\$ 1,671,703	\$ 1,325,533
Debt Service Coverage	2.43	2.50	2.88	3.70

DESCRIPTION OF ELECTRIC SYSTEM

The City of New London Electric System (the “Electric System”) operates under service rules established by the Wisconsin Public Service Commission which regulates the rates charged. The City owns and operates the Electric System consisting of one substation and a distribution plant for its service area which includes the City and the Townships of Mukwa, Hortonia, and Liberty. The Electric System, established in 1904, is governed by the Utility Commission, which consists of five members appointed by the Mayor, subject to approval of the Common Council. The Commission is the policy making body of the Utility, overseeing all projects and programs, reviewing and approving the budget, and determining Utility projects. Utility operations are directed by the General Manager.

The City purchases all of its power and energy requirements from WPPI under a contract that expires in 2037.

History of Electric Sales (excluding sales for resale)

Year	Total kWh (000’s omitted)	Total Billings
2020	174,884	\$14,747,352
2021	173,451	15,707,294
2022	177,945	17,870,137
2023	174,658	16,706,921
2024	181,481	16,768,335

History of Electric Meter Connections by Customer Type

	2020	2021	2022	2023	2024
Residential	3,432	3,452	3,460	3,504	3,501
Public Authority & Street Lighting	70	68	67	68	74
Commercial and Industrial	<u>511</u>	<u>509</u>	<u>516</u>	<u>519</u>	<u>588</u>
Total	4,013	4,029	4,043	4,091	4,163

History of Electric Billings by Customer Type

	2020	2021	2022	2023	2024
Residential	\$3,064,884	\$3,212,875	\$3,472,961	\$3,331,490	\$3,211,068
Commercial	1,144,526	1,305,302	1,417,941	1,330,745	1,319,341
Industrial	10,293,632	10,940,032	12,698,036	11,780,735	11,959,512
Public Authority & Lighting	<u>244,310</u>	<u>249,085</u>	<u>281,199</u>	<u>263,951</u>	<u>253,850</u>
Total	\$14,747,352	\$15,707,294	\$17,870,137	\$16,706,921	\$16,743,771

History of Electricity Produced, Purchased and Cost

Year	kWh Purchased (000's omitted)	Cost of kWh Purchased
2020	183,332	\$12,187,199
2021	180,008	12,830,037
2022	183,425	14,462,426
2023	179,672	13,309,304
2024	187,250	13,312,820

History of Peak Demand

Year	Peak Demand (kWh - 000's omitted)
2020	322,518
2021	321,604
2022	324,849
2023	329,071
2024	333,533

2024 Larger Electric Customers

Total 2024 kWh Sold: 181,481,000

Total 2024 Billings: \$16,768,335

Customer	kWh Sold	Billings	% of Total Billings
Amcor	53,848,105	\$4,137,528	24.67%
Hillshire	40,463,199	3,365,808	20.07%
Amcor Healthcare Packaging	13,802,601	1,151,614	6.87%
Steel King	6,330,511	663,378	3.96%
Granite Valley	5,745,383	571,764	3.41%
Thedacare Medical Center	4,208,170	383,177	2.29%
Wohlt Creamery	1,970,750	190,860	1.14%
Festival Foods	1,983,610	179,312	1.07%
New London High School	1,498,298	175,853	1.05%
Hilker Warehousing	1,017,197	103,782	0.62%

Electric Rates and Charges

Electric rates are subject to approval by the Wisconsin Public Service Commission. The following Electric rates and charges were effective June 1, 2021. Billings for all customers are rendered monthly. A charge of no more than 1% will be added to bills not paid within 20 days from date of issuance. The late payment charge shall be applied to the total unpaid balance for utility service, including unpaid payment charges. The charge is applicable to all customers.

			CP1	CP2	CP3	CP4
	Residential	General	Small	Large	Industrial	Lg. Industrial
Monthly Charge	<u>(a)</u>	<u>Service (b)</u>	<u>Power (c)</u>	<u>Power (d)</u>	<u>Power (e)</u>	<u>Power (f)</u>
Customer Charge			\$50.00	\$100.00	\$350.00	\$350.00
Single Phase	\$14.50	\$14.50				
Three Phase	\$25.50	\$25.50				
Customer Demand Charge						
per kW of Max. Demand					\$2.00	\$2.00
Demand Charge						
per kW of billed demand			\$7.00	\$8.75	\$9.25	\$10.50
Energy Charge per kWh	\$0.09680	\$0.10250	\$0.07310			
On-Peak:				\$0.08540	\$0.08150	\$0.07690
Off-Peak				\$0.04950	\$0.04600	\$0.04230

(a) Residential single-phase customers for ordinary household purposes

(b) Commercial, institutional, government, farm and other single and three-phase customers

(c) Maximum Measured Demand in excess of 100 kW

(d) Monthly Maximum Measured Demand is in excess of 200 kW

(e) Monthly Maximum Measured Demand in excess of 1,000 kW

(f) Monthly Maximum Measured Demand in excess of 2,500 kW

Average Bill for Residential Service in 2024:

Avg. Monthly Usage	822 kWh
Avg. Monthly Bill	\$85.00

PCAC (Purchase Power Cost Adjustment Clause): All metered rates are subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased and produced (per kilowatt-hour of sales).

The current cost per kilowatt-hour of energy billed is equal to the adjusted cost of power purchased for the most recent month divided by the kilowatt-hours of energy sold. The monthly adjustment is equal to the current cost less the base cost.

DESCRIPTION OF SEWERAGE SYSTEM

The City’s Sewerage System, established in 1920, is owned and operated by the City and consists of a wastewater treatment facility and approximately 45 miles of various sized sewer lines. The wastewater treatment facility consists of the treatment facility and 55 miles of various sized sewer lines. The treatment facility has an average daily flow capacity of 6 million gallons per day (1,468 gallons per minute) and a current usage of 1 million gallons per day. The treatment facility has a current projected design life to handle current and future development to at least the year 2029. The System provides sewer service to the customer located within the City.

The Utility is operated by the Board of Public Works, which consists of five members appointed by the Mayor, subject to approval of the Common Council. The Board of Public Works is the policy-making body of the Utility, overseeing all projects and programs, reviewing and approving the budget, and determining Utility projects. Utility operations are directed by the Utility Manager.

History of Sewer Billings by Customer Type

Year	Residential	Commercial	Other Customers ¹	Industrial	Total
2020	\$980,130	\$342,407	\$91,836	\$126,221	\$1,540,594
2021	983,212	360,801	111,024	144,110	1,599,147
2022	989,584	377,551	116,634	111,423	1,595,192
2023	1,129,594	471,038	143,300	187,225	1,931,157
2024	1,129,431	489,825	138,750	172,125	1,930,131

History of Sewer Customers

Year	Residential	Commercial	Industrial	Other Services ²	Total
2020	2,484	272	56	23	2,835
2021	2,598	287	58	25	2,968
2022	2,597	292	57	25	2,971
2023	2,621	292	54	24	2,991
2024	2,540	283	53	21	2,897

¹Includes other sales to public authorities, sales to irrigation customers, sales for resale, interdepartmental sale, and fire protection services, etc.

²Includes all charges, including private fire protection services.

History of Sewer Sales

Year	No. of Customers	Gallons Sold (in 000's)	Total Billings
2020	2,835	150,213	\$1,540,594
2021	2,968	153,078	1,599,147
2022	2,971	154,005	1,595,192
2023	2,991	156,937	1,931,157
2024	2,897	155,173	1,930,131

2024 Larger Sewer Customers

Total 2024 Gallons Sold:	155,173,000
Total 2024 Billings:	\$1,930,133

Customer	Gallons Sold (In 000's)	Billings ¹	% of Total Billings
Amcor Flexibles North America	8,930	\$89,878	4.66%
Steel King Industries	3,704	38,972	2.02%
Northwood Village	3,170	32,249	1.67%
Rainbow Motel	2,345	24,290	1.26%
St. Joseph Residence	2,173	23,095	1.20%
Thedacare Medical Center	2,027	22,158	1.15%
Kwik Trip	1,809	19,066	0.99%
New London Housing Authority	1,638	17,883	0.93%
Amcor Healthcare Packaging	1,596	17,474	0.91%
Granite Valley	1,372	14,810	0.77%

¹Does include charges for private fire protection services.

Sewer Rates and Charges

The following monthly Sewer rates have been in effect since January 1, 2023:

General Service - Metered

<u>Quarterly Volume Charge</u>		<u>Monthly Service Charge</u>	
		<u>Meter Size</u>	<u>Charge</u>
Domestic Strength Rates			
Volume Charge	\$9.74 per thousand gallons	3/4"	\$8.03
		1"	40.15
		1-1/2"	80.31
		2"	120.46
		3"	160.62
		4"	200.77
		6"	281.08
		8"	361.39
		10"	441.70

Average Bill for Residential Service in 2024

Average Monthly Usage	4,500 gallons
Average Monthly Bill	\$52.00

DESCRIPTION OF WATER SYSTEM

The City of New London Water Utility (the "Water Utility") operates under service rules established by the Wisconsin Public Service Commission, which regulates the rates charged. The City of New London owns, operates and maintains the municipal Water System and related appurtenances, serving customers located within the City of New London and the Townships of Mukwa, Hortonia, and Liberty. The Water Utility, established in 1904, is governed by the Utility Commission, which consists of five members appointed by the Mayor, subject to approval of the Common Council. The Commission is the policy-making body of the Utility, overseeing all projects and programs, reviewing and approving the budget, and determining Utility projects. Utility operations are directed by the General Manager.

The Water System consists of seven turbine wells with electric pumping equipment and a water distribution system. The wells have an actual capacity of 6,685 gallons per minute. The wells pumped an average of 1,623,000 gallons per day in 2024. The maximum gallons pumped in any one day during 2024 was 3,516,000 gallons and the minimum gallons pumped in any one day was 539,000 gallons. In addition, the Water System owns three steel elevated storage tanks with a total storage capacity of 1,200,000 gallons.

The Water System includes other related appurtenances including 304,499 feet of various types of 3"-16" water mains; 2,984 feet of various types of 3/4"-12" water pipe, 3,316 utility-owned meters; and 483 hydrants.

History of Water Customers

Year	Residential	Commercial	Industrial	Other Customers ¹	Multi-Family ²	Total
2020	2,505	314	30	27	0	2,876
2021	2,522	311	30	28	0	2,891
2022	2,587	258	30	27	0	2,902
2023	2,527	270	30	27	69	2,923
2024	2,552	278	29	26	68	2,953

History of Water Billings by Customer Type

Year	Residential	Commercial	Industrial	Other Services ³	Multi-family ²	Total Billings
2020	\$620,283	\$197,138	\$698,825	\$707,043	\$0	\$2,223,289
2021	612,147	208,228	656,053	713,728	0	2,190,156
2022	686,084	123,773	741,307	716,358	0	2,267,522
2023	632,655	138,172	733,015	753,344	85,563	2,342,749
2024	672,930	147,521	849,471	799,038	99,818	2,568,778

History of Water Sales

Year	No. of Customers	Gallons Sold (in 000's)	Total Billings
2020	2,876	516,724	\$2,223,289
2021	2,891	491,346	2,190,156
2022	2,902	541,603	2,267,522
2023	2,923	527,801	2,342,749
2024	2,953	557,372	2,568,778

¹Includes other sales to public authorities, sales to irrigation customers, sales for resale, interdepartmental sale, and fire protection services, etc.

²Multi-family Customer amounts included in Residential Customer amounts for years 2020, 2021 and 2022.

³Includes all charges, including private fire protection services.

2024 Larger Water Customers

Total 2024 Gallons Sold: 557,372,000

Total 2024 Billings: \$2,568,778

Customer	Gallons Sold	Billings¹	% of Total Billings
Hillshire	267,026,200	\$527,997	20.55%
Amcor Flexibles North America	124,524,204	284,645	11.08%
Wohlt Creamery	9,956,431	25,389	0.99%
Steel King	3,704,580	16,644	0.65%
Northwood Village	3,170,070	19,421	0.76%
Amcor Healthcare Packaging	2,910,217	13,990	0.54%
Granite Valley Forest Products	2,833,927	10,773	0.42%
Rainbow Motel	2,345,527	8,218	0.32%
St. Joseph Residence	2,173,338	11,386	0.44%
Kwik Trip	2,141,116	7,715	0.30%

¹Includes charges for private fire protection services.

Water Rates and Charges

Rates and charges for the Water System are subject to approval by the Wisconsin Public Service Commission. The following monthly water rates have been in effect since March 1, 2024.

General Service - Metered

		<u>Volume Charge</u>	<u>Minimum Quarterly Charge</u>	
		<u>Charge per 1,000 gallons</u>	<u>Meter Size</u>	<u>Charge</u>
First	67,000 Gallons	\$3.48	5/8"	\$12.33
Next	1,600,000 Gallons	\$2.26	3/4"	12.33
Over	1,667,000 Gallons	\$1.95	1"	18.45
			1-1/4"	25.14
			1-1/2"	31.13
			2"	45.49
			3"	113.76
			4"	173.61
			6"	191.57
			8"	253.83
			10"	359.20
			12"	464.56

Average Bill for Residential Service in 2024

Average Monthly Usage	4,500
Average Monthly Bill	\$28.00

Bills for water service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1% per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Chapter PSC 185, Wisconsin Adm. Code.

RATING

Revenue debt of the City is currently rated "A2" by Moody's Investors Service ("Moody's"). The City has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Bonds, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City did not timely file the event notice for a financial obligation that was incurred in November of 2021. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds

are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for the Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B).

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial

public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2023 have been audited by Johnson Block & Company, Inc., Mineral Point, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Utility System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the water/sewer/electric service currently provided, the revenues of the Utility System will be affected proportionately.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Parameters Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

	Waupaca County	Outagamie County	Total
2024 Equalized Value	\$ 415,541,700	\$182,506,100	\$598,047,800
2024 Equalized Value Reduced by Tax Increment Valuation	\$ 405,081,800	\$180,395,000	\$585,476,800
2024 Assessed Value	\$ 272,698,100	\$119,930,900	\$392,629,000

2024 EQUALIZED VALUE BY CLASSIFICATION

	2024 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$429,781,300	71.864%
Commercial	116,969,900	19.559%
Manufacturing	49,750,200	8.319%
Agricultural	97,300	0.016%
Undeveloped	194,500	0.033%
Forest	1,042,100	0.174%
Other	212,500	0.036%
Personal Property ²	0	0.000%
Total	<u>\$598,047,800</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2020	\$396,181,100	\$416,750,900	2.33%
2021	394,792,500	450,095,400	8.00%
2022	396,769,400	493,646,800	9.68%
2023	399,552,300	528,884,600	7.14%
2024	392,629,000	598,047,800	13.08%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹Includes tax increment valuation.

²Personal property has been exempted from taxation as of January 1, 2024 (see "TAX LEVIES AND COLLECTIONS" herein).

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2024 Equalized Value ¹	Percent of City's Total Equalized Value
AMCOR/Curwood	Manufacturing	\$19,845,500	3.32%
RANINGRID LLC/Jousef, LLC/Individual/Celestial Hills	Apartments	11,499,100	1.92%
Steel King Industries Inc.	Manufacturing	7,417,700	1.24%
Partridge Estates	Apartments	7,182,800	1.20%
Welter Forest Products Inc/Granite Valley	Lumber Manufacturing	7,010,000	1.17%
New London Family Medical	Hospital	6,998,900	1.17%
Kwik Trips	Gas Station/ Convenience Store	4,726,200	0.79%
Helgeson/Brown/Fair Oaks	Housing	4,131,600	0.69%
Colonnades Apartments LLC	Apartments	4,001,300	0.67%
Festival Foods (Skogen's Foodliner)	Grocery Store	<u>3,653,200</u>	<u>0.61%</u>
Total		\$76,466,300	12.79%
City's Total 2024 Equalized Value ²		\$598,047,800	

Source: The City.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt \$11,605,078

Revenue Debt (see schedules following)

Total revenue debt secured by electric, sewer, water revenues (includes the Bonds)*
(see schedule on page 5) \$15,625,027

*Preliminary, subject to change.

¹Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the City.

²Includes tax increment valuation.

³Outstanding debt is as of the dated date of the Bonds.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City plans to finance the Oshkosh Street project in the approximate total amount of \$4,800,000. The remaining costs of \$2,300,000 not covered by the Bonds will be fronted by the City and reimbursed through a State grant. The City is considering funding all or a portion of the \$2,300,000 with short term general obligation debt however exact amount and timing is yet to be determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

DEBT LIMIT

The constitutional general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$598,047,800
Multiply by 5%	0.05
Statutory Debt Limit	<u>\$29,902,390</u>
Less: General Obligation Debt	<u>(11,605,078)</u>
Unused Debt Limit	<u><u>\$18,297,312</u></u>

City of New London, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/07/2025)

	Corporate Purpose Bonds Series 2016A		Corporate Purpose Bonds Series 2018A		Corporate Purpose Bonds Series 2020A		Corporate Purpose Bonds Series 2023A		Taxable Water System Promissory Notes (SDWFL) 1) Series 2024A	
Dated	05/26/2016		06/28/2018		10/29/2020		07/12/2023		08/14/2024	
Amount	\$5,615,000		\$3,080,000		\$2,355,000		\$3,385,000		\$162,342	
Maturity	05/01		05/01		03/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	0	50,300	0	43,850	0	19,350	0	74,150	0	193
2026	315,000	97,450	165,000	85,225	80,000	37,900	50,000	147,050	7,946	376
2027	325,000	90,238	170,000	80,200	90,000	36,200	50,000	144,550	7,966	356
2028	345,000	81,863	175,000	75,025	95,000	34,350	50,000	142,050	7,986	336
2029	355,000	73,113	175,000	69,600	105,000	32,350	140,000	137,300	8,006	316
2030	365,000	64,113	175,000	64,000	110,000	30,200	180,000	129,300	8,026	296
2031	365,000	54,075	185,000	57,500	115,000	27,950	185,000	120,175	8,046	276
2032	375,000	42,975	190,000	50,000	120,000	25,600	200,000	110,550	8,066	256
2033	385,000	31,575	190,000	42,400	130,000	23,100	205,000	100,425	8,086	236
2034	400,000	19,800	190,000	34,800	135,000	20,450	210,000	90,050	8,106	216
2035	460,000	6,900	190,000	27,200	135,000	17,750	220,000	79,300	8,126	195
2036			190,000	19,600	170,000	14,700	235,000	69,100	8,147	175
2037			195,000	11,900	160,000	11,400	240,000	59,600	8,167	155
2038			200,000	4,000	160,000	8,200	255,000	49,700	8,188	134
2039					165,000	4,950	260,000	39,400	8,208	114
2040					165,000	1,650	275,000	28,700	8,228	93
2041							285,000	17,500	8,249	72
2042							295,000	5,900	8,270	52
2043									8,290	31
2044									8,311	10
	3,690,000	612,400	2,390,000	665,300	1,935,000	346,100	3,335,000	1,544,800	154,416	3,889

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- 1) Pursuant to the Wisconsin Capital Finance Office, Project No. 5564-04, the amount of disbursements as of March 1, 2024, is \$133,690.79.
- 2) Pursuant to the Wisconsin Capital Finance Office, Project No. 5564-07, the amount of disbursements as of March 1, 2025, is \$70,602.92.

City of New London, Wisconsin
 Schedule of Bonded Indebtedness continued
 General Obligation Debt Secured by Taxes
 (As of 05/07/2025)

Taxable Water System Promissory
 Notes (SDWFL) 2)
 Series 2024B

Dated	08/14/2024	
Amount	\$105,829	
Maturity	05/01	

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	126	0	187,969	187,969	11,605,078	.00%	2025
2026	5,180	245	623,126	368,246	991,372	10,981,953	5.37%	2026
2027	5,193	232	648,158	351,776	999,934	10,333,794	10.95%	2027
2028	5,206	219	678,191	333,843	1,012,034	9,655,603	16.80%	2028
2029	5,219	206	788,224	312,885	1,101,109	8,867,378	23.59%	2029
2030	5,232	193	843,257	288,102	1,131,359	8,024,121	30.86%	2030
2031	5,245	180	863,291	260,156	1,123,447	7,160,831	38.30%	2031
2032	5,258	167	898,324	229,548	1,127,872	6,262,507	46.04%	2032
2033	5,271	154	923,357	197,890	1,121,247	5,339,150	53.99%	2033
2034	5,284	141	948,390	165,456	1,113,847	4,390,759	62.17%	2034
2035	5,298	127	1,018,424	131,473	1,149,897	3,372,335	70.94%	2035
2036	5,311	114	608,457	103,689	712,146	2,763,878	76.18%	2036
2037	5,324	101	608,491	83,155	691,646	2,155,387	81.43%	2037
2038	5,337	87	628,525	62,122	690,646	1,526,862	86.84%	2038
2039	5,351	74	438,559	44,538	483,096	1,088,303	90.62%	2039
2040	5,364	61	453,593	30,504	484,096	634,711	94.53%	2040
2041	5,377	47	298,627	17,620	316,246	336,084	97.10%	2041
2042	5,391	34	308,661	5,986	314,646	27,424	99.76%	2042
2043	5,404	20	13,695	51	13,746	13,729	99.88%	2043
2044	5,418	7	13,729	17	13,746	0	100.00%	2044
	100,662	2,535	11,605,078	3,175,025	14,780,103			

OVERLAPPING DEBT¹

Taxing District	2024 Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
Waupaca County	\$6,854,069,800	6.0627%	\$47,560,000	\$2,883,420
Outagamie County	25,785,913,600	0.7078%	66,430,000	470,192
Fox Valley Technical College District	64,496,566,621	0.9273%	80,110,000	<u>742,860</u>
City's Share of Total Overlapping Debt				<u><u>\$4,096,472</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$598,047,800	Debt/ Per Capita 7,587⁴
Total General Obligation Debt	\$11,605,078	1.94%	\$1,529.60
City's Share of Total Overlapping Debt	<u>4,096,472</u>	<u>0.69%</u>	<u>539.93</u>
Total	\$15,701,550	2.63%	\$2,069.53

¹Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

²Includes tax increment valuation.

³Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁴Estimated 2024 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Waupaca County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2020/21	\$2,538,782	100%	\$8.98
2021/22	2,656,963	100%	8.67
2022/23	2,673,967	100%	7.95
2023/24	2,775,292	100%	7.73
2024/25	2,776,894	In Progress	6.86

Outagamie County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2020/21	\$1,196,589	100%	\$8.98
2021/22	1,238,237	100%	8.67
2022/23	1,247,289	100%	7.95
2023/24	1,285,152	100%	7.73
2024/25	1,236,633	In Progress	6.86

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may

then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Waupaca

Year Levied/ Year Collected	Schools¹	County	Local	Total
2020/21	\$8.84	\$6.43	\$8.98	\$24.25
2021/22	7.57	5.99	8.67	22.23
2022/23	6.36	4.72	7.95	19.03
2023/24	6.69	4.80	7.73	19.22
2024/25	6.04	4.34	6.86	17.24

Outagamie

Year Levied/ Year Collected	Schools¹	County	Local	Total
2020/21	\$8.84	\$3.62	\$8.98	\$21.44
2021/22	7.57	3.47	8.67	19.71
2022/23	6.36	3.16	7.95	17.47
2023/24	6.69	2.84	7.73	17.26
2024/25	6.04	2.75	6.86	15.65

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation

¹The Schools tax rate reflects the composite rate of all local school districts and technical college district.

factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds are authorized pursuant to Section 66.0621, Wis. Stats., and may be subject to the special provisions described above.

