

PRELIMINARY OFFICIAL STATEMENT June 9, 2026

New Issue

S & P Global Rating Requested

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, and assuming compliance with certain covenants, if the Bonds are issued as tax-exempt bonds, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and is not an item of tax preference for federal or Minnesota alternative minimum tax purposes; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. Such interest is not included in taxable income for purposes of the Minnesota franchise tax on corporations and financial institutions. See "Taxability of Interest" herein.

**\$2,025,000**  
**City of New London, Minnesota**  
**General Obligation Bonds, Series 2026A**

PURPOSE/AUTHORITY: The \$2,025,000 General Obligation Bonds, Series 2026A (the "Bonds") are issued pursuant to Minnesota Statutes, Chapters 412, 429, 444 and 475 to finance the 2026 Street and Utility Reconstruction Project as well as the purchase of a new fire truck (the "Project"). The Bonds will be general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. The City pledges tax levies, special assessments to benefitted properties, and revenues from its sewer utility to make semi-annual payments.

BID OPEN & AWARD: Wednesday, June 17, 2026; Open 11:00 A.M. CST; Award 5:30 P.M. CST.

DATED DATE: July 1, 2026

MATURITY: The bonds will mature on February 1 as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2028	\$ 150,000	2038	\$ 75,000
2029	155,000	2039	75,000
2030	165,000	2040	80,000
2031	170,000	2041	80,000
2032	170,000	2042	85,000
2033	65,000	2043	90,000
2034	65,000	2044	95,000
2035	65,000	2045	95,000
2036	70,000	2046	100,000
2037	70,000	2047	105,000

INTEREST: February 1, 2027, and each August 1 and February 1 thereafter.

MATURITY AGREEMENT: 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.

CALL DATE: February 1, 2033

MINIMUM BID: \$1,994,625.00 (98.5%)

TAX STATUS: Tax-exempt; bank-qualified

GOOD FAITH DEPOSIT: \$40,500 payable to the City on June 17, 2026

CLOSING/ DELIVERY DATE: On or about July 1, 2026

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as and if issued and subject to receipt of an approving legal opinion of Taft Stettinius & Hollister LLP, Bond Counsel, Minneapolis, Minnesota. This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the Issuer with respect to the Bonds, as defined in S.E.C. Rule 15c2-12.

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this POS constitute an offer to sell or the solicitation of an offer to buy, 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.



**DDA**  
David Drown Associates, Inc.  
Public Finance Advisors

Minneapolis Office:  
5029 Upton Avenue South  
Minneapolis, MN 55419-1126  
612-920-3320 (phone); 612-605-2375 (fax)  
www.daviddrown.com

## **COMPLIANCE WITH S.E.C. RULE 15C-12**

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

## **PRELIMINARY OFFICIAL STATEMENT**

This Preliminary Official Statement was prepared for the Issuer for dissemination to potential customers. The primary purpose of the Preliminary Official Statement is to disclose information regarding the Obligations to prospective underwriters in the interest of receiving competitive bids in accordance with the sale notice contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the "Near Final Official Statement."

## **REVIEW PERIOD**

This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the Issuer as well as to prospective bidders for an objective review of its disclosure. Comments or omissions or inaccuracies must be submitted to David Drown Associates, Inc. (the "Municipal Advisor") at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received from an underwriter. If there are changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum at least one business day prior to the sale.

## **FINAL OFFICIAL STATEMENT**

Upon award of sale of the Obligations, the legislative body will authorize the preparation of an addendum to the Preliminary Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the Syndicate Manager and Syndicate Members. This addendum, together with any previous addendum of corrections or additions to the Preliminary Official Statement shall be deemed the complete Final Official Statement. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the bid acceptance.

## **REPRESENTATIONS**

No dealer, broker, salesperson or other person has been authorized by the Issuer to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto was prepared relying on information of the Issuer and other sources and, while believed to be reliable, is not guaranteed as to completeness or accuracy.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of the Municipal Advisor, payable entirely by the Issuer, is contingent upon the sale of the issue.

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## CITY OF NEW LONDON, MINNESOTA

### City of New London City Council

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John Dahl	Mayor	December 31, 2026
Steve Slominski	Council Member	December 31, 2028
Tim Johnson	Council Member	December 31, 2026
Tony Schaefer	Council Member	December 31, 2028
Vacant	Council Member	December 31, 2026

### Administration

Emily Thielen	City Clerk-Treasurer	Appointed
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### Bond Counsel

Taft Stettinius & Hollister LLP  
Minneapolis, MN

### Municipal Advisor

David Drown Associates, Inc.  
Minneapolis, MN

## INTRODUCTORY SUMMARY OF THE PRELIMINARY OFFICIAL STATEMENT

*The following information is furnished solely to provide limited introductory information regarding the \$2,025,000 G.O. Bonds, Series 2026A, of City of New London, Minnesota and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the detailed descriptions appearing in this Preliminary Official Statement, including the appendices hereto.*

Issuer:	City of New London, Minnesota																																												
Sale Date & Time:	Wednesday, June 17, 2026, 11:00 A.M. Central																																												
Award Date & Time:	Wednesday, June 17, 2026; 5:30 P.M. Central																																												
Dated Date:	July 1, 2026																																												
Interest Payments:	February 1, 2027, and each August 1 and February 1 thereafter to registered owners of the Bonds appearing of record in the bond register on the fifteenth day (whether or not a business day) of the month prior (the "Record Date").																																												
Principal Payments:	February 1 in the years and amounts as follows:																																												
	<table border="0"> <thead> <tr> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Amount</u></th> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2028</td> <td style="text-align: right;">\$ 150,000</td> <td style="text-align: center;">2038</td> <td style="text-align: right;">\$ 75,000</td> </tr> <tr> <td style="text-align: center;">2029</td> <td style="text-align: right;">155,000</td> <td style="text-align: center;">2039</td> <td style="text-align: right;">75,000</td> </tr> <tr> <td style="text-align: center;">2030</td> <td style="text-align: right;">165,000</td> <td style="text-align: center;">2040</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td style="text-align: center;">2031</td> <td style="text-align: right;">170,000</td> <td style="text-align: center;">2041</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td style="text-align: center;">2032</td> <td style="text-align: right;">170,000</td> <td style="text-align: center;">2042</td> <td style="text-align: right;">85,000</td> </tr> <tr> <td style="text-align: center;">2033</td> <td style="text-align: right;">65,000</td> <td style="text-align: center;">2043</td> <td style="text-align: right;">90,000</td> </tr> <tr> <td style="text-align: center;">2034</td> <td style="text-align: right;">65,000</td> <td style="text-align: center;">2044</td> <td style="text-align: right;">95,000</td> </tr> <tr> <td style="text-align: center;">2035</td> <td style="text-align: right;">65,000</td> <td style="text-align: center;">2045</td> <td style="text-align: right;">95,000</td> </tr> <tr> <td style="text-align: center;">2036</td> <td style="text-align: right;">70,000</td> <td style="text-align: center;">2046</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td style="text-align: center;">2037</td> <td style="text-align: right;">70,000</td> <td style="text-align: center;">2047</td> <td style="text-align: right;">105,000</td> </tr> </tbody> </table>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	2028	\$ 150,000	2038	\$ 75,000	2029	155,000	2039	75,000	2030	165,000	2040	80,000	2031	170,000	2041	80,000	2032	170,000	2042	85,000	2033	65,000	2043	90,000	2034	65,000	2044	95,000	2035	65,000	2045	95,000	2036	70,000	2046	100,000	2037	70,000	2047	105,000
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Rating:	The City <i>has</i> requested a rating from S & P Global Rating.																																												
Maturity Adjustment:	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.																																												
Continuing Disclosure:	Limited continuing disclosure																																												
Security:	General Obligation pledge of the City and pledge of tax levies, special assessments from benefitted properties, and revenues from the City's sewer utility.																																												
Purpose:	Proceeds will finance the 2026 Street and Utility Reconstruction Project and the purchase of a new fire truck.																																												
Authority:	Minnesota Statutes, Chapters 412, 429, 444 and 475																																												
Optional Redemption:	Bonds are callable on February 1, 2033.																																												
Tax Status:	Tax-exempt, bank-qualified																																												
Legal Opinion:	Taft Stettinius & Hollister LLP, Minneapolis, Minnesota																																												
Municipal Advisor:	David Drown Associates, Inc., Minneapolis, Minnesota																																												
Closing/Delivery:	On or about July 1, 2026.																																												

*Questions regarding the Bonds or the Preliminary Official Statement can be directed to and additional copies of the Preliminary Official Statement and the City's audited financial reports can be obtained from the City's Municipal Advisor David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, MN 55410 (612-920-3320).*

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## TERMS OF OFFERING

**City of New London, Minnesota**

**\$2,025,000**

**General Obligation Bonds, Series 2026A**

**(BOOK ENTRY ONLY)**

### TERMS OF PROPOSAL

Proposals for the Bonds will be received on Wednesday, June 17, 2026 at 11:00 A.M. Central Time, at the offices of David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota, 55410 after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 5:30 P.M., Central Time, on that same date.

### SUBMISSION OF PROPOSALS

Proposals may be submitted in a sealed envelope or by fax (612) 605-2375 to David Drown Associates, Inc. Signed Proposals, without final price or coupons, may be submitted to David Drown Associates, Inc. prior to the time of sale. The bidder shall be responsible for submitting to David Drown Associates, Inc. the final Proposal price and coupons, by telephone (612) 920-3320 or fax (612) 605-2375 for inclusion in the submitted Proposal. David Drown Associates, Inc. will assume no liability for the inability of the bidder to reach David Drown Associates, Inc. prior to the time of sale specified above.

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 11:00 a.m., local time on June 17, 2026. Bids may be submitted electronically via PARITY® pursuant to this Notice until 11:00 a.m., local 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, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact David Drown Associates, Inc. or PARITY® at (212) 806-8304.

Neither the City of New London nor David Drown Associates, Inc., assumes any liability if there is a malfunction of PARITY. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner of the Proposal submitted.

### DETAILS OF THE BONDS

The Bonds will be dated July 1, 2026, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2027. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds will mature February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$ -	2035	\$ 65,000	2043	\$ 90,000
2028	150,000	2036	70,000	2044	95,000
2029	155,000	2037	70,000	2045	95,000
2030	165,000	2038	75,000	2046	100,000
2031	170,000	2039	75,000	2047	105,000
2032	170,000	2040	80,000		
2033	65,000	2041	80,000		
2034	65,000	2042	85,000		

## **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. 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 a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption. In order to designate term bonds, the bid must specify as provided on the Proposal Form.

## **BOOK ENTRY SYSTEM**

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

## **REGISTRAR**

The City will name U.S. Bank Trust Company, National Association, St. Paul, MN, as registrar for the Bonds. U.S. Bank Trust Company, National Association shall be subject to applicable SEC regulations. The City will pay for the services of the registrar.

## **OPTIONAL REDEMPTION**

The City may elect on February 1, 2033 and on any day thereafter, to prepay Bonds due on or after February 1, 2034. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. 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 interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

## **SECURITY AND PURPOSE**

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 412, 429, 444, and 475 and will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge tax levies, special assessments from benefitted properties, and revenues from its sewer utility. The proceeds will be used to finance the 2026 Street and Utility Reconstruction Project and the purchase of a new fire truck (the "Project").

## **TYPE OF PROPOSALS**

Proposals shall be for not less than \$1,994,625.00 (98.5%) and accrued interest on the total principal amount of the Bonds. The apparent low-bidder as notified by David Drown Associates, Inc. shall wire, to a designated account, a good faith amount of \$40,500 by 3:00 p.m. on the date of sale. If the good faith wire transfer is not in process prior to the award, the City shall retain the right to reject the bid. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City. No proposal can be withdrawn or amended after the time set for receiving proposals 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. Rates shall be in integral multiples of 5/100 or 1/8 of 1%. Rates must be in ascending order. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

## **AWARD**

The proposals will be evaluated on the basis of the lowest interest rate to be determined on a net interest cost (NIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. The City will reserve the right to waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, reject all proposals without cause, and reject any proposal, which the City determines to have failed to comply with the terms herein.

## **ISSUE PRICE DETERMINATION**

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Purchaser has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by David Drown Associates, Inc.

The City intends that the sale of the Bonds pursuant to this Terms of Offering shall constitute a "competitive sale" as defined in the Regulation based on the following:

- i. the City shall cause this Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- ii. all bidders shall have an equal opportunity to submit a bid;
- iii. the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- iv. the City anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest net interest cost, as set forth in this Terms of Offering (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all requirements of a “competitive sale” are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the City and David Drown Associates, Inc. if a “substantial amount” (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The City will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and David Drown Associates, Inc. the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the City and David Drown Associates, Inc. notified of such prices not later than three (3) business days prior to the closing date.

### **BOND INSURANCE AT PURCHASER'S OPTION**

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the underwriter, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any other rating agency fees shall be the responsibility of the purchaser. Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery on the Bonds.

### **CUSIP NUMBERS**

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The purchaser shall pay the CUSIP Service Bureau charge for the assignment of CUSIP identification numbers.

### **SETTLEMENT**

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser at a place mutually satisfactory to the City and the purchaser. Delivery will be subject to receipt by the purchaser of an approving legal opinion of bond counsel, and of customary closing papers, including a no-litigation certificate. On the date of settlement payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

### **LIMITED CONTINUING DISCLOSURE**

On the date of the actual issuance and delivery of the Bonds, the City will execute and deliver a Continuing Disclosure Undertaking where under the City will covenant to provide annual financial information including audited financial statements of the City, and notices of certain material events, as specified in and required by SEC Rule 15c2-12(b)(5).

**OFFICIAL STATEMENT**

The City has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Financial Advisor of the City, David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota 55410, and telephone (612) 920-3320.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded 5 copies of the Official Statement and the addendum or addenda described above. The City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated: May 6, 2026

BY ORDER OF THE CITY COUNCIL

/s/ Emily Thielen  
City Clerk-Treasurer

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# OFFICIAL STATEMENT

## CITY OF NEW LONDON, MINNESOTA

### \$2,025,000 General Obligation Bonds, Series 2026A

#### INTRODUCTION

This Preliminary Official Statement provides information relating to the issuance of the \$2,025,000 General Obligation Bonds, Series 2026A (the "Bonds") by City of New London, Minnesota (the "City".) This Preliminary Official Statement has been executed on behalf of the City and may be distributed in connection with the sale of Bonds authorized therein.

Inquiries may be made to David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, MN 55410 or by telephoning (612) 920-3320. Information can also be obtained from Ms. Emily Thielen, City Clerk-Treasurer, City of New London, PO Box 252, New London, MN 56273-0252 or by telephoning (320) 354-2444.

#### Limited Continuing Disclosure

In order to comply with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") the City will enter into an undertaking (the "Undertaking") for the benefit of the holders of the Bonds. Through the Undertaking, the City covenants and agrees to provide certain annual financial information data about the City and to provide notice of the occurrence of certain material events. This information shall be provided according to the time parameters described in the Undertaking and to the information repositories and the Municipal Securities Rulemaking Board as required by the Rule. The specific provisions of the Undertaking are set forth in the Continuing Disclosure Certificate (the "Certificate") in substantially the form attached hereto as Appendix C. The Certificate will be executed and delivered by the City at the time the Bonds are delivered. The City is the only "obligated person" with respect to the Bonds within the meaning of the Rule.

The City has complied with all Continuing Disclosure requirements in the past five (5) years. The City works with a dissemination agent to assist in monitoring their continuing disclosure requirements. A partial listing of filings from EMMA can be found in Appendix E.

#### Authority and Purpose

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 412, 429, 444 and 475 for the purpose of financing the 2026 Street and Utility Reconstruction Project and the purchase of a new fire truck.

#### Sources and Uses

<u>Sources</u>		<u>Uses</u>	
Par Amount of the Bonds	\$ 2,025,000	Street and Utility Project Costs	\$ 3,176,788
Construction Fund Earnings	7,526	Fire Truck (Portion Financed)	500,000
PFA (State) Funding	<u>1,766,088</u>	Underwriter's Discount (1.50%)	30,375
		Capitalized Interest	36,851
		Issuance & Legal	<u>54,600</u>
Totals	\$ 3,798,614	Total	\$ 3,798,614

## Payment and Security

The Bonds are a general obligation of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount. The City pledges tax levies, special assessments from Benefitted Properties, and revenues from its sewer utility to make the semi-annual Bond payments.