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City received approximately \$2,620,000 in shared revenue under chapter 79, Wis. Stats., an increase from the approximately \$2,175,000 received in 2023. The City is expected to receive approximately \$2,672,400 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1851 and is governed by a Mayor and a ten-member Common Council. All Council Members are elected to two-year terms. The appointed City Administrator, City Clerk and City Treasurer/Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 70 full-time, 150 part-time, and 19 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City may not pay the employees' required contribution. During the fiscal year ended December 31, 2021, the fiscal year ended December 31, 2022 and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$376,259, \$391,527 and \$438,751, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion. As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. Accordingly, the City will report a liability for its proportionate share of the net pension liability of the WRS in its audited financial statements for the year ended December 31, 2024.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2023, the City reported a liability of \$1,724,281 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.03254771% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 7 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.¹

¹On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining unit represents employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Labor Association of Wisconsin	December 31, 2027

OTHER POST EMPLOYMENT BENEFITS

The City does not pay directly for retirees' post-employment benefits. The City has some obligations for post-employment benefits as mandated by State Statutes. Specifically, the City is required to allow retirees to be covered by the City's health care plan as long as the retiree pays his/her premiums. Retiree membership in a health care plan typically increases costs of the premiums. This increased cost is commonly known as implicit price subsidy.

The City provides OPEB through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2023, the City's portion of contributions to the LRLIF totaled \$1,208. For Fiscal Year 2022, the City reported a liability of \$229,493 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2022 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.0602370% of the aggregate LRLIF net OPEB liability as of December 31, 2022.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 8 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of December 31, 2024)

Fund	Total Cash and Investments
General	\$9,350,639
Special Revenue	2,492,589
Debt Service	172,156
Capital Projects	411,867
Enterprise Funds	4,352,996
Reserve CDs	<u>260,331</u>
 Total Funds on Hand	 <u><u>\$17,040,578</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2022 Audited	2023 Audited	2024 Unaudited
Water & Electric			
Total Operating Revenues	\$20,363,114	\$19,260,456	\$19,626,402
Less: Operating Expenses	<u>(18,446,641)</u>	<u>(17,610,701)</u>	<u>(17,967,387)</u>
Operating Income	\$1,916,473	\$1,649,755	\$1,659,015
Plus: Depreciation	1,385,871	1,449,293	1,544,783
Interest Income	<u>64,704</u>	<u>232,079</u>	<u>250,117</u>
Revenues Available for Debt Service	<u><u>\$3,367,048</u></u>	<u><u>\$3,331,127</u></u>	<u><u>\$3,453,915</u></u>
Sewer			
Total Operating Revenues	\$1,916,556	\$2,233,819	\$2,328,296
Less: Operating Expenses	<u>(1,707,111)</u>	<u>(1,784,367)</u>	<u>(1,925,685)</u>
Operating Income	\$209,445	\$449,452	\$402,611
Plus: Depreciation	746,000	783,917	803,007
Interest Income	<u>(113,642)</u>	<u>252,671</u>	<u>247,465</u>
Revenues Available for Debt Service	<u><u>\$841,803</u></u>	<u><u>\$1,486,040</u></u>	<u><u>\$1,453,083</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2023 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Unaudited ¹	2025 Adopted Budget ²
Revenues					
Taxes & special assessments	\$3,030,830	\$3,017,969	\$3,036,599	\$3,055,893	\$2,990,752
Intergovernmental	2,805,370	2,823,681	3,128,709	3,172,418	4,155,106
Licenses and permits	133,801	127,602	162,497	308,749	264,786
Fines and forfeitures	90,488	88,006	99,975	86,006	80,000
Public charges for services	376,086	357,479	384,276	505,050	494,899
Intergovernmental charges for services	78,183	82,302	109,012	103,755	103,755
Interdepartmental charges for services	8,700	8,700	8,700	8,700	230,500
Interest/investment income (loss)	213,599	(128,343)	391,249	408,111	196,426
Miscellaneous	108,742	166,465	122,246	135,193	0
Total Revenues	<u>\$6,845,799</u>	<u>\$6,543,861</u>	<u>\$7,443,263</u>	<u>\$7,783,875</u>	<u>\$8,516,224</u>
Expenditures					
Current:					
General government	\$1,207,137	\$1,187,596	\$1,333,383	\$1,415,994	\$1,621,706
Public safety	2,620,525	2,626,271	2,781,747	2,814,825	3,061,537
Public works	884,596	965,289	1,007,774	1,054,660	1,233,801
Health and human services	164,551	179,519	170,340	214,120	230,665
Culture and recreation	1,874,355	1,997,042	2,181,241	2,184,727	2,368,515
Conservation and development	53,130	17,923	14,239	0	0
Total Expenditures	<u>\$6,804,294</u>	<u>\$6,973,640</u>	<u>\$7,488,724</u>	<u>\$7,684,326</u>	<u>\$8,516,224</u>
Excess of revenues over (under) expenditures	\$41,505	(\$429,779)	(\$45,461)	\$99,549	\$0
Other Financing Sources (Uses)					
Transfers in	\$745,396	\$750,672	\$855,722	\$862,006	
Transfers (out)	(453,489)	(455,746)	(901,012)	(638,161)	
Total Other Financing Sources (Uses)	<u>291,907</u>	<u>294,926</u>	<u>(45,290)</u>	<u>223,845</u>	
Net changes in Fund Balances	\$333,412	(\$134,853)	(\$90,751)	\$323,394	
General Fund Balance January 1	\$6,321,245	\$6,654,657	\$6,519,804	\$6,429,053	
General Fund Balance December 31	\$6,654,657	\$6,519,804	\$6,429,053	\$6,752,447	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$19,602	\$373,225	\$103,305	\$103,305	
Assigned	2,404,175	2,463,491	2,780,991	2,983,510	
Unassigned	4,230,880	3,683,088	3,544,757	3,665,642	
Total	<u>\$6,654,657</u>	<u>\$6,519,804</u>	<u>\$6,429,053</u>	<u>\$6,752,457</u>	

¹ Unaudited data is as of December 31, 2024.

² The 2025 budget was adopted on November 19, 2024.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 7,348 and a current estimated population of 7,587 comprises an area of 5.66 square miles and is located approximately 40 miles west of Green Bay.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Tyson	Meat producer	1,000
Bemis Company	Food packaging	750
New London School District	Elementary and secondary education	268
The City	Municipal government and services	239
St. Joseph Residence	Elder care services	201
ThedaCare Medical Center - New London	Health care	195
Festival Foods	Grocery store	140
Walmart	Retail	120
Steel King Industries	Metal fabrication	100
Country Visions Co-Op	Country store, seed warehouse, office and feed	85

Source: The City, DataAxle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

¹This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS

	2021	2022	2023	2024	2025 ¹
<u>New Single Family Homes</u>					
No. of building permits	4	4	10	10	0
Valuation	\$700,000	\$820,000	\$1,567,000	\$2,525,000	
<u>New Multiple Family Buildings</u>					
No. of building permits	9	2	3	1	0
Valuation	\$8,288,000	\$700,000	\$1,524,000	\$440,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	5	10	77	73	13
Valuation	\$1,099,398	\$6,792,633	\$5,059,961	\$27,719,891	\$156,319
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	296	345	439	362	49
Valuation	\$15,265,757	\$17,031,226	\$11,738,064	\$33,604,019	\$545,080

Source: The City.

¹As of March 3, 2025.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	7,295
2020 U.S. Census Population	7,348
Percent of Change 2010 - 2020	0.73%
2024 Estimated Population	7,587

Income and Age Statistics

	The City	Waupaca County	Outagamie County	State of Wisconsin	United States
2023 per capita income	\$28,464	\$40,581	\$45,323	\$42,019	\$43,289
2023 median household income	\$61,447	\$71,189	\$82,857	\$75,670	\$78,538
2023 median family income	\$71,250	\$87,765	\$103,915	\$97,261	\$96,922
2023 median gross rent	\$822	\$834	\$998	\$1,045	\$1,348
2023 median value owner occupied units	\$162,800	\$192,800	\$244,100	\$247,400	\$303,400
2023 median age	35.1 yrs.	45.4 yrs.	38.7 yrs.	40.1 yrs.	38.7 yrs.

	State of Wisconsin	United States
City % of 2023 per capita income	62.80%	67.74%
City % of 2023 median family income	68.57%	73.26%

Housing Statistics

	<u>The City</u>		
	2020	2023	Percent of Change
All Housing Units	3,356	3,281	-2.23%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>		
	Waupaca County	Outagamie County	Waupaca County	Outagamie County	State of Wisconsin
2021	24,955	100,788	3.6%	3.2%	3.9%
2022	24,575	102,060	3.0%	2.5%	2.9%
2023 ¹	24,548	103,184	3.0%	2.6%	3.0%
2024, December ¹	24,551	104,147	3.0%	2.5%	2.8% ²
2025, January ¹	25,857	103,377	3.5%	3.0%	3.6%

Source: Wisconsin Department of Workforce Development.

¹Preliminary.

²Final.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse changes in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



JOHNSON BLOCK

CPAs



City Of
New London

CITY OF NEW LONDON, WISCONSIN
FINANCIAL STATEMENTS
Including Independent Auditor's Report
As of and for the year ended December 31, 2023

CITY OF NEW LONDON, WISCONSIN
DECEMBER 31, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements	
Government-Wide Financial Statements:	
Exhibit A-1 Statement of Net Position.....	21
Exhibit A-2 Statement of Activities.....	23
Fund Financial Statements:	
Exhibit A-3 Balance Sheet – Governmental Funds.....	24
Exhibit A-4 Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position.....	25
Exhibit A-5 Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Funds	26
Exhibit A-6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	28
Exhibit A-7 Statement of Net Position – Proprietary Funds	30
Exhibit A-8 Statement of Revenues, Expenses and Changes in Net Position- Proprietary Funds	32
Exhibit A-9 Statement of Cash Flows – Proprietary Funds	33
Exhibit A-10 Statement of Fiduciary Net Position.....	35
Exhibit A-11 Statement of Changes in Fiduciary Net Position.....	36
Notes to the Basic Financial Statements.....	37
Required Supplementary Information:	
Exhibit B-1 Budgetary Comparison Schedule for the General Fund	83
Exhibit B-2 Wisconsin Retirement System Schedules.....	84
Exhibit B-3 Local Retiree Life Insurance Fund Schedules.....	85
Exhibit B-4 Length of Service Awards Program Pension Plan Schedules.....	86
Notes to the Required Supplementary Information.....	87
Supplementary Information:	
Exhibit C-1 Combining Balance Sheet – Non-major Governmental Funds.....	91
Exhibit C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances- Non-major Governmental Funds	92



INDEPENDENT AUDITOR'S REPORT

To the Common Council
City of New London, Wisconsin

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund except for the Water and Electric Utility Enterprise Fund, and the aggregate remaining fund information of the City of New London, Wisconsin ("City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements 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, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Water and Electric Utility Enterprise Fund, which represent 70 percent, 66 percent, and 90 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the City's business-type activities as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Water and Electric Utility Enterprise fund, are based solely on the report of the other auditors.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with general accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Wisconsin Retirement System schedules, the Local Retiree Life Insurance Fund Schedules, and the City's length of service awards program pension plan schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the City'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 fund financial statements 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report of Summarized Comparative Information

We have previously audited the City's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund except for the Water and Electric Utility Enterprise Fund, and the aggregate remaining fund information in our report dated August 4, 2023. We did not audit the financial statements of the Water and Electric Utility Enterprise Fund, which represented 71 percent, 68 percent, and 91 percent of the assets and deferred outflows of resources, net position, and revenues of the City's and business-type activities. Those statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it related to the amounts included for the Water and Electric Utility Enterprise Fund, was based solely on the report of the other auditors. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Our discussion and analysis of New London's financial performance provides an overview of the City's financial activities for the fiscal year end December 31, 2023. Please read it in conjunction with our Financial Statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total actual general fund revenue exceeded general fund budgeted revenue by \$477,843. This is due mostly to an increase in the value of investments and increase in license and permit fees. The total general fund budgeted expenditures exceeded actual general fund expenditures by \$207,381. This variance was largely due to open positions that saved dollars in fringes and wages. Meetings and mileage were also down due to continued remote meetings.
- The City's year-end general fund balance was \$6,429,053, which consisted of \$103,305 in non-spendable, \$2,780,991 assigned and \$3,544,757 of unassigned fund balance. City policy is to maintain a minimum unassigned fund balance 25% of budgeted operational expenditures, which is approximately \$1,953,152.
- The City continues to participate in a county-wide marketing co-op sponsored by the Waupaca County Economic Development Corporation.
- Growth in several subdivisions continued with construction of seven (7), one- and two-family housing units in the London Acres subdivision, the East Ridge subdivision and on Douglas Street.
- Development for the Celestial Hill apartments which began in late 2021 had the remaining four of the six planned apartment buildings opening for occupancy.
- The City invested \$2.8 million in the downtown district which included water and sanitary sewer replacements a new downtown parking lot and surface improvements on State St, Lincoln Ct, St. John's Pl, Lucas Dr, Zachary Ct & Aubrey Ct.
- \$8,908 in Downtown Façade grants were awarded in 2023, coupled with private investments resulted in over \$300,000 in downtown façade improvements for the year.
- Park improvements included:
 - ADA accessibility upgrades to the Hatten Park Playground and Pfeifer Park Shelter.
 - The Riverside Park restrooms, Riverside Park Shelter and Abraham Restrooms were reroofed.
 - A new PA system and watering lines were installed for the Pfeifer Park Diamonds.
 - Hatten Stadium updates were started to install a new Accessible seating area, new backstop net and resurface the stadium seating.
- The Plan Commission approved a site plan for a new grocery store.
- The City hired Vandewalle & Associates to re-write the city's zoning code, with an anticipated completion date in spring of 2025.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Report consists of a series of financial statements, notes and supplementary information which is either required or which we believe will be of value to the reader of this report. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a government-wide view of the City's finances. Following these are statements expressing the year's activities based on the source of the money to be used and types of services performed. These reports are termed fund financial statements and report the City's operations in more detail than the government-wide statements. Each of the various funds tell how services like public safety, public works and parks and recreation were financed. The basic government funds are described on page 38 and 39. Proprietary Fund Statements offer financial information about services managed as a business. In New London, these are our Water & Electric Utility, our Sewerage System, and Liability Insurance internal service fund. Fiduciary Fund Statements provide information about financed relationships in which the City acts as a trustee or agent for the benefit of others, to whom the resources belong. The major fiduciary relationship is to the tax collection fund which records the tax roll and tax collections for other jurisdictions overlapping the City of New London.

The financial statements include notes that provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combined statements that provide details about our non-major governmental funds, each of which are added together and presented in single columns in the basic fund financial statements.

Figure A summarizes the major features of the City's financial statements including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

FIGURE A
MAJOR FEATURES OF NEW LONDON, WISCONSIN GOVERNMENT-WIDE
AND FUND FINANCIAL STATEMENTS

	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS		
		GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	FIDUCIARY FUNDS
Scope	Entire City government (except fiduciary funds) and the City's component units.	The activities of the City that are not proprietary or fiduciary, such as police, fire, & parks.	Activities the City operates similar to private businesses: the water & sewer system, and the electric system.	Instances in which the City is the trustee or agent for someone else's resources.
Required financial statements	* Statement of net position. * Statement of activities.	* Balance sheet * Statement of revenues, expenditures, and changes in fund balance.	* Statement of net position. * Statement of revenues, expenses and changes in net position. * Statement of cash flows.	* Statement of fiduciary net position * Statement of changes in fiduciary net position.
Accounting basis & measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term & long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term; the City's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All additions or deductions during year, regardless of when cash is received or paid.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health.

* Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

* To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into three categories:

* Government activities – Most of the City's basic services are included here, such as police, fire, public works, recreation, parks, and general administration. State shared revenue, property taxes and tax equivalents, interest or investments, and fees for licenses, permits and recreation programs finance most of these activities.

* Business-type activities – The City charges for the consumption of water, electricity and the use of its sewerage system. Fees charged for these services are intended to cover their costs.

* Component Units – Component Units are separate entities for which the City is legally or financially accountable. Such units are required to be included in our financial statements. At this time, we have no component units to report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

* Some funds are required by Federal or State law and by bond covenants.

* Other funds are established by the Common Council to control and manage money from particular sources (perhaps a restricted gift) or for a particular purpose (like cemetery perpetual care).

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

The City has three kinds of funds:

* *Governmental Funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. As this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

* *Proprietary Funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

- In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

- We use internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities such as the City's Liability Self-Insurance.

* *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 of New London's own programs. The most significant fiduciary fund maintained by the City is the tax collection fund which records the tax roll and tax collections for other taxing jurisdictions overlapping the City of New London. These are the New London School District, Fox Valley Technical College, Outagamie and Waupaca Counties and the State of Wisconsin. The accounting used for fiduciary funds is much like that used for governmental funds.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position: The City's combined net position in 2023 was \$56,238,348 compared to \$54,829,482 in 2022. This reflects an increase of total net position of 2.57%, caused by an increase of assets due to reduction of long-term liabilities, a decrease in net pension assets and an increase in capital investments. (See Table 1)

Table 1
City of New London

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2022	2023	2022	2023	2022	2023	2022-2023
Current and other assets	19,028,581	18,530,352	10,427,963	9,882,255	29,456,544	28,412,607	-3.54%
Capital assets, net of depreciation	22,763,170	24,011,848	39,121,147	41,168,136	61,884,317	65,179,984	5.33%
Total Assets	41,791,751	42,542,200	49,549,110	51,050,391	91,340,861	93,592,591	2.47%
Deferred outflows of resources	4,006,204	4,986,201	1,456,064	1,708,052	5,462,268	6,694,253	22.55%
Long-Term liabilities outstanding	9,735,952	12,543,997	14,940,000	14,690,000	24,675,952	27,233,997	10.37%
Other liabilities	3,528,080	5,056,326	2,334,079	2,776,412	5,862,159	7,832,738	33.62%
Total Liabilities	13,264,032	17,600,323	17,274,079	17,466,412	30,538,111	35,066,735	14.83%
Deferred inflows of resources	8,932,724	7,246,326	2,502,812	1,735,435	11,435,536	8,981,761	-21.46%
Net Position							
Net investment in capital	13,027,218	11,467,851	25,078,282	27,426,439	38,105,500	38,894,290	2.07%
Restricted	5,514,387	3,756,022	1,911,478	1,198,099	7,425,865	4,954,121	-33.29%
Unrestricted	5,059,594	7,457,879	4,238,523	4,932,058	9,298,117	12,389,937	33.25%
Total Net Position	23,601,199	22,681,752	31,228,283	33,556,596	54,829,482	56,238,348	2.57%

Change in Net Position:

The City total net position increased by 2.57% as depicted above.

Table 2 below details the changes in net position. The total revenues decreased by 2.55% during 2023, largely due to a non-recurring grant. Public Works increase shows City commitment to roads. An increase in expenditures was due mostly to the City's TID district development which includes downtown road and related infrastructure.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Table 2 below details the changes in net position. The total revenues decreased by 2.55% during 2023, largely due to a non-recurring grant. Public Works increase shows City commitment to roads. An increase in expenditures was due mostly to the City's TID district development which includes downtown road and related infrastructure.

Table 2
Changes in New London's Net Position

	Governmental Activities		Business Type Activities		Total		Total % Change
	2022	2023	2022	2023	2022	2023	2022-2023
Revenues							
Program Revenue							
Charges for Services	737,785	852,791	22,279,670	21,494,275	23,017,455	22,347,066	-2.91%
Operating Grants and Contributions	998,894	1,018,324	-	-	998,894	1,018,324	1.95%
Capital Grants and Contributions	1,669,178	169,002	248,104	407,303	1,917,282	576,305	-69.94%
Property & Other Taxes	4,203,807	4,227,731	-	-	4,203,807	4,227,731	0.57%
Intergovernmental revenues not restricted to specific programs	2,219,665	2,207,517	-	-	2,219,665	2,207,517	-0.55%
Investment Income	(86,078)	510,614	(48,938)	484,750	(135,016)	995,364	-837.22%
Other	62,464	92,484	58,489	53,210	120,953	145,694	20.46%
Total Revenues	9,805,715	9,078,463	22,537,325	22,439,538	32,343,040	31,518,001	-2.55%
Expenses							
General Government	1,295,647	1,586,350	-	-	1,295,647	1,586,350	22.44%
Public Safety	2,713,721	3,278,948	-	-	2,713,721	3,278,948	20.83%
Public Works	1,842,565	1,956,747	-	-	1,842,565	1,956,747	6.20%
Health & Human Services	210,949	201,304	-	-	210,949	201,304	-4.57%
Culture & Recreation	2,283,703	2,683,519	-	-	2,283,703	2,683,519	17.51%
Conservation & Development	170,857	135,038	-	-	170,857	135,038	-20.96%
Interest, Amort & Fiscal Charges	277,558	444,317	-	-	277,558	444,317	60.08%
Water/Electric	-	-	18,769,054	17,904,696	18,769,054	17,904,696	-4.61%
Sewer	-	-	1,847,423	1,918,216	1,847,423	1,918,216	3.83%
Total Expenses	8,795,000	10,286,223	20,616,477	19,822,912	29,411,477	30,109,135	2.37%
Increase in Net Position before transfers	1,010,715	(1,207,760)	1,920,848	2,616,626	2,931,563	1,408,866	-51.94%
Transfers	885,804	288,313	(885,804)	(288,313)	-	-	0.00%
Increase (decrease) in Net Position	1,896,519	(919,447)	1,035,044	2,328,313	2,931,563	1,408,866	-51.94%
Net Position end of year	23,601,199	22,681,752	31,228,283	33,556,596	54,829,482	56,238,348	2.57%

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

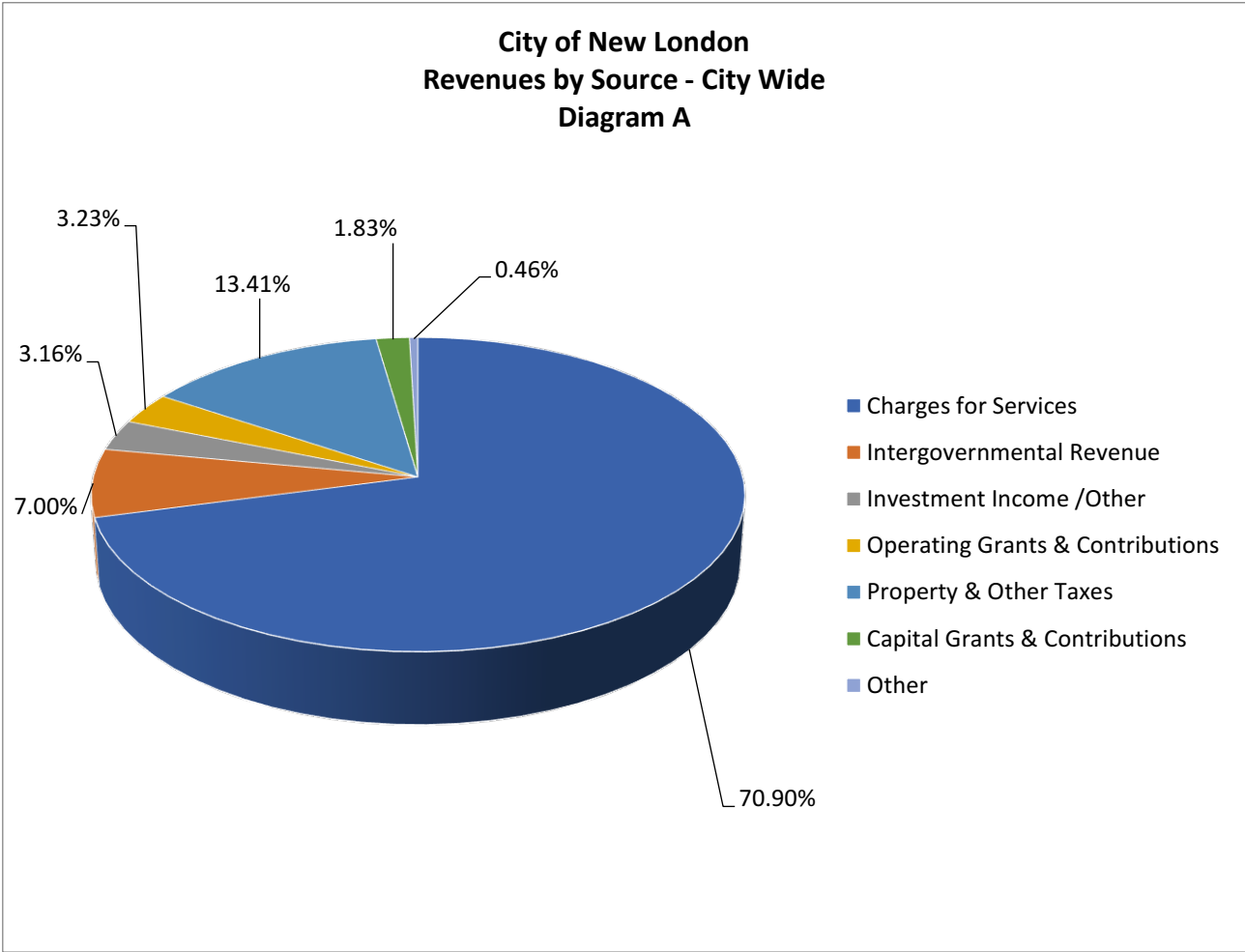
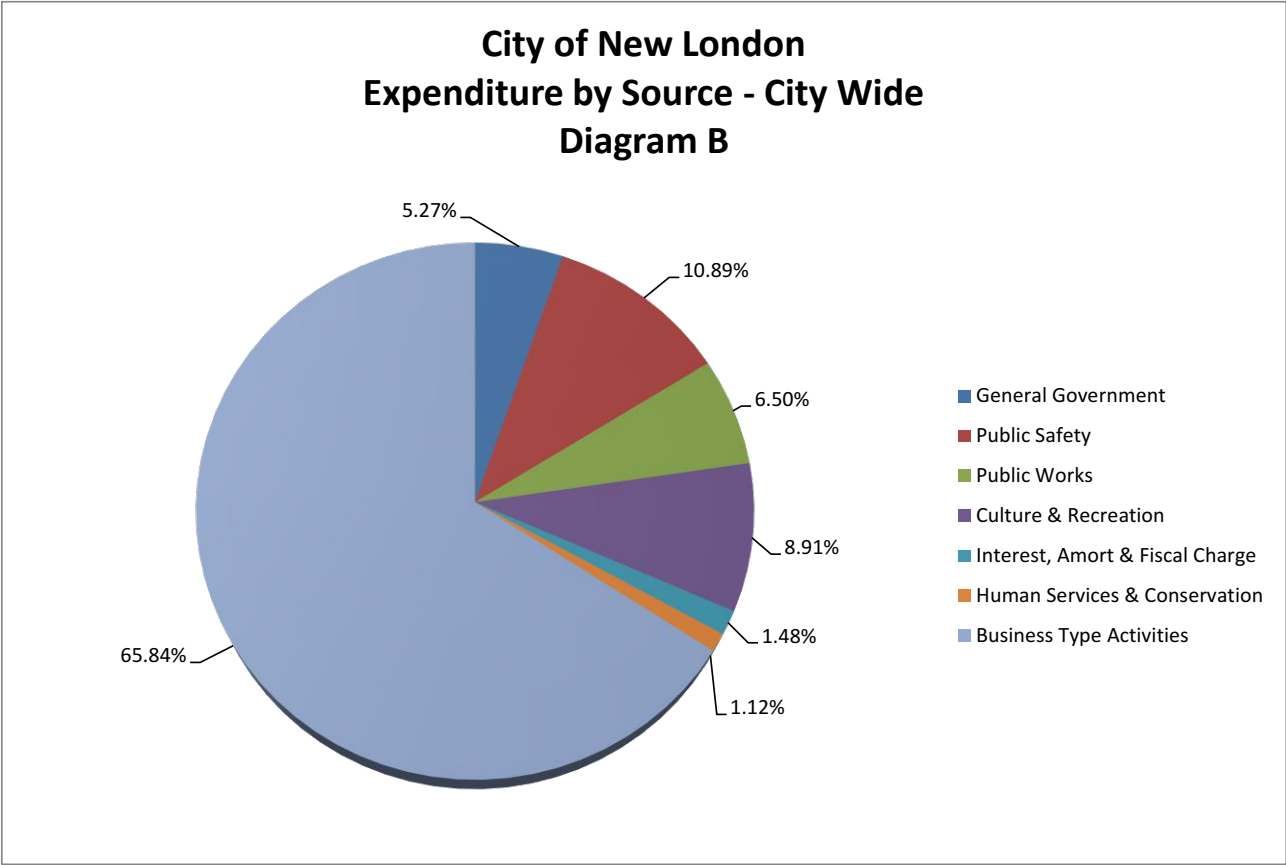


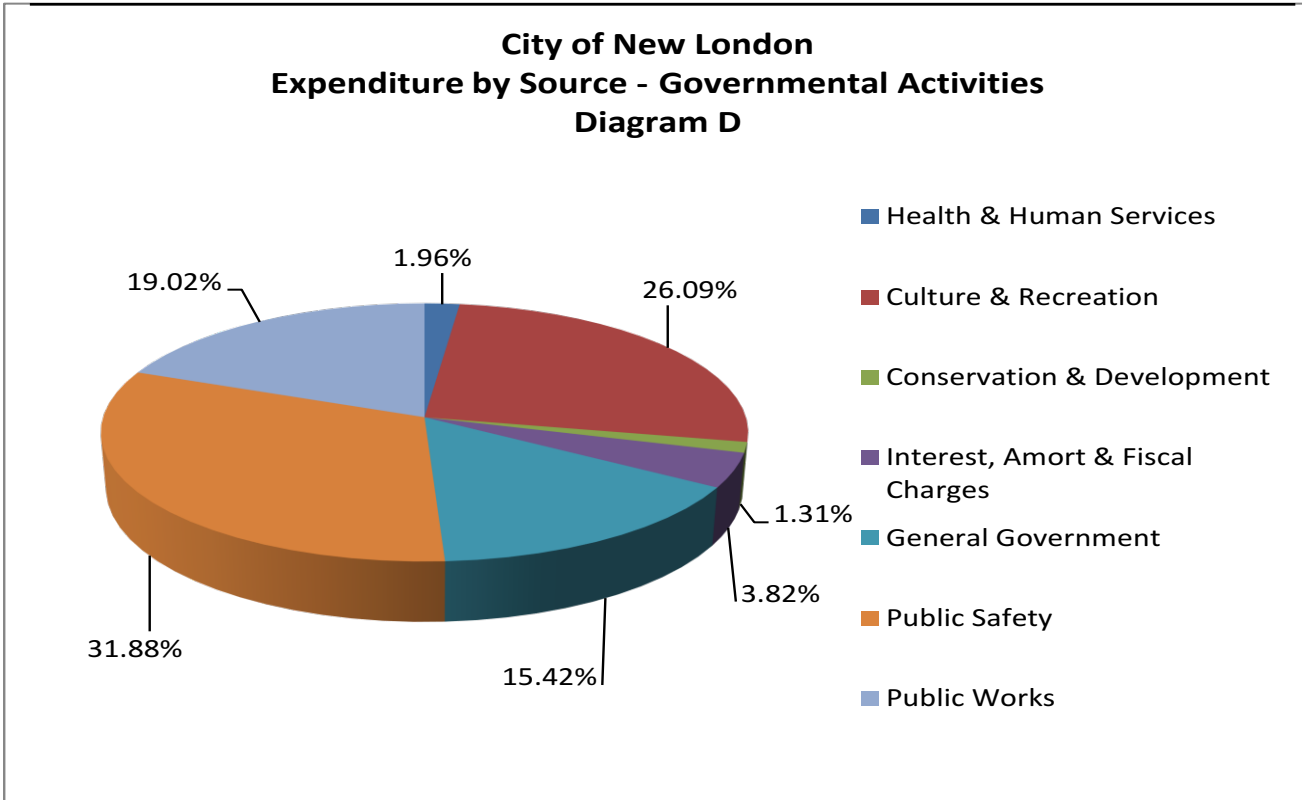
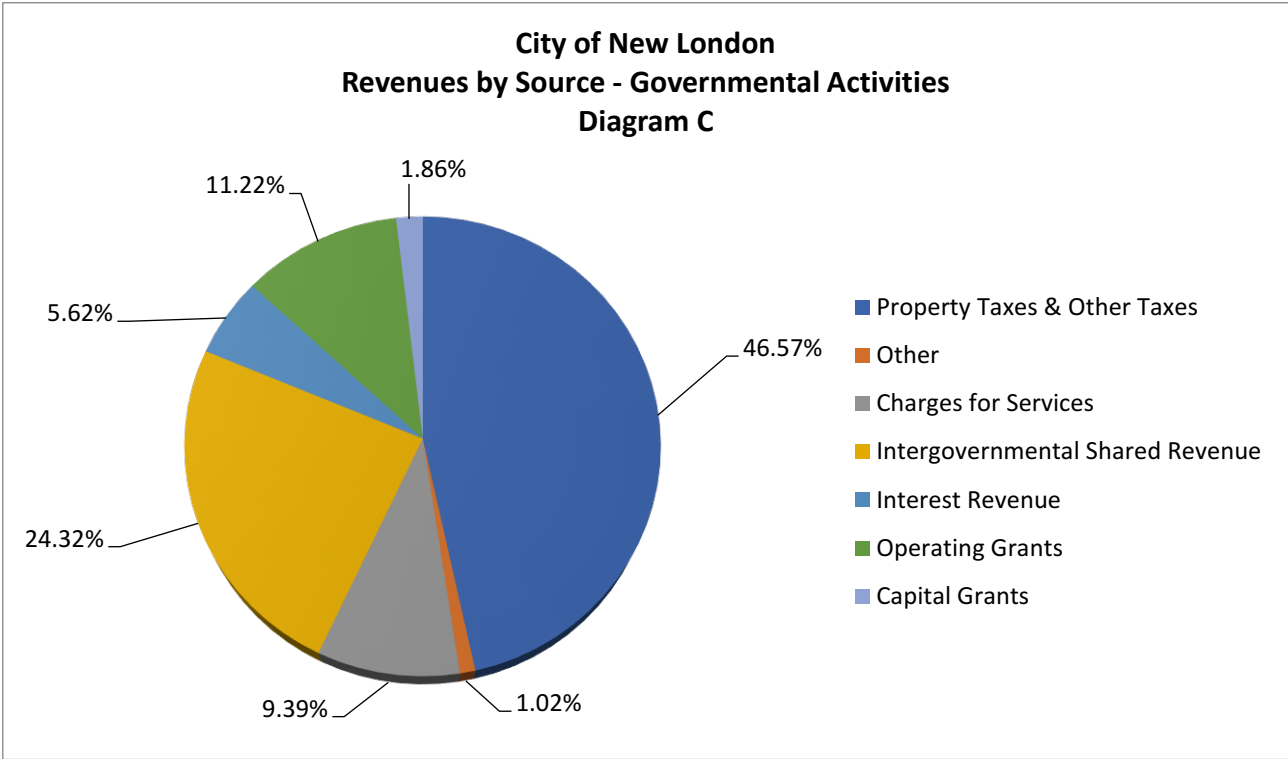
Diagram A displays the revenue sources for 2023 for the City, as a whole. Diagram B displays the percentage of expense each area of service consumed in 2023.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023



The sources of revenue and expense for governmental activities, separate from business type activities are showing in Diagram C & D.

CITY OF NEW LONDON, WISCONSIN
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2023



CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

GOVERNMENTAL ACTIVITIES

Diagram C and Table 2 displays for governmental activities the source of revenue. You will note that the majority comes from property tax, and State Shared Revenue, with the balance coming from a variety of sources: Block grants, other State and Capital Improvement aids, County Library operating grants, fees for services, interest income, industrial park land sales, etc. Diagram D displays how these revenues were used. Public Safety (32%), Public Works (19%), Culture and Recreation (26%) and General Government (15%) consume the lion's share.

Table 3 presents the cost of the City's four largest programs. General Administration, Public Safety, Public Works, and Culture and Recreation. Also presented, are the net costs of these programs (less fees and direct aid). The change between total cost and net cost is small in most cases as there is little in the way of user fees or direct aid received from most programs, except for public works to which we allocate a portion of state highway aid for operations and the library which receives a significant grant from the counties. Parks and Recreation revenue comes from program user fees. General administration revenue comes mostly from fees for permits and licenses. Increases in expenditure over last year reflect a modest increase in labor and health insurance costs, and a large amount of dollars spent in Capital Equipment and Projects.

Table 3
Changes in New London's Net Position

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2022	2023	2022-2023	2022	2023	2022-2023
General Administration	1,295,647	1,586,350	22.44%	1,026,383	1,293,094	25.99%
Public Safety	2,713,721	3,278,948	20.83%	2,415,776	2,909,286	20.43%
Public Works	1,842,565	1,956,747	6.20%	772,542	1,272,252	64.68%
Culture & Recreation	2,283,703	2,683,519	17.51%	553,326	2,043,280	269.27%
Total	8,135,636	9,505,564	16.84%	4,768,027	7,517,912	57.67%

Business-Type Activities

Table 2 also displays changes in revenue and expenses from the water, electric, and sewerage utilities. Revenue increases reflect the higher wholesale cost of electricity; also an increase in sewer user fees. Increased expenditures were due to an increase in employee retention costs and inflationary cost of goods and services.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Of note:

- The sewer facility has undergone a series of self-funded upgrades. The employees continue to do annual maintenance to help insure the efficient operation of the plant. This work included replacement of storage tank valve, generator hose and belts, touch screens for the SCADA system, rotating element RAS pumps, repair HH dredge pump, digester overflow, boiler, clarifies and lift station control, and downtown sewer and water infrastructure replacement.

There were upgrades to the digester, valves and ammonia probe and lift station.

- The water utility added \$2,050,157 of equipment to its distribution system.
- The electric utility has added \$1,108,498 of equipment to its distribution system.
- The sewer facility will underwent a rate study in 2022. Electric implemented a rate increase in 2021, whereas sewer increased its rate in 2022.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds. As the City of New London completed the year, governmental funds reported a combined fund balance of \$10,881,321. Of this, \$2,902,282 is set aside due to legal commitments (restricted) and \$411,029 is not in spendable form (nonspendable). The remainder is available to be spent as determined by the common council. At the end of the fiscal year, \$4,120,644 has been assigned for specific projects or purposes. \$3,447,366 is unassigned as of the end of the year and functions as working capital. The working capital allows the City of New London to continue operations without the need to do interim borrowing, as significant revenues are not received until November in each budget year. The City of New London has a policy of maintaining at least 25% of its annual budget expenditures as unassigned fund balance for this purpose.

Proprietary Funds. The City of New London sewerage utility and electric and water utility have adequate rates of return, and strong programs in the replacement of older plant and infrastructure. Both have significant unrestricted net position of \$1,679,846 and \$3,252,212, respectively.

GENERAL FUND BUDGETING HIGHLIGHTS

The City of New London rarely amends its adopted budget choosing instead to do a reconciling resolution after the audit. Thus budget variances reflect actual changes from the initial budget. Budget variances are to be found as part of required supplementary information in Exhibit B-1. As you will notice, revenues exceeded forecasts in total. Likewise, total expenditures were under budget.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

CAPITAL ASSETS & DEBT ADMINISTRATION

At the end of 2023 the City had invested \$135 million in a broad range of capital assets including road maintenance equipment, fire equipment, park facilities, roads and water, sewer and electric systems. (See Table 4)

Major asset additions in 2023 were General Fund capital acquisitions:

- Electric, water and sewer system improvements, including all new infrastructure, road, and sidewalk in the Downtown.
- Department of Public Works
 - Dump truck
 - Wood chipper
- IT
 - Copier
- Police Department
 - License plate reader
 - Body cameras
 - Squad replacements
- Fire Department
 - Tanker
 - No-skid flooring
 - Air Compressor
- Park and Recreation Department
 - ADA road improvement in Hatten Park
 - ADA bathroom improvement in Hatten Park
 - Hatten Stadium baseball stadium renovation
 - Dump truck
 - Mower
- Downtown façade program
- Road Projects
 - Downtown North Water Street – water, electric and sewer replacement
 - Street Repair, Patching and Sidewalk Repair
 - New parking lot to feed downtown businesses
- Update Comprehensive Plan

CITY OF NEW LONDON, WISCONSIN
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2023

Major asset additions in 2023 were General Fund capital acquisitions, (Continued):

- WWTP
 - Replacement of – gas monitoring, clarifier bearing, pumps, boiler processor, controller, sewer main
 - Rebuild mixer
 - New – touch screens, processor and influent cards for SCADA system. High rate check valve and lab instruments.
- City Buildings
 - Door Access Upgrades
- Library
 - Roof replacement

Table 4
Changes in New London's Capital Assets

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2022	2023	2022	2023	2022	2023	2022-2023
Land	1,539,922	1,539,922	278,173	278,173	1,818,095	1,818,095	0.00%
Buildings and Improvements	13,545,478	14,179,904	21,864,008	22,208,268	35,409,486	36,388,172	2.76%
Equipment	13,153,710	14,031,163	865,136	877,463	14,018,846	14,908,626	6.35%
Infrastructure	22,774,864	23,972,606	54,543,340	58,210,324	77,318,204	82,182,930	6.29%
Construction in Progress	-	-	453,684	135,213	453,684	135,213	-70.20%
Total	51,013,974	53,723,595	78,004,341	81,709,441	129,018,315	135,433,036	4.97%

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

LONG TERM DEBT

At year-end, the City had \$12.5 million in General Obligation debt, which is significantly below the statutory General Obligation debt limit of \$26.4 million (see Note 6). Table 5 below summarizes all of the City's outstanding debt.

Table 5
Changes in New London's Outstanding Debt

	Governmental Activities		Business Type Activities		Total		Total % Change
	2022	2023	2022	2023	2022	2023	2022-2023
General obligation debt:							
Bonds	9,570,000	12,460,000	-	-	9,570,000	12,460,000	30.20%
Notes	165,952	83,997	-	-	165,952	83,997	-49.38%
Total General Obligation Debt	9,735,952	12,543,997	-	-	9,735,952	12,543,997	28.84%
Revenue Bonds							
Revenue Bonds	-	-	14,940,000	14,690,000	14,940,000	14,690,000	-1.67%
Total	9,735,952	12,543,997	14,940,000	14,690,000	24,675,952	27,233,997	10.37%

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATE

The 2022 operational levy limit increase for 2023 services was \$14,810, with the amount of increase being from net new construction. 2024 will follow this same levy limit with the net new construction amount being \$32,337. In addition the City is allowed to levy whatever is needed to meet next year's debt service expense. There are sufficient sinking funds established to meet any short-term timing differences between when funds are required and when they will be available.

Operational revenue and expenditures for 2024 are projected to increase in step with inflation, which include wages and health insurance. The City is aggressively seeking to limit future health insurance increases by instituting a high deductible health plan where the employee will contribute a greater amount towards the deductible in years to come.

The overall economy in and around New London remains strong. The residential growth continues to climb in 2023. The commercial industry had normal growth in 2023.

Economic growth in the City of New London in 2023 (as measured by the construction values of issued building permits) increased in residential permitting by \$1.8 million. This was to three (3) - \$500,000 duplexes, seven (7) single family homes and a \$1.4 million strip mail. The commercial only decreased due to completion of a large multi-unit residential apartment complex.

The number of permits issued increased by 95 permits in 2023 to 439 from 344 that was issued in 2022. As the average permit fee is \$185, this results in an additional \$17,575. There is an uptick in permit activity throughout the City and this trend continues into 2024. This is resulting in more economic growth in the area due to a larger number of projects.

In 2023, \$11,707,914 of new construction took place in the City as compared to \$17,031,226 in 2022.

Type	2022	2023
Residential	4,831,848	6,648,103
Commercial	12,199,378	5,059,811
Manufacturing		-
Total	17,031,226	11,707,914

The equalized value of the City increased by 7.14% in 2023. \$493,646,800 in 2022 compared to \$528,884,600 in 2023. Due to the small size of the City, employment data is not available.