## Optional Redemption

The City may elect on February 1, 2033 and on any day thereafter, to prepay Bonds due on or after February 1, 2034. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. 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 interests in such maturity to be redeemed. Redemption will be made by giving 30 days' notice by registered mail, to the registered owner of the Bond. All prepayments shall be at a price of par plus accrued interest to the date of call.

## Rating

The City *has* requested a rating on this issue from S & P Global Ratings, Inc. Such a rating, when received, will reflect only the view of the rating agency and any explanation of the significance of such rating may only be obtained from S & P Global Ratings, Inc. There is no assurance that such rating, if and when received, will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## Taxability of Interest

At closing, Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion based upon present federal and State of Minnesota laws (which excludes any pending legislation which may have a retroactive effect), regulations, ruling and decisions, to the following effect:

1. Gross Income: the Bonds, as of their date of issuance, bear interest which is not includable in gross income of the recipient for federal income tax purposes or in taxable net income of individuals, trust and estates for Minnesota income tax purposes, but such interest is includable in taxable income of corporations and financial institutions for purposes of Minnesota franchise tax.
2. Alternative Minimum Tax: interest on the Bonds is not an item of tax preference which is included in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to individuals or the Minnesota alternative minimum tax imposed on individuals, trusts and estates; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations.
3. Compliance: the above opinions are subject to the condition that the Issuer complies with all applicable federal tax requirements that must be satisfied subsequent to the issuance of the Bonds. FAILURE TO COMPLY WITH CERTAIN OF SUCH REQUIREMENTS MAY CAUSE THE INCLUSION OF INTEREST ON THE BONDS IN FEDERAL GROSS INCOME AND IN MINNESOTA TAXABLE NET INCOME RETROACTIVE TO THE DATE OF ISSUANCE OF THE BONDS.

No opinion will be expressed by Bond Counsel regarding other federal or state tax consequences arising with respect to the Bonds. See the form of opinion in Appendix B.

## Other Federal Tax Considerations

Property and Casualty Insurance Companies Property and casualty insurance companies are required by federal tax law for taxable years beginning after January 31, 1986, to reduce the amount of their loss reserve deduction by 15% of the amount of tax-exempt interest received or accrued during the taxable year on certain obligations acquired after August 7, 1986, including interest on the Bonds.

Foreign Insurance Companies Foreign companies carrying on an insurance business in the United States are subject to a federal tax on income which is effectively connected with their conduct of any trade or business in the United States. Such income includes tax-exempt interest.

Branch Profits Tax Foreign corporations are subject to a federal "branch profits tax" equal to 30% of the "dividend equivalent amount" for the taxable year. The "dividend equivalent amount" is the foreign corporation's "effectively connected earnings and profits", including tax-exempt municipal bond interest.

Passive Investment Income of S Corporations Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Internal Revenue Code of 1986, as amended, for S corporations that have Subchapter C earnings and profits at the close of the taxable year if more than 25% of the gross receipts of such S corporations is passive investment income.

Financial Institutions For federal income tax purposes, financial institutions are unable to deduct any portion of the interest expense allocable to the ownership of certain tax-exempt obligations acquired after August 7, 1986, including the Bonds but for their designation as qualified tax-exempt obligations. See "Qualified Tax-Exempt Obligations" below.

Social Security and Railroad Retirement Benefits Certain recipients of social security benefits and railroad retirement benefits are required to include a portion of such benefits within gross income by reason of receipt of interest on tax-exempt obligations, including the Bonds.

Exclusion Not Constitutionally Required The United States Supreme Court ruled in 1988 that the exclusion from gross income of interest on state and local bonds is not required by the United States constitution. The Constitution of the State of Minnesota likewise does not require the exclusion from gross income or taxable net income of interest on bonds of Minnesota issuers. Hence, future federal and/or state laws could cause the inclusion of interest on bonds, including the Bonds, in gross income or taxable net income, or could otherwise cause such interest to be taxed or to be included in the calculation of other income which is taxed.

General The above is not a comprehensive list of all federal or state tax consequences which may arise from the receipt or accrual of interest on the Bonds. The receipt or accrual of interest on the Bonds may otherwise affect the federal or state income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items of income or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

## Details of Certain Terms

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Record Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the offices of the Paying Agent and Registrar or a duly appointed successor. Interest on the Bonds will be paid by check or draft mailed by the Bond Registrar to the registered holders thereof as such appear on the registration books maintained by the Bond Registrar as of the close of business on the fifteenth day (whether or not a business day) of the month prior to the interest payment date (the "Record Date").

## Original Issue Discount

Original Issue Discount Bonds ("OID Bonds") may be sold at initial public offering prices which are less than the principal amounts payable at maturity. For each maturity of OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Bonds are sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holders' tax basis in such Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder's tax basis during the period such Bonds are held.

## Original Issue Premium

Original Issue Premium Bonds ("Premium Bonds") may be sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Premium Bonds should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

## Term Bond Option

Bids for the bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption. In order to designate term bonds, the bid must specify as provided on the Proposal Form.

## Bank-qualified Tax-Exempt Obligations

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended, 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. "Qualified tax-exempt obligations" are treated as acquired by the financial institution before August 8, 1986. Interest allocable to such obligations remains subject to the 20% disallowance contained in prior law.

## Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each maturity of the Obligations, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York State Banking Law, a "banking organization" within the meaning of the New York State Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York State Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-sale 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, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporations, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporations (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchanges, Inc., the American Stock Exchanges LLC, and the National Association of Securities

Dealers, Inc. Access to the DTC system is also available to others such as 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”). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Bond (“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, but Beneficial Owners are 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 Obligations 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 interest in the Obligations, except in the event that use of the book entry system for the Obligations is discontinued or as an option upon the transfer of an entire maturity.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as requested by an authorized representative of DTC. The deposit of Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Obligations may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the security documents. Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices for the Obligations shall be sent to Cede & Co. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Principal and interest payments on the Obligations will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such Participant and not of DTC (nor its nominee), the Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or other such nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar, Issuer, or Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Issuer may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered. The information in this section concerning DTC and DTC's book entry-system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

## Litigation

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

## Future Financing

As a part of the 2026 Street and Utility Reconstruction Project funding, the City has received a low interest loan from the Minnesota Public Facilities Authority of approximately \$1,766,008. It is anticipated that the City will close on the loan in 2026. The City will also be relocating water and sewer infrastructure as a result of a MNDOT highway project in 2027. The preliminary estimated cost of that activity is \$600,000 which may be financed in 2027.

## Legality

The Bonds are subject to approval as to certain matters by Taft Stettinius & Hollister LLP of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has neither been engaged nor undertaken to prepare, opine on, examine or independently verify the accuracy of any portion of this Official Statement, including the financial, statistical or operational statements or data contained in this Official Statement and risks associated with the purchase of the Bonds, except for statements under "Taxability of Interest" herein that summarize certain provisions of the Internal Revenue Code of 1986, as amended, the Bonds and any opinion rendered by Bond Counsel. Bond Counsel has prepared the form of legal opinion attached hereto as "Appendix B – PROPOSED FORM OF LEGAL OPINION," and a legal opinion in substantially the form set out in Appendix B herein will be delivered at closing.

By expressing its opinion, Bond Counsel is expressing its professional judgment and does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the applicability of any such state and local taxes.

## Municipal Advisor

The City has retained David Drown Associates, Inc., Minneapolis, Minnesota, as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. In preparing the Preliminary Official Statement, the Municipal Advisor has relied upon governmental officials and other sources that have access to relevant information contained in the Preliminary Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken to independently verify, the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Preliminary Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## Certification

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. As of the date of the settlement of the Bonds, the Purchaser(s) will be furnished with a certificate signed by the appropriate officers of the City. The certificate will state that as of the date of the Preliminary Official Statement, it did not and does not as of the date of the certificate contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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## VALUATIONS – COUNTY AUDITOR

For full valuation, top ten taxpayers, tax rate, tax levy/collections information, please see the full Kandiyohi County Auditor’s Certificate for taxes payable in 2026 found under Appendix A.

## TRENDS IN VALUATIONS

### Trends in Valuations

<u>Year</u>	<u>Economic Market Value*</u>	<u>Estimated Market Value</u>	<u>Taxable Market Value</u>	<u>Adjusted Net Tax Capacity</u>
2025/26	\$ 162,956,497	\$ 157,515,100	\$ 144,734,346	\$ 1,439,574
2024/25	151,430,770	152,013,000	140,380,126	1,424,692
2023/24	149,919,663	141,783,000	133,346,327	1,312,752
2022/23	138,791,297	128,571,600	119,705,942	1,170,127
2021/22	105,735,110	102,203,600	92,558,740	1,013,365
2020/21	101,298,894	94,230,200	84,200,806	911,267
2019/20	90,790,335	90,334,200	80,104,319	869,601

*\*Economic Market Value is calculated by the MN Dept. of Revenue.*

## CASH AND INVESTMENTS

(as of May 11, 2026)

<u>Fund</u>	<u>Cash/Investments</u>
General	\$ 436,634
Special	1,465,953
Debt Service	
Debt Service Reserve	934,908
GO Assessment	(462,054)
GO Revenue	355,221
GO Taxes	102,809
GO Tax Increment	207,526
Capital	(222,829)
Enterprise	<u>2,128,093</u>
Total	\$ 4,946,261

## CITY INDEBTEDNESS

(as of 05/01/2026)

### Legal Debt Limit and Margin

Legal Debt Limit (3% of Estimated Market Value)	\$ 4,725,453
Less: Outstanding Debt Subject to Limit	<u>530,000</u>
 Legal Debt Margin as of 05/01/2026	 \$ 4,195,453

*\*the Pay 2026 Estimated Market Value is \$157,515,100*

### General Obligation Debt Supported by Tax Levies

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
07/01/2026	\$ 530,000	Equipment Cert Portion, This Issue	02/01/2047	\$ 530,000
9/27/2023	134,719	Disposal System	08/20/2043	127,000
09/22/2021	357,000	Tax Abatement Refunding	02/01/2030	<u>171,000</u>
 Total				 \$ 828,000

### General Obligation Debt Supported by Special Assessments

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
07/01/2026	\$ 1,280,000	Improvements Portion, This Issue	02/01/2047	\$ 1,280,000
09/27/2023	896,414	Improvements	08/20/2043	834,000
12/19/2019	1,815,000	PIR Refunding	02/01/2038	1,308,000
08/17/2016	1,375,000	Improvements/Refunding	02/01/2037	<u>575,000</u>
 Total				 \$ 3,997,000

### General Obligation Debt Supported by Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
07/01/2026	\$ 215,000	Sewer Revenue Portion This Issue	02/01/2047	\$ 215,000
10/23/2019	1,468,547	Water Revenue	08/20/2039	1,052,150
08/23/2017	145,000	Water Revenue	08/20/2036	90,100
07/27/2011	850,825	Water Revenue	08/20/2030	231,000
07/27/2011	1,668,210	Water Revenue	08/20/2030	<u>475,000</u>
 Total				 \$ 2,063,250

**Summary of Direct Debt Including This Issue**

	<u>Gross Debt</u>	<u>Less: Debt Funds</u>	<u>Net Direct Debt</u>
GO Debt Supported by Tax Levies	\$ 828,000	\$ 530,000	\$ 298,000
GO Debt Supported by Assessments	3,997,000	-	3,997,000
GO Debt Supported by Revenues	<u>2,063,250</u>	<u>-</u>	<u>2,063,250</u>
Total	\$ 6,888,250	\$ 530,000	\$ 6,358,250

**Overlapping Debt**

<u>Taxing Unit</u>	<u>2025/26 Tax Capacity</u>	<u>% in City</u>	<u>Total G.O. Debt</u>	<u>City Share</u>
Kandiyohi County	\$ 90,421,140	1.59%	\$ 31,187,124	\$ 496,523
ISD # 345	25,850,823	5.57%	39,735,000	2,212,752
Middle Fork Crow River Watershed	25,829,487	5.57%	80,000	<u>4,459</u>
Total				\$ 2,713,734

**Debt Ratios**

	<u>Net G.O. Debt</u>	<u>Debt/Economic Market Value \$ 162,956,497</u>	<u>Debt per Capita 1,187</u>
Net Direct G.O. Debt*	\$ 4,295,000	2.64%	\$ 3,608
Net Direct and Overlapping GO Debt	7,008,734	4.30%	5,905

\* Excludes G.O. Debt supported by revenues

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**Annual Debt Service Payments**

Year	GO Debt Supported by Tax Levies			GO Debt Supported by Assessments		
	Principal	Payment	% Retired	Principal	Payment	% Retired
2026	\$ 6,000	\$ 7,916	1%	\$ 40,000	\$ 71,229	1%
2027	47,000	67,864	6%	180,000	291,107	6%
2028	150,000	167,332	25%	228,000	330,325	11%
2029	155,000	168,538	43%	236,000	332,657	17%
2030	156,000	165,660	62%	245,000	335,780	23%
2031	117,000	123,031	76%	248,000	332,632	29%
2032	117,000	119,574	90%	251,000	329,250	36%
2033	7,000	7,767	91%	265,000	336,592	42%
2034	7,000	7,692	92%	269,000	333,653	49%
2035	7,000	7,618	93%	273,000	330,424	56%
2036	7,000	7,543	94%	286,000	335,771	63%
2037	7,000	7,469	95%	290,000	331,845	70%
2038	7,000	7,394	95%	240,000	274,571	76%
2039	7,000	7,320	96%	115,000	144,707	79%
2040	7,000	7,245	97%	120,000	146,401	82%
2041	8,000	8,170	98%	121,000	143,968	85%
2042	8,000	8,085	99%	127,000	146,388	88%
2043	8,000	8,170	100%	128,000	145,283	92%
2044	-	-		80,000	92,483	94%
2045	-	-		80,000	89,163	96%
2046	-	-		85,000	90,676	98%
2047	-	-		90,000	91,935	100%
<b>Total</b>	<b>\$ 828,000</b>	<b>\$ 904,388</b>		<b>\$ 3,997,000</b>	<b>\$ 5,056,841</b>	

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**GO Debt  
Supported by Revenues**

<u>Year</u>	<u>Principal</u>	<u>Payment</u>	<u>% Retired</u>
2026	\$ 216,000	\$ 225,241	10%
2027	219,000	243,911	21%
2028	226,000	247,985	32%
029	229,000	248,625	43%
2030	235,000	252,160	55%
2031	92,000	106,610	59%
2032	93,000	106,483	63%
2033	93,000	105,335	68%
2034	94,000	105,180	73%
2035	96,000	106,000	77%
2036	97,100	105,890	82%
2037	89,000	96,564	86%
2038	89,000	95,412	91%
2039	90,150	95,404	95%
2040	10,000	14,080	95%
2041	10,000	13,703	96%
2042	10,000	13,320	96%
2043	15,000	17,828	97%
2044	15,000	17,220	98%
2045	15,000	16,598	99%
2046	15,000	15,964	99%
2047	<u>15,000</u>	<u>15,323</u>	100%
Totals	\$ 2,063,250	\$ 2,264,834	

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## GENERAL INFORMATION

The City of New London is situated in Kandiyohi County, located in the west-central portion of Minnesota. The City lies approximately 100 miles west of the City of Minneapolis, 50 miles southwest of the City of St. Cloud and 15 miles northeast of the City of Willmar. Interstate 94 runs within 30 miles of the City while US Highway 71 runs within 3 miles of the City. MN Highways 9 and 23 runs though the City as do County Roads 9 and 40. These roadways provide easy access to the St. Cloud area as well as Willmar and the Twin Cities Metropolitan Area.

### Organization

The City was organized in 1889 as a Statutory City and currently operates under the Mayor-Council form of government. The City Council is composed of a Mayor and four Council members. The Mayor is elected at large and serves a four-year term. Council members are elected to serve overlapping four-year terms. The present Council is comprised of the following members:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John Dahl	Mayor	December 31, 2026
Steve Slominski	Council Member	December 31, 2028
Tim Johnson	Council Member	December 31, 2026
Tony Schaefer	Council Member	December 31, 2028
Vacant	Council Member	December 31, 2026

The City Clerk-Treasurer, Emily Theilen, is appointed by the City Council. Ms. Thielen is acting as interim Administrator while the until the City fills the position, so she is currently responsible for administering the various City departments, implementing Council policies and coordinating the preparation of the annual City budget.

The City currently employs four (4) full-time staff members in the departments of Administration and Public Works. They also have 25 part-time firefighters.

The City contracts with the Kandiyohi County Sheriff's Department for the provision of law enforcement services (20 hours per week).