CITY OF NEW LONDON, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Financial Report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact:

City of New London
Attn: Finance Director
215 N. Shawano Street
New London, WI 54961

BASIC FINANCIAL STATEMENTS

Exhibit A-1
City of New London, Wisconsin
Statement of Net Position
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	Governmental	Business-Type	Totals	
	Activities	Activities	2023	2022
ASSETS				
Current assets:				
Cash and investments	\$ 13,427,493	\$ 3,509,844	\$ 16,937,337	\$ 14,683,966
Restricted assets:				
Redemption account		80,791	80,791	109,820
Receivables:				
Taxes	2,468,564		2,468,564	2,270,357
Customer		1,657,782	1,657,782	1,677,287
Due from other governmental units	75,624		75,624	1,288,416
Other	206,395	133,609	340,004	358,810
Internal balances	673,397	(673,397)		
Materials and supplies		607,614	607,614	546,428
Prepayments	1,299	126,391	127,690	109,845
Unbilled revenue		338,951	338,951	396,680
Current portion of lease receivable	17,167	21,994	39,161	36,786
Miscellaneous deposits		1,476	1,476	1,476
Total current assets	16,869,939	5,805,055	22,674,994	21,479,871
Noncurrent assets:				
Restricted assets:				
Cash and investments		2,419,531	2,419,531	2,343,731
Net pension asset (Wisconsin Retirement System)				2,668,631
Interest receivable		25,555	25,555	1,564
Deposits held by CVMIC	284,938		284,938	284,938
Other assets:				
Mortgages receivable	820,082		820,082	724,521
Loans receivable	173,137		173,137	179,137
Preliminary survey and investigation		459,296	459,296	459,296
Special assessments receivable	232,984	459,766	692,750	413,370
Lease receivable	149,272	663,385	812,657	851,818
Advance to telecommunications		1,691	1,691	1,691
Property held for future use		47,976	47,976	47,976
Capital assets:				
Cost or estimated cost	53,723,595	81,709,441	135,433,036	129,018,315
Less: accumulated depreciation	(29,907,485)	(40,541,305)	(70,448,790)	(67,344,793)
Right to use leased assets, net of accumulated amortization	195,738		195,738	210,795
Net book value of capital assets	24,011,848	41,168,136	65,179,984	61,884,317
Total noncurrent assets	25,672,261	45,245,336	70,917,597	69,860,990
Total assets	42,542,200	51,050,391	93,592,591	91,340,861
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows - (Wisconsin Retirement System)	4,803,944	1,677,098	6,481,042	5,207,738
Pension outflows - (Length of Service Awards Program)	117,108		117,108	134,934
OPEB outflows	65,149	30,954	96,103	114,324
Unamortized loss on advance refunding				5,272
Total deferred outflows of resources	4,986,201	1,708,052	6,694,253	5,462,268
Total assets and deferred outflows of resources	\$ 47,528,401	\$ 52,758,443	\$ 100,286,844	\$ 96,803,129

Exhibit A-1 (Continued)
City of New London, Wisconsin
Statement of Net Position
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	Governmental Activities	Business-Type Activities	Totals	
			2023	2022
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 991,827	\$ 1,316,615	\$ 2,308,442	\$ 2,082,317
Unearned revenue	742,309		742,309	742,309
Customer deposits		8,329	8,329	7,252
Accrued wages	29,718	25,519	55,237	40,193
Accrued interest	121,838	8,056	129,894	63,570
Short-term notes payable				100,000
Other current liabilities		35,430	35,430	44,658
Public benefits		27,200	27,200	23,160
Current portion of long-term obligations:				
General obligation debt	603,997		603,997	576,954
Compensated absences	40,015	133,302	173,317	154,794
Total current liabilities	2,529,704	1,554,451	4,084,155	3,835,207
Current liabilities payable from restricted assets:				
Current portion of mortgage revenue bonds		935,000	935,000	1,250,000
Accrued interest		32,543	32,543	34,445
Total current liabilities payable from restricted assets		967,543	967,543	1,284,445
Noncurrent liabilities:				
General obligation debt	12,543,997		12,543,997	9,735,952
Mortgage revenue bonds, including anticipation debt		14,690,000	14,690,000	14,940,000
Unamortized debt premium	466,882	319,565	786,447	650,403
Compensated absences	655,849	444,966	1,100,815	1,102,813
Total pension liability (Length of Service Awards Program)	652,318		652,318	623,858
Net OPEB liability	137,510	91,983	229,493	347,181
Net pension liability	1,258,075	466,206	1,724,281	
Less: current portion	(644,012)	(1,068,302)	(1,712,314)	(1,981,748)
Total noncurrent liabilities	15,070,619	14,944,418	30,015,037	25,418,459
Total liabilities	17,600,323	17,466,412	35,066,735	30,538,111
DEFERRED INFLOWS OF RESOURCES				
Tax apportionment	4,136,002		4,136,002	3,939,958
Pension inflows - (Wisconsin Retirement System)	2,641,388	975,497	3,616,885	6,296,508
Pension inflows - (Length of Service Awards Program)	179,276		179,276	226,434
OPEB inflows	123,221	74,559	197,780	84,032
Lease inflows	166,439	685,379	851,818	888,604
Total deferred inflows of resources	7,246,326	1,735,435	8,981,761	11,435,536
NET POSITION				
Net investment in capital assets	11,467,851	27,426,439	38,894,290	38,105,500
Restricted for:				
Investment in CVMIC	284,938		284,938	284,938
Library and museum	1,566,830		1,566,830	1,459,335
Economic development	173,137		173,137	179,137
Housing rehabilitation	820,082		820,082	812,907
Perpetual care	308,006		308,006	301,283
Tourism	257,082		257,082	201,911
Debt service	345,947	456,730	802,677	751,606
Net pension asset				2,668,631
Equipment replacement		741,369	741,369	766,117
Unrestricted	7,457,879	4,932,058	12,389,937	9,298,117
Total net position	22,681,752	33,556,596	56,238,348	54,829,482
Total liabilities, deferred inflows of resources, and net position	\$ 47,528,401	\$ 52,758,443	\$ 100,286,844	\$ 96,803,129

Exhibit A-2
City of New London, Wisconsin
Statement of Activities

For the Year Ended December 31, 2023

(With Summarized Financial Information for the Year Ended December 31, 2022)

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-Type Activities	Totals
			Grants and Contributions	Capital Grants and Contributions			
Governmental activities:							
General government	\$ 1,586,350	\$ 293,256	\$	\$ 30,328	\$ (1,293,094)	\$	\$ (1,026,383)
Public safety	3,278,948	286,348	52,986		(2,909,286)		(2,415,776)
Public works	1,956,747		684,495		(1,272,252)		(772,542)
Health and human services	201,304	52,465			(148,839)		(173,145)
Culture and recreation	2,683,519	220,722	280,843	138,674	(2,043,280)		(553,326)
Conservation and development	135,038				(135,038)		(170,413)
Interest, debt issuance, and fiscal charges	444,317				(444,317)		(277,558)
Total governmental activities	10,286,223	852,791	1,018,324	169,002	(8,246,106)		(5,389,143)
Business-type activities:							
Water and electric	17,904,696	19,260,456		44,444	1,400,204		1,841,349
Sewer	1,918,216	2,233,819		362,859	678,462		69,948
Total business-type activities	19,822,912	21,494,275		407,303	2,078,666		1,911,297
Total	\$ 30,109,135	\$ 22,347,066	\$ 1,018,324	\$ 576,305	(8,246,106)	2,078,666	(3,477,846)
General revenues:							
Property taxes:							
General purposes					2,978,727		2,961,241
Debt service					942,587		933,959
Tax increments					13,133		15,953
Other taxes					293,284		292,654
Federal and State aid not restricted for specific purposes:							
General					2,207,517		2,219,665
Interest and investment earnings (loss)					510,614	484,750	(135,016)
Gain on sale/disposal of assets					91,186		6,863
Miscellaneous revenue					1,298		55,601
Amortization of premium						53,210	58,489
Transfers					288,313	(288,313)	
Total general revenues and transfers					7,326,659	249,647	6,409,409
Changes in net position					(919,447)	2,328,313	2,931,563
Net position - beginning of year					23,601,199	31,228,283	54,829,482
Net position - end of year					\$ 22,681,752	\$ 33,556,596	\$ 54,829,482

Exhibit A-3
City of New London, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	General	Capital Projects	TIF District #5	Other Governmental Funds	Totals	
					2023	2022
ASSETS						
Cash and investments	\$ 7,488,173	\$ 2,024,688	\$ 504,182	\$ 3,338,885	\$ 13,355,928	\$ 10,973,822
Receivables:						
Taxes	1,346,348		54,117	1,068,099	2,468,564	2,270,357
Accounts	106,489	42,846	29,357	27,673	206,365	184,875
Other governments	40,549	34,575		500	75,624	1,288,416
Special assessments	232,984				232,984	241,316
Mortgages				820,082	820,082	724,521
Loans				173,137	173,137	179,137
Lease	166,439				166,439	182,682
Due from other funds	698,615				698,615	1,063,920
Advance to other funds	97,391				97,391	368,372
Prepaid items	1,299				1,299	975
Total assets	\$ 10,178,287	\$ 2,102,109	\$ 587,656	\$ 5,428,376	\$ 18,296,428	\$ 17,478,393
LIABILITIES						
Vouchers and accounts payable	\$ 281,089	\$ 412,952	\$ 297,786	\$	\$ 991,827	\$ 794,596
Unearned revenue				742,309	742,309	742,309
Accrued wages	29,718				29,718	21,508
Short-term notes payable						100,000
Due to other funds	25,218				25,218	410,884
Advance from other funds				97,391	97,391	368,372
Total liabilities	336,025	412,952	297,786	839,700	1,886,463	2,437,669
DEFERRED INFLOWS OF RESOURCES	3,413,209		54,117	2,061,318	5,528,644	5,267,613
FUND BALANCE						
Nonspendable	103,305			307,724	411,029	674,274
Restricted		349,504	235,753	2,317,025	2,902,282	2,350,007
Assigned	2,780,991	1,339,653			4,120,644	3,449,768
Unassigned (deficit)	3,544,757			(97,391)	3,447,366	3,299,062
Total fund balances	6,429,053	1,689,157	235,753	2,527,358	10,881,321	9,773,111
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,178,287	\$ 2,102,109	\$ 587,656	\$ 5,428,376	\$ 18,296,428	\$ 17,478,393

Exhibit A-4
City of New London, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	2023	2022
Total fund balances-governmental funds:	\$ 10,881,321	\$ 9,773,111
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right-to-use leased assets used in governmental funds are not financial resources and therefore are not reported in the fund statements.		
Amounts reported for governmental activities in the statement of net position:		
Governmental capital assets	53,723,595	51,013,974
Governmental accumulated depreciation	(29,907,485)	(28,461,599)
Right to use leased assets, net of accumulated amortization	195,738	210,795
	24,011,848	22,763,170
The net pension asset (Wisconsin Retirement System) is not a current financial resource and is, therefore, not reported in the fund statements		1,961,161
Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plans. These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources	4,986,201	4,006,204
Deferred inflows of resources	(2,943,885)	(4,810,084)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Long-term notes and loans	993,219	903,658
Special assessments	232,984	241,315
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of position.	356,533	355,203
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
General obligation debt	(12,543,997)	(9,735,952)
Net pension liability	(1,258,075)	
Unamortized debt premium	(466,882)	(277,628)
Accrued interest on long-term debt	(121,838)	(55,211)
Compensated absences	(655,849)	(700,496)
OPEB - group life insurance plan	(137,510)	(199,394)
Total pension liability (Length of Service Awards Program)	(652,318)	(623,858)
Net position of governmental activities	\$ 22,681,752	\$ 23,601,199

Exhibit A-5
City of New London, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	General	Capital Projects	TIF District #5	Other Governmental Funds	Totals	
					2023	2022
REVENUES						
Taxes	\$ 3,036,123	\$	\$ 6,392	\$ 1,051,942	\$ 4,094,457	\$ 4,072,587
Wheel tax		133,274			133,274	131,221
Special assessments	476				476	8,221
Intergovernmental	3,128,709	67,054			3,195,763	4,483,967
Licenses and permits	162,497				162,497	127,602
Fines and forfeitures	99,975				99,975	88,006
Public charges for services	384,276			6,675	390,951	357,479
Intergovernmental charges for services	109,012				109,012	82,302
Interdepartmental charges for services	8,700				8,700	8,700
Interest/investment income (loss)	391,249	40,347	32,631	285	464,512	(128,119)
Miscellaneous	122,246	123,932		142,858	389,036	660,894
Total revenues	7,443,263	364,607	39,023	1,201,760	9,048,653	9,892,860
EXPENDITURES						
Current:						
General government	1,333,383				1,333,383	1,187,596
Public safety	2,781,747				2,781,747	2,626,271
Public works	1,007,774				1,007,774	965,289
Health and human services	170,340				170,340	179,519
Culture and recreation	2,181,241			27,471	2,208,712	2,111,397
Conservation and development	14,239		41,055	168,360	223,654	903,887
Capital outlay		1,668,631	2,878,435		4,547,066	2,719,958
Debt service:						
Principal retirement				576,954	576,954	554,048
Interest, debt issuance, and fiscal charges		29,163	81,754	266,774	377,691	277,689
Total expenditures	7,488,724	1,697,794	3,001,244	1,039,559	13,227,321	11,525,654
Excess (deficiency) of revenues over expenditures	(45,461)	(1,333,187)	(2,962,221)	162,201	(4,178,668)	(1,632,794)

Exhibit A-5 (Continued)
City of New London, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	General	Capital Projects	TIF District #5	Other Governmental Funds	Totals	
					2023	2022
OTHER FINANCING SOURCES (USES)						
Transfer in	855,722	877,157	827,828	23,855	2,584,562	1,591,550
Transfer out	(901,012)				(901,012)	(705,746)
Long-term debt proceeds		890,000	2,495,000		3,385,000	
Premium on debt		56,615	161,713		218,328	
Total other financing sources (uses)	(45,290)	1,823,772	3,484,541	23,855	5,286,878	885,804
Net change in fund balances	(90,751)	490,585	522,320	186,056	1,108,210	(746,990)
Fund balance (deficit)-beginning of year	6,519,804	1,198,572	(286,567)	2,341,302	9,773,111	10,520,101
Fund balance-end of year	\$ 6,429,053	\$ 1,689,157	\$ 235,753	\$ 2,527,358	\$ 10,881,321	\$ 9,773,111

Exhibit A-6
City of New London, Wisconsin
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	2023	2022
Net change in fund balances-total governmental funds	\$ 1,108,210	\$ (746,990)
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	2,984,264	3,430,201
Depreciation expense reported in the statement of activities	(1,720,529)	(1,636,355)
Amortization expense reported in the statement of activities	(15,057)	(15,057)
Amount by which capital/lease outlays are greater (less) than depreciation/amortization in the current period.	1,248,678	1,778,789
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net assets:		
		(57,464)
Vested employee benefits and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports values of benefits earned during the year.		
Change in compensated absences	44,647	(57,527)
Change in OPEB - group life insurance plan liability and related deferred outflows	(17,133)	(10,244)
Change in OPEB - fire department length of service liability	872	(12,155)
Proceeds of long-term debt are reported in the governmental funds as revenue, but are reported as an addition to long-term debt in the statement of net position and do not affect the statement of activities.		
The amount of additional long-term debt in the current year is:	(3,385,000)	
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:	576,954	554,048
Debt premiums are reported in the governmental funds as revenues when those amounts are received. However, the premium is shown in the statement of net position and allocated over the life of the debt issue in the statement of activities.		
Amount of debt premium received during the current year	(218,328)	
Amount of debt premium amortized in the current year	29,074	20,855
Internal service fund income (loss)	1,330	63,743
In governmental funds, special assessment collections are reflected as revenue when received. In the statement of activities, revenue is recognized when assessed.		
Amount assessed is greater (less) than the amount collected.	(8,331)	(31,774)

Exhibit A-6 (Continued)
City of New London, Wisconsin
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities (Continued)
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	2023	2022
Repayment of housing rehabilitation loans are reflected as revenue in governmental funds, but are reported as a reduction of loans receivable in the statement of net position and does not affect the statement of activities.	(1,961)	(8,856)
Repayments of economic development loans receivable are reflected as revenue in governmental funds, but are reported as a reduction of notes receivable in the statement of net position and does not affect the statement of activities.	(6,000)	(77,447)
Additional housing rehabilitation and economic development loans are reflected as expenditures in governmental funds, but are reported as additions to loans receivable in the statement of net position and does not affect the statement of activities.	97,523	24,590
In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	265,574	276,430
The amount of interest accrued during the current period	(332,201)	(276,300)
Interest paid is greater (less) than interest expensed by	(66,627)	130
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plans.		
Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the pension liabilities from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plans and the actuarially determined change in pension liabilities between years, with adjustments.	(323,355)	456,821
Change in net position-governmental activities	\$ (919,447)	\$ 1,896,519

Exhibit A-7
City of New London, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	Business Type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Electric and Water Utility	Sewer Utility	Totals 2023	Totals 2022	
	ASSETS				
Current assets:					
Cash	\$ 2,400,043	\$ 1,109,801	\$ 3,509,844	\$ 3,645,869	\$ 71,565
Restricted assets:					
Redemption account	80,791		80,791	109,820	
Receivables:					
Customer	1,568,579	89,203	1,657,782	1,677,287	
Other	133,609		133,609	154,865	30
Materials and supplies	607,614		607,614	546,428	
Prepayments	126,391		126,391	108,870	
Unbilled revenue	338,951		338,951	396,680	
Due from other funds	10,544	181,925	192,469	153,821	
Current portion of lease receivable	21,994		21,994	20,543	
Miscellaneous deposits	1,476		1,476	1,476	
Total current assets	5,289,992	1,380,929	6,670,921	6,815,659	71,595
Noncurrent assets:					
Restricted assets:					
Reserve account	1,219,892	382,927	1,602,819	1,577,614	
Construction account	75,343		75,343		
Net pension asset				707,470	
DNR equipment replacement		741,369	741,369	766,117	
Interest receivable	25,555		25,555	1,564	
Other assets:					
Preliminary survey and investigation	459,296		459,296	459,296	
Special assessments receivable	59,589	400,177	459,766	172,054	
Lease receivable	663,385		663,385	685,379	
Advance to telecommunications	1,691		1,691	1,691	
Property held for future use	47,976		47,976	47,976	
Deposits held by CVMIC					284,938
Capital assets:					
Property, plant and equipment	54,234,897	27,474,544	81,709,441	78,004,341	
Less: accumulated depreciation	25,894,682	14,646,623	40,541,305	38,883,194	
Net capital assets	28,340,215	12,827,921	41,168,136	39,121,147	
Total noncurrent assets	30,892,942	14,352,394	45,245,336	43,540,308	284,938
Total assets	36,182,934	15,733,323	51,916,257	50,355,967	356,533
DEFERRED OUTFLOWS OF RESOURCES					
Pension outflows	1,424,337	252,761	1,677,098	1,412,477	
OPEB outflows	30,954		30,954	38,315	
Unamortized loss on advance refunding				5,272	
Total deferred outflows of resources	1,455,291	252,761	1,708,052	1,456,064	
Total assets and deferred outflows of resources	\$ 37,638,225	\$ 15,986,084	\$ 53,624,309	\$ 51,812,031	\$ 356,533

Exhibit A-7 (Continued)
City of New London, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2023
(With Summarized Financial Information as of December 31, 2022)

	Business Type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Electric and Water Utility	Sewer Utility	Totals	Totals	
			2023	2022	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 1,207,433	\$ 109,182	\$ 1,316,615	\$ 1,274,641	\$
Due to other funds	865,866		865,866	806,857	
Customer deposits	8,329		8,329	7,252	
Accrued wages	25,519		25,519	18,685	
Accrued interest	8,056		8,056	8,359	
Other current liabilities	35,430		35,430	44,658	
Commitment to community	27,200		27,200	23,160	
Current portion of:					
Compensated absences	132,113	1,189	133,302	119,519	
Total current liabilities	2,309,946	110,371	2,420,317	2,303,131	
Current liabilities payable from restricted assets:					
Current portion of revenue bonds	705,000	230,000	935,000	1,250,000	
Accrued interest	21,894	10,649	32,543	34,445	
Total current liabilities payable from restricted assets	726,894	240,649	967,543	1,284,445	
Noncurrent liabilities					
Revenue bonds, including anticipation debt	10,430,000	4,260,000	14,690,000	14,940,000	
Unamortized debt premium	201,837	117,728	319,565	372,775	
Compensated absences	408,433	36,533	444,966	402,317	
Net OPEB liability	91,983		91,983	147,787	
Net pension liability	398,959	67,247	466,206		
Less: current portion	(837,113)	(231,189)	(1,068,302)	(1,369,519)	
Total noncurrent liabilities	10,694,099	4,250,319	14,944,418	14,493,360	
Total liabilities	13,730,939	4,601,339	18,332,278	18,080,936	
DEFERRED INFLOWS OF RESOURCES					
Pension inflows	834,438	141,059	975,497	1,767,922	
OPEB inflows	74,559		74,559	28,968	
Lease inflows	685,379		685,379	705,922	
Total deferred inflows of resources	1,594,376	141,059	1,735,435	2,502,812	
NET POSITION					
Net investment in capital assets	18,976,246	8,450,193	27,426,439	25,078,282	
Restricted					
Debt service - revenue bond funds	84,452	372,278	456,730	437,891	
Net pension asset				707,470	
Equipment replacement		741,369	741,369	766,117	
Investment in CVMIC					284,938
Unrestricted	3,252,212	1,679,846	4,932,058	4,238,523	71,595
Total net position	22,312,910	11,243,686	33,556,596	31,228,283	356,533
Total liabilities, deferred inflows of resources and net position	\$ 37,638,225	\$ 15,986,084	\$ 53,624,309	\$ 51,812,031	\$ 356,533

Exhibit A-8
City of New London, Wisconsin
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	Business Type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Electric and Water Utility	Sewer Utility	Totals 2023	Totals 2022	
OPERATING REVENUES					
Sales of water	\$ 2,342,750	\$	\$ 2,342,750	\$ 2,267,521	\$
Sales of electricity	16,705,588		16,705,588	17,870,049	
Other	212,118	14,867	226,985	225,788	
Charges for services		2,218,952	2,218,952	1,916,312	
Total operating revenues	19,260,456	2,233,819	21,494,275	22,279,670	
OPERATING EXPENSES					
Operation and maintenance	16,161,408	1,000,450	17,161,858	18,021,881	
Insurance payments and claims					15,698
Depreciation	1,449,293	783,917	2,233,210	2,131,871	
Total operating expenses	17,610,701	1,784,367	19,395,068	20,153,752	15,698
Operating income (loss)	1,649,755	449,452	2,099,207	2,125,918	(15,698)
NON-OPERATING REVENUES (EXPENSES)					
Investment income (loss)	232,079	252,671	484,750	(48,938)	17,028
Interest expense	(285,740)	(133,849)	(419,589)	(449,339)	
Amortization of premium	38,712	14,498	53,210	58,489	
Amortization of loss on advance refunding	(5,272)		(5,272)	(10,404)	
Miscellaneous expense	(2,983)		(2,983)	(2,982)	
Total non-operating revenues (expenses)	(23,204)	133,320	110,116	(453,174)	17,028
Income before contributions and transfers	1,626,551	582,772	2,209,323	1,672,744	1,330
Capital contributions and grants	178,740	1,623,800	1,802,540	248,104	
Transfers to other funds		(984,935)	(984,935)	(209,826)	
Transfers-tax equivalent	(698,615)		(698,615)	(675,978)	
Change in net position	1,106,676	1,221,637	2,328,313	1,035,044	1,330
Net position - beginning of year	21,206,234	10,022,049	31,228,283	30,193,239	355,203
Net position - end of year	\$ 22,312,910	\$ 11,243,686	\$ 33,556,596	\$ 31,228,283	\$ 356,533

Exhibit A-9
City of New London, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	Business Type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Electric and Water Utility	Sewer Utility	Totals 2023	Totals 2022	
	CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES				
Received from customers	\$ 19,412,816	\$ 2,094,719	\$ 21,507,535	\$ 22,154,605	\$ 19,040
Received from municipality for services	81,944		81,944	85,188	
Paid to suppliers for goods and services	(15,252,250)	(814,953)	(16,067,203)	(17,256,017)	(28,778)
Paid to employees for operating payroll	(755,443)	(238,109)	(993,552)	(923,327)	
Net cash flows from (used by) operating activities	3,487,067	1,041,657	4,528,724	4,060,449	(9,738)
CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES					
Operating transfers from (to) other funds	(675,978)	(157,107)	(833,085)	(955,222)	
Net cash flows (used by) noncapital financing activities	(675,978)	(157,107)	(833,085)	(955,222)	
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,683,433)	(1,010,016)	(3,693,449)	(2,882,156)	
Sale of capital assets				65,000	
Capital contributions received	44,444		44,444	248,104	
Special assessments received	2,501	72,646	75,147	121,691	
Debt retired	(1,030,000)	(220,000)	(1,250,000)	(1,230,000)	
Interest paid	(287,394)	(134,400)	(421,794)	(451,822)	
Proceeds from debt issue	1,000,000		1,000,000		
Net cash flows from (used by) capital and related financing activities	(2,953,882)	(1,291,770)	(4,245,652)	(4,129,183)	
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES					
Investments purchased	(1,216,662)	(405,350)	(1,622,012)	(1,938,956)	
Investments sold and matured	1,213,432	152,099	1,365,531	2,018,769	
Investment income (loss)	208,088	252,671	460,759	(48,938)	17,028
Net cash flows from (used by) investing activities	204,858	(580)	204,278	30,875	17,028
Net change in cash and cash equivalents	62,065	(407,800)	(345,735)	(993,081)	7,290
Cash and cash equivalents - beginning of year	2,494,112	824,605	3,318,717	4,311,798	64,275
Cash and cash equivalents - end of year	\$ 2,556,177	\$ 416,805	\$ 2,972,982	\$ 3,318,717	\$ 71,565
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION ACCOUNTS					
Cash and investments	\$ 2,400,043	\$ 1,109,801	\$ 3,509,844	\$ 3,645,869	\$ 71,565
Redemption account	80,791		80,791	109,820	
Reserve account	1,219,892	382,927	1,602,819	1,577,614	
Construction account	75,343		75,343		
DNR equipment replacement		741,369	741,369	766,117	
Total cash and investments	3,776,069	2,234,097	6,010,166	6,099,420	71,565
Less: noncash equivalents	(1,219,892)	(1,817,292)	(3,037,184)	(2,780,703)	
Cash and cash equivalents	\$ 2,556,177	\$ 416,805	\$ 2,972,982	\$ 3,318,717	\$ 71,565
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Municipality financed additions to utility plant	\$ 134,296	\$ 1,260,941	\$ 1,395,237		
Amortization of loss on advance refunding	\$ (5,272)		\$ (5,272)	\$ (10,404)	
Amortization of premium	\$ 38,712	\$ 14,498	\$ 53,210	\$ 58,489	

Exhibit A-9 (Continued)
City of New London, Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	Business Type Activities- Enterprise Funds				Governmental Activities- Internal Service Fund
	Electric and Water Utility	Sewer Utility	Totals	Totals	
			2023	2022	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,649,755	\$ 449,452	\$ 2,099,207	\$ 2,125,918	\$ (15,698)
Nonoperating revenue (expense)	(2,983)		(2,983)	(2,982)	
Noncash items in operating income:					
Depreciation expense	1,449,293	783,917	2,233,210	2,131,871	
Depreciation charged to clearing and other utilities	37,268		37,268	36,564	
Loss on disposal of capital assets				46,306	
Changes in assets, deferred outflows, and liabilities:					
Customer accounts receivable	147,402	(70,168)	77,234	(43,890)	
Other accounts receivable	17,957		17,957	(38,127)	19,040
Due from other funds	33,583	(68,932)	(35,349)	7,748	
Material and supplies	(61,186)		(61,186)	(15,449)	
Prepayments	(17,521)		(17,521)	(4,608)	
Pension related deferrals, assets, and liabilities	160,629	6,101	166,730	(130,053)	
Accounts payable	49,707	(64,342)	(14,635)	(55,524)	(13,080)
Due to other funds	36,372		36,372	93	
Customer deposits	1,077		1,077	810	
Accrued wages	6,834		6,834	1,566	
Compensated absences	37,020	5,629	42,649	10,291	
Other current liabilities	(9,228)		(9,228)	6,137	
Commitment to community	4,040		4,040	(363)	
Post employment benefits	(52,952)		(52,952)	(15,859)	
Net cash provided (used) by operating activities	<u>\$ 3,487,067</u>	<u>\$ 1,041,657</u>	<u>\$ 4,528,724</u>	<u>\$ 4,060,449</u>	<u>\$ (9,738)</u>

Exhibit A-10
 City of New London, Wisconsin
 Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2023
 (With Summarized Financial Information as of December 31, 2022)

	Custodial Fund		
	Tax Collection Fund	Totals	
		2023	2022
ASSETS			
Cash and investments	\$ 2,376,911	\$ 2,376,911	\$ 2,428,241
Taxes receivable	3,333,381	3,333,381	3,063,268
 Total assets	\$ 5,710,292	\$ 5,710,292	\$ 5,491,509
 LIABILITIES			
Due to other taxing units	\$ 5,710,292	\$ 5,710,292	\$ 5,491,509
 NET POSITION			
Restricted			
Total liabilities and net position	\$ 5,710,292	\$ 5,710,292	\$ 5,491,509

Exhibit A-11
 City of New London, Wisconsin
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended December 31, 2023
 (With Summarized Financial Information for the Year Ended December 31, 2022)

	Custodial Fund	Totals	
	Tax Collection Fund	2023	2022
ADDITIONS			
Property tax collections for other governments	\$ 4,110,405	\$ 4,110,405	\$ 4,073,969
DEDUCTIONS			
Property tax collections paid or owed to other governments	4,110,405	4,110,405	\$ 4,073,969
Net increase (decrease) in fiduciary net position			
Net position - beginning of year			
Net position - end of year	\$	\$	\$

NOTES TO THE BASIC FINANCIAL STATEMENTS

City of New London, Wisconsin
December 31, 2023
Index to Notes to the Basic Financial Statements

	<u>Page</u>
Note 1. <u>Summary of Significant Accounting Policies</u>	37
A. Reporting Entity	37
B. Government-Wide and Fund Financial Statements.....	37 – 40
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40 – 41
D. Cash and Cash Equivalents/Investments	41 – 42
E. Receivables.....	42 – 43
F. Inventories and Prepaid Items	43
G. Restricted Assets	43
H. Capital Assets.....	44
I. Unearned Revenue	44
J. Other Assets	45
K. Compensated Absences.....	45
L. Long-Term Obligations/Conduit Debt	45
M. Claims and Judgments.....	46
N. Equity Classifications.....	46 – 47
O. Deferred Amount on Refunding.....	47
P. Transfers.....	47
Q. Budgets and Budgetary Accounting.....	48
R. Commitment to Community.....	48
S. Summarized Comparative Information	48
T. Pensions.....	49
U. Other Postemployment Benefits.....	49
V. Deferred Outflows and Inflows of Resources	49
W. Change in Accounting Principle.....	50
Note 2. <u>Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements</u>	50
Note 3. <u>Cash and Investments</u>	50 – 55
Note 4. <u>Capital Assets</u>	55 – 57
Note 5. <u>Leases</u>	57 – 58
Note 6. <u>Long-Term and Short-Term Debt Obligations</u>	58 – 62
Note 7. <u>Defined Benefit Pension Plan</u>	62 – 67
Note 8. <u>Other Postemployment Benefits – Multiple Employer Life Insurance Plan</u>	67 – 71
Note 9. <u>Length of Service Awards Program – LOSAP</u>	71 – 75
Note 10. <u>Risk Management</u>	75 – 76
Note 11. <u>Wisconsin Public Power Incorporated (WPPI)</u>	76 – 77
Note 12. <u>Contingent Liabilities</u>	77
Note 13. <u>Significant Customers</u>	77
Note 14. <u>Fund Balances</u>	77 – 79
Note 15. <u>Restricted Assets</u>	80
Note 16. <u>Deferred Inflows of Resources</u>	80
Note 17. <u>Interfund Receivables/Payables and Transfers</u>	81
Note 18. <u>Landfill</u>	82
Note 19. <u>Tax Levy Limit</u>	82
Note 20. <u>Effect of New Accounting Standards on Current Period Financial Statements</u>	82
Note 21. <u>Subsequent Events</u>	82

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of New London, Wisconsin have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

The City is a municipal corporation governed by an elected ten-member council. This report includes all of the funds of the City of New London. The reporting entity for the City consists of the (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The City has not identified any component unit that is required to be included in the financial statements in accordance with governmental accounting standards.

Related Organization

The Common Council is responsible for appointing a majority of the board members of the Housing Authority of the City of New London, but the City's accountability for this organization does not extend beyond making the appointments. Therefore, the organization is not included in the City's reporting entity.

B. Government-Wide and Fund Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

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

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows, liabilities, deferred inflows, net position/fund equity, revenues, and expenditure/expenses.

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

Funds are organized in major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Major Governmental Funds

The City reports the following major governmental funds:

General – accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

TIF No. 5 Fund – Accounts for the activity of tax incremental district No. 5 including any payment of long-term debt principal, interest and related costs.

The City reports the following major enterprise funds:

Major Enterprise Funds

- Water and Electric Utility – accounts for operations of the water and electric system
- Sewer Utility – accounts for operations of the sewer system

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Non-Major Governmental Funds

The City reports the following non-major governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Cemetery Perpetual Care
- Housing Rehabilitation
- Tourism
- Library and Museum
- Community Development
- Grant Reimbursement
- American Rescue Plan Fund

Debt Service Fund – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

TIF No. 4 Fund – Accounts for the activity of tax incremental district No. 4 including any payment of long-term debt principal, interest and related costs.

TIF No. 6 Fund – Accounts for the activity of tax incremental district No. 6 including any payment of long-term debt principal, interest and related costs.

In addition, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds (Not included in Government-Wide Statements)

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment trust funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government controls the assets that finance the activity, b) Assets are not generated from the government’s own-source revenues or from government-mandated or voluntary nonexchange transactions, c) Assets are administered through a qualifying trust or the government does not have administrative involvement and the assets are not generated from the government’s delivery of goods or services to the beneficiaries, or the assets are for the benefit of entities that are not part of the government’s reporting entity.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fiduciary Funds (Not included in Government-Wide Statements) (Continued)

The City reports the following fiduciary fund:

Custodial Funds – used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City accounts for tax collections payable to overlying taxing jurisdictions in a Tax Collection Fund.

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and electric, and sewer utilities 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.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Certain expenditure driven intergovernmental revenues have a delay in receiving reimbursements from the grantor. Because of this, an extended availability period is used for expenditure driven intergovernmental revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources. Resources (typically cash) received before all eligibility requirements have been met are reported as assets and offset by unearned revenue (a liability) unless only a time requirement has not been met. In that case, deferred inflows of resources are reported rather than a liability.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources are removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 and electric and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalent/Investments

The City has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund's portion of total cash and investments is reported as cash and cash equivalents/investments by the City's individual major funds, and in the aggregate for non-major and agency funds.

All deposits of the City are made in council designated official depositories and are secured as required by State Statute. The City may designate, as an official depository, any bank or savings association. Also the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalent/Investments (Continued)

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

E. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying custodial fund statement of net position.

Property tax calendar - 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the City and the utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds," Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds," Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position, any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables (Continued)

Lease Receivable

The City's lease receivables are measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Leases – in the governmental funds, when the year-end receivable balance exceeds the deferred inflow of resources, the difference is presented as nonspendable fund balance.

The following receivables are reflected in the water and electric utility and sewer utility:

1.) Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually. Payments will begin when the related property is annexed by the municipality.

2.) Other

Transactions between the utility and other funds of the municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the utility and other funds of the municipality are reported as due to/from other funds.

F. Inventories and Prepaid Items

Inventories of governmental fund types are charged as expenditures when purchased. Inventories of proprietary fund types are recorded at cost which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is charged to construction or expense at the time individual inventory items are used.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of three years. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are reported at acquisition value.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. Capital assets are defined by the utilities as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	10-100 Years
Machinery and Equipment	3-40 Years
Utility System	5-77 Years
Infrastructure	30 Years

Right to Use Leased Assets

The City has recorded a right to use leased asset. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

I. Unearned Revenue

The City reports unearned revenue on its enterprise fund balance sheet. Unearned revenue arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Other Assets

Other assets of the water and electric utility are as follows:

Preliminary Survey and Investigation

The balance represents initial project engineering costs related to utility plant construction. The balance will be capitalized on commencement of the project.

Property Held for Future Use

This account represents the purchase of land in 2006 for a future well site.

K. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023 are determined on the basis of current salary rates and include salary related payments.

L. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

N. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity Classifications (Continued)

Fund Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-Spendable – Includes amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – Includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed – Includes amounts constrained to specific purposes by the Council, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Council takes the same highest level action to remove or change the constraint.
- Assigned – Includes amounts a government intends to use for a specific purpose; intent can be expressed by the Council or by an official or body to which the Council delegates the authority. Assignments may take place after the end of the reporting period.
- Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The Council may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the Council. Commitments of fund balance, once made, can be modified only by majority vote of the Council.

The City's financial policy is to maintain a general fund balance of no less than 25% of general fund expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

O. Deferred Amount on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunding debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as deferred outflows of resources.

P. Transfers

Transfers include the payment in lieu of taxes from the electric and water utility to the general fund.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Budgets and Budgetary Accounting

The City follows these procedures in establishing budgetary data:

- a. During November, City management submits to the Common Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Common Council action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and debt service funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the general fund and debt service funds. Management control for the community development and housing rehabilitation special revenue funds is achieved through requirements of grant agreements. Management control for the tax incremental financing districts reported in the capital projects funds are achieved through approved project plans of the districts.
- d. Expenditures may not exceed budget appropriations by functional level (general government, public safety, public works, health and human services, culture and recreation, conservation and development and debt service) of the City. Amendments within the same function can be approved by management while amendments between functions require the initial approval of management and are subsequently authorized by a two-thirds vote of the Common Council.
- e. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

R. Commitment to Community

The electric utility charges fees to all customers as required by the 1999 Energy Reliability Act and 2006 Act 141. Revenues generated from the fees are used to fund energy conservation and low-income energy assistance ("Commitment to Community") programs. The utility is acting as an agent administering the program so net collections and expenditures/remittances associated with the program are recorded as a current liability on the statements of net position.

S. Summarized Comparative Information

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position, operations, and cash flows. However, comparative (i.e., presentations of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes or purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense

Information about the fiduciary net position of the WRS and additions to/deductions from the WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. Other Postemployment Benefits

OPEB Group Life Insurance Plan

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits, and
- OPEB Expense (Revenue)

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

V. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The City has items that qualify for reporting in this category. The deferred outflows of resources are for the pensions, OPEB, and the unamortized loss on advance refunding.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resource (revenue) until then. The City has items that qualify for reporting in this category. Deferred inflows of resources related to the pensions are discussed in Note 7 and Note 9, OPEB inflows are discussed in Note 8, lease inflows are discussed in Note 5, and remaining deferred inflows of resources are discussed in Note 16.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Change in Accounting Principle

Effective January 1, 2023, the City adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. GASB 96 was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The City does not have any material SBITAs requiring disclosure in the financial statements.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

NOTE 3 CASH AND INVESTMENTS

At December 31, 2023, the cash and investments included the following:

Deposits with financial institutions	\$ 13,733,085
Wisconsin Local Government Investment Pool	3,734,399
Mutual funds	2,057,443
Federal agency notes	517,660
U.S. Treasury securities	789,517
Corporate bonds	244,107
Foreign issues	266,007
Annuity contracts	470,542
Petty cash	1,810
Total cash and investments	<u>\$ 21,814,570</u>

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2023 in the accompanying financial statements are as follows:

Exhibit A-1:	
Cash and investments	\$ 16,937,337
Restricted redemption account	80,791
Restricted cash and investments	2,419,531
Exhibit A-10:	
Cash and investments	2,376,911
Total cash and investments	\$ 21,814,570

Investments Authorized by Wisconsin State Statutes

Investment of City funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

Foreign Currency Risk

The City did not invest in any foreign currency during their fiscal year.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy states that, generally, the City will not invest in securities with maturities of more than three years.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity			
	Fair Value	1 year or less	1-3 years	3 or more years
Certificates of Deposit	\$ 1,475,429	\$ 1,475,429	\$	\$
Mutual Funds	2,057,443	2,057,443		
U.S. Government agency securities	517,660	153,769	268,304	95,587
U.S. Treasury securities	789,517	287,112	227,611	274,794
Corporate bonds	244,107	49,116	154,979	40,012
Foreign bank bonds	266,007	64,817	164,311	36,879
Totals	\$ 5,350,163	\$ 4,087,686	\$ 815,205	\$ 447,272

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy limits investments to those authorized by State Statute. As of December 31, 2023, the City's investments were rated as follows:

	Amount	Morningstar Rating
Wisconsin Local Government Investment Pool	\$ 3,734,399	Not rated
Mutual funds	92,814	Not rated
Mutual funds	462,222	(3) Stars
Mutual funds	1,341,815	(4) Stars
Mutual funds	160,592	(5) Stars

Corporate bonds held as part of the City's monies placed under external management were rated Aaa, Aa2, A1, or A2 by Moody's Investors Service or in similar categories by Standard & Poor's. Investments in U.S. Treasury securities and U.S. Government agency securities are all issued and guaranteed by government-supported enterprises, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Government National Mortgage Association (Ginnie Mae). Moody's Investors Service ratings vary for the government issued and guaranteed securities. As of December 31, 2023, the City's investments in the Wisconsin Local Government Investment Pool and money market mutual fund were not rated.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City would not be able to recover the value of its investment of collateral securities that are in possession of another party.

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the event of the failure of an insured bank.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

The City's investment policy requires all financial institutions acting as a depository for the City to pledge collateral for any balances exceeding FDIC and State Deposit Guarantee Fund limits. Amounts exceeding these limits must be fully collateralized and held by a third party or fully insured by an insurance company with an A rating or better by A.M. Best. All collateral shall be specifically pledged to the City and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution.

As of December 31, 2023, \$11,344,969 of the City's deposits with financial institutions were in excess of federal depository insurance limits. Of this amount, \$11,269,554 was collateralized by securities pledged by financial institutions, and \$75,415 would be insured by the State of Wisconsin Guarantee Fund, provided funds are available at the time of any potential loss.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding uninsured amounts at the balance sheet date.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Wisconsin Local Government Investment Pool

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the local government investment pool as of December 31, 2023 was: 94% in U.S. Government Securities and 6% in commercial paper and corporate notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. Government securities and investments in mutual funds are excluded from this risk. At December 31, 2023, the investment portfolio had one concentration of applicable investments that was 5% of the total portfolio.

Fair value measurement

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The City uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the City's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

The City uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	Assets at Fair Value as of December 31, 2021		
	Fair Value	Level 1	Level 2
Mutual funds	\$ 2,057,443	\$ 2,057,443	\$
U.S. Treasury Notes	789,517	789,517	
U.S. Government agency securities	517,660		517,660
Corporate bonds	244,107		244,107
Foreign bank bonds	266,007		266,007
	<u>\$ 3,874,734</u>	<u>\$ 2,846,960</u>	<u>\$ 1,027,774</u>

NOTE 4

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 1,539,922	\$	\$	\$ 1,539,922
Total capital assets not being depreciated	1,539,922			1,539,922
Other capital assets:				
Land improvements	1,412,831	450,572		1,863,403
Buildings	12,132,647	183,854		12,316,501
Machinery and equipment	13,153,710	1,152,096	(274,643)	14,031,163
Infrastructure	22,774,864	1,197,742		23,972,606
Total other capital assets at historical costs	49,474,052	2,984,264	(274,643)	52,183,673
Less accumulated depreciation for:				
Land improvements	(220,955)	(50,049)		(271,004)
Buildings	(5,566,421)	(342,803)		(5,909,224)
Machinery and equipment	(8,820,683)	(726,334)	274,643	(9,272,374)
Infrastructure	(13,853,540)	(601,343)		(14,454,883)
Total accumulated depreciation	(28,461,599)	(1,720,529)	274,643	(29,907,485)
Net capital assets being depreciated	21,012,453	1,263,735		22,276,188
Right-to-use leased assets being amortized				
Senior center	496,878			496,878
Less accumulated depreciation for:				
Senior center	(286,083)	(15,057)		(301,140)
Net right-to-use leased assets	210,795	(15,057)		195,738
Total net capital assets	\$ 22,763,170	\$ 1,248,678	\$	24,011,848

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 4

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 163,209
Public safety	300,064
Public works, which includes the depreciation of infrastructure	886,652
Health and human services	11,741
Culture and recreation	358,863
Total governmental activities depreciation expense	<u>\$ 1,720,529</u>

Amortization expense of \$15,057 was charged to the health and human services function.

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Business-Type Activities:</u>				
Capital assets not being depreciated:				
Construction in progress	\$ 453,684	\$ 1,108,189	\$ (1,426,660)	\$ 135,213
Land and land rights	278,173			278,173
Total capital assets not being depreciated	<u>731,857</u>	<u>1,108,189</u>	<u>(1,426,660)</u>	<u>413,386</u>
Capital assets being depreciated:				
Source of supply	426,465			426,465
Pumping	2,554,335	114,439	(52,088)	2,616,686
Water treatment	438,671	15,327	(3,000)	450,998
Transmission and distribution	44,554,770	2,740,077	(182,450)	47,112,397
Sewer collecting system	7,434,235	1,281,236	(234,230)	8,481,241
Treatment plant	17,052,343	200,198	(108,044)	17,144,497
General	4,811,665	324,124	(72,018)	5,063,771
Total capital assets being depreciated	<u>77,272,484</u>	<u>4,675,401</u>	<u>(651,830)</u>	<u>81,296,055</u>
Less: accumulated depreciation for:				
Source of supply	(289,926)	(12,368)		(302,294)
Pumping	(1,499,850)	(124,108)	52,088	(1,571,870)
Water treatment	(139,588)	(26,690)	3,000	(163,278)
Transmission and distribution	(20,457,309)	(1,188,220)	182,450	(21,463,079)
Sewer collecting system	(2,082,388)	(90,601)	234,231	(1,938,758)
Treatment plant	(11,743,783)	(598,445)	108,044	(12,234,184)
General	(2,670,350)	(230,046)	32,554	(2,867,842)
Total accumulated depreciation	<u>(38,883,194)</u>	<u>(2,270,478)</u>	<u>612,367</u>	<u>(40,541,305)</u>
Net capital assets being depreciated	<u>38,389,290</u>	<u>2,404,923</u>	<u>(39,463)</u>	<u>40,754,750</u>
Total net capital assets	<u>\$ 39,121,147</u>	<u>\$ 3,513,112</u>	<u>\$ (1,466,123)</u>	<u>\$ 41,168,136</u>

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Water and electric	\$ 1,486,561
Sewer	783,917
Subtotal	2,270,478
Less: depreciation charged to clearing and other utilities	(37,268)
Total business-type activities depreciation expense	\$ 2,233,210

NOTE 5 LEASES

Governmental Activities

Lessor - Lease Receivable

The City has entered into a lease arrangement where the City leases a tower for commercial use. In the statement of activities, lease revenue for the year ended December 31, 2023 was as follows:

Lease-related revenue	Year Ending December 31, 2023
Lease revenue:	
Tower	\$ 16,243
Interest revenue	3,672
Total	\$ 19,915

Aggregate cash flows for the revenue generated by the lease receivable and interest at December 31, 2023 are as follows:

Years Ended December 31,	Principal	Interest	Total
2024	\$ 17,167	\$ 3,345	\$ 20,512
2025	18,128	3,000	21,128
2026	19,126	2,636	21,762
2027	20,163	2,252	22,415
2028	21,241	1,846	23,087
2029-2031	70,614	2,886	73,500
Totals	\$ 166,439	\$ 15,965	\$ 182,404

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 5

LEASES (CONTINUED)

Lessee Agreement

The City entered into a lease agreement for facilities. The lease is for a period of 33 years beginning February 15, 2004. Improvements to the facilities of \$496,878 that were paid for by the City in 2003 are considered a right-to-use asset and are being amortized to expense over the life of the lease for the government-wide statements. The City does not make any payments monthly, annually, or otherwise, for rental of the facilities.

Business-Type Activities

Lessor - Lease Receivable

The Water Utility has entered into a lease arrangement where the Water Utility leases tower space for commercial use. Below is information on the lease:

<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance</u> <u>12/31/23</u>
12/22/2006	1/1/2041	2.00%	\$ <u>685,379</u>

During 2023, the Utility recognized \$21,994 of lease revenue and \$14,118 of interest revenue.