### City Services

The municipal water utility consists of 3 wells and has a pumping capacity of 600 gallons per minute. The average demand is 90,000 gallons per day with a peak demand of 120,000 gallons per day. The City's elevated storage capacity is 250,000 gallons. There are 552 connections to the water utility.

The city operates a mechanical plant system for its sanitary sewer utility with a treatment capacity of 886,000 gallons per day, an average demand of 131,792 gallons per day, and a peak demand of 153,466 gallons per day. There are 527 connections to the sanitary sewer utility.

### Employee Pensions

The City participates in the General Employees Retirement Plan (General Plan), a cost-sharing, multi-employer defined benefit pension plans administered by the PERA. The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353, 353D, 353E, 353G, and 356. The City's contribution to the General Plan for the year ending December 31, 2024 was \$ 26,574. Please refer to the 2024 Audited Financial Statement (appendix E of this document) for more detailed information.

## Census Data

### Population Trends

	<u>Population</u>
2010 U.S. Census	1,248
2020 U.S. Census	1,252
2024 U.S. Census Estimate	1,187

Source: U.S. Census Bureau

### Income and Housing Statistics

	City of New London	Kandiyohi <u>County</u>	State of <u>Minnesota</u>
2024 per Capita Income	\$ 36,779	\$ 38,860	\$ 47,926
2024 Median Household Income	68,421	76,592	87,117
Percent Living in Poverty	7.3%	9.1%	9.3%

Median Value of Owner-Occupied Housing	\$ 218,800	\$ 243,200	\$ 344,600
--	------------	------------	------------

Source: U.S. Census Bureau

The City of New London has approximately 354 single-family homes and 207 multi-family homes within the City. In the past year fifteen (15) single-family homes and two (2) multi-family homes were constructed.

Source: City Records

## Employment Data

	<u>Labor Force</u> Kandiyohi County	<u>Unemployment Rate</u> Kandiyohi Cty	<u>Statewide</u>
March, 2026	22,854	5.7%	4.9%
March, 2025	23,069	4.7%	4.1%

Source: MN Department of Employment and Economic Development

## Building Permits

<u>Year</u>	<u>Comm./Ind.</u>	<u>Number of Permits</u>		<u>Total Value</u> <u>of Permits</u>
		<u>Residential</u>	<u>Other*</u>	
2026**	2	4	19	\$ 1,856,163
2025	3	16	81	11,780,366
2024	1	5	85	6,830,940
2023	1	7	87	15,581,019
2022	8	7	50	4,779,782

\* Other includes: additions and alterations

\*\* Source: City Records as of May 11, 2026

## Commercial/Industrial Development (in the past 3 years with project costs in excess of \$75,000)

<u>Name of Business</u>	<u>Product/Service</u>	<u>Type of Building</u>	<u>Cost of Project</u> (estimated)
Peace Lutheran	Church	Addition	\$ 219,133
Little Theatre	Entertainment	Renovation	85,000
ACM Enterprise	Manufacturer	Addition	3,501,662
Bethesda	Nursing Care	Addition	3,598,170
SWSC School	Education	New Building	8,980,000

\* Source: City Records as of May 11, 2026

## Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u># of Employees</u>
New London-Spicer Public Schools	Education	255
Glenoaks Care Center	Nursing Care Facility	112
Rambow Inc	Custom Apparel/Promotional Products	100
Peterson Bus Service	Charter Bus Industry	70
American Legion Post 537	Civic and Social Organizations	60
Bethesda Health & Housing	Nursing Care Facilities	55
Dahmes Stainless Inc	Specialized Manufacturer	54
CentraCare	Clinic	30
Alex Air Apparatus	Fire Department Gear & Equipment	27
SWSC School	Educational Learning Center	20

Source: City Records

## Financial Services

The City of New London has two banks located within the City. Lake Region Bank reported deposits of \$62,673,000, and United Minnesota Bank reported deposits of \$46,764,000. Deposits are for the period ending June 30, 2025.

Source: FDIC on-line "Summary of Deposits"

## Healthcare

Lake Region Home Health Agency and Benedictine Living Community of New London are healthcare providers located in the City. The nearest hospital is 5 miles away in Spicer, Minnesota.

Source: [www.city-data.com](http://www.city-data.com)

## Education

Prairie Woods Elementary (in New London) serves students pre-kindergarten through grade 5. New London – Spicer Middle School (grades 5-8) and High School (Grades 9-12), as well as the New London Alternative School (grades 9-12) are also located in New London.

The closest post-secondary education facility is Ridgewater College (Willmar, MN) approximately 13 miles from the City of New London. The closest private college is the College of Saint Benedict in Saint Joseph, Minnesota (about 36 miles away).

Source: [www.city-data.com](http://www.city-data.com)

## Transportation

Interstate 94 runs within 30 miles of the City while US Highway 71 runs within 3 miles of the City. MN Highways 9 and 23 runs though the City as do County Roads 9 and 40. These roadways provide easy access to the St. Cloud area as well as Willmar and the Twin Cities Metropolitan Area.

Source: [www.mapquest.com](http://www.mapquest.com), [www.city-data.com](http://www.city-data.com)

## Utilities

The City of New London is supplied natural gas by Xcel Energy. Electric services are provided by Xcel Energy and the Kandiyohi Coop.

Source: City records.

## Communications

The City of New London is provided local telephone service by TDS Telecom. The City's official newspaper is the Lakes Area Review which is published weekly on Mondays. The City of New London can be found on-line at: [www.newlondonmn.net](http://www.newlondonmn.net).

*Source: City Records*

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## **APPENDIX A**

### **COUNTY AUDITOR'S CERTIFICATE**

The following pages contain a copy of the Kandiyohi County Auditor's Certificate for taxes payable in 2026.

County of KANDIYOHI COUNTY

Township 60 NEW LONDON CITY

Current Valuation 2025/2026

	Estimated Market Value	Taxable Market Value	Tax Capacity
Real Estate:			
Residential Homestead (Non-Agricultural) (Class 1a & 1b)		92,371,046	926,753
Agricultural (Class 2 & 4b(3))		835,500	8,355
Commercial & Industrial (Class 3, 5(1), & 5(3)) (zoned Comm/Industrial/Public Utility)			
Commercial/Industrial		19,312,800	345,255
Public Utility		15,000	300
Railroad Operating Property		0	0
Residential Non-Homestead (Class 4a, 4b (1-2), 4c (1-4) (7-8), 4d & 4c)		31,301,200	361,094
Seasonal/Recreational Comm & Residential (Class 1c & 4c (5-6))		0	0
Other		0	0
Total Real Estate	156,616,300	143,835,546	1,641,757
Total Personal Property	898,800	898,800	17,976
Total Real Estate & Personal Property	157,515,100	144,734,346	1,659,733
Total Residential Homestead Market Exclusion Value		10,224,754	

If Applicable To The Taxing District

Subtract: Captured Tax Capacity Of Tax Incement District	(	220,159	)
Job Zone Tax Capacity	(	0	)
10% of 200 kV Transmission Lines	(	0	)
Total Adjusted Taxable Net Tax Capacity		1,439,574	

County of KANDIYOHI COUNTY

Township 60 NEW LONDON CITY

Valuation History (Real & Personal Property)

Assessment/ Payable Year	Estimated Market Value	Taxable Market Value	Mkt Value Homestead Exclusion Values	Less Tax Increment/ Fiscal Disparities/ Transmission Lines	Net Tax Capacity
2025/2026	157,515,100	144,734,346	10,224,754	( 220,159 )	1,439,574
2024/2025	152,013,000	140,380,126	10,126,674	( 181,750 )	1,424,692
2023/2024	141,783,000	133,346,327	7,123,573	( 217,772 )	1,312,752
2022/2023	128,571,600	119,705,942	7,895,158	( 223,162 )	1,170,127
2021/2022	102,203,600	92,558,740	8,740,860	( 76,886 )	1,013,365
2020/2021	94,230,200	84,200,806	8,960,894	( 77,867 )	911,267
2019/2020	90,334,200	80,104,319	8,948,181	( 75,108 )	869,601

Twenty-five Largest Taxpayers

Taxpayer	ASMT Code Description	Taxable Market Value	Tax Capacity
BETHESDA	4 OR MORE UNITS	12,859,800	160,748
REALCO NEW LONDON, MN, LLC	4 OR MORE UNITS	4,193,700	64,860
RAMBOW/STEVEN S	COMM LAND/BLD	2,454,900	47,087
AFFILIATED COMM MED CTRS	COMM LAND/BLD	2,041,800	39,726
ACM ENTERPRISES, LLC	INDUST LAND/BUILDING	2,011,300	37,934
NORTHERN STATES POWER COMPANY	LAND/BLD-P UTILITY	905,100	18,102
AEHF LLC	4 OR MORE UNITS	1,387,600	17,345
GOOSE GROUP, INC	COMM LAND/BLD	926,200	17,024
CSNP NEW LONDON, LLC	4 OR MORE UNITS	980,300	12,254
HANSON 2008 REV TRUST/BARBARA	RESIDENTIAL\SINGLE UNIT	985,900	11,074
UNITY STAMP COMPANY, INC	INDUST LAND/BUILDING	613,900	10,778
LINT/MICHAEL (MIKE) & KIMBERLY H	RESIDENTIAL\SINGLE UNIT	902,200	10,547
NELSON/ROSELLA R.	RESIDENTIAL\SINGLE UNIT	564,640	8,490
OAK RIDGE PROPERTIES, LLC	COMM LAND/BLD	430,400	7,858
GLEISNER/ALEN	RESIDENTIAL\SINGLE UNIT	727,100	7,839
KGN PROPERTIES, LLC	COMM LAND/BLD	429,100	7,832
DANIELSON/MICHAEL & HANNAH	RESIDENTIAL\SINGLE UNIT	714,800	7,688
STRYDE, LLC	COMM LAND/BLD	418,500	7,620
ROBERT IHLANG POST #537	COMM LAND/BLD	413,900	7,528
MIKE ACKERMAN CONSTRUCTION, INC	RESIDENTIAL VACANT LAND	652,841	7,214
PALMQUIST ENTERPRISES, LLC	COMM LAND/BLD	439,000	7,065
LAKE REGION BANK	COMM LAND/BLD	376,800	6,786
GRAVLEY/JAY L & BETH	RESIDENTIAL VACANT LAND	387,500	6,685
UNITED MINNESOTA BANK	COMM LAND/BLD	358,300	6,416
OGDAHL/JASON/& HEATHER JO KING	RESIDENTIAL\SINGLE UNIT	612,600	6,408

County Employees	Full Time	Part Time	Seasonal	Total
	427	19	25	471

County of KANDIYOHI COUNTY

Township 60 NEW LONDON CITY

If the County has plans for additional financing within the next three months, please complete:

Amount:

Purpose:

Have the bonds authorized?

When:

Taxing Authority and Local Tax Rate History

Local Tax Rate History  
(Levy Year/Collection Year)

Governmental Unit	2021/22	2022/23	2023/24	2024/25	2025/26
COUNTY	57.51400	50.08400	46.21800	48.90900	48.85900
COUNTY WIDE	1.02800	1.03100	1.08800	1.35400	1.30800
COUNTY WIDE-ADDL	1.11100	.97900	.90100	.90700	.88800
NEW LONDON CITY	67.48200	67.38600	65.44400	64.01400	74.88100
NEW LONDON/SPICER	18.01000	15.08200	22.00800	20.98400	19.92900
MIDDLE FORK C.R.WATERS	3.98100	2.62800	2.95600	3.04600	3.83200
NEW LONDON/SPICER	.26808	.22300	.20987	.19910	.18328

County of KANDIYOHI COUNTY

Township 60 NEW LONDON CITY

Bonded Indebtedness 2025/2026

**** T A X C A P A C I T Y O F **** Bonded Debt				
Gov. Unit Name	Entire Gov.Unit	KANDIYOHI COUN	NEW LONDON CIT	as of 12/31/25
COUNTY	90,421,140	90,421,140	1,439,574	0
NEW LONDON CITY	1,439,574	1,439,574	1,439,574	0
NEW LONDON/SPICER	25,850,823	25,850,823	1,439,574	0
MIDDLE FORK C.R.WATE	25,829,487	25,829,487	1,439,574	0
Debt Serv \$ For Cnty		.00		
Sinking \$ For Spc. Dist		.00		

County of KANDIYOHI COUNTY

Township 60 NEW LONDON CITY

Tax Levies and Collections

Levy Year/ Collection Year	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026
Original Gross Tax	689,714.72	788,747.81	859,913.32	912,973.74	1,083,386.39
Prop Tax Credits	.00	.00	.00	.00	.00
Levy Adjustmnts	.00	.00	.00	2.56-	.00
Net Tax Levy	689,714.72	788,747.81	859,913.32	912,971.18	1,083,386.39
Amount Collected in Collection Year	684,512.01	783,413.79	851,712.99	906,381.05	N/A
Amt Dlg at End of Collection Year	5,202.71	5,334.02	8,200.33	6,590.13	N/A
Dlg Collected as of 12/31/25	5,210.34	5,401.77	7,287.15	.00	N/A
Dlg Abt/cancelled as of 12/31/25	7.64	.00	.42	.00	N/A
Tot Dlg Outstanding as of 12/31/25	.01	67.75-	913.60	6,590.13	N/A

County of KANDIYOHI COUNTY

Township 60 NEW LONDON CITY

Please list the name, title, and telephone number of a person(s) to contact regarding the completed certificate in case there are any questions

Contact Person	LISA WEISS
Telephone	3202316202 5134
E-mail address	LISA.WEISS@KCMN.US
Preferred method to receive certificate (i.e.: mail or email) or, please indicate if your county prefers to use a separate form.	EMAIL

Witness My hand and official seal this 7 day of May, 2020

*Lisa A. Weiss*  
County Auditor-Treasurer

(SEAL)



**County Auditor's Report of Outstanding Indebtedness**

**of the**

**Governmental Units**

**in**

**Kandiyohi County County, Minnesota**

**For the Year Ended December 31, 2025**

**I do hereby certify that the following is a true and correct abstract of the reports  
of outstanding indebtedness of the governmental units  
for the year ended December 31, 2025**

**Sherry Bratsch**

**Name (Print)**

**(320) 231-6202**

**Telephone**

**Deputy County Auditor/Treasurer**

**Title**

**Sherry.Bratsch@kcmn.us**

**E-mail Address**

**Office of the State Auditor**

**525 Park Street**

**St. Paul, MN 55103**

**Telephone: (651) 297-3682**

**Fax: (651) 282-2391**

**E-mail: county@auditor.state.mn.us**

County Auditor's Report of Outstanding Indebtedness

Name of Governmental Unit	Bonds										Other Long-term Indebtedness (Identify)	State Aid and Tax Anticipation Certificates	Refunding (Included in Bonds Outstanding)
	Outstanding 1-Jan-25	Issued During 2025	Paid During 2025	Bonds Outstanding December 31, 2025									
				Total	General Obligation	G.O. Tax Increment	G.O. Special Assessment	G.O. Revenue	Revenue	Other (Identify)			
<b>County of Kandiyohi County</b>	16,227,124	15,461,096	501,096	31,187,124	475,000		30,712,124						5,055,000
<b>Cities</b>													
City of Awater	11,714,778	586,038	466,000	11,834,816	2,160,000		1,105,000	423,778	8,146,038				
City of Blomkest	87,075	0	14,700	72,375	72,375								
City of Kandiyohi	2,217,300	0	239,300	1,978,000	1,399,000			579,000					
City of Lake Lillian *	3,469,028	0	779,433	2,689,595	433,785			2,255,810					
City of New London **	5,510,399	0	476,448	5,033,951	2,275,000			2,758,951					
City of Pennock	1,280,000	0	65,000	1,215,000	695,000			520,000					695,000
City of Prinsburg	3,036,008	0	160,115	2,875,893	791,993			2,003,531	80,369				
City of Raymond	2,256,663	0	221,000	2,035,663	384,663			1,651,000					2,035,663
City of Regal	0	0	0	0	0								
City of Spicer	5,726,000	0	432,000	5,294,000	1,144,000	350,000	3,800,000						
City of Sunburg	0	0	0	0	0								
City of Willmar	98,560,151	4,065,000	9,349,000	93,276,151	3,980,000		31,932,000	57,364,151					
				0									
				0									
				0									
				0									
				0									
				0									
				0									
				0									
				0									
				0									
				0									
				0									
<b>Subtotal</b>	133,857,402	4,651,038	12,202,996	126,305,444	13,335,816	350,000	36,837,000	67,556,221	8,226,407	0	0	0	2,730,663
<b>Townships</b>													
Arctander	291,000			291,000	291,000								
Burbank	0			0									
Colfax	0	517,000		517,000	517,000								
Dovre	0	1,500,000		1,500,000			1,500,000						



County Auditor's Report of Outstanding Indebtedness

Name of Governmental Unit	Bonds										Other Long-term Indebtedness (Identify)	State Aid and Tax Anticipation Certificates	Refunding (Included in Bonds Outstanding)
	Outstanding 1-Jan-25	Issued During 2025	Paid During 2025	Bonds Outstanding December 31, 2025									
				Total	General Obligation	G.O. Tax Increment	G.O. Special Assessment	G.O. Revenue	Revenue	Other (Identify)			
ISD #347 Willmar	36,370,000	0	360,000	36,010,000	36,010,000								36,010,000
ISD #2396 Atwater-Cosmos-Grove City	16,790,000	0	895,000	15,895,000	15,895,000								
ISD #2180 Maynard-Clara City-Raymond	38,835,000	0	2,000,000	36,835,000	36,835,000						2,176,398		565,000
ISD #2364 Belgrade-Brooten-Elrosa****	0	0	0	0	0								
ISD #815 Prinsburg	0	0	0	0	0								
ISD #2534 Bird Island, Olivia, LL & Danube	39,950,000	0	555,000	39,395,000	39,395,000						24,601		
				0									
				0									
				0									
				0									
				0									
				0									
				0									
<b>Subtotal</b>	207,295,000	11,600,000	8,140,000	210,755,000	210,755,000	0	0	0	0	0	2,200,999	0	36,575,000
Other Taxing Districts													
Buffalo Creek Watershed District	0			0									
Kandiyohi County & City of Willmar EDC	0			0									
Kandiyohi County HRA*****				0									
Mid-MN Development Commission	0			0									
Middle Fork Crow River Watershed District	160,000	0	80,000	80,000	80,000								
North Fork Crow River Watershed District	0			0									
				0									
				0									
				0									
				0									
				0									
<b>Subtotal</b>	160,000	0	80,000	80,000	80,000	0	0	0	0	0	0	0	0
<b>Grand Total</b>	358,579,702	34,956,134	20,972,432	372,563,404	227,381,652	350,000	69,049,124	67,556,221	8,226,407	0	2,200,999	0	44,360,663

\* We received a Corrected Report of Outstanding Indebtedness for 2024 for the City of Lake Lillian.

**County Auditor's Report of Outstanding Indebtedness**

Name of Governmental Unit	Bonds									Other Long-term Indebtedness (Identify)	State Aid and Tax Anticipation Certificates	Refunding (Included in Bonds Outstanding)
	Outstanding 1-Jan-25	Issued During 2025	Paid During 2025	Bonds Outstanding December 31, 2025								
				Total	General Obligation	G.O. Tax Increment	G.O. Special Assessment	G.O. Revenue	Revenue			

\*\* We received a Corrected Report of Outstanding Indebtedness for 2024 for the City of New London.

\*\*\* Roseland Township has not previously reported their sewer bond which started in 2014 in the original amount of \$145,000.

\*\*\*\*Whitefield Township has not previously reported their sewer bond which started in 2011.

\*\*\*\*\* ISD #2364 Belgrade-Broten-Elrosa did not report their indebtedness to Kandiyohi County (Stearns County would be their home county).

\*\*\*\*\*Kandiyohi County HRA has not reported as of March 5, 2026 after several attempts to get their information.

PROPOSED FORM OF LEGAL OPINION

\$2,025,000  
GENERAL OBLIGATION BONDS, SERIES 2026A  
CITY OF NEW LONDON  
KANDIYOHI COUNTY  
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of New London, Kandiyohi County, Minnesota (the "Issuer"), of its \$2,025,000 General Obligation Bonds, Series 2026A, bearing a date of original issue of July 1, 2026 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

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

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer, and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, 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 and be retroactive.

TAFT STETTINIUS & HOLLISTER LLP

[Appendix C to Official Statement]

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City of New London, Minnesota (the "Issuer"), in connection with the issuance of its \$2,025,000 General Obligation Bonds, Series 2026A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on June 17, 2026 (the "Resolution"). Pursuant to the Resolution and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

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

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

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

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 4 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated \_\_\_\_\_, 2026, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

### SECTION 3. Provision of Annual Reports.

A. If Audited Financial Statements of the Issuer for the Fiscal Year ended December 31, 2025, are not included in the Final Official Statement, then the Issuer shall provide, or shall cause the Dissemination Agent to provide, to the MSRB by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB, an Annual Report consisting only of Audited Financial Statements for such Fiscal Year that are consistent with the requirements of Section 4 of this Disclosure Undertaking by not later than December 31, 2026.

B. Beginning in connection with the Fiscal Year ending on December 31, 2026, the Issuer shall, or shall cause the Dissemination Agent to provide, at least annually to the MSRB, by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB, its Audited Financial Statements for the most recent Fiscal Year, which is the only financial information or operating data which is customarily prepared by the Issuer and publicly available, by not later than December 31, 2027, and by December 31 of each year thereafter.

C. If the Issuer is unable to provide to the MSRB an Annual Report by the dates required in subsections A or B, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Reporting of Significant Events. This Section 4 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;

- (10) Release, substitution, or sale of property securing repayment of the Bonds, 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 an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, 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 obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of the ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB.

SECTION 5. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 6. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 8. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to

that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 9. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 10. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 11. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 7 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated: July 1, 2026.

CITY OF NEW LONDON, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Clerk-Treasurer

## **Appendix D**

### **Summary of Tax Levies, Payment Provisions & Valuations**

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

#### **Property Valuations (Chapter 273, Minnesota Statutes)**

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate and multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a and causes a decrease in the Issuer's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

#### **Property Tax Payments and Delinquencies**

(Chapters 275, 276, 277, 279 – 282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on non-homestead property is assessed at a rate of 4% until May 31 and increased

to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on non-homestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for non-homestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

### **Property Tax Credits** **(Chapter 273, Minnesota Statutes)**

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

### **Debt Limitations**

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements that are payable wholly or partially from the proceeds of special assessments levied upon benefited property.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems, and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.

6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provisions of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.
11. Obligations issued to pay judgments against the municipality.
12. All other obligations which Minnesota Statutes specifically indicate are not to be included in the computation of the net debt of the municipality.

### **Levies for General Obligation Debt**

***(Sections 475.61 and 475.74, Minnesota Statutes)***

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

### **Metropolitan Revenue Distribution**

***(Chapter 473F, Minnesota Statutes)*** (*"Fiscal Disparities Law"*)

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**Minnesota Property Class Rate Schedule**  
(current through taxes payable 2022)

<b>Property Type</b>	<b>Taxes Payable Year</b>				
	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
<b>Residential Homestead (1a)</b>					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
<b>Residential Non-homestead</b>					
Single Unit (4bb1)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%	1.25%	1.25%	1.25%
<b>Market Rate Apartments</b>					
Regular (4a)					
Low-Income (4d)	1.25%	1.25%	1.25%	1.25%	1.25%
Up to \$115, 000 <sup>4</sup>	0.75%	0.75%	0.75%	0.75%	0.75%
Over \$115, 000 <sup>4</sup>	0.25%	0.25%	0.25%	0.25%	0.25%
<b>Commercial/Industrial/Public Utility (3a)</b>					
Up to \$150,000	1.50% <sup>1</sup>	1.50% <sup>1</sup>	1.50% <sup>1</sup>	1.50% <sup>1</sup>	1.50% <sup>1</sup>
Over \$150,000	2.00% <sup>1</sup>	2.00% <sup>1</sup>	2.00% <sup>1</sup>	2.00% <sup>1</sup>	2.00% <sup>1</sup>
Electric Generation Machinery	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Commercial Seasonal Residential</b>					
Homestead Resorts (1c)					
Up to \$600,000	0.50%	0.50%	0.50%	0.50%	0.50%
\$600,000 - \$2,300,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$2,300,000	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>
Seasonal Resorts (4c)					
Up to \$500,000	1.00% <sup>1</sup>	1.00% <sup>1</sup>	1.00% <sup>1</sup>	1.00% <sup>1</sup>	1.00% <sup>1</sup>
Over \$500,000	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>
<b>Non-Commercial (4c12)</b>					
Up to \$500,000	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>
Over \$500,000	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>
<b>Disabled Homestead (1b)</b>					
Up to \$50,000	0.45%	0.45%	0.45%	0.45%	0.45%
<b>Agricultural Land &amp; Buildings</b>					
Homestead (2a)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Remainder of Farm					
Up to \$2,050,000 <sup>4</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>
Over \$2,050,000 <sup>4</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>
Non-homestead (2b)	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>

<sup>1</sup> Subject to the State General Property Tax.

<sup>2</sup> Exempt from referendum market value tax.

For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First \$76,000 – 0.40%; \$76,000 to \$500,000 – 1.00%; and over \$500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in St. Paul are exempt under this provision).

## **APPENDIX E**

### **FINANCIAL STATEMENT**

The City's financial statements are audited annually. The following pages contain a copy of the 2024 Audited Financial Statement. Copies of audits are available upon request from David Drown Associates, Inc.

Westberg Eischens, PLLP, Certified Public Accountants, the City's independent 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. Westberg Eischens, PLLP. also has not performed any procedures relating to this offering document.

**CITY OF NEW LONDON  
NEW LONDON, MINNESOTA**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED  
December 31, 2024**

**WESTBERG EISCHENS, PLLP  
Certified Public Accountants  
Willmar, Minnesota 56201**

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**CITY OF NEW LONDON, MINNESOTA  
CITY COUNCIL AND ADMINISTRATIVE OFFICIALS  
December 31, 2024**

		<u>TERM EXPIRES</u>
John Dahl	Mayor	12/31/26
Tim Johnson	Council Member	12/31/26
Dominique Nash	Council Member	12/31/26
Steve Slominski	Council Member	12/31/28
Tony Schaefer	Council Member	12/31/28
Trudie Guptill	City Administrator	Appointed
Jen Dahl	Clerk-Treasurer	Appointed

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members  
City of New London, Minnesota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New London, Minnesota, as of and for the year ended December 31, 2024, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New London, Minnesota, as of December 31, 2024, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of New London, Minnesota 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 the 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 of New London, Minnesota'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 and *Government 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether 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 of New London, Minnesota'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 of New London, Minnesota'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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New London, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules of revenues, expenditures, and changes in fund balances is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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, the schedules of revenues, expenditures, and changes in fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2025, on our consideration of the City of New London, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of New London, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of New London, Minnesota's internal control over financial reporting and compliance.

*Westberg Eischens, PLLP*

Westberg Eischens, PLLP  
Willmar, Minnesota

June 4, 2025

**CITY OF NEW LONDON, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**December 31, 2024**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash	\$ 3,449,087	\$ 2,000,273	\$ 5,449,360
Receivables:			
Accounts	75,217	116,716	191,933
Delinquent taxes	28,323	2,996	31,319
Special assessments	260,066	528,033	788,099
Delinquent special assessments	785	-	785
Interest	2,880	-	2,880
Prepaid expenses	27,450	-	27,450
Internal activity	525	(525)	-
Capital assets:			
Non-depreciable	366,376	1,000	367,376
Depreciable, net of accumulated depreciation	<u>8,447,828</u>	<u>5,844,631</u>	<u>14,292,459</u>
<b>TOTAL ASSETS</b>	<u>12,658,537</u>	<u>8,493,124</u>	<u>21,151,661</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	<u>31,996</u>	<u>7,123</u>	<u>39,119</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>31,996</u>	<u>7,123</u>	<u>39,119</u>
<b>LIABILITIES</b>			
Accounts payable	124,038	68,647	192,685
Long-term liabilities:			
Due within one year	218,000	258,447	476,447
Due in more than one year	2,268,005	2,758,952	5,026,957
Net pension liability	<u>113,908</u>	<u>23,121</u>	<u>137,029</u>
<b>TOTAL LIABILITIES</b>	<u>2,723,951</u>	<u>3,109,167</u>	<u>5,833,118</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	<u>77,053</u>	<u>10,975</u>	<u>88,028</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>77,053</u>	<u>10,975</u>	<u>88,028</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,328,199	2,828,232	9,156,431
Restricted for:			
Emergency ambulance service aid	98,069	-	98,069
Debt service	816,023	832,236	1,648,259
TIF districts	163,955	-	163,955
Capital replacement	-	214,700	214,700
Unrestricted	<u>2,483,283</u>	<u>1,504,937</u>	<u>3,988,220</u>
<b>TOTAL NET POSITION</b>	<u>\$ 9,889,529</u>	<u>\$ 5,380,105</u>	<u>\$ 15,269,634</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
Governmental Activities:							
General government	\$ 413,450	\$ 70,042	\$ -	\$ -	\$ (343,408)	\$ -	\$ (343,408)
Public safety	730,802	423,191	266,716	4,435	(36,460)	-	(36,460)
Streets and highways	508,368	-	-	255,640	(252,728)	-	(252,728)
Culture and recreation	95,150	11,863	1,350	-	(81,937)	-	(81,937)
Economic development	338,717	-	-	-	(338,717)	-	(338,717)
Interest and fiscal charges on long term debt	<u>67,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,755)</u>	<u>-</u>	<u>(67,755)</u>
Total Governmental Activities	<u>2,154,242</u>	<u>505,096</u>	<u>268,066</u>	<u>260,075</u>	<u>(1,121,005)</u>	<u>-</u>	<u>(1,121,005)</u>
Business-Type Activities:							
Water	506,372	524,701	-	505,056	-	523,385	523,385
Sewer	<u>672,730</u>	<u>702,888</u>	<u>-</u>	<u>52,135</u>	<u>-</u>	<u>82,293</u>	<u>82,293</u>
Total Business-Type Activities	<u>1,179,102</u>	<u>1,227,589</u>	<u>-</u>	<u>557,191</u>	<u>-</u>	<u>605,678</u>	<u>605,678</u>
<b>TOTAL</b>	<u>\$ 3,333,344</u>	<u>\$ 1,732,685</u>	<u>\$ 268,066</u>	<u>\$ 817,266</u>	<u>(1,121,005)</u>	<u>605,678</u>	<u>(515,327)</u>
General revenues:							
Property taxes levied for general purposes					530,637	-	530,637
Property taxes levied for debt service					240,867	88,953	329,820
Tax increments					298,063	-	298,063
Sales taxes					141,140	-	141,140
Intergovernmental revenue not restricted to specific programs					420,246	-	420,246
Investment income					75,041	65,176	140,217
Gain on sale of asset					2,000	-	2,000
Miscellaneous					58,598	3,836	62,434
Transfers					<u>304,111</u>	<u>(304,111)</u>	<u>-</u>
Total general revenues and transfers					<u>2,070,703</u>	<u>(146,146)</u>	<u>1,924,557</u>
Change in net position					949,698	459,532	1,409,230
Net Position - Beginning					<u>8,939,831</u>	<u>4,920,573</u>	<u>13,860,404</u>
Net Position - Ending					<u>\$ 9,889,529</u>	<u>\$ 5,380,105</u>	<u>\$ 15,269,634</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2024**