NOTE 6

LONG-TERM AND SHORT-TERM DEBT OBLIGATIONS

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
<u>Governmental Activities</u>					
Bonds and notes - nondirect	\$ 9,570,000	\$ 3,385,000	\$ (495,000)	\$ 12,460,000	\$ 520,000
Other liabilities:					
Note from direct borrowing and direct placement	165,952		(81,955)	83,997	83,997
Compensated absences	700,496		(44,647)	655,849	40,015
Unamortized debt premium	277,628	218,328	(29,074)	466,882	
Total other liabilities	<u>1,144,076</u>	<u>218,328</u>	<u>(155,676)</u>	<u>1,206,728</u>	<u>124,012</u>
Total governmental activities long-term liabilities	<u>\$ 10,714,076</u>	<u>\$ 3,603,328</u>	<u>\$ (650,676)</u>	<u>\$ 13,666,728</u>	<u>\$ 644,012</u>
<u>Business-Type Activities</u>					
Revenue bonds - nondirect	\$ 14,940,000		\$ (1,250,000)	\$ 13,690,000	\$ 935,000
Other liabilities:					
Revenue anticipation debt		1,000,000		1,000,000	
Compensated absences	402,317	96,089	(53,440)	444,966	133,302
Unamortized debt premium	372,775		(53,210)	319,565	
Total other liabilities	<u>775,092</u>	<u>1,096,089</u>	<u>(106,650)</u>	<u>1,764,531</u>	<u>133,302</u>
Total business-type activities long-term liabilities	<u>\$ 15,715,092</u>	<u>\$ 1,096,089</u>	<u>\$ (1,356,650)</u>	<u>\$ 15,454,531</u>	<u>\$ 1,068,302</u>

The other liabilities attributed to governmental activities are typically being liquidated in the general fund.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 6 LONG-TERM AND SHORT-TERM DEBT OBLIGATIONS (CONTINUED)

Short-term obligation activity for the year ended December 31, 2023 was limited to one borrowing. In December 2022, a \$100,000 note was issued and repaid in January 2023. The borrowing was issued in connection with establishing the municipal levies within the levy limit framework imposed by the State of Wisconsin.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023 was \$26,444,230. Total general obligation debt outstanding at year-end was \$12,543,997.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/23
<u>Governmental Activities</u>					
Notes	2021	3/15/24	2.50%	\$ 250,000	\$ 83,997
Bonds	2016	5/1/35	2.0-3.0%	5,615,000	4,265,000
Bonds	2018	5/1/38	3.0-4.0%	3,080,000	2,720,000
Bonds	2020	3/1/40	2.00%	2,355,000	2,090,000
Bonds	2023	5/1/42	4.0-5.0%	3,385,000	3,385,000
Total governmental activities - general obligation debt					<u>\$ 12,543,997</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities			
	Bonds and Notes - Nondirect		Bonds and Notes - Direct	
	Principal	Interest	Principal	Interest
2024	\$ 520,000	\$ 448,210	\$ 83,997	\$ 2,100
2025	590,000	387,725		
2026	610,000	372,575		
2027	635,000	356,213		
2028	665,000	338,463		
2029-2033	4,250,000	1,319,055		
2034-2038	3,745,000	582,870		
2039-2042	1,445,000	102,100		
Totals	<u>\$ 12,460,000</u>	<u>\$ 3,907,211</u>	<u>\$ 83,997</u>	<u>\$ 2,100</u>

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 6 LONG-TERM AND SHORT-TERM DEBT OBLIGATIONS (CONTINUED)

Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the utilities.

Revenue debt payable at December 31, 2023 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/23
Revenue bonds	5/26/16	12/1/36	0.90-4.00%	\$3,030,000	\$ 2,310,000
Revenue bonds	6/28/18	12/1/38	3.00-4.00%	3,400,000	2,785,000
Revenue bonds	6/27/19	12/1/38	3.00%	7,545,000	6,290,000
Revenue bonds	10/29/20	12/1/30	1.00-2.00%	3,135,000	2,305,000
Revenue anticipation debt*	8/28/23	8/28/24	6.00%	1,000,000	1,000,000
Total business-type activities - revenue debt					<u>\$ 14,690,000</u>

Debt service requirements to maturity are as follows:

Years	Business-Type Activities		
	Bonds and Notes - Nondirect		
	Principal	Interest	Total
2024	\$ 935,000	\$ 390,533	\$ 1,325,533
2025	970,000	365,983	1,335,983
2026	995,000	340,308	1,335,308
2027	1,025,000	313,808	1,338,808
2028	1,060,000	285,583	1,345,583
2029-2033	4,575,000	1,055,798	5,630,798
2034-2038	4,130,000	391,830	4,521,830
Totals	<u>\$ 13,690,000</u>	<u>\$ 3,143,843</u>	<u>\$ 16,833,843</u>

*The revenue bond anticipation note was issued in anticipation of receiving a safe drinking water loan in 2024, therefore it has been excluded from the repayment schedule above.

All utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2023 and 2022 were \$1,671,703 and \$1,681,728, respectively. Total customer net revenues as defined for the same periods were \$4,817,167 and \$4,208,851. Annual principal and interest payments are expected to require 25 percent of net revenues on average.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 6 LONG-TERM AND SHORT-TERM DEBT OBLIGATIONS (CONTINUED)

Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the 2016, 2018, 2019, and 2020 revenue bonds:

Insurance

Type	Coverage	
Local government		
Property	\$ 116,766,259	Maximum
Contractors equipment	2,575,980	Maximum
Monies and securities	210,000	Maximum
Auto, Comp, & collision	\$ 20,000,000	Each occurrence
Crime Coverage	5,000,000	Maximum
Equipment Breakdown	\$ 500,000,000	Each occurrence
General Liability	5,000,000	Each occurrence
Boiler and Machinery	500,000,000	Each occurrence
Employment Practices Liability	1,000,000	Each occurrence
Workers Compensation	100,000	Each accident

Number of Customers – Electric

The electric and water utility has the following number of customers and billed volumes for 2023 and 2022:

	Customers		Sales (000 kWh)	
	2023	2022	2023	2022
Residential	3,504	3,460	26,682	26,657
Small commercial and industrial	482	479	11,424	11,788
Industrial	36	36	134,765	137,642
Street and highway lighting	15	15	243	273
Public authority	52	52	707	736
Totals	4,089	4,042	173,821	177,096

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 6 LONG-TERM AND SHORT-TERM DEBT OBLIGATIONS (CONTINUED)

Number of Customers – Water

The electric and water utility has the following number of customers and billed volumes for 2023 and 2022:

	Customers		Sales (000 gals)	
	2023	2022	2023	2022
Residential	2,740	2,522	90,167	87,355
Multifamily residential	71		21,370	
Commercial	292	323	28,626	46,756
Industrial	32	30	378,794	399,804
Public authority	27	25	8,147	7,688
Totals	3,162	2,900	527,104	541,603

NOTE 7 DEFINED BENEFIT PENSION PLAN

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits provided (Continued).

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$390,967 in contributions from the employer.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Continued).

Contribution rates as of December 31, 2023 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2023, the City reported a liability (asset) of \$1,724,281 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.03254771%, which was a decrease of 0.000561100% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$878,574.

Pension amounts have been allocated to the enterprise funds and business-type activities. Allocations were based on a proportionate share of contributions to the pension plan made by the enterprise funds and business-type activities relative to the total contributions made by the City.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 2,746,245	\$ (3,607,950)
Net differences between projected and actual earnings on pension plan investments	2,929,156	
Changes in assumptions	339,065	
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,825	(\$8,935)
Employer contributions subsequent to the measurement date	438,751	
Total	<hr/> <hr/> \$ 6,481,042	<hr/> <hr/> \$ (3,616,885)

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

\$438,751 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ 102,562
2025	503,132
2026	518,702
2027	1,301,010
Total	<u>\$ 2,425,406</u>

Actuarial assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments	1.7%*

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-term expected Return on Plan Assets. 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns ¹			
As of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

¹ Asset Allocations are managed with established ranges; target percentages may differ from actual monthly allocations

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, as asset allocation target of 15% policy leverage is used, subject to an allowable range up to 20%.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount Rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond 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 City of New London’s proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 5,722,833	\$ 1,724,281	\$ (1,026,379)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN

Plan description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN
(CONTINUED)

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$1,208 in contributions from the employer.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN
(CONTINUED)

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

At December 31, 2023, the LRLIF Employer reported a liability (asset) of \$229,493 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was .0602370%, which was an increase of .001496% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$15,443. OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (22,460)
Net differences between projected and actual earnings on plan investments	4,306	
Changes in actuarial assumptions	82,451	(135,463)
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,156	(39,857)
Employer contributions subsequent to the measurement date	1,190	
Totals	\$ 96,103	\$ (197,780)

\$1,190 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	\$ (12,202)
2025	(14,506)
2026	(11,292)
2027	(20,829)
2028	(24,244)
Thereafter	(19,794)
Total	\$ (102,867)

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN
(CONTINUED)

Actuarial assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

* Based on the Bond Buyers Go index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE EMPLOYER LIFE INSURANCE PLAN
(CONTINUED)

Single Discount rate. A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
City's proportionate share of the net OPEB liability (asset)	\$ 312,889	\$ 229,493	\$ 165,579

NOTE 9 LENGTH OF SERVICE AWARDS PROGRAM – LOSAP

The City established a single employer defined benefit Service Awards Program (referred to as a “LOSAP” – length of service awards program) effective January 1, 1998 for the active volunteer firefighter members of the City. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The City is the sponsor of the program. Benefits and eligibility are established and amended by the City Council.

Program Description

Under the program, participating volunteers begin to be paid a service award upon attainment of the program “entitlement age”. The amount of the service award paid to a volunteer is based upon the number of years of service credit the volunteer earned under the program for performing active volunteer firefighter activities.

Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program’s entitlement age. The program’s entitlement age is age 62 with one year of Plan participation. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program. A participant may also receive credit for years of firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of the City.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 9 LENGTH OF SERVICE AWARDS PROGRAM – LOSAP (CONTINUED)

Participation, Vesting and Service Credit (Continued)

There are 22 active participants in the plan as of January 1, 2023 and 30 inactive participants. 14 of the inactive participants are retired and are currently receiving benefit payments. 5 of the inactive participants are not currently eligible to receive benefit payments. No active participants are receiving benefits.

Benefits

A participant’s benefit under the program is the equivalent of a monthly payment for life equal to \$5 multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit is unlimited. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

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

At December 31, 2023, the City reported a liability of \$652,318. The pension liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date.

For the year ended December 31, 2023, the City recognized pension expense of \$27,418.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 16,330	\$ (41)
Changes of assumptions	100,778	(179,235)
Total	\$ 117,108	\$ (179,276)

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

Year ended December 31:	Net Outflows (Inflows) of Resources
2024	\$ (5,929)
2025	(5,936)
2026	(20,329)
2027	(33,872)
2028	3,898
Total	\$ (62,168)

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 9 LENGTH OF SERVICE AWARDS PROGRAM – LOSAP (CONTINUED)

Below is a schedule of changes in the total pension liability for the current reporting period:

Beginning balance	\$ 623,858
Changes for the year:	
Service cost	10,201
Interest	23,146
Changes of benefit terms	
Differences between expected and actual experience	(49)
Changes of assumptions or other inputs	23,452
Benefit payments and expenses	(28,290)
Net changes	28,460
Ending balance	\$ 652,318

Changes in assumptions: The actuarial study for the year ended December 31, 2023, decreased the discount rate from 4.05% to 3.79%.

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Total Pension Liability	December 31, 2023
Inflation	0.0%
Discount Rate / Investment Rate of Return	3.79% percent, net of pension plan investment expense, including inflation.
Projected salary increases	Not Applicable
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

Single Discount rate

A single discount rate of 3.79% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments.

Sensitivity of the City's total pension liability to changes in the discount rate

The following presents the City's total pension liability calculated using the discount rate of 3.79 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point (2.79 percent) or 1-percentage point higher (4.79 percent) than the current rate:

1% Decrease to Discount Rate (2.79%)	Current Discount Rate (3.79%)	1% Increase to Discount Rate (4.79%)
\$752,265	\$652,318	\$572,156

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 9

LENGTH OF SERVICE AWARDS PROGRAM – LOSAP (CONTINUED)

Funding Policy, Plan Assets, and Control

Service credit is determined by the governing board of the sponsor. The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator's functions include installation assistance in the following areas: specimen adoption agreement, specimen master plan, insurance applications, participant enrollment forms, explanation of benefits and benefit certificates provided at enrollment and every three years thereafter. In addition, VFIS provides the following administrative assistance: reminder letter to the City with census for current anniversary date, participant's benefit calculation at the time of termination or retirement for verification by the City, schedule of benefits and costs, valuation and recommended deposit, summary of required contribution and actuarial review and recommended benefit enhancement.

Disbursements of program assets for the payment of benefits or administrative expenses must be approved.

The following is an explanation of process for approving disbursements:

Payment of Benefits:

1. Entitlement Benefits - VFIS prepares and submits to the Plan Administrator (Sponsor) a Verification of Benefits statement and an Annuity Enrollment form for participants active at entitlement age and for vested participants upon termination from the Plan. Following review for accuracy, the Plan Administrator signs and returns the paperwork to VFIS authorizing VFIS to disburse entitlement benefits.
2. Death Benefits - Upon notification from the Plan Administrator (Sponsor) of a participant death, VFIS prepares a Verification of Benefits statement and a Lump Sum Death Benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork accompanied by a death certificate to VFIS authorizing VFIS to disburse a death benefit.
3. Disability Benefits - Upon notification from the Plan Administrator (Sponsor) of a participant total and permanent disability, VFIS prepares a Verification of Benefits Statement, a Physician Statement form, and a Lump Sum Disability Benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork authorizing VFIS to disburse a disability benefit.

Payment of Administrative Expenses:

Per the executed Service Fee Agreement, the Plan Administrator (Sponsor) agrees to payment as contracted.

Plan assets are not legally protected from creditors. The obligation of the Sponsor to pay any benefits under this Plan shall be unfunded and unsecured. Any payments under this Plan shall be made from the general assets of the Sponsor, which general assets are subject to the claims of creditors of the Sponsor. The Sponsor, however, in its discretion, may set aside assets or purchase an annuity or life insurance contract to discharge all or part of its obligation under this Plan. In coordination with VFIS, the City has set aside assets in annuity contracts in the name of the City. It is not intended that any trust for the benefit of Participants is to be created by setting aside the assets or purchasing the annuity contracts. Plan assets are recorded as assets of the City within its governmental activities and general fund.

Authority to invest the program assets is vested in the program trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the investment policy statement adopted by the City.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 9 LENGTH OF SERVICE AWARDS PROGRAM – LOSAP (CONTINUED)

Funding Policy, Plan Assets, and Control (Continued)

Plan assets activity for 2023 is provided below:

Plan Assets, beginning of year	\$ 454,177
Changes during the year:	
Plan contributions	28,978
Investment income earned	13,667
Benefit payments and fees	(26,280)
Plan Assets, end of year	\$ 470,542

Annuity contracts are reported using a cost based measure and are not subject to the fair value hierarchy.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. Funding status information as of December 31, 2023 is provided below:

Actuarially Accrued Liability at December 31, 2023	\$ 652,318
Less: Assets Available for Benefits	
Annuity Contracts	(470,542)
Total Underfunded Benefits	\$ 181,776

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City has chosen to retain a portion of the risks through a self-insurance program and has also purchased insurance to transfer other risks to outside parties. The City is partial self-insured for liability insurance and participates in a public entity risk pool called the Cities and Villages Mutual Insurance Company (CVMIC) to provide coverage for its excess liability insurance coverage. Settled claims have not exceeded the CVMIC coverage in any of the last three years. All other risks are covered through the purchase of commercial insurance, with minimal deductibles. There has been no reduction in insurance coverage from coverage in prior years. Settled claims have not exceeded commercial insurance in any of the last three years.

Public Entity Risk Pool

Wisconsin Municipal Mutual Insurance Commission (WMMIC)
Cities and Villages Mutual Insurance Company (CVMIC)

The WMMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 19, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMMIC.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 10

RISK MANAGEMENT (CONTINUED)

Public Entity Risk Pool (Continued)

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities.

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

Financial statements of WMMIC and CVMIC are available from: Cities and Village Mutual Insurance Company, 1250 South Sunnyslope Road, Suite 105, Brookfield, WI 53005.

The initial investment in WMMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$284,938 in the insurance internal service fund.

The City pays an annual premium to CVMIC for its general liability, police liability, professional liability, public officials liability and vehicle liability coverages. The City's retained liability is limited to \$17,500 per occurrence and an annual aggregate limit of \$70,000. An actuarially determined estimate has not been recorded for this liability, as well as for claims incurred but not reported at December 31, 2023. Changes in the fund's claims loss liability follow:

	Liability January 1	Incurred Claims	Claim Payments	Liability December 31
2023	\$	\$	\$	\$
2022				
2021				
2020				
2019				

Premiums paid to CVMIC for insurance coverage are recorded in a self-insurance internal service fund (governmental activities column of government-wide statement of activities). The self-insurance fund charges various City departments and operations for their portion of insurance coverage for the year.

NOTE 11

WISCONSIN PUBLIC POWER INCORPORATED (WPPI)

The electric utility is one of 51 WPPI member municipalities located throughout the States of Wisconsin, Iowa, and Michigan. On December 1, 1989, each initial WPPI member commenced purchasing electric service from WPPI under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI members to pay for power and energy requirements supplied or made available by WPPI at rates sufficient to cover WPPI's revenue requirement including power supply costs, administrative expenses and debt service. WPPI's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI obligations. The long-term contract provides that all payments to WPPI constitute operating expenses of the electric utility payable from any operating and maintenance fund established for that system.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 11 WISCONSIN PUBLIC POWER INCORPORATED (WPPI) (CONTINUED)

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract is \$253 million as of December 31, 2023.

NOTE 12 CONTINGENT LIABILITIES

The City has identified the following items as potential liabilities not recorded on the financial statements:

1. The City participates in a number of federal and state assistance programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.
2. From time to time, the City is party to various claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

NOTE 13 SIGNIFICANT CUSTOMERS

The water and electric utility have two significant customers who were responsible for 29% of water operating revenues and 43% of electric operating revenues in 2023.

NOTE 14 FUND BALANCES

GOVERNMENTAL FUND BALANCES

Governmental fund balances on the fund financial statements at December 31, 2023 includes the following:

Nonspendable:	
Unpaid special charges	\$ 3,049
Delinquent personal property taxes	1,566
Prepaid items	1,299
Advances to other funds	97,391
Subtotal general fund	103,305
Cemetery perpetual care	307,724
Total nonspendable	\$ 411,029

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 14

FUND BALANCES (CONTINUED)

GOVERNMENTAL FUND BALANCES (CONTINUED)

Restricted:	
Wheel tax	\$ 133,373
Hatten Stadium	127,156
Donor restricted amounts	88,975
Subtotal capital projects fund	<u>349,504</u>
Cemetery perpetual care	282
TIF District #5	235,753
Tourism	257,082
Community development	23,086
Debt service	467,785
Cheer and stunt	1,960
Donor restricted:	
Library and museum	1,566,830
Total restricted	<u><u>\$ 2,902,282</u></u>
Assigned:	
General Fund:	
New library	\$ 1,663
Health insurance	145,000
Revaluation Reserve	71,000
Cable TV reserve	314,934
Boat launch	57,260
Trails/ATC	48,932
Downtown Façade/Economic Development	158,063
Downtown Revitalization/City Beautification	2,006
Retirement reserve	740,000
Technology	30,296
Weather sirens	30,000
Wellness	12,681
Length of service awards program	470,541
Subsequent year budget-tax equivalent	698,615
Subtotal general fund	2,780,991
Capital projects reserve	1,339,653
Total assigned	<u><u>\$ 4,120,644</u></u>
Unassigned	
General Fund	\$ 3,544,757
TIF District #4 (deficit)	(41,636)
TIF District #6 (deficit)	(55,755)
Total unassigned	<u><u>\$ 3,447,366</u></u>

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 14

FUND BALANCES (CONTINUED)

BUSINESS-TYPE ACTIVITIES AND ENTERPRISE FUND BALANCES

Business-type activities and enterprise fund net position at December 31, 2023 includes the following:

Net investment in capital assets:	
Plant in service	\$ 81,709,441
Accumulated depreciation	(40,541,305)
Property held for future use	47,976
Subtotal	41,216,112
Less: capital related debt	
Current portion of capital related long-term debt	(935,000)
Long-term portion of capital related long-term debt	(13,755,000)
Unamortized debt premium	(319,565)
Subtotal	(15,009,565)
Add: unspent debt proceeds	
Reserve from borrowing	1,219,892
Subtotal	1,219,892
Total net investment in capital assets	27,426,439
Restricted:	
Water and electric utility	
Redemption account	80,791
Reserve account	1,219,892
Interest receivable	25,555
Total restricted assets	1,326,238
Less: restricted assets not funded by revenues	
Reserve from borrowing	(1,219,892)
Total restricted assets not funded by revenues	(1,219,892)
Current liabilities payable from restricted assets	(21,894)
Total restricted assets - water and electric utility	84,452
Sewer utility	
Restricted assets	
Reserve account	382,927
DNR equipment replacement	741,369
Total restricted assets - sewer utility	1,124,296
Current liabilities payable from restricted assets	(10,649)
Total restricted assets - sewer utility	1,113,647
Total restricted net position	1,198,099
Unrestricted	4,932,058
Total business-type activities and enterprise fund net position	\$ 33,556,596

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 15

RESTRICTED ASSETS

A) Bond Accounts

Certain proceeds of the utility’s revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The following revenue bond accounts are reported as restricted assets:

Redemption –	Used to segregate resources accumulated for debt service payments over the next twelve months.
Reserve –	Used to report resources set aside to make up potential future deficiencies in the redemption account.
Construction –	Used to report bond proceeds restricted for use in construction.

B) DNR Replacement Account

As a condition of receiving state funds for wastewater treatment facility construction, the sewer utility has established an account for replacement of mechanical equipment during the life of the facility. The balance at December 31, 2023 was \$741,369.

NOTE 16

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2023 the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable	\$ 4,063,224
Tax increment receivable	72,778
Special assessments not yet due	232,984
Loans receivable	993,219
Lease inflows	166,439
Total deferred inflows of resources for governmental funds	\$ 5,528,644

Postponed special assessments are generally collectible on annual installments from one to five years while others have been deferred until the property is sold or placed in service.

The loans receivable of \$993,219 represents various loans to local business and homeowners that were originally financed from economic development grants received by the City from the State of Wisconsin. Repayment of principal and interest loans is recorded as revenue in the community development and housing rehabilitation special revenue funds and is used to finance additional development loans.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 17

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Principal Purpose</u>
Government Funds:			
General	Water and electric	\$ 698,615	Tax equivalent
	Total	<u>\$ 698,615</u>	
Proprietary Funds:			
Sewer	Water and electric	\$ 167,251	Sewer billings
Sewer	General	14,674	Tax roll items
Water and electric	General	10,544	Tax roll items
	Total	<u>\$ 192,469</u>	

For the statement of net position, interfund balances which are owned within the governmental activities or business-type activities are netted and eliminated.

Interfund advances were as follows at December 31, 2023:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds (Exhibit A-3):		
General	TIF #4	\$ 41,636
General	TIF #6	55,755
		<u>\$ 97,391</u>

Interfund advances were for cash flow needs. There is no repayment schedule for the interfund advances.

The following is a schedule of interfund transfers:

<u>Fund Transferred To:</u>	<u>Fund Transferred From:</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Water & electric utility	\$ 698,615	Tax equivalent
General	Sewer utility	157,107	Operating support
Capital projects	General	877,157	Capital costs and reserves
Housing Rehabilitation	General	23,855	Support
TIF District #5	Sewer utility	827,828	Capital improvements
	Total	<u>\$ 2,584,562</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move fund balances whose assigned purpose has been removed.

City of New London, Wisconsin
December 31, 2023
Notes to the Basic Financial Statements

NOTE 18

LANDFILL

The City has retained a consultant to perform monitoring and testing of a landfill. Estimated annual costs are \$25,000 and it is anticipated the monitoring will continue for 10-15 years.

NOTE 19

TAX LEVY LIMIT

As part of Wisconsin's Act 32 (2011), legislation was passed that limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount, increased by the greater of the percentage change in the City's equalized value due to new construction or zero percent for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the City adopts a new fee or a fee increase for covered services (which were partly or wholly funded by property tax levy), the City must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. Covered services include garbage collection, snow plowing, and street sweeping.

NOTE 20 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for periods beginning after June 15, 2023 and GASB Statement No. 101, *Compensated Absences*, effective for periods beginning after December 15, 2023. When these become effective, application of these standards may restate portions of these financial statements.