	General Fund	Special Revenue		Debt Service Fund	Library Fund	Permanent Improvement Fund	NonMajor	Totals
		Fire Fund	Ambulance Fund					
<b>ASSETS</b>								
Cash and investments	\$ 794,527	\$ 952,900	\$ 485,558	\$ 826,679	\$ (55,291)	\$ -	\$ 444,714	\$ 3,449,087
Receivables:								
Accounts	2,986	5,850	44,805	-	21,576	-	-	75,217
Delinquent taxes	17,931	-	-	8,172	-	-	2,220	28,323
Special assessments	-	-	-	260,066	-	-	-	260,066
Delinquent special assessments	-	-	-	785	-	-	-	785
Interest	2,880	-	-	-	-	-	-	2,880
Due from other funds	280,400	1,387	122	51,660	-	-	-	333,569
Prepaid expenses	9,874	9,167	8,409	-	-	-	-	27,450
<b>TOTAL ASSETS</b>	<b>\$ 1,108,598</b>	<b>\$ 969,304</b>	<b>\$ 538,894</b>	<b>\$ 1,147,362</b>	<b>\$ (33,715)</b>	<b>\$ -</b>	<b>\$ 446,934</b>	<b>\$ 4,177,377</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 6,431	\$ 16,876	\$ 2,670	\$ -	\$ -	\$ -	\$ 98,061	\$ 124,038
Due to other funds	984	942	51,788	-	-	279,330	-	333,044
<b>TOTAL LIABILITIES</b>	<b>7,415</b>	<b>17,818</b>	<b>54,458</b>	<b>-</b>	<b>-</b>	<b>279,330</b>	<b>98,061</b>	<b>457,082</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - taxes	5,417	-	-	2,482	-	-	-	7,899
Unavailable revenue - special assessments	-	-	-	258,857	-	-	-	258,857
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,417</b>	<b>-</b>	<b>-</b>	<b>261,339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>266,756</b>
<b>FUND BALANCES</b>								
Nonspendable	9,874	9,167	8,409	-	-	-	-	27,450
Restricted	-	-	98,069	816,023	-	-	163,955	1,078,047
Committed	4,555	69,604	-	70,000	-	-	-	144,159
Assigned	608,518	872,715	377,958	-	-	-	184,918	2,044,109
Unassigned	472,819	-	-	-	(33,715)	(279,330)	-	159,774
<b>TOTAL FUND BALANCES</b>	<b>1,095,766</b>	<b>951,486</b>	<b>484,436</b>	<b>886,023</b>	<b>(33,715)</b>	<b>(279,330)</b>	<b>348,873</b>	<b>3,453,539</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,108,598</b>	<b>\$ 969,304</b>	<b>\$ 538,894</b>	<b>\$ 1,147,362</b>	<b>\$ (33,715)</b>	<b>\$ -</b>	<b>\$ 446,934</b>	<b>\$ 4,177,377</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**December 31, 2024**

Total Fund Balances-Governmental Funds	\$ 3,453,539
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.	
Governmental capital assets	15,980,544
Less: accumulated depreciation	(7,166,340)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Delinquent property taxes	7,899
Special assessments receivable	258,857
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows - pensions	31,996
Deferred inflows - pensions	(77,053)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Unamortized underwriter's discount on bond proceeds	6,995
General obligation bonds	(2,493,000)
Net pension liability	<u>(113,908)</u>
Total Net Position-Governmental Activities	<u>\$ 9,889,529</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2024**

	General Fund	Special Revenue		Debt Service Fund	Library Fund	Permanent Improvement Fund	NonMajor	Totals
		Fire Fund	Ambulance Fund					
<b>REVENUES</b>								
Property taxes	\$ 529,235	\$ -	\$ -	\$ 240,867	\$ -	\$ -	\$ 298,063	\$ 1,068,165
Local option sales tax	-	-	-	-	141,140	-	-	141,140
Special assessments	-	-	-	60,454	-	-	-	60,454
License and permits	70,042	-	-	-	-	-	-	70,042
Intergovernmental	435,927	83,528	116,732	-	-	200,604	-	836,791
Charges for services	1,988	227,629	195,494	-	9,875	-	-	434,986
Fines and forfeits	1,230	-	-	-	-	-	-	1,230
Interest income	1,853	27,935	2,437	31,758	-	-	11,058	75,041
Miscellaneous	11,755	45,879	25,080	3,071	12,542	-	31,350	129,677
<b>Total Revenues</b>	<b>1,052,030</b>	<b>384,971</b>	<b>339,743</b>	<b>336,150</b>	<b>163,557</b>	<b>200,604</b>	<b>340,471</b>	<b>2,817,526</b>
<b>EXPENDITURES</b>								
Current:								
General government	383,110	-	-	-	-	-	-	383,110
Public safety	64,549	292,556	249,004	-	-	-	1,320	607,429
Streets and highways	160,939	-	-	-	-	-	-	160,939
Culture and recreation	59,058	-	-	-	3,902	-	-	62,960
Economic development	-	-	-	-	-	-	338,717	338,717
Capital outlay:								
General government	1,650	-	-	-	-	-	-	1,650
Public safety	-	118,404	40,957	-	-	-	-	159,361
Streets and highways	-	-	-	-	-	270,146	-	270,146
Culture and recreation	11,527	-	-	-	19,408	-	49,050	79,985
Debt service:								
Principal	-	-	-	214,000	-	-	-	214,000
Interest	-	-	-	64,202	-	-	-	64,202
Bond fees	-	-	-	2,917	-	-	-	2,917
<b>Total Expenditures</b>	<b>680,833</b>	<b>410,960</b>	<b>289,961</b>	<b>281,119</b>	<b>23,310</b>	<b>270,146</b>	<b>389,087</b>	<b>2,345,416</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>371,197</b>	<b>(25,989)</b>	<b>49,782</b>	<b>55,031</b>	<b>140,247</b>	<b>(69,542)</b>	<b>(48,616)</b>	<b>472,110</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of assets	2,000	-	-	-	-	-	-	2,000
Transfer from other funds	-	119,129	-	17,001	21,690	304,111	68,200	530,131
Transfer to other funds	(226,020)	-	-	-	-	-	-	(226,020)
<b>Total Other Financing Sources (Uses)</b>	<b>(224,020)</b>	<b>119,129</b>	<b>-</b>	<b>17,001</b>	<b>21,690</b>	<b>304,111</b>	<b>68,200</b>	<b>306,111</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>147,177</b>	<b>93,140</b>	<b>49,782</b>	<b>72,032</b>	<b>161,937</b>	<b>234,569</b>	<b>19,584</b>	<b>778,221</b>
<b>FUND BALANCE JANUARY 1</b>	<b>948,589</b>	<b>858,346</b>	<b>434,654</b>	<b>813,991</b>	<b>(195,652)</b>	<b>(513,899)</b>	<b>329,289</b>	<b>2,675,318</b>
<b>FUND BALANCE DECEMBER 31</b>	<b>\$ 1,095,766</b>	<b>\$ 951,486</b>	<b>\$ 484,436</b>	<b>\$ 886,023</b>	<b>\$ (33,715)</b>	<b>\$ (279,330)</b>	<b>\$ 348,873</b>	<b>\$ 3,453,539</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

Net Change in Fund Balances-Governmental Funds	\$ 778,221
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	503,728
Depreciation expense	(533,561)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	1,402
Special assessments	(27,338)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal retirement of long-term debt	214,000
Bond amortization	(636)
In the statement of activities, pension expense is measured by the amount earned during the year. In the governmental funds, however, expenditures for the items are measured by the amount of financial resources used.	
Change in net pension liability, deferred outflows, and deferred inflows	13,882
Change in Net Position-Governmental Activities	\$ 949,698

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2024**

	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current Assets			
Cash	\$ 632,925	\$ 848,445	\$ 1,481,370
Receivables:			
Accounts receivable	115,276	1,440	116,716
Delinquent taxes	2,551	445	2,996
Total Current Assets	750,752	850,330	1,601,082
Noncurrent Assets			
Cash restricted for capital replacement	101,645	113,055	214,700
Cash restricted for debt service	279,127	25,076	304,203
Special assessments receivable	494,082	33,951	528,033
Capital assets:			
Non-depreciable	-	1,000	1,000
Depreciable assets	5,577,037	2,965,316	8,542,353
Less accumulated depreciation	(1,434,737)	(1,262,985)	(2,697,722)
Total capital assets, net	4,142,300	1,703,331	5,845,631
Total Noncurrent Assets	5,017,154	1,875,413	6,892,567
<b>TOTAL ASSETS</b>	<b>5,767,906</b>	<b>2,725,743</b>	<b>8,493,649</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	4,065	3,058	7,123
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,065</b>	<b>3,058</b>	<b>7,123</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	23,120	45,527	68,647
Due to other funds	525	-	525
Current portion bonds payable	160,593	97,854	258,447
Total Current Liabilities	184,238	143,381	327,619
Noncurrent Liabilities			
Bonds payable	2,165,252	593,700	2,758,952
Net pension liability	13,209	9,912	23,121
Total Noncurrent Liabilities	2,178,461	603,612	2,782,073
<b>TOTAL LIABILITIES</b>	<b>2,362,699</b>	<b>746,993</b>	<b>3,109,692</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	6,272	4,703	10,975
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>6,272</b>	<b>4,703</b>	<b>10,975</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,816,455	1,011,777	2,828,232
Restricted			
Debt service	773,209	59,027	832,236
Capital replacement	101,645	113,055	214,700
Unrestricted	711,691	793,246	1,504,937
<b>TOTAL NET POSITION</b>	<b>\$ 3,403,000</b>	<b>\$ 1,977,105</b>	<b>\$ 5,380,105</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2024**

	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 524,701	\$ 705,784	\$ 1,230,485
Total Operating Revenues	524,701	705,784	1,230,485
<b>OPERATING EXPENSES</b>			
Personal services	27,239	20,428	47,667
Contract services	283,225	542,829	826,054
Materials and supplies	16,958	10,736	27,694
Repairs and maintenance	42,772	35,408	78,180
Professional fees	2,517	1,927	4,444
Occupancy	-	1,060	1,060
Permits	6,976	-	6,976
Other expenses	400	-	400
Depreciation	100,140	52,826	152,966
Total Operating Expenses	480,227	665,214	1,145,441
Operating Income	44,474	40,570	85,044
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital grants	106,234	49,321	155,555
Property taxes	75,757	13,196	88,953
Special assessments	398,822	2,814	401,636
Interest income	31,549	33,627	65,176
Miscellaneous income	722	218	940
Interest expense	(26,145)	(7,516)	(33,661)
Total Non-Operating Revenues	586,939	91,660	678,599
<b>TRANSFERS</b>			
Transfers out	(304,111)	-	(304,111)
Total Transfers	(304,111)	-	(304,111)
Change in Net Position	327,302	132,230	459,532
<b>NET POSITION, JANUARY 1</b>	3,075,698	1,844,875	4,920,573
<b>NET POSITION, DECEMBER 31</b>	\$ 3,403,000	\$ 1,977,105	\$ 5,380,105

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2024

	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 522,737	\$ 714,297	\$ 1,237,034
Payments to suppliers	(351,175)	(593,496)	(944,671)
Payments to employees	(27,825)	(20,868)	(48,693)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>143,737</u>	<u>99,933</u>	<u>243,670</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Non operating revenue	722	217	939
Advance from other funds	525	-	525
Transfers out	(304,111)	-	(304,111)
<b>NET CASH PROVIDED BY NON CAPITAL FINANCING ACTIVITIES</b>	<u>(302,864)</u>	<u>217</u>	<u>(302,647)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(200,445)	(61,652)	(262,097)
Property taxes	75,066	13,009	88,075
Special assessments	77,194	18,309	95,503
Capital grants	106,234	49,321	155,555
Proceeds from bond issuance	94,212	12,330	106,542
Principal paid on long-term debt	(143,414)	(92,718)	(236,132)
Interest paid on long-term debt	(26,145)	(7,516)	(33,661)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(17,298)</u>	<u>(68,917)</u>	<u>(86,215)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	31,549	33,627	65,176
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>31,549</u>	<u>33,627</u>	<u>65,176</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(144,876)	64,860	(80,016)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>1,158,573</u>	<u>921,716</u>	<u>2,080,289</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 1,013,697</u>	<u>\$ 986,576</u>	<u>\$ 2,000,273</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating income	\$ 44,474	\$ 40,570	\$ 85,044
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	100,140	52,826	152,966
Change in assets and liabilities:			
Increase in receivables	(32,220)	(430)	(32,650)
Decrease in due from	30,256	8,943	39,199
Decrease in deferred outflows	1,360	1,020	2,380
Increase (decrease) in accounts payable	1,673	(1,536)	137
Decrease in pension liabilities	(3,953)	(2,965)	(6,918)
Increase in deferred inflows	2,007	1,505	3,512
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 143,737</u>	<u>\$ 99,933</u>	<u>\$ 243,670</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Unrestricted	\$ 632,925	\$ 848,445	\$ 1,481,370
Restricted cash	380,772	138,131	518,903
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 1,013,697</u>	<u>\$ 986,576</u>	<u>\$ 2,000,273</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of New London, Minnesota's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2024. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

**A. Financial Reporting Entity**

The City of New London, Minnesota was established in 1889 pursuant to applicable Minnesota laws and statutes. The governing body consists of a four-member council, and mayor elected by eligible voters of the City. Two members are elected every two years for a four-year term. The Mayor's office is for two years. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

**1. Related Organization**

The New London Fire Relief Association (the "Association") is organized as a non-profit organization, legally separate from the City, by its members to provide pension and other benefits to such members in accordance with Minnesota Statutes. The Board of Directors is appointed by the membership of the Association and not by City Council. All relief funding is conducted in accordance with Minnesota Statutes whereby state aid flows to the Association, tax levies are determined by the Association and are only reviewed by the City, and the Association pays benefits directly to its members. The financial statements of the Association have not been included within the City's reporting entity, because the Association is fiscally independent of the City.

**B. Basic Financial Statements**

**1. Government-Wide Statements**

The government-wide financial statements (the statement of net position and the statement of activities) display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

In the government-wide statement of net position, both the governmental and business-type activities columns:

(a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and its business-type activities are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements (continued)**

**2. Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category-governmental and proprietary-are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed in a separate column in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

**a. Governmental Funds**

The City reports the following major governmental funds:

**General Fund**

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**Debt Service Fund**

The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation debt and capital leases. The City annually levies ad valorem taxes restricted for the retirement of general obligation bonds.

**Library Fund**

The Library Fund is used to account for resources restricted for the acquisition and construction of the City Hall and Library projects.

**Permanent Improvement Fund**

The Permanent Improvement Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items.

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purpose or designated to finance particular functions or activities of the City. The City reports two major Special Revenue Funds: Ambulance Fund and Fire Department Fund.

**b. Enterprise Funds**

The City reports the following major enterprise funds:

**Water and Sewer Funds**

The Water and Sewer Funds account for activities of the public trust in providing water and sewer services to the public.

**C. Measurement Focus and Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Shared revenues are generally recognized in the period the appropriation goes into effect. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers all revenues as available if collected within 60 days after the end of the current period, except for reimbursement (expenditure driven) grants for which the period is 90 days. Property and other taxes, shared revenues, licenses, and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or incidental activities.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the City can deposit or effectively withdraw cash at any time without prior notice or penalty.

**2. Deposits and Investments**

The cash balances of substantially all funds are pooled and invested by the City for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2024, based on market prices. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds receive investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2024 was \$140,217.

**3. Receivables**

Accounts receivable include amounts billed for services provided before year-end. Unbilled utility enterprise fund receivables are also included for services provided in 2024. All receivables are shown net of an allowance for uncollectible accounts.

Property taxes are levied by the City Council in October of each year and are certified to Kandiyohi County for collection in the following year. The property taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments in May and October. The County collects the taxes and periodically remits them to the City. The majority of these remittances are made in June and November.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from delinquent property taxes not collected within 60 days of year-end are deferred in the fund financial statements because they are not known to be available to finance the operations of the City in the current year.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**3. Receivables (continued)**

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Generally, assessment collections are deferred over periods ranging from one to fifteen years. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become available in the governmental funds of the fund financial statements. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. Delinquent assessments receivable is offset by a deferred inflow of resources in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

**4. Prepaid Items**

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

**5. Capital Assets**

The City includes capital assets applicable to the governmental and business-type activities in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current period, the City did not have any capitalized interest.

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

<u>Assets</u>	<u>Years</u>
Buildings and structures	12 – 50
System infrastructure and improvements	10 – 40
Machinery, equipment, and vehicles	5 – 20

**6. Compensated Absences**

Full time employees are granted from seventeen to twenty-seven days of paid time off (PTO) per year depending on years of employment. Full time employees may carry over up to a maximum of fifty hours of paid time off annually.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and fund financial statements will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one item that qualifies for reporting in this category – a deferred outflow relating to pension activity, reported in the government-wide statement of net position and proprietary statement of net position. A deferred outflow relating to pension activity results from the net effect of the change in proportionate share and employer contributions.

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category under full accrual basis of accounting. Accordingly, the item, a deferred inflow relating to pension activity is reported in the government-wide statement of net position and proprietary statement of net position. A deferred inflow relating to pension activity is a result of the net difference between projected and actual earnings on plan investments. The City also has one item that qualifies for reporting in this category under modified accrual basis of accounting. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: taxes, special assessments, and notes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City has not adopted GASB 68 as it relates to the New London Fire Department Relief Association pension plan. Therefore, neither a net pension asset nor a net pension liability has been recognized in the financial statements. Plan contributions are recorded as expenses in the period paid.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**10. Net Position/Fund Balances**

The government-wide and business-type activities financial statements use a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* – This category includes all capital assets, net of accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets.

*Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws, or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – This category represents net position of the City, not restricted for any project or other purpose.

In the governmental fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows.

*Nonspendable* – consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact, such as, inventories and prepaid items.

*Restricted* – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors, or constraints imposed by state statutory provisions.

*Committed* – consists of amounts that are constrained for specific purposes that are internally imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. These constraints are established by Resolution of the Council.

*Assigned* – consists of amounts intended to be used by the City Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority.

*Unassigned* – is the residual classification for the General Fund.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)**

**10. Net Position/Fund Balances (continued)**

Fund balances at December 31, 2024, consisted of the following:

	General Fund	Fire Fund	Ambulance Fund	Debt Service Fund
<b>FUND BALANCES</b>				
Nonspendable - prepaid	\$ 9,874	\$ 9,167	\$ 8,409	\$ -
Restricted				
Debt service	-	-	-	816,023
Emergency ambulance service aid	-	-	98,069	-
Tax increment financing	-	-	-	-
Committed				
Arts	4,555	-	-	-
Truck replacement	-	69,604	-	-
Future capital projects	-	-	-	70,000
Assigned				
Working capital	515,515	75,000	102,000	-
Public safety	-	797,715	275,958	-
Community improvement	-	-	-	-
Economic development	-	-	-	-
Contingencies	93,003	-	-	-
Unassigned	472,819	-	-	-
Total Fund Balances	<u>\$ 1,095,766</u>	<u>\$ 951,486</u>	<u>\$ 484,436</u>	<u>\$ 886,023</u>
	Library Fund	PIR Fund	Non-Major Funds	Totals
<b>FUND BALANCES</b>				
Nonspendable - prepaid	\$ -	\$ -	\$ -	\$ 27,450
Restricted				
Debt service	-	-	-	816,023
Public Safety Aid	-	-	-	98,069
Tax increment financing	-	-	163,955	163,955
Committed				
Arts	-	-	-	4,555
Truck replacement	-	-	-	69,604
Future capital projects	-	-	-	70,000
Assigned				
Working capital	-	-	-	692,515
Public safety	-	-	3,595	1,077,268
Community improvement	-	-	48,039	48,039
Economic development	-	-	133,284	133,284
Contingencies	-	-	-	93,003
Unassigned	(33,715)	(279,330)	-	159,774
Total Fund Balances	<u>\$ (33,715)</u>	<u>\$ (279,330)</u>	<u>\$ 348,873</u>	<u>\$ 3,453,539</u>

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (continued)**

**10. Net Position/Fund Balances (continued)**

The City of New London uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

**11. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgets**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The City Clerk submits an annual budget to the City Council for the General Fund. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**B. Deficit Fund Balances**

Permanent Improvement Fund has a deficit fund balance of \$(279,330). The Library Fund has a deficit fund balance of \$(33,715). The nonmajor TIF District 1-16 has a deficit fund balance of \$(7,727). The nonmajor G.O. PIR Refunding bonds 2019B Fund has a deficit fund balance of \$(413,749).

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits and Investments**

**a. Deposits**

Minn. Stat. § 118A.02 and § 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better, and revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. It is the City's policy that collateral or bonds will be required for all uninsured amounts on deposit and the additional insurance will be documented to show compliance with state law and a perfected security interest under federal law. At December 31, 2024, none of the City's deposits were exposed to custodial credit risk.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (continued)**

**1. Deposits and Investments (continued)**

**b. Investments**

Minn. Stat. § 118A.04 and § 118A.05 generally authorize the following types of investments as available to the City:

(1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by Minn. Stat. § 118A.04, subd. 6;

(2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

(3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;

(4) bankers’ acceptances of United States banks;

(5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and

(6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

**Interest Rate Risk**

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City has no policy related to interest rate risk.

**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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City’s policy to invest only in securities that meet the ratings requirements set by state statute.

**Custodial Credit Risk**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. The City’s policy is that brokers may hold City investments only to the extent that there is SIPC and excess SIPC coverage available.

**Concentration of Credit Risk**

The concentration of credit risk is the risk of loss that may be caused by the City’s investment in a single issuer. It is the City’s policy that U.S. Treasury securities, U.S. agency securities, and obligations backed by U.S. Treasury and/or U.S. agency securities, may be held without limit.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2024, was as follows:

<b>Governmental activities</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 257,567	\$ -	\$ -	\$ 257,567
Construction in progress	<u>3,562,028</u>	<u>289,554</u>	<u>3,742,773</u>	<u>108,809</u>
Total capital assets not being depreciated	<u>3,819,595</u>	<u>289,554</u>	<u>3,742,773</u>	<u>366,376</u>
Capital assets being depreciated:				
Buildings and structures	458,923	2,147,737	-	2,606,660
Infrastructure and improvements	8,710,005	1,571,423	-	10,281,428
Machinery and equipment	731,941	237,784	-	969,725
Office furniture and fixtures	8,677	-	-	8,677
Automotive equipment	<u>1,747,678</u>	<u>-</u>	<u>-</u>	<u>1,747,678</u>
Total capital assets being depreciated	<u>11,657,224</u>	<u>3,956,944</u>	<u>-</u>	<u>15,614,168</u>
Less accumulated depreciation for:				
Buildings and structures	426,760	50,554	-	477,314
Infrastructure and improvements	4,922,307	337,470	-	5,259,777
Machinery and equipment	503,894	48,478	-	552,372
Office furniture and fixtures	6,506	328	-	6,834
Automotive equipment	<u>773,314</u>	<u>96,729</u>	<u>-</u>	<u>870,043</u>
Total accumulated depreciation	<u>6,632,781</u>	<u>533,559</u>	<u>-</u>	<u>7,166,340</u>
Total capital assets being depreciated, net	<u>5,024,443</u>	<u>3,423,385</u>	<u>-</u>	<u>8,447,828</u>
Governmental activities capital assets, net	<u>\$ 8,844,038</u>	<u>\$ 3,712,939</u>	<u>\$ 3,742,773</u>	<u>\$ 8,814,204</u>

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets (continued)**

<b>Business-type activities</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Construction in progress	2,182,002	262,097	2,444,099	-
Total capital assets not being depreciated	<u>2,183,002</u>	<u>262,097</u>	<u>2,444,099</u>	<u>1,000</u>
Capital assets being depreciated:				
Infrastructure and improvements	5,800,128	2,444,099	-	8,244,227
Machinery and equipment	269,146	-	-	269,146
Office furniture and fixtures	17,746	-	-	17,746
Automotive equipment	11,234	-	-	11,234
Total capital assets being depreciated	<u>6,098,254</u>	<u>2,444,099</u>	<u>-</u>	<u>8,542,353</u>
Less accumulated depreciation for:				
Infrastructure and improvements	2,301,099	143,793	-	2,444,892
Machinery and equipment	214,676	9,174	-	223,850
Office furniture and fixtures	17,746	-	-	17,746
Automotive equipment	11,234	-	-	11,234
Total accumulated depreciation	<u>2,544,755</u>	<u>152,967</u>	<u>-</u>	<u>2,697,722</u>
Total capital assets being depreciated, net	<u>3,553,499</u>	<u>2,291,132</u>	<u>-</u>	<u>5,844,631</u>
Business-type activities capital assets, net	<u>\$ 5,736,501</u>	<u>\$ 2,553,229</u>	<u>\$ 2,444,099</u>	<u>\$ 5,845,631</u>

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

**Governmental activities**

General government	\$ 34,085
Public safety	118,389
Public works	348,309
Culture and recreation	32,776
Total depreciation expense - governmental activities	<u>\$ 533,559</u>

**Business-type activities**

Water	\$ 100,140
Sewer	52,827
Total depreciation expense - business-type activities	<u>\$ 152,967</u>

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Interfund Receivables, Payables, and Transfers**

**1. Interfund Receivables and Payables**

Receivable	Payable	Amount
General Fund	PIR Fund	\$ 279,330
General Fund	Ambulance Fund	942
General Fund	Fire Fund	128
Fire Fund	Water Fund	525
Fire Fund	General Fund	862
Ambulance Fund	General Fund	122
Debt Service Fund	Ambulance Fund	51,660
		\$ 333,569

The General Fund provided temporary funding to the PIR Fund for project expenses that will be reimbursed with bond proceeds. The Debt Service Fund provided funding for the ambulance rig.

**2. Interfund Transfers**

Transfer from	Transfer to					Total
	Fire Fund	Permanent Improvement Fund	Non-Major Funds	Debt Service Fund	Library Fund	
General Fund	\$ 119,129	\$ -	\$ 68,200	\$ 17,001	\$ 21,690	\$ 226,020
Water Fund	-	304,111	-	-	-	304,111
						\$ 530,131

Transfer from the General Fund to the Fire Fund occurs annually to fund the City's share of fire protection. Transfer from the General Fund to the Non-Major Funds and Library Fund occur annually for capital improvements. Transfer from the General Fund to the Debt Service fund is for debt payments.

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**D. Long-Term Debt**

General Obligation Bonds – The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

General obligation bonds

The following bonds were issued to finance various improvements and will be repaid from special assessments levied on the properties benefiting from the improvements and from ad valorem tax levies.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Debt (continued)**

General obligation bonds (continued)

Description	Issue Date	Maturity Date	Interest Rate	Original Issue Amount	Outstanding Balance at Year End
<b>Bonds</b>					
G.O. Refunding Note, Series 2021A	2021	2030	1.50%	357,000	\$ 250,000
G.O. Obligation Improvement Bonds, Series 2016A	2016	2037	0.9-3.00%	1,375,000	<u>755,000</u>
Total Bonds					<u>1,005,000</u>
<b>Notes from Direct Placements</b>					
G.O. PIR Refunding Bonds, Series 2019B	2019	2038	2.70%	1,815,000	<u>1,488,000</u>
Total Notes from Direct Placements					<u>1,488,000</u>
Total General Obligation Bonds					<u><u>\$ 2,493,000</u></u>

The annual debt service requirements to maturity for general obligation improvement bonds are as follows:

Year Ending December 31	Governmental Activities				
	Bonds		Notes from Direct Placements		Total
	Principal	Interest	Principal	Interest	
2025	\$ 129,000	\$ 20,749	\$ 89,000	\$ 38,975	\$ 277,724
2026	130,000	18,493	91,000	36,544	276,037
2027	86,000	16,569	94,000	34,047	230,616
2028	88,000	14,972	96,000	31,482	230,454
2029	93,000	13,305	99,000	28,849	234,154
2030-2034	304,000	43,757	536,000	102,141	985,898
2035-2038	175,000	8,025	483,000	26,528	692,553
Total	<u>\$ 1,005,000</u>	<u>\$ 135,870</u>	<u>\$ 1,488,000</u>	<u>\$ 298,566</u>	<u>\$ 2,927,436</u>

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Debt (continued)**

General obligation revenue bonds

These bonds were issued to finance capital improvements to the Water and Sewer Funds. These bonds will be primarily retired from net revenue of these enterprise funds and special assessments.

Description	Issue Date	Maturity Date	Interest Rate	Original Issue Amount	Outstanding Balance at Year End
Notes from Direct Borrowings					
G.O. Water Improvement Note of 2011B	2011	2030	1.00%	\$ 850,825	\$ 276,000
G.O. Sewer Improvement Note of 2011C	2011	2030	1.00%	1,668,210	567,000
G.O. Water Revenue Note of 2017	2017	2036	1.00%	145,000	98,100
G.O. Taxable Water Revenue Note of 2019	2019	2039	1.00%	1,468,547	1,122,151
G.O. Improvement Note	2023	2043	1.58%	852,007	829,594
G.O. Disposal System Note	2023	2043	1.07%	126,273	124,554
Total Notes from Direct Borrowings					<u>\$ 3,017,399</u>

The annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31	Business-Type Activities		
	Notes from Direct Borrowings		
	Principal	Interest	Total
2025	\$ 258,447	\$ 34,948	\$ 293,395
2026	260,000	32,267	292,267
2027	264,000	29,442	293,442
2028	267,000	26,574	293,574
2029	270,000	23,667	293,667
2030-2034	799,000	82,471	881,471
2035-2039	674,252	37,854	712,106
2040-2043	224,700	8,570	233,270
Total	<u>\$ 3,017,399</u>	<u>\$ 275,793</u>	<u>\$ 3,293,192</u>

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Debt (continued)**

Long-term liability activity for the year ended December 31, 2024, was as follows:

<b>Governmental activities</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds					
Bonds	\$ 1,132,000	\$ -	\$ 127,000	\$ 1,005,000	\$ 129,000
Notes from Direct Placements	1,575,000	-	87,000	1,488,000	89,000
Unamortized Bond Discount	(7,631)	-	(636)	(6,995)	-
Net Pension Liability	<u>171,269</u>	<u>-</u>	<u>57,361</u>	<u>113,908</u>	<u>-</u>
Total governmental activities	<u>\$ 2,870,638</u>	<u>\$ -</u>	<u>\$ 270,725</u>	<u>\$ 2,599,913</u>	<u>\$ 218,000</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
General Obligation Revenue Bonds					
Notes from Direct Borrowings	\$ 3,146,990	\$ 106,542	\$ 236,133	\$ 3,017,399	\$ 258,447
Net Pension Liability	<u>30,039</u>	<u>-</u>	<u>6,918</u>	<u>23,121</u>	<u>-</u>
Total business-type activities	<u>\$ 3,177,029</u>	<u>\$ 106,542</u>	<u>\$ 243,051</u>	<u>\$ 3,040,520</u>	<u>\$ 258,447</u>

Conduit Debt

In 2012, the City issued revenue bonds in the principal amount of \$1,735,000. In 2021, the City refinanced the revenue bonds in the principal amount of \$908,000. The City is the paying agent for the Green Lake Sewer and Water District bonds. The City is responsible for remitting bond payments and is reimbursed by the Green Lake Sewer and Water District. Accordingly, the bonds are not reported as a liability in the accompanying financial statements. As of December 31, 2024, the amount outstanding was \$581,000.

In 2020, the City issued senior housing revenue bonds in the principal amount of \$14,500,000. The City is not the paying agent for the revenue bonds and is not responsible for remitting any payments. Accordingly, the bonds are not reported as a liability in the accompanying financial statements.

**NOTE 4 DEFINED BENEFIT PENSION PLANS**

**A. Plan Description**

The City of New London participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**1. General Employees Retirement Plan (General Plan)**

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is “vested,” they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

**1. General Employees Plan Benefits**

General Employees Plan requires three years of service to vest. Benefits are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

**C. Contributions**

*Minnesota Statutes* chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**1. General Employees Fund Contributions**

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the City of New London was required to contribute 7.50% for General Plan members. The City of New London’s contributions to the General Employees Fund for the year ended December 31, 2024, were \$26,574. The City of New London’s contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

**1. General Employees Fund Pension Costs**

At December 31, 2024, the City of New London reported a liability of \$137,029 for its proportionate share of the General Employees Fund’s net pension liability. The City of New London’s net pension liability reflected a reduction due to the State of Minnesota’s contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state’s contribution meets the definition of a special funding situation. The State of Minnesota’s proportionate share of the net pension liability associated with the City of New London’s totaled \$3,543.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (continued)**

**1. General Employees Fund Pension Costs (continued)**

City's proportionate share of the net pension liability	\$ 137,029
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>3,543</u>
Totals	<u><u>\$ 140,572</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of New London's proportion of the net pension liability was based on the City of New London's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, The City of New London's proportionate share was .0037% at the end of the measurement period and .0036% for the beginning of the period.