NOTE 21

SUBSEQUENT EVENTS

The Wisconsin Public Service Commission approved a water rate increase effective March 2024.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit B-1
City of New London, Wisconsin
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variances-	
				Positive (Negative)	
	Original	Final	Actual	Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 3,030,847	\$ 3,030,847	\$ 3,036,123	\$ 5,276	\$ 5,276
Special assessments	1,300	1,300	476	(824)	(824)
Intergovernmental	3,138,620	3,138,620	3,128,709	(9,911)	(9,911)
Licenses and permits	118,455	118,455	162,497	44,042	44,042
Fines and forfeitures	86,000	86,000	99,975	13,975	13,975
Public charges for services	356,700	356,700	384,276	27,576	27,576
Intergovernmental charges for services	94,800	94,800	109,012	14,212	14,212
Interdepartmental charges for services	8,700	8,700	8,700		
Interest income (loss)	61,500	61,500	391,249	329,749	329,749
Miscellaneous	68,498	68,498	122,246	53,748	53,748
Total revenues	<u>6,965,420</u>	<u>6,965,420</u>	<u>7,443,263</u>	<u>477,843</u>	<u>477,843</u>
EXPENDITURES					
Current:					
General government	1,438,379	1,418,379	1,347,622	90,757	70,757
Public safety	2,835,255	2,805,255	2,781,747	53,508	23,508
Public works	1,158,389	1,058,389	1,007,774	150,615	50,615
Health and human services	245,796	225,796	170,340	75,456	55,456
Culture and recreation	2,234,708	2,188,286	2,181,241	53,467	7,045
Total expenditures	<u>7,912,527</u>	<u>7,696,105</u>	<u>7,488,724</u>	<u>423,803</u>	<u>207,381</u>
Excess (deficiency) of revenues over expenditures	(947,107)	(730,685)	(45,461)	901,646	685,224
OTHER FINANCING SOURCES					
Transfer from other funds	947,107	947,107	855,722	(91,385)	(91,385)
Transfer to other funds		(216,422)	(901,012)	(901,012)	(684,590)
Net change in fund balances			(90,751)	(90,751)	(90,751)
Fund balance-beginning of year	6,519,804	6,519,804	6,519,804		
Fund balance-end of year	<u>\$ 6,519,804</u>	<u>\$ 6,519,804</u>	<u>\$ 6,429,053</u>	<u>\$ (90,751)</u>	<u>\$ (90,751)</u>

Exhibit B-2
City of New London, Wisconsin
Wisconsin Retirement System Schedules
December 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Calendar Years*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.03254771%	\$ 1,724,281	\$ 4,829,887	35.70%	95.72%
2021	(0.03310881%)	(2,668,631)	4,566,140	(58.44%)	106.02%
2020	(0.03420562%)	(2,135,504)	4,404,915	(48.48%)	105.26%
2019	(0.03532063%)	(1,138,898)	4,793,267	(23.76%)	102.96%
2018	0.03489852%	1,241,579	4,683,409	26.51%	96.45%
2017	(0.03405183%)	(1,011,039)	4,554,547	(22.20%)	102.93%
2016	0.03345700%	275,765	4,355,589	6.33%	99.12%
2015	0.03354071%	545,030	4,223,351	12.91%	98.20%
2014	(0.03388466%)	(832,071)	4,187,310	(19.87%)	102.74%

*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 438,751	\$ (438,751)	\$	\$ 5,132,779	8.55%
2022	391,527	(391,527)		4,829,887	8.11%
2021	376,259	(376,259)		4,566,140	8.24%
2020	364,716	(364,716)		4,404,915	8.28%
2019	369,692	(369,692)		4,793,267	7.71%
2018	365,641	(365,641)		4,683,409	7.81%
2017	357,716	(357,716)		4,554,547	7.85%
2016	322,557	(322,557)		4,355,589	7.41%
2015	320,019	(320,019)		4,223,351	7.58%

**The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

Exhibit B-3
City of New London, Wisconsin
Local Retiree Life Insurance Fund Schedules
December 31, 2023

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Calendar Years*

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2022	0.06023700%	\$ 229,493	\$ 2,962,000	7.75%	38.81%
2021	0.05874100%	347,181	2,903,000	11.96%	29.57%
2020	0.06375300%	350,688	2,823,000	12.42%	31.36%
2019	0.07458000%	317,576	2,984,000	10.64%	37.58%
2018	0.07857500%	202,750	3,006,000	6.74%	48.69%
2017	0.07903700%	237,789	3,323,732	7.15%	44.81%

*The proportionate share of the net OPEB liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Years**

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2023	\$ 1,190	\$ (1,190)	\$	\$ 2,962,000	0.04%
2022	1,236	(1,236)		2,962,000	0.04%
2021	1,184	(1,184)		2,903,000	0.04%
2020	1,234	(1,234)		2,823,000	0.04%
2019	1,525	(1,525)		2,984,000	0.05%
2018	1,513	(1,513)		3,006,000	0.05%

**The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The tables will be build prospectively as the information becomes available.

Exhibit B-4
 Required Supplementary Information
 City of New London, Wisconsin
 Length of Service Awards Program Pension Plan Schedules
 December 31, 2023

SCHEDULE OF CHANGES IN PENSION LIABILITY AND RELATED RATIOS

	Year Ended December 31						
	2017	2018	2019	2020	2021	2022	2023
Changes for the Year							
Service Cost	\$ 15,938	\$ 20,607	\$ 23,191	\$ 18,191	\$ 19,090	\$ 9,551	\$ 10,201
Interest	16,972	21,450	15,523	13,955	14,892	34,210	23,146
Change of Benefit Terms							
Difference Between Expected and Actual Experiences	(1)	11,885	24,806	1,166	3,532	5,640	(49)
Change of Assumptions or Other Inputs	45,870	(38,250)	99,057	93,600	22,432	(254,507)	23,452
Benefit Payments	(12,759)	(17,077)	(40,742)	(10,125)	(20,385)	(29,420)	(28,290)
Net Change in Total Pension Liability	66,020	(1,385)	121,835	116,787	39,561	(234,526)	28,460
Total Pension Liability - Beginning of Year	515,566	581,586	580,201	702,036	818,823	858,384	623,858
Total Pension Liability - End of Year	\$ 581,586	\$ 580,201	\$ 702,036	\$ 818,823	\$ 858,384	\$ 623,858	\$ 652,318

Covered Payroll \$ \$ \$ \$ \$ \$ \$

Total Pension Liability as a Percentage of Covered Payroll N/A N/A N/A N/A N/A N/A N/A

The length of service awards program is for volunteer firefighters. Accordingly, there is no covered payroll.

City of New London, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 1

BUDGET SCHEDULE

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C.

The City budget is adopted in accordance with state law. The original budget amounts in the required supplemental information include appropriations authorized in the original budget resolution. Revisions to the original budget are required by a statutory provision, which states that no expenditures can be made from an expired appropriation. The statutes also require publication of the budget revisions. Revisions require a majority vote of the Common Council. Appropriations for the general fund lapse at year end unless specifically carried forward by council action.

Control for the TIF district funds (capital projects funds) are maintained by comparison to the project plan.

The City does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

NOTE 2

EXCESS EXPENDITURES OVER APPROPRIATIONS

No expenses exceeded budget appropriations in the general fund for the year ended December 31, 2023.

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

Changes of benefit term: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions: Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure to the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

City of New London, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015- 2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015- 2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

City of New London, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

City of New London, Wisconsin
Notes to the Required Supplementary Information
December 31, 2023

NOTE 4

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Changes in Benefit Terms and Assumptions related to LRLIF OPEB Liabilities (Assets)

Benefit Terms: There were no recent changes in benefit terms.

Assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below:

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the 2018 Wisconsin 2018 Mortality Table.

NOTE 5

LENGTH OF SERVICE AWARDS PROGRAM PENSION PLAN SCHEDULES

Governmental Accounting Standards Board Statement No. 73 requirements have been implemented prospectively; therefore, the illustrations do not present 10 full years of data.

Changes of benefit terms. There were no changes of benefit terms during the year.

Changes of assumptions. The changes in the assumptions relate to changes to the discount rate.

Assets. There are no assets accumulated in a trust that meet the criteria in governmental accounting standards to pay related benefits.

SUPPLEMENTARY INFORMATION

Exhibit C-1
City of New London, Wisconsin
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2023

	Cemetery Perpetual Care	Housing Rehabilitation	Tourism	Library and Museum	Community Development	Grant Reimbursement	American Rescue Plan Funds	Debt Service	TIF District #4	TIF District #6	Total
ASSETS											
Cash and investments	\$ 308,006	\$	\$ 240,626	\$ 1,555,613	\$ 22,586	\$ 1,960	\$ 742,309	\$ 467,785	\$	\$	\$ 3,338,885
Receivables:											
Taxes											
Mortgages		820,082						1,049,438	16,174	2,487	1,068,099
Accounts			16,456	11,217							820,082
Other governments					500						27,673
Loans					173,137						500
											173,137
Total assets	\$ 308,006	\$ 820,082	\$ 257,082	\$ 1,566,830	\$ 196,223	\$ 1,960	\$ 742,309	\$ 1,517,223	\$ 16,174	\$ 2,487	\$ 5,428,376
LIABILITIES											
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue							742,309				742,309
Advance from other funds								41,636	55,755		97,391
Total liabilities		820,082		173,137			742,309	41,636	55,755		839,700
DEFERRED INFLOWS OF RESOURCES											
								1,049,438	16,174	2,487	2,061,318
FUND BALANCES											
Nonspendable	307,724										307,724
Restricted	282		257,082	1,566,830	23,086	1,960		467,785	(41,636)	(55,755)	2,317,025
Unassigned (deficit)											(97,391)
Total fund balances	308,006		257,082	1,566,830	23,086	1,960		467,785	(41,636)	(55,755)	2,527,358
Total liabilities, deferred inflows of resources, and fund balances	\$ 308,006	\$ 820,082	\$ 257,082	\$ 1,566,830	\$ 196,223	\$ 1,960	\$ 742,309	\$ 1,517,223	\$ 16,174	\$ 2,487	\$ 5,428,376

Exhibit C-2
City of New London, Wisconsin
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2023

	Cemetery Perpetual Care	Housing Rehabilitation	Tourism	Library and Museum	Community Development	Grant Reimbursement	Debt Service	TIF District #4	TIF District #6	Total
REVENUES										
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Public charges for services	6,675		102,614				942,587	6,741		1,051,942
Interest income	48	18	24	189	6					6,675
Miscellaneous:										285
Loan repayments					6,000					6,000
Other	1,961			134,777		120				136,858
Total revenues	6,723	1,979	102,638	134,966	6,006	120	942,587	6,741		1,201,760
EXPENDITURES										
Current:										
Culture and recreation				27,471						27,471
Conservation and development		114,220	47,467					4,477	2,196	168,360
Debt service:										
Principal retirement							576,954			576,954
Interest, debt issuance, and fiscal charges							266,774			266,774
Total expenditures		114,220	47,467	27,471			843,728	4,477	2,196	1,039,559
Excess (deficiency) of revenues over expenditures	6,723	(112,241)	55,171	107,495	6,006	120	98,859	2,264	(2,196)	162,201
OTHER FINANCING SOURCES (USES)										
Transfer in				23,855						23,855
Net change in fund balances	6,723	(88,386)	55,171	107,495	6,006	120	98,859	2,264	(2,196)	186,056
Fund balance (deficit)-beginning of year	301,283	88,386	201,911	1,459,335	17,080	1,840	368,926	(43,900)	(53,559)	2,341,302
Fund balance (deficit)-end of year	\$ 308,006	\$	\$ 257,082	\$ 1,566,830	\$ 23,086	\$ 1,960	\$ 467,785	\$ (41,636)	\$ (55,755)	\$ 2,527,358

FORM OF LEGAL OPINION

(See following pages)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

May 7, 2025

Re: City of New London, Wisconsin ("Issuer")
\$2,100,000 Sewerage, Water and Electric System Mortgage Revenue Bonds,
Series 2025A, dated May 7, 2025 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the Common Council of the Issuer on March 18, 2025, as supplemented by the Approving Certificate dated April 17, 2025 (collectively, the "Bond Resolution"). Pursuant to the Bond Resolution, the Bonds are issued on a parity with the Issuer's outstanding Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2016B, dated May 26, 2016, the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2018B, dated June 28, 2018, the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2019A, dated June 27, 2019 and the Sewerage, Water and Electric System Mortgage Revenue Refunding Bonds, Series 2020B, dated October 29, 2020 (collectively, the "Outstanding Bonds") and senior to the Sewerage, Water and Electric System Revenue Bonds, Series 2024C, dated August 14, 2024 (the "Junior Bonds"). The Issuer covenanted in the Bond Resolution that revenues of the Sewerage System and the combined Water and Electric System (collectively, the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Outstanding Bonds, the Bonds and the Junior Bonds as the same falls due.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on December 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$110,000	___%
2026	75,000	___
2027	75,000	___
2028	75,000	___
2029	85,000	___
2030	85,000	___
2031	85,000	___
2032	90,000	___
2033	95,000	___
2034	100,000	___

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2035	\$100,000	___%
2036	105,000	___
2037	110,000	___
2038	115,000	___
2039	120,000	___
2040	125,000	___
2041	125,000	___
2042	135,000	___
2043	140,000	___
2044	150,000	___

Interest is payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2025.

The Bonds maturing on December 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2034 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. In the Bond Resolution, the Issuer granted to the owners of the Bonds a mortgage lien on all property constituting any part of the System of the Issuer on a parity with that granted to the owners of the Outstanding Bonds.

5. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds or the mortgage lien created by the Bond Resolution or on the sufficiency of the Revenues.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

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

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New London, Outagamie and Waupaca Counties, Wisconsin (the "Issuer") in connection with the issuance of \$2,100,000 Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A, dated May 7, 2025 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on March 18, 2025, as supplemented by an Approving Certificate, dated April 17, 2025 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated April 17, 2025 delivered in connection with the Securities, which is available from the MSRB.

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

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of New London, Outagamie and Waupaca Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Treasurer/Finance Director of the Issuer who can be contacted at 215 North Shawano Street, New London, Wisconsin 54961, phone (920) 982-8500, fax (920) 982-8665.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2024, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. THE BONDS - DESCRIPTION OF ELECTRIC SYSTEM
5. THE BONDS - DESCRIPTION OF SEWERAGE SYSTEM
6. THE BONDS - DESCRIPTION OF WATER SYSTEM

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 7th day of May, 2025.

(SEAL)

Mark Herter
Mayor

Nicole Ryerson
City Clerk

FORM OF PARAMETERS RESOLUTION

(See following pages)

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND
ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED
\$2,100,000 SEWERAGE, WATER AND ELECTRIC SYSTEM
MORTGAGE REVENUE BONDS, SERIES 2025A OF THE
CITY OF NEW LONDON, OUTAGAMIE AND WAUPACA COUNTIES, WISCONSIN,
AND PROVIDING FOR THE PAYMENT OF THE BONDS AND
OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of New London, Outagamie and Waupaca Counties, Wisconsin (the "City") owns and operates a Sewerage System (the "Sewerage System") and a combined Water and Electric System (the "Combined Water and Electric System") which are operated for public purposes by the City (hereinafter, the Sewerage System and Combined Water and Electric System shall be referred to collectively as the "System"); and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any city in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility, which bonds are payable only from the Revenues of such utility and are secured by a pledge of the Revenues of the utility and may be secured by a mortgage lien on such utility; and

WHEREAS, the City has heretofore issued its Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 1986, dated August 1, 1986 (the "1986 Bonds") pursuant to Resolution No. 698 adopted on July 10, 1986, as amended by Resolution No. 699 adopted on July 22, 1986 (collectively, the "1986 Resolution"), which are no longer outstanding; and

WHEREAS, the City also has heretofore issued its Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2016B, dated May 26, 2016 (the "2016 Bonds"), which 2016 Bonds are payable from the Revenues of the System, pursuant to Section 9 of the 1986 Resolution and Resolution No. 1317 adopted on May 4, 2016 (the "2016 Resolution"), which supplements the 1986 Resolution; and

WHEREAS, the City also has heretofore issued its Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2018B, dated June 28, 2018 (the "2018 Bonds"), which 2018 Bonds are payable from the Revenues of the System and are on a parity with the 2016 Bonds, pursuant to Section 9 of the 1986 Resolution and Resolution No. 1361 adopted on June 12, 2018 (the "2018 Resolution"), which supplements the 1986 Resolution; and

WHEREAS, the City also has heretofore issued its Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2019A, dated June 27, 2019 (the "2019 Bonds"), which 2019 Bonds are payable from the Revenues of the System and are on a parity with the 2016 Bonds and the 2018 Bonds, pursuant to Section 9 of the 1986 Resolution and Resolution No. 1374 adopted on June 11, 2019 (the "2019 Resolution"), which supplements the 1986 Resolution; and

WHEREAS, the City also has heretofore issued its Sewerage, Water and Electric System Mortgage Revenue Refunding Bonds, Series 2020B, dated October 29, 2020 (the "2020 Bonds"), which 2020 Bonds are payable from the Revenues of the System and are on a parity with the

2016 Bonds, the 2018 Bonds and the 2019 Bonds, pursuant to Section 9 of the 1986 Resolution and Resolution No. 1404 adopted on October 13, 2020 (the "2020 Resolution"), which supplements the 1986 Resolution; and

WHEREAS, the 2016 Bonds, the 2018 Bonds, the 2019 Bonds and the 2020 Bonds shall be referred to herein collectively as the "Outstanding Bonds", and the 2016 Resolution, the 2018 Resolution, the 2019 Resolution and the 2020 Resolution shall be referred to herein collectively as the "Prior Resolutions"; and

WHEREAS, Section 9 of the 1986 Resolution provides that additional revenue bonds may be issued on a parity with the 1986 Bonds, or any parity bonds issued to pay the cost of providing extensions or improvements to the System, provided certain conditions are met, and those provisions are applicable with respect to the issuance of bonds on a parity with the Outstanding Bonds; and

WHEREAS, the Bonds shall be issued pursuant to Section 66.0621 of the Wisconsin Statutes on a parity with the Outstanding Bonds in accordance with the provisions of Section 9 of the 1986 Resolution, as amended by the Prior Resolutions; and

WHEREAS, to the best of the City's knowledge, information and belief, the City complies with the conditions precedent to the issuance of additional bonds set forth in the 1986 Resolution, as amended by the Prior Resolutions; and

WHEREAS, pursuant to a resolution adopted on July 31, 2024 (the "Safe Drinking Water Resolution"), the City has heretofore issued its Sewerage, Water and Electric System Revenue Bonds, Series 2024C, dated August 14, 2024 (the "Safe Drinking Water Bonds"), which Safe Drinking Water Bonds are payable from the Revenues of the System on a basis junior and subordinate to the Outstanding Bonds; and

WHEREAS, the Safe Drinking Water Resolution does not permit the issuance of additional bonds payable from the Revenues of the System on a basis senior to the Safe Drinking Water Bonds without the consent of the bondholders; and

WHEREAS, the State of Wisconsin, as the sole bondholder of the Safe Drinking Water Bonds, has consented to the issuance of the Bonds (defined below) on a basis senior to the Safe Drinking Water Bonds as evidenced by the letter attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the City has determined that certain additions, improvements and extensions to the System (the "Project") are necessary to adequately supply the needs of the City and the residents thereof; and

WHEREAS, it is necessary, desirable and in the best interest of the City to authorize and sell revenue bonds designated "Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A" (the "Bonds") for the purpose of paying the cost of the Project, which Bonds shall be payable solely from the Revenues of the System and are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes, on a parity with the Outstanding Bonds and senior to the Safe Drinking Water Bonds; and

WHEREAS, other than the Outstanding Bonds and the Safe Drinking Water Bonds, the City has no bonds or obligations outstanding which are payable from the Revenues of the System; and

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary for the City to offer and sell the Bonds at public sale and to obtain bids for the purchase of the Bonds; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Administrator or the City Treasurer/Finance Director (each an "Authorized Officer") the authority to accept on behalf of the City, so long as the bid for the Bonds result in the lowest true interest cost for the Bonds (the "Proposal") meets the terms and conditions provided for in this Resolution, including that the City complies with the conditions precedent to the issuance of additional bonds on a parity with the Outstanding Bonds and senior to the Safe Drinking Water Bonds, by executing a certificate in substantially the form attached hereto as Exhibit B and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, the Common Council of the City of New London, Outagamie and Waupaca Counties, Wisconsin, do resolve that:

Section 1A. Authorization of Bonds; Parameters. For the purpose of paying the cost of the Project (including paying legal, fiscal, financing, engineering and other professional fees in connection therewith, and funding the Reserve Account, if necessary), the City is authorized to borrow pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of not to exceed TWO MILLION ONE HUNDRED THOUSAND DOLLARS (\$2,100,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the conditions set forth in Section 20 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser") for, on behalf of and in the name of the City, Bonds aggregating the principal amount of not to exceed TWO MILLION ONE HUNDRED THOUSAND DOLLARS (\$2,100,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.75% nor more than 110.0% of the principal amount of the Bonds.

Section 1B. Terms of the Bonds. The Bonds shall be designated "Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A"; shall be issued in the aggregate principal amount of up to \$2,100,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption in the years and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$60,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed \$2,100,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$2,100,000.

<u>Date</u>	<u>Amount</u>
12/01/2025	\$110,000
12/01/2026	75,000
12/01/2027	75,000
12/01/2028	75,000
12/01/2029	85,000
12/01/2030	85,000
12/01/2031	85,000
12/01/2032	90,000
12/01/2033	95,000
12/01/2034	100,000
12/01/2035	100,000
12/01/2036	105,000
12/01/2037	110,000
12/01/2038	115,000
12/01/2039	120,000
12/01/2040	125,000
12/01/2041	125,000
12/01/2042	135,000
12/01/2043	140,000
12/01/2044	150,000

Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2025. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) shall not exceed 5.50%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Provided that the parameters set forth in this Resolution are met, the schedule of maturities or mandatory redemptions established by the parameters of this Resolution is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices, and an Authorized Officer will confirm this finding in the Approving Certificate.

Section 1C. Redemption Provisions. The Bonds shall be subject to optional redemption as set forth on the Approving Certificate; provided that the first day of optional redemption must be later than December 1, 2027. If the Proposal specifies that certain of the Bonds shall be subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Schedule MRP. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in the Approving Certificate in such manner as the City shall direct.

Section 2. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 3(A). Incorporation of the 1986 Resolution. The definitions in the 1986 Resolution, as supplemented by the Prior Resolutions, apply to and are incorporated into this Resolution except as expressly amended below or unless the context expressly or by necessary implication requires otherwise. All such definitions and provisions are restated in this Resolution so that this Resolution shall be an inclusive document for all provisions that apply to the Bonds. As a result, the Bonds are issued pursuant to this Resolution and not the 1986 Resolution even though certain provisions of the 1986 Resolution, as amended by the Prior Resolutions, are contained herein.

Section 3(B). Definitions. In addition to the words defined elsewhere in this Resolution, the following terms shall have the following meanings in this Resolution unless the context expressly or by implication requires otherwise:

"Act" means Section 66.0621, Wisconsin Statutes.

"Annual Debt Service Requirement" means the total amount of principal and interest due on the Outstanding Bonds, the Bonds, any Parity Bonds and the Safe Drinking Water Bonds in any Bond Year whether at maturity or pursuant to mandatory redemption.

"Bond Year" means the one-year period ending on a principal payment date for the Bonds.

"Bulk Power Supply Engineer" means a nationally recognized engineer, or firm of engineers selected by the City and which has skill and expertise in the field of bulk power supply planning.

"Code" means the Internal Revenue Code of 1986, as amended.

"Credit Obligation" means any obligation of the City under a contract, lease, installment sales agreement or other instrument, including but not limited to any contract entered into with a municipal electric company pursuant to Section 66.0825(8), Wisconsin Statutes, to make payments for property, services or commodities for the benefit or use of the electric utility portion of the System whether or not the same are made available, furnished or received, or any other obligation of the City, under which the City lends credit to or guarantees debts, claims or other obligations of any other person or entity for the purpose of obtaining property, services or commodities for the electric utility portion of the System or for the purpose of financing the initial costs of any project of any other person or entity from which property, services or commodities are intended to be obtained for the benefit or use of the electric utility portion of the System but only to the extent such obligation requires payment directly or indirectly from a designated fund or account provided for under this Resolution.