For the year ended December 31, 2024, the City of New London recognized pension expense of \$7,006 for its proportionate share of the General Employees Plan's pension expense. In addition, the City of New London recognized an additional \$(66) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City of New London recognized \$6,305 for the year ended December 31, 2024, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City of New London reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 12,740	\$ -
Changes in actuarial assumptions	632	50,775
Net collective difference between projected and actual investment earnings	-	37,253
Changes in proportion	11,633	-
Contributions paid to PERA subsequent to the measurement date	<u>14,114</u>	<u>-</u>
Totals	<u><u>\$ 39,119</u></u>	<u><u>\$ 88,028</u></u>

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (continued)**

**1. General Employees Fund Pension Costs (continued)**

The \$14,114 reported as deferred outflows of resources related to pensions resulting from the City of New London's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2025	\$ (32,512)
2026	\$ (4,839)
2027	\$ (15,170)
2028	\$ (10,502)

**E. Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	33.5%	5.10%
International Stocks	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
	100.0%	

**F. Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.00%. The 7.00% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan.
- Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 4 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**F. Actuarial Methods and Assumptions (continued)**

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**General Employees Fund**

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**H. Pension Liability Sensitivity**

The following presents the City of New London's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City of New London's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Sensitivity Analysis			
<i>Net Pension Liability (Asset) at Different Discount Rates</i>			
	General Employees Fund		
1% Lower	6.00%	\$	299,293
Current Discount Rate	7.00%	\$	137,029
1% Higher	8.00%	\$	3,552

**I. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 5 DEFINED BENEFIT LUMP-SUM SERVICE PENSION PLAN**

**A. Plan Description**

The members of the New London Fire Department participate in the New London Fire Department Relief Association pension plan, a single employer lump-sum defined benefit pension plan administered by the New London Fire Department Relief Association. The plan covers the volunteer firefighters of the municipal fire department. As of December 31, 2024, the plan covered 24 active firefighters and 3 vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota Statutes, Chapter 69.051 and 69.80 and Chapter 424.

**B. Benefits Provided**

The plan provides lump-sum retirement, disability, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level per year of service approved by the City. The benefit at December 31, 2024, was \$2,300 per year of service. Members are eligible for a lump-sum retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40% through 20 years at 100%.

**C. Contributions**

The plan is funded by fire state aid, investment earnings and if necessary, employer contributions as specified in Minnesota Statutes, and discretionary City contributions. The State of Minnesota contributed \$65,018 in fire state aid and \$3,000 in supplemental benefit reimbursement to the plan on behalf of the New London Fire Department for the year ended December 31, 2024, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily required contributions and discretionary contributions to the plan for the years ended December 31, 2024, and 2023, were \$-0- and \$-0-, respectively.

**D. Pension Costs**

For the year ended December 31, 2024, the City recognized pension expense of \$68,018. This amount was equal to the contribution provided by the State of Minnesota and the discretionary City contributions.

**E. Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position as of December 31, 2024, is available in a separately issued financial report prepared in accordance with Minnesota Statutes. That report may be obtained by writing the plan at New London Fire Department Relief Association, PO Box 252, New London, Minnesota 56273.

**NOTE 6 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. This City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

The workers' compensation policy is a retrospectively rated policy with premiums that accrue based on the ultimate cost of the experience to date. There is no way to estimate what the change in premium may be. Generally, it has been minimal. There were no claims in 2024.

**CITY OF NEW LONDON, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024**

**NOTE 7 COMMITMENTS AND CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

In 2024, the City started their street infrastructure project. The City has incurred \$108,809 in expenses relating to engineering fees for the project. The project is expected to be started in 2025 and completed in 2026.

**NOTE 8 TAX INCREMENT FINANCING**

The City of New London is the administering authority for the following tax increment financed districts:

<u>District No.</u>	<u>Type of District</u>	<u>Established</u>	<u>Modified</u>	<u>Termination Date</u>
1-12	Housing	December 17, 2003		December 31, 2030
1-13	Redevelopment	June 5, 2013	August 19, 2015	December 31, 2040
1-14	Redevelopment	August 24, 2014		December 31, 2024
1-15	Redevelopment	May 22, 2019		December 31, 2046
1-16	Redevelopment	July 19, 2023		December 31, 2033

**NOTE 9 SUBSEQUENT EVENTS**

The City has evaluated subsequent events through June 4, 2025, the date the financial statements were available to be issued.

**CITY OF NEW LONDON, MINNESOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 529,626	\$ 529,626	\$ 529,235	\$ (391)
License and permits	49,180	49,180	70,042	20,862
Intergovernmental	414,007	414,007	435,927	21,920
Charges for services	2,200	2,200	1,988	(212)
Fines and forfeits	800	800	1,230	430
Interest income	2,000	2,000	1,853	(147)
Miscellaneous revenues	<u>3,500</u>	<u>3,500</u>	<u>11,755</u>	<u>8,255</u>
Total Revenues	<u>1,001,313</u>	<u>1,001,313</u>	<u>1,052,030</u>	<u>50,717</u>
<b>EXPENDITURES</b>				
Current				
General government	408,843	408,843	383,110	(25,733)
Public safety	72,998	72,998	64,549	(8,449)
Streets and highways	233,737	233,737	160,939	(72,798)
Culture and recreation	76,546	76,546	59,058	(17,488)
Capital outlay				
General government	62,360	62,360	1,650	(60,710)
Culture and recreation	<u>-</u>	<u>-</u>	<u>11,527</u>	<u>11,527</u>
Total Expenditures	<u>854,484</u>	<u>854,484</u>	<u>680,833</u>	<u>(173,651)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	146,829	146,829	371,197	224,368
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	-	-	2,000	2,000
Transfer to other funds	<u>(144,129)</u>	<u>(144,129)</u>	<u>(226,020)</u>	<u>81,891</u>
Total Other Financing Uses	<u>(144,129)</u>	<u>(144,129)</u>	<u>(224,020)</u>	<u>83,891</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,700</u>	<u>\$ 2,700</u>	147,177	<u>\$ 144,477</u>
<b>FUND BALANCE JANUARY 1</b>			<u>948,589</u>	
<b>FUND BALANCE DECEMBER 31</b>			<u>\$ 1,095,766</u>	

See notes to required supplementary information.

**CITY OF NEW LONDON, MINNESOTA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**GENERAL EMPLOYEES RETIREMENT FUND**

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City of New London (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated With City of New London (a+b)	Employer's Covered- Employee Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2024	0.0037%	\$ 137,029	\$ 3,543	\$ 140,572	\$ 313,707	44.8%	89.08%
June 30, 2023	0.0036%	\$ 201,308	\$ 5,551	\$ 206,859	\$ 284,093	72.8%	83.10%
June 30, 2022	0.0035%	\$ 277,201	\$ 8,121	\$ 285,322	\$ 263,053	108.5%	76.67%
June 30, 2021	0.0032%	\$ 136,654	\$ 4,176	\$ 140,830	\$ 233,813	60.2%	87.00%
June 30, 2020	0.0032%	\$ 191,855	\$ 5,918	\$ 197,773	\$ 226,600	87.3%	79.06%
June 30, 2019	0.0031%	\$ 171,392	\$ 5,333	\$ 176,725	\$ 220,987	80.0%	80.23%
June 30, 2018	0.0035%	\$ 194,166	\$ 6,343	\$ 200,509	\$ 232,573	86.2%	79.53%
June 30, 2017	0.0037%	\$ 236,206	\$ 2,936	\$ 239,142	\$ 235,613	101.5%	75.90%
June 30, 2016	0.0037%	\$ 300,422	\$ 3,873	\$ 304,295	\$ 228,587	133.1%	68.90%
June 30, 2015	0.0036%	\$ 186,571	\$ -	\$ 186,571	\$ 207,639	89.9%	78.20%

See notes to required supplementary information.

**CITY OF NEW LONDON, MINNESOTA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
GENERAL EMPLOYEES RETIREMENT FUND**

<u>Fiscal Year Ending</u>	<u>Statutorily Required Contribution (a)</u>	<u>Contributions in Relation to the Statutorily Required Contribution (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered- Employee Payroll (c)</u>	<u>Contributions as a Percentage of Covered- Employee Payroll (b/c)</u>
December 31, 2024	\$ 26,574	\$ 26,574	\$ -	\$ 354,320	7.50%
December 31, 2023	\$ 22,149	\$ 22,149	\$ -	\$ 295,320	7.50%
December 31, 2022	\$ 20,657	\$ 20,657	\$ -	\$ 275,427	7.50%
December 31, 2021	\$ 18,200	\$ 18,200	\$ -	\$ 242,667	7.50%
December 31, 2020	\$ 17,497	\$ 17,497	\$ -	\$ 233,283	7.50%
December 31, 2019	\$ 16,967	\$ 16,967	\$ -	\$ 226,221	7.50%
December 31, 2018	\$ 17,059	\$ 17,059	\$ -	\$ 227,452	7.50%
December 31, 2017	\$ 17,310	\$ 17,310	\$ -	\$ 230,774	7.50%
December 31, 2016	\$ 17,330	\$ 17,330	\$ -	\$ 231,070	7.50%
December 31, 2015	\$ 16,963	\$ 16,963	\$ -	\$ 226,171	7.50%

See notes to required supplementary information.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2024**

**NOTE 1 BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The City Clerk submits an annual budget to the City Council for the General Fund. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**NOTE 2 CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS**

**General Employees Fund**

*2024 Changes*

*Changes in Actuarial Assumptions:*

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

*Changes in Plan Provisions:*

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

*2023 Changes*

*Changes in Actuarial Assumptions:*

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

*Changes in Plan Provisions:*

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

*2022 Changes*

*Changes in Actuarial Assumptions:*

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

*Changes in Plan Provisions:*

- There were no changes in plan provisions since the previous valuation.

*2021 Changes*

*Changes in Actuarial Assumptions:*

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

*Changes in Plan Provisions:*

- There were no changes in plan provisions since the previous valuation.

*2020 Changes*

*Changes in Actuarial Assumptions:*

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2024**

**NOTE 2 CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (CONTINUED)**

**General Employees Fund (continued)**

*2020 Changes (continued)*

*Changes in Actuarial Assumptions: (continued)*

- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

*Changes in Plan Provisions:*

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

*2019 Changes*

*Changes in Actuarial Assumptions:*

- The mortality projection scale was changed from MP-2017 to MP-2018.

*Changes in Plan Provisions:*

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

*2018 Changes*

*Changes in Actuarial Assumptions:*

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

*Changes in Plan Provisions:*

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**CITY OF NEW LONDON, MINNESOTA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2024**

**NOTE 2 CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS (CONTINUED)**

**General Employees Fund (continued)**

*2017 Changes*

*Changes in Actuarial Assumptions:*

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

*Changes in Plan Provisions:*

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

*2016 Changes*

*Changes in Actuarial Assumptions:*

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

*Changes in Plan Provisions:*

- There have been no changes since the prior valuation.

*2015 Changes*

*Changes in Actuarial Assumptions:*

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

*Changes in Plan Provisions:*

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**CITY OF NEW LONDON, MINNESOTA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
December 31, 2024**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 184,918	\$ 259,796	\$ 444,714
Delinquent taxes receivable	-	2,220	2,220
<b>TOTAL ASSETS</b>	<u>\$ 184,918</u>	<u>\$ 262,016</u>	<u>\$ 446,934</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 98,061	\$ 98,061
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>98,061</u>	<u>98,061</u>
<b>FUND BALANCES</b>			
Restricted	-	163,955	163,955
Assigned	184,918	-	184,918
<b>TOTAL FUND BALANCES</b>	<u>184,918</u>	<u>163,955</u>	<u>348,873</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 184,918</u>	<u>\$ 262,016</u>	<u>\$ 446,934</u>

**CITY OF NEW LONDON, MINNESOTA**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2024**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>REVENUES</b>			
Taxes			
Tax increments	\$ -	\$ 298,063	\$ 298,063
Miscellaneous revenue			
Grants and contributions	31,350	-	31,350
Interest	5,394	5,664	11,058
<b>TOTAL REVENUES</b>	<b>36,744</b>	<b>303,727</b>	<b>340,471</b>
<b>EXPENDITURES</b>			
Current			
Public safety	1,320	-	1,320
Economic development	2,792	335,925	338,717
Capital outlay			
Culture and recreation	49,050	-	49,050
<b>TOTAL EXPENDITURES</b>	<b>53,162</b>	<b>335,925</b>	<b>389,087</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(16,418)	(32,198)	(48,616)
<b>OTHER FINANCING SOURCES</b>			
Transfer in	68,200	-	68,200
<b>NET CHANGE IN FUND BALANCE</b>	51,782	(32,198)	19,584
<b>FUND BALANCE, JANUARY 1</b>	133,136	196,153	329,289
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$ 184,918</b>	<b>\$ 163,955</b>	<b>\$ 348,873</b>

**CITY OF NEW LONDON, MINNESOTA  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 December 31, 2024**

	Firefighter/ EMT Fund	Park Fund	Economic Development Authority	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,595	\$ 48,039	\$ 133,284	\$ 184,918
<b>TOTAL ASSETS</b>	<u>\$ 3,595</u>	<u>\$ 48,039</u>	<u>\$ 133,284</u>	<u>\$ 184,918</u>
<b>FUND BALANCES</b>				
Assigned	\$ 3,595	\$ 48,039	\$ 133,284	\$ 184,918
<b>TOTAL FUND BALANCES</b>	<u>\$ 3,595</u>	<u>\$ 48,039</u>	<u>\$ 133,284</u>	<u>\$ 184,918</u>

**CITY OF NEW LONDON, MINNESOTA**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2024**

	<u>Firefighter/ EMT Fund</u>	<u>Park Fund</u>	<u>Economic Development Authority</u>	<u>Total</u>
<b>REVENUES</b>				
Miscellaneous revenue				
Grants and contributions	\$ -	\$ 1,350	\$ 30,000	\$ 31,350
Interest income	<u>-</u>	<u>2,226</u>	<u>3,168</u>	<u>5,394</u>
<b>TOTAL REVENUES</b>	<u>-</u>	<u>3,576</u>	<u>33,168</u>	<u>36,744</u>
<b>EXPENDITURES</b>				
Current				
Public safety	1,320	-	-	1,320
Economic development	-	-	2,792	2,792
Capital outlay				
Culture and recreation	<u>-</u>	<u>49,050</u>	<u>-</u>	<u>49,050</u>
<b>TOTAL EXPENDITURES</b>	<u>1,320</u>	<u>49,050</u>	<u>2,792</u>	<u>53,162</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,320)	(45,474)	30,376	(16,418)
<b>OTHER FINANCING SOURCES</b>				
Transfer in	<u>3,000</u>	<u>50,200</u>	<u>15,000</u>	<u>68,200</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,680	4,726	45,376	51,782
<b>FUND BALANCES, JANUARY 1</b>	<u>1,915</u>	<u>43,313</u>	<u>87,908</u>	<u>133,136</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 3,595</u>	<u>\$ 48,039</u>	<u>\$ 133,284</u>	<u>\$ 184,918</u>

**CITY OF NEW LONDON, MINNESOTA  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECT FUNDS  
 December 31, 2024**

	TIF District 1-12	TIF District 1-13	TIF District 1-14	TIF District 1-15	TIF District 1-16	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 79,648	\$ 45,530	\$ -	\$ 142,345	\$ (7,727)	\$ 259,796
Delinquent taxes receivable	<u>2,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,220</u>
<b>TOTAL ASSETS</b>	<u>\$ 81,868</u>	<u>\$ 45,530</u>	<u>\$ -</u>	<u>\$ 142,345</u>	<u>\$ (7,727)</u>	<u>\$ 262,016</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 22,764	\$ 2,903	\$ -	\$ 72,394	\$ -	\$ 98,061
<b>TOTAL LIABILITIES</b>	<u>22,764</u>	<u>2,903</u>	<u>-</u>	<u>72,394</u>	<u>-</u>	<u>98,061</u>
<b>FUND BALANCES</b>						
Restricted	<u>59,104</u>	<u>42,627</u>	<u>-</u>	<u>69,951</u>	<u>(7,727)</u>	<u>163,955</u>
<b>TOTAL FUND BALANCES</b>	<u>59,104</u>	<u>42,627</u>	<u>-</u>	<u>69,951</u>	<u>(7,727)</u>	<u>163,955</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 81,868</u>	<u>\$ 45,530</u>	<u>\$ -</u>	<u>\$ 142,345</u>	<u>\$ (7,727)</u>	<u>\$ 262,016</u>

**CITY OF NEW LONDON, MINNESOTA**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECT FUNDS**  
**For the Year Ended December 31, 2024**

	TIF District 1-12	TIF District 1-13	TIF District 1-14	TIF District 1-15	TIF District 1-16	Total
<b>REVENUES</b>						
Taxes						
Tax increments	\$ 55,186	\$ 11,024	\$ 49,277	\$ 182,576	\$ -	\$ 298,063
Miscellaneous Revenue						
Interest	<u>2,399</u>	<u>1,511</u>	<u>1,541</u>	<u>213</u>	<u>-</u>	<u>5,664</u>
<b>TOTAL REVENUES</b>	<u>57,585</u>	<u>12,535</u>	<u>50,818</u>	<u>182,789</u>	<u>-</u>	<u>303,727</u>
<b>EXPENDITURES</b>						
Economic development						
Professional fees	1,840	1,295	1,295	1,295	-	5,725
Tax increments	<u>48,300</u>	<u>5,806</u>	<u>131,305</u>	<u>144,789</u>	<u>-</u>	<u>330,200</u>
<b>TOTAL EXPENDITURES</b>	<u>50,140</u>	<u>7,101</u>	<u>132,600</u>	<u>146,084</u>	<u>-</u>	<u>335,925</u>
<b>NET CHANGE IN FUND BALANCE</b>	7,445	5,434	(81,782)	36,705	-	(32,198)
<b>FUND BALANCE, JANUARY 1</b>	<u>51,659</u>	<u>37,193</u>	<u>81,782</u>	<u>33,246</u>	<u>(7,727)</u>	<u>196,153</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 59,104</u>	<u>\$ 42,627</u>	<u>\$ -</u>	<u>\$ 69,951</u>	<u>\$ (7,727)</u>	<u>\$ 163,955</u>

**CITY OF NEW LONDON, MINNESOTA  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
December 31, 2024**

	Debt Service Reserve Fund	G.O. PIR Refunding Bonds 2019B	G.O. Refunding Note Series 2021A	G.O. Improvement Bonds - 2016A	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 902,070	\$ (416,802)	\$ 140,761	\$ 200,650	\$ 826,679
Receivables					
Delinquent taxes	-	4,386	1,472	2,314	8,172
Special assessments	30,510	-	-	229,556	260,066
Delinquent assessments	-	-	-	785	785
Due from other funds	<u>51,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,660</u>
<b>TOTAL ASSETS</b>	<u>\$ 984,240</u>	<u>\$ (412,416)</u>	<u>\$ 142,233</u>	<u>\$ 433,305</u>	<u>\$ 1,147,362</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - taxes	\$ -	\$ 1,333	\$ 447	\$ 702	\$ 2,482
Unavailable revenue - special assessments	<u>30,510</u>	<u>-</u>	<u>-</u>	<u>228,347</u>	<u>258,857</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>30,510</u>	<u>1,333</u>	<u>447</u>	<u>229,049</u>	<u>261,339</u>
<b>FUND BALANCES</b>					
Restricted	883,730	(413,749)	141,786	204,256	816,023
Committed	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
<b>TOTAL FUND BALANCES</b>	<u>953,730</u>	<u>(413,749)</u>	<u>141,786</u>	<u>204,256</u>	<u>886,023</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 984,240</u>	<u>\$ (412,416)</u>	<u>\$ 142,233</u>	<u>\$ 433,305</u>	<u>\$ 1,147,362</u>

**CITY OF NEW LONDON, MINNESOTA**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**For the Year Ended December 31, 2024**

	Debt Service Reserve Fund	G.O. PIR Refunding Bonds 2019B	G.O. Refunding Note Series 2021A	G.O. Improvement Bonds - 2016A	Total
<b>REVENUES</b>					
General property tax	\$ 313	\$ 129,305	\$ 43,443	\$ 67,806	\$ 240,867
Special assessments	23,669	-	-	36,785	60,454
Interest income	30,816	-	635	307	31,758
Miscellaneous	3,071	-	-	-	3,071
Total Revenues	<u>57,869</u>	<u>129,305</u>	<u>44,078</u>	<u>104,898</u>	<u>336,150</u>
<b>EXPENDITURES</b>					
Debt service					
Principal	-	87,000	37,000	90,000	214,000
Interest	-	41,351	4,028	18,823	64,202
Other charges	1,827	-	545	545	2,917
Total Expenditures	<u>1,827</u>	<u>128,351</u>	<u>41,573</u>	<u>109,368</u>	<u>281,119</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	56,042	954	2,505	(4,470)	55,031
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	17,001	-	-	-	17,001
Total Other Financing Sources	<u>17,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,001</u>
<b>NET CHANGE IN FUND BALANCE</b>	73,043	954	2,505	(4,470)	72,032
<b>FUND BALANCE JANUARY 1</b>	<u>880,687</u>	<u>(414,703)</u>	<u>139,281</u>	<u>208,726</u>	<u>813,991</u>
<b>FUND BALANCE DECEMBER 31</b>	<u>\$ 953,730</u>	<u>\$ (413,749)</u>	<u>\$ 141,786</u>	<u>\$ 204,256</u>	<u>\$ 886,023</u>

**CITY OF NEW LONDON, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2024**  
**With Comparative Actual Amounts for the Year Ended December 31, 2023**

	Final Budget	2024 Actual Amounts	Over(Under) Final Budget	2023 Actual Amounts
<b>REVENUES</b>				
Taxes				
General property taxes	\$ 529,626	\$ 529,235	\$ (391)	\$ 466,148
License and permits	49,180	70,042	20,862	100,002
Total Taxes	<u>578,806</u>	<u>599,277</u>	<u>20,471</u>	<u>566,150</u>
Intergovernmental Revenue				
State Grants and Aid				
Local government aid	414,007	414,007	-	375,442
Other state grants	-	21,920	21,920	55,838
Total Intergovernmental Revenue	<u>414,007</u>	<u>435,927</u>	<u>21,920</u>	<u>431,280</u>
Charges for Services				
General government	1,200	-	(1,200)	2,515
Culture and recreation	1,000	1,988	988	5,325
Total Charges for Services	<u>2,200</u>	<u>1,988</u>	<u>(212)</u>	<u>7,840</u>
Fines and Forfeits	800	1,230	430	1,227
Miscellaneous Revenues				
Investment income	2,000	1,853	(147)	20,683
Donations	-	-	-	1,000
Refunds and reimbursements	3,500	11,755	8,255	31,646
Total Miscellaneous Revenues	<u>5,500</u>	<u>13,608</u>	<u>8,108</u>	<u>53,329</u>
<b>TOTAL REVENUES</b>	<u>1,001,313</u>	<u>1,052,030</u>	<u>50,717</u>	<u>1,059,826</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of assets	-	2,000	2,000	30,101
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>1,001,313</u>	<u>1,054,030</u>	<u>52,717</u>	<u>1,089,927</u>

**CITY OF NEW LONDON, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2024**  
**With Comparative Actual Amounts for the Year Ended December 31, 2023**

	2024		Over(Under) Final Budget	2023
	Final Budget	Actual Amounts		Actual Amounts
<b>EXPENDITURES</b>				
General Government				
Governing Board				
Salaries	11,440	9,455	(1,985)	9,795
Payroll taxes and benefits	875	723	(152)	749
Other expenses	3,035	3,280	245	3,048
Total Governing Board	<u>15,350</u>	<u>13,458</u>	<u>(1,892)</u>	<u>13,592</u>
Administration and Finance				
Salaries	235,026	201,286	(33,740)	149,827
Payroll taxes and benefits	33,361	30,495	(2,866)	22,698
Total Administration and Finance	<u>268,387</u>	<u>231,781</u>	<u>(36,606)</u>	<u>172,525</u>
Government Buildings				
Salaries	18,123	18,123	-	17,220
Payroll taxes and benefits	2,745	2,745	-	2,608
Occupancy	16,200	16,155	(45)	16,838
Repairs and maintenance	5,000	4,055	(945)	4,032
Professional services	12,000	12,000	-	-
Other expenses	2,500	2,311	(189)	12,918
Total Government Buildings	<u>56,568</u>	<u>55,389</u>	<u>(1,179)</u>	<u>53,616</u>
Other General Government				
Salaries	500	300	(200)	50
Payroll taxes and benefits	38	23	(15)	4
Supplies	9,200	12,657	3,457	8,364
Occupancy	2,300	1,217	(1,083)	2,071
Insurance	29,000	38,337	9,337	30,804
Elections	3,000	3,101	101	1,630
Assessor	-	-	-	12,560
Professional services	14,000	12,107	(1,893)	12,273
Other expenses	10,500	14,740	4,240	37,199
Capital outlay	62,360	1,650	(60,710)	531
Total Other General Government	<u>130,898</u>	<u>84,132</u>	<u>(46,766)</u>	<u>105,486</u>
Total General Government	<u>471,203</u>	<u>384,760</u>	<u>(86,443)</u>	<u>345,219</u>
Public Safety				
Police Department				
Contracted services	21,600	21,600	-	20,650
Total Police Department	<u>21,600</u>	<u>21,600</u>	<u>-</u>	<u>20,650</u>

**CITY OF NEW LONDON, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2024**  
**With Comparative Actual Amounts for the Year Ended December 31, 2023**

	2024		Over(Under) Final Budget	2023
	Final Budget	Actual Amounts		Actual Amounts
<b>EXPENDITURES (continued)</b>				
Other Protection				
Building inspection	51,198	42,749	(8,449)	44,123
Animal control	200	200	-	-
Total Other Protection	<u>51,398</u>	<u>42,949</u>	<u>(8,449)</u>	<u>44,123</u>
Total Public Safety	<u>72,998</u>	<u>64,549</u>	<u>(8,449)</u>	<u>64,773</u>
Streets and Highways				
Street Maintenance				
Salaries	36,246	36,246	-	34,440
Payroll taxes and benefits	5,491	5,491	-	5,217
Supplies	11,000	7,803	(3,197)	10,785
Occupancy	3,500	2,683	(817)	2,909
Repairs and maintenance	37,500	21,637	(15,863)	11,831
Other expenses	10,000	8,683	(1,317)	8,901
Capital outlay	-	-	-	68,987
Total Street Maintenance	<u>103,737</u>	<u>82,543</u>	<u>(21,194)</u>	<u>143,070</u>
Snow and Ice Removal				
Contract services	<u>100,000</u>	<u>50,150</u>	<u>(49,850)</u>	<u>79,288</u>
Total Snow and Ice Removal	<u>100,000</u>	<u>50,150</u>	<u>(49,850)</u>	<u>79,288</u>
Street Lighting	<u>30,000</u>	<u>28,246</u>	<u>(1,754)</u>	<u>29,403</u>
Total Streets and Highways	<u>233,737</u>	<u>160,939</u>	<u>(72,798)</u>	<u>251,761</u>
Culture and Recreation				
Parks and Recreation				
Salaries	28,164	27,331	(833)	25,062
Payroll taxes and benefits	4,267	3,903	(364)	3,639
Occupancy	2,300	1,314	(986)	1,623
Repairs and maintenance	12,000	10,850	(1,150)	10,613
Other expenses	2,750	3,750	1,000	1,250
Capital outlay	-	11,527	11,527	-
Total Parks and Recreation	<u>49,481</u>	<u>58,675</u>	<u>9,194</u>	<u>42,187</u>
Community Education	<u>10,500</u>	<u>10,500</u>	<u>-</u>	<u>10,500</u>
Library				
Occupancy	<u>16,565</u>	<u>1,410</u>	<u>(15,155)</u>	<u>16,079</u>
Total Culture and Recreation	<u>76,546</u>	<u>70,585</u>	<u>(5,961)</u>	<u>68,766</u>

**CITY OF NEW LONDON, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2024**  
**With Comparative Actual Amounts for the Year Ended December 31, 2023**

	2024		Over(Under) Final Budget	2023
	Final Budget	Actual Amounts		Actual Amounts
<b>EXPENDITURES (continued)</b>				
<b>TOTAL EXPENDITURES</b>	<u>854,484</u>	<u>680,833</u>	<u>(173,651)</u>	<u>730,519</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	146,829	371,197	224,368	329,307
<b>OTHER FINANCING USES</b>				
Transfer out	<u>(144,129)</u>	<u>(226,020)</u>	<u>(81,891)</u>	<u>(193,827)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,700</u>	147,177	<u>\$ 144,477</u>	165,581
<b>FUND BALANCE, JANUARY 1</b>		<u>948,589</u>		<u>783,008</u>
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 1,095,766</u>		<u>\$ 948,589</u>

**CITY OF NEW LONDON, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FIRE DEPARTMENT FUND**  
**For the Year Ended December 31, 2024**  
**With Comparative Actual Amounts for the Year Ended December 31, 2023**

<b>REVENUES</b>	<u>2024</u>	<u>2023</u>
Intergovernmental		
State grants	\$ 15,510	\$ 6,042
State grants - fire relief aid	68,018	58,007
Total Intergovernmental	<u>83,528</u>	<u>64,049</u>
Charges for Services		
Fire contracts and calls	227,629	233,218
Total Charges for Services	<u>227,629</u>	<u>233,218</u>
Miscellaneous Revenues		
Interest income	27,935	25,360
Donations	41,376	7,130
Refunds	4,503	3,250
Total Miscellaneous Revenues	<u>73,814</u>	<u>35,740</u>
<b>TOTAL REVENUES</b>	<u>384,971</u>	<u>333,007</u>
<b>EXPENDITURES</b>		
Current		
Salaries	98,050	88,255
Payroll taxes and benefits	85,919	75,159
Supplies	19,984	13,865
Occupancy	4,561	6,171
Repairs and maintenance	22,198	22,612
Insurance	23,254	25,510
Professional fees	18,412	22,427
Permits	205	55
Other expenses	19,973	21,223
Capital outlay	<u>118,404</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>410,960</u>	<u>275,277</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(25,989)	57,730
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>119,129</u>	<u>171,367</u>
<b>NET CHANGE IN FUND BALANCE</b>	93,140	229,097
<b>FUND BALANCE, JANUARY 1</b>	<u>858,346</u>	<u>629,249</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 951,486</u>	<u>\$ 858,346</u>

**CITY OF NEW LONDON, MINNESOTA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**AMBULANCE FUND**  
**For the Year Ended December 31, 2024**  
**With Comparative Actual Amounts for the Year Ended December 31, 2023**

<b>REVENUES</b>	<u>2024</u>	<u>2023</u>
Intergovernmental		
State grants	\$ 116,732	\$ 2,800
Total Intergovernmental	<u>116,732</u>	<u>2,800</u>
Charges for Services		
Ambulance calls	<u>195,494</u>	<u>307,361</u>
Total Charges for Services	<u>195,494</u>	<u>307,361</u>
Miscellaneous Revenues		
Interest income	2,437	7,118
Donations	<u>25,080</u>	<u>121,200</u>
Total Miscellaneous Revenues	<u>27,517</u>	<u>128,318</u>
<b>TOTAL REVENUES</b>	<u>339,743</u>	<u>438,479</u>
<b>EXPENDITURES</b>		
Current		
Salaries	155,466	149,207
Payroll taxes and benefits	11,893	11,415
Supplies	24,404	45,194
Occupancy	5,741	4,278
Repairs and maintenance	14,249	2,508
Insurance	18,651	17,248
Professional fees	18,600	13,745
Other expenses	-	814
Capital outlay	40,957	283,110
Debt service		
Principal	-	16,000
Interest	-	196
<b>TOTAL EXPENDITURES</b>	<u>289,961</u>	<u>543,715</u>
<b>NET CHANGE IN FUND BALANCE</b>	49,782	(105,236)
<b>FUND BALANCE, JANUARY 1</b>	<u>434,654</u>	<u>539,890</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 484,436</u>	<u>\$ 434,654</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Mayor and City Council  
City of New London, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New London, Minnesota as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of New London, Minnesota's basic financial statements, and have issued our report thereon dated June 4, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of New London, Minnesota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of New London, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of New London, Minnesota's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2024-001 that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of New London, Minnesota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## **Minnesota Legal Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that the City of New London, Minnesota failed to comply with the provisions of contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of New London, Minnesota's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

### **City of New London, Minnesota's Response to Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the City of New London, Minnesota's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City of New London, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of New London, Minnesota's internal control over financial reporting or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City of New London, Minnesota's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

*Westberg Eischens, PLLP*

Westberg Eischens, PLLP  
Willmar, Minnesota

June 4, 2025

**CITY OF NEW LONDON, MINNESOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2024**

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**Finding 2024-001**

**Criteria:**

Generally, a system of internal control includes the ability to understand and prepare the City's financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Condition:**

The City relies on the auditor to prepare the financial statements and related disclosures in accordance with GAAP.

**Cause:**

The small size and resources of its business office staff precludes the City from preparing its own financial statements.

**Effect:**

There is a risk that misstatements to the financial statements will not be prevented or detected.

**Recommendation:**

We recommend that the City continue to review the auditor prepared financial statements with the intention of understanding and accepting responsibility for reporting under GAAP.

**Views of Responsible Officials and Planned Corrective Actions:**

The City agrees with the finding and the recommendation procedures have been implemented.

**CORRECTIVE ACTION PLAN (CAP)**

**Finding 2024-001**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The City will continue to review auditor prepared financial statements with the intention of understanding and accepting responsibility for reporting under GAAP.

**Officer Responsible