"Current Expenses" or "Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but shall exclude depreciation, debt service, tax equivalents, replacements and capital expenditures. In the case of the electric utility portion of the System, Current Expenses shall include, without intent to limit the foregoing, all costs of purchasing, producing and delivering electric power and energy and specifically fuel costs, costs of transmission service, reserve service, interchange service, and all

other costs of purchased power, including obligations under the Power Supply Contract between the City and WPPI, and all payments required by Credit Obligations.

"DTC" or "Depository" means The Depository Trust Company, New York, New York or its nominee or successor which shall act as securities depository for the Bonds.

"Net Revenues" means the Revenues minus all Current Expenses of the System. In the 1986 Resolution, the defined term used was "net earnings".

"Parity Bonds" means additional bonds issued on a parity with the Outstanding Bonds and the Bonds pursuant to the Act and Section 4 of this Resolution.

"Power Supply Contract" means the Long Term Power Supply Contract for Participating Members between the City and WPPI entered into under Section 66.0825(8), Wisconsin Statutes.

"Regulations" means the Regulations of the Commissioner of Internal Revenue under the Code.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of the Bonds, plus the amount permitted pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on the Outstanding Bonds and the Bonds in any Bond Year; and (c) 125% of average annual debt service on the Outstanding Bonds and the Bonds. The Safe Drinking Water Bonds are not secured by the Reserve Account. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued in any Bond Year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it, including those appropriated by the Common Council for services provided to the City by the System and all moneys received from any other source, including income derived from investments.

"WPPI" means WPPI Energy, a municipal electric company organized under Section 66.0825, Wisconsin Statutes, its successors and assigns.

Section 4. Parity Bonds. The Bonds are issued on a parity with the Outstanding Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System with the Bonds ("Parity Bonds") only if all of the following conditions are met:

(a) The Net Revenues of the System for the fiscal year immediately preceding the issuance of such additional obligations must have been equal to at least 1.25 times the highest annual principal and interest requirements on all bonds outstanding payable from Revenues of the System (other than bonds being refunded) and on the Parity Bonds then to be issued in any fiscal year. For purposes of such computation only, Net Revenues shall not include any non-operating income of the System. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the fiscal year immediately prior to the issuance of such additional obligations or during that part of the fiscal year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer, certified municipal advisor or the Wisconsin Public Service Commission may calculate would have accrued during the prior fiscal year had the new rates been in effect during that entire immediately prior fiscal year.

(b) The payments required to be made into the funds and accounts enumerated in Section 7 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

(c) The Parity Bonds must have principal maturing on December 1 of each year in which principal falls due and interest falling due on June 1 and December 1 of each year.

(d) The Parity Bonds cannot be subject to optional redemption earlier than the date on which the Outstanding Bonds are first subject to optional redemption.

(e) If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3(B) of this Resolution.

(f) The proceeds of the Parity Bonds must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Funds provided for in Section 7 herein and shall be a valid claim of any holder thereof only against said Special Redemption Funds and the Revenues of the System pledged to Special Redemption Funds on a parity with the Outstanding Bonds and senior to the Safe Drinking Water Bonds. Sufficient Revenues are hereby pledged to said Special Redemption Funds, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Outstanding Bonds, the Bonds, any Parity Bonds and the Safe Drinking Water Bonds, as the same becomes due.

Section 6. Mortgage Lien. For the further protection of the owners of the Bonds, a mortgage lien upon the System is hereby granted to and in favor of the owner or owners of the Bonds, which lien is hereby recognized as valid and binding upon the City and as a valid and

binding lien upon the System and any additions and improvements to be made thereto on a parity with the mortgage lien granted to the owners of the Outstanding Bonds. The City Clerk is hereby directed to perfect said mortgage lien by recording this Resolution in the records of the City.

Section 7. Funds and Accounts. For the purpose of the application and proper allocation of the Revenues of the System and to secure the payment of the principal of and interest on, first, the Outstanding Bonds, the Bonds and any Parity Bonds and, second, the Safe Drinking Water Bonds, the Revenues shall be set aside into the following separate and special funds (originally created by the 1986 Resolution and supplemented by the Prior Resolutions and the Safe Drinking Water Resolution), as amended herein, and restated in full below in the order of priority listed below, to be used and applied as described below:

- Revenues in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Operation and Maintenance Expenses shall be set aside into the respective Operation and Maintenance Funds for the Sewerage System and the Combined Water and Electric Systems (collectively, the "Operation and Maintenance Fund").

- Revenues in amounts sufficient to pay the principal of and interest on the Outstanding Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Special Redemption Fund for Sewerage, Water and Electric System Mortgage Revenue Bonds (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Outstanding Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Outstanding Bonds, the Bonds and Parity Bonds. The monies standing in the Special Redemption Fund shall in no event be used to pay principal of and interest on the Safe Drinking Water Bonds.

- Revenues in amounts sufficient to pay the principal of and interest on the Safe Drinking Water Bonds and any bonds issued on a parity with the Safe Drinking Water Bonds shall be set aside into the Junior Special Redemption Fund established by the Safe Drinking Water Resolution to be applied to the payment of the principal of and interest on the Safe Drinking Water Bonds. The monies standing in the Junior Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on, first, the Outstanding Bonds, the Bonds and any Parity Bonds by remedying any deficit in the Special Redemption Fund, and, second, the Safe Drinking Water Bonds.

- Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the respective Depreciation Funds for the Sewerage System and the Combined Water and Electric Systems (collectively, the "Depreciation Fund").

The Operation and Maintenance Funds and Depreciation Funds shall be deposited as received in public depositories to be selected by the Common Council in the manner required by Chapter 34, Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Money in the Operation and Maintenance Funds shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses for one month. Any money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund hereby continued.

Money in the Depreciation Funds shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund, the Reserve Account therein and the Junior Special Redemption Fund. When such funds are sufficient for their purposes, money in the Depreciation Funds may be expended for repairs, replacements, new construction, extensions or additions to the Systems. Any money on deposit in the Depreciation Funds in excess of \$150,000 for the Sewerage System and \$150,000 for the Combined Water and Electric Systems (or such larger amounts as may hereafter and from time to time be established by the Common Council) and not required during the current fiscal year for the purposes of the Depreciation Funds, may be transferred to the Surplus Fund.

It is the express intent and determination of the Common Council that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Outstanding Bonds, the Bonds, any Parity Bonds and the Safe Drinking Water Bonds and to meet the Reserve Requirement, and the City Treasurer shall each fiscal year deposit at least sufficient Revenues in (a) the Special Redemption Fund to pay promptly all principal and interest falling due on the Outstanding Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement and (b) the Junior Special Redemption Fund to pay all principal and interest falling due on the Safe Drinking Water Bonds.

The Revenues so set aside for payment of the principal of and interest on the Outstanding Bonds, the Bonds, any Parity Bonds and the Safe Drinking Water Bonds shall be set apart and shall be paid into their respective Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one sixth of the interest next coming due, plus one twelfth of the principal next maturing.

The minimum amounts to be so deposited for debt service on the Bonds, in addition to all amounts to be deposited to pay debt service on the Outstanding Bonds and Safe Drinking Water Bonds, are set forth on the Schedule.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Outstanding Bonds, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

The Reserve Account established by Section 3 of the 1986 Resolution and continued by the Prior Resolutions shall be continued to additionally secure the payment of principal of and interest on the Outstanding Bonds and the Bonds. The City covenants and agrees that upon the

issuance of the Bonds an amount sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited into the Reserve Account and shall be maintained therein. The Reserve Account shall be used solely for the purpose of paying principal of and interest on the Outstanding Bonds, the Bonds or any Parity Bonds at any time there shall be insufficient money in the Special Redemption Fund.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Fund, the Junior Special Redemption Fund, the Operation and Maintenance Funds, the Depreciation Funds and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the Outstanding Bonds, the Bonds and Parity Bonds secured by the Reserve Account in any Bond Year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Outstanding Bonds, the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Outstanding Bonds, Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Funds including the one month reserve, the Special Redemption Fund including the Reserve Account, the Junior Special Redemption Fund and the Depreciation Funds. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts created by this section.

Section 8. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part

thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Comm Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

(c) The City will cause the improvements to the System financed by the Bonds to be made as expeditiously as reasonably possible;

(d) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(e) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each fiscal year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Outstanding Bonds, the Bonds, any Parity Bonds and the Safe Drinking Water Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(f) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(g) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); and (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used as the basis for computing the service charge; and

(h) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by

private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 7 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 9. Service to the City. In accordance with the Act, Section 9 of the Prior Resolutions, and as further amended hereby, provides that the reasonable cost and value of services rendered to the City by the System by furnishing sewerage, water and electric service for public purposes, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the Revenues, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be amended to be an amount which, together with the Revenues of the System, will produce Net Revenues equivalent to not less than one and one quarter (1.25) times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 7 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 10. Credit Obligations. (a) To the extent permitted by law, the City may undertake any Credit Obligation which directly or indirectly requires payments from the Operation and Maintenance Fund, but only if it shall first obtain an opinion of a Bulk Power Supply Engineer to the effect that: (i) the property, services or commodities to be furnished pursuant to such Credit Obligation may be used beneficially by the City to meet the power and energy requirements of the electric utility portion of the System; and (ii) the obtaining of such property, services or commodities is technically and economically justifiable in accordance with prudent municipal utility management practice.

(b) To the extent permitted by law, the City may undertake any Credit Obligation that directly or indirectly requires payments from the Surplus Fund, subject to any prior use of such monies for the benefit of the Bonds pursuant to Section 3 of the 1986 Resolution without meeting the requirements of subsection (a).

(c) The Bulk Power Supply Engineer may, in making all estimates required to be made or necessary to render any opinion required under this Section, rely upon estimates supplied by other engineers or information supplied by other persons, including an authorized representative of the City, who the Bulk Power Supply Engineer believes to be qualified and to

have access to the necessary information to make such estimates and to provide such information.

Section 11. Application of Bond Proceeds. The proceeds of the sale of the Bonds (including any premium and accrued interest from their date to the date of delivery) shall be deposited and applied as follows:

(a) to the Special Redemption Fund, the amount of any accrued interest received from the sale of the Bonds;

(b) to the Reserve Account within the Special Redemption Fund, such amount (if any) as is necessary to make the amount on deposit in the Reserve Account equal to the Reserve Requirement; and

(c) to the Sewerage, Water and Electric System Improvement Fund (the "Improvement Fund"), a special fund hereby created and established, the balance of the proceeds of the Bonds. Said Improvement Fund shall be adequately secured and shall be used solely for the purpose of paying the cost of extending, adding to and improving the System, as described in the preamble hereof, and paying costs of issuance of the Bonds. Any balance remaining in said Improvement Fund after paying said costs shall be transferred to the Special Redemption Funds for use in payment of principal of and interest on the Bonds.

At the time the Bonds are issued, any amounts on deposit in the Reserve Account in excess of the Reserve Requirement shall be transferred into the Improvement Fund and applied for the purposes thereof.

Section 12. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to herein which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Outstanding Bonds, the Bonds and any Parity Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations of the Commissioner of Internal Revenue thereunder (the "Regulations").

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 13. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the holder or holders of the Bonds and after issuance of any Bond or any Parity Bond no change or alteration of any kind in the provisions of this Resolution may be made except as provided herein until all of the Bonds and any Parity Bonds have been paid in full as to both principal and interest. The holder or holders of any Bond or any Parity Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce his or their rights against the City, the Common Council thereof, and any and all officers and agents thereof, including, but without limitation, the right to require the City, its Common Council and other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 15. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent") unless a third party fiscal agent is specified in the Approving Certificate. The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and a third party fiscal agent. Such contract may provide, among other things, for the performance by the third party fiscal agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 16. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 17. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 18. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects financed by the Bonds will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 20. Conditions on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to (a) receipt of a letter providing consent from the State of Wisconsin for the issuance of the Bonds on a basis senior to the Safe Drinking Water Bonds, (b) approval by an Authorized Officer of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Bonds, which approval shall be evidenced by execution by an Authorized Officer of the Approving Certificate, and (c) satisfaction of the requirements set forth in the 1986 Resolution and the Prior Resolutions relating to the issuance of bonds on a parity with the Outstanding Bonds.

The Bonds shall not be issued, sold or delivered until these conditions are satisfied. Upon satisfaction of these conditions, an Authorized Officer is authorized to execute a Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

Section 21. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 22. Official Statement. The Common Council hereby directs an Authorized Officer to approve the Preliminary Official Statement and any addenda with respect to the Bonds and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by an Authorized Officer or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda to be distributed to the Purchaser.

Section 23. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 24. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 25. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Authorized Officer, Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Authorized Officer, the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and

payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 26. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 27. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the 1986 Resolution and the Prior Resolutions), rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the 1986 Resolution and the Prior Resolutions, the 1986 Resolution and the Prior Resolutions shall control so long as any of the Outstanding Bonds authorized by such resolutions are outstanding.

Adopted, approved and recorded March 18, 2025.

Mark Herter
Mayor

ATTEST:

Nicole Ryerson
City Clerk

(SEAL)

EXHIBIT A

CONSENT

(See Attached)

EXHIBIT B

APPROVING CERTIFICATE

The undersigned [City Administrator] [City Treasurer/Finance Director] of the City of New London, Outagamie and Waupaca Counties, Wisconsin (the "City"), hereby certifies that:

1. Resolution. On March 18, 2025, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed \$2,100,000 Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A of the City (the "Bonds") and delegating to me the authority to approve the Preliminary Official Statement, to approve the purchase proposal for the Bonds, and to determine the details for the Bonds within the parameters established by the Resolution.

2. Proposal; Terms of the Bonds. On the date hereof, the Bonds were offered for public sale and the bids set forth on the Bid Tabulation attached hereto as Schedule I and incorporated herein by this reference were received. The institution listed first on the Bid Tabulation, _____ (the "Purchaser") offered to purchase the Bonds in accordance with the terms set forth in the Proposal attached hereto as Schedule II and incorporated herein by this reference and resulting in the lowest true interest cost on the Bonds (the "Proposal"). Ehlers & Associates, Inc. recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Bonds shall be issued in the aggregate principal amount of \$ _____, which is not more than the \$2,100,000 approved by the Resolution, and shall mature on December 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule III and incorporated herein by this reference. The amount of each annual principal or mandatory redemption payment due on the Bonds is not more than \$60,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
12-01-2025	\$110,000	\$ _____
12-01-2026	75,000	_____
12-01-2027	75,000	_____
12-01-2028	75,000	_____
12-01-2029	85,000	_____
12-01-2030	85,000	_____
12-01-2031	85,000	_____
12-01-2032	90,000	_____
12-01-2033	95,000	_____
12-01-2034	100,000	_____
12-01-2035	100,000	_____
12-01-2036	105,000	_____

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
12-01-2037	110,000	_____
12-01-2038	\$115,000	\$ _____
12-01-2039	120,000	_____
12-01-2040	125,000	_____
12-01-2041	125,000	_____
12-01-2042	135,000	_____
12-01-2043	140,000	_____
12-01-2044	150,000	_____

The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) is _____%, which is not in excess of 5.50%, as required by the Resolution.

3. Purchase Price of the Bonds. The Bonds shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of \$ _____, plus accrued interest, if any, to the date of delivery of the Bonds, which is not less than 98.75% nor more than 110.0% of the principal amount of the Bonds, as required by the Resolution.

4. Redemption Provisions of the Bonds. The Bonds maturing on December 1, 20__ and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 20__ or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption. [The Proposal specifies that [some of] the Bonds are subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Schedule MRP and incorporated herein by this reference.]

5. [Payment of the Bonds; Fiscal Agent. Pursuant to Section 15 the Resolution, _____, _____, _____, is named fiscal agent for the Bonds.]

6. Preliminary Official Statement. The Preliminary Official Statement with respect to the Bonds is hereby approved and deemed "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934.

7. Additional Bonds Compliance. Based on the above final principal amounts, interest rates and payment dates for the Bonds and revenues of the System, the City complies with the conditions precedent to the issuance of additional bonds on a parity with the Outstanding Bonds (as set forth in the 1986 Resolution and the Prior Resolutions).

8. State of Wisconsin Consent. The City has received written consent from the State of Wisconsin for the issuance of the Bonds on a basis senior to the Safe Drinking Water Bonds.

9. Approval. This Certificate constitutes my approval of the Proposal, and the principal amount, definitive maturities, interest rates, purchase price and redemption provisions for the Bonds and the debt service schedule attached hereto as Schedule III is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices, in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on _____, 2025 pursuant to the authority delegated to me in the Resolution.

[_____
Chad Hoerth
City Administrator]

OR

[_____
Judy M. Radke
City Treasurer/Finance Director]

COPY

SCHEDULE I TO APPROVING CERTIFICATE

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE II TO APPROVING CERTIFICATE

Proposal

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE III TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

SCHEDULE IV TO APPROVING CERTIFICATE

Debt Service Schedule

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

COPY

[SCHEDULE MRP TO APPROVING CERTIFICATE

Mandatory Redemption Provision

The Bonds due on December 1, _____, _____, _____ and _____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from special redemption fund deposits which are required to be made in amounts sufficient to redeem on December 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on December 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on December 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on December 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on December 1, _____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)]

EXHIBIT C

(Form of Bond)

REGISTERED	UNITED STATES OF AMERICA	DOLLARS
	STATE OF WISCONSIN	
NO. R-__	OUTAGAMIE AND WAUPACA COUNTIES	\$ _____
	CITY OF NEW LONDON	
	SEWERAGE, WATER AND ELECTRIC SYSTEM	
	MORTGAGE REVENUE REFUNDING BOND, SERIES 2025A	

MATURITY DATE	ORIGINAL DATE OF ISSUE	INTEREST RATE	CUSIP:
December 1, ____	_____, 2025	_____%	_____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of New London, Outagamie and Waupaca Counties, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the fund hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2025, until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by the City Clerk or City Treasurer or [_____] (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

The Bonds maturing on December 1, 20__, and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 20__, or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Resolution, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

This Bond is one of an issue aggregating \$ _____, issued for the purpose of refinancing obligations issued to pay the cost of additions, improvements and extensions to the "Utility System" of the City, which consists of the Combined Water and Electric System of the City, together with the Sewerage System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto, Resolution No. 698 adopted on July 10, 1986, as amended by Resolution No. 699 adopted on July 22, 1986 (collectively, the "1986 Resolution"), and a Resolution adopted March 18, 2025, and entitled: "A Resolution Supplementing Resolution No. 698, as Amended; Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$2,100,000 Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A of the City of New London, Outagamie and Waupaca Counties, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds" as supplemented by an Approving Certificate, dated _____, 2025 (collectively, the "Resolution"), and is payable only from the revenues of said Utility System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund", created by the 1986 Resolution and continued by the Resolution. The Bonds are issued on a parity with the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2016B, dated May 26, 2016, the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2018B, dated June 28, 2018, the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2019A, dated June 27, 2019 and the Sewerage, Water and Electric System Mortgage Revenue Refunding Bonds, Series 2020B, dated October 29, 2020 (collectively, the "Outstanding Bonds") and senior to the Sewerage, Water and

Electric System Revenue Bonds, Series 2024C, dated August 14, 2024 (the "Safe Drinking Water Bonds"). This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision. The Bonds are issued on a parity with the Outstanding Bonds and senior to the Safe Drinking Water Bonds and are secured by a lien and claim to the revenues and properties of the Utilities System and the monies on deposit in the Special Redemption Fund and the Junior Special Redemption Fund.

A mortgage lien, which is hereby recognized as valid and binding on the Utility System, together with all extensions and improvements thereto, has been granted by the City to and in favor of the registered owner or owners of bonds of this issue of Bonds. The Utility System shall remain subject to such mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of which it forms a part. Such mortgage lien is on a parity with the mortgage lien granted to the owners of the Outstanding Bonds.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

It is hereby certified, recited and declared that all conditions, things and acts required by law to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said City from the operation of its Utility System has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

[This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.]

IN WITNESS WHEREOF, the City of New London, Outagamie and Waupaca Counties, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF NEW LONDON,
OUTAGAMIE AND WAUPACA COUNTIES,
WISCONSIN

(SEAL)

By: _____
Mark Herter
Mayor

By: _____
Nicole Ryerson
City Clerk

COPY

[Date of Authentication: _____, _____]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned Resolution of the City of New London, Outagamie and Waupaca Counties, Wisconsin.

_____, _____

By _____
Authorized Signatory]

COPY

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

NOTICE OF SALE

**\$2,100,000* SEWERAGE, WATER AND ELECTRIC SYSTEM MORTGAGE REVENUE BONDS,
SERIES 2025A
CITY OF NEW LONDON, WISCONSIN**

Bids for the purchase of \$2,100,000* Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A (the "Bonds") of the City of New London, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on April 17, 2025, at which time they will be opened, read and tabulated. **The Common Council adopted a resolution on March 18, 2025 (the "Parameters Resolution"), which authorized the City Administrator or the City Treasurer/Finance Director to accept a bid for the Bonds if the parameters and conditions set forth in the Parameters Resolution are satisfied. If the parameters and conditions set forth in the Parameters Resolution are not met through the competitive bids received on April 17, 2025, neither the City Administrator nor the City Treasurer/Finance Director will have the authority to accept a bid for Bonds, and all bids for the Bonds will be rejected.**

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, by the City, to provide funds for the public purpose of financing additions, improvements and extensions to the City's Sewerage System and combined Water and Electric System, (collectively, the "Utility System"). The Bonds are being issued on a parity with the City's outstanding Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2016B dated May 26, 2016; the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2018B dated June 28, 2018; the Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2019A dated June 27, 2019 and the Sewerage, Water and Electric System Mortgage Revenue Refunding Bonds, Series 2020B dated October 29, 2020 and senior to the City's outstanding Sewerage, Water and Electric System Revenue Bonds, Series 2024C, dated August 14, 2024.

DATES AND MATURITIES

The Bonds will be dated May 7, 2025, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on December 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$110,000	2032	\$90,000	2039	\$120,000
2026	75,000	2033	95,000	2040	125,000
2027	75,000	2034	100,000	2041	125,000
2028	75,000	2035	100,000	2042	135,000
2029	85,000	2036	105,000	2043	140,000
2030	85,000	2037	110,000	2044	150,000
2031	85,000	2038	115,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$60,000 per maturity or mandatory redemption amount. Increases or decreases

may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on December 1 and June 1 of each year, commencing December 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after December 1, 2035 shall be subject to optional redemption prior to maturity on December 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about May 7, 2025, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

STATEMENT REGARDING COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for the Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in the Official Statement and the "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

SUBMISSION OF BIDS

Bids must not be for less than \$2,073,750, nor more than \$2,310,000, plus accrued interest on the principal sum of \$2,100,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a submission.

A good faith deposit ("Deposit") in the amount of \$42,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid. **The Bonds will not be awarded if the TIC (taking the purchaser's compensation into account) exceeds 5.50% or if the other conditions set forth in the Parameters Resolution are not satisfied.**

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate, the form of which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

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

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date of the Bonds (the "Closing Date") has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

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

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Nicole Ryerson, City Clerk
City of New London, Wisconsin

BID FORM

City of New London, Wisconsin (the "City")

April 17, 2025

RE: \$2,100,000* Sewerage, Water and Electric System Mortgage Revenue Bonds, Series 2025A (the "Bonds")
DATED: May 7, 2025

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$2,073,750, nor more than \$2,310,000) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036	_____ % due	2043
_____ % due	2030	_____ % due	2037	_____ % due	2044
_____ % due	2031	_____ % due	2038		

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each, up to a maximum of \$60,000 per maturity or mandatory redemption amount. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$42,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about May 7, 2025.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 7, 2025 of the above bid is \$_____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the City of New London, Wisconsin, on April 17, 2025.

By: _____
Title: _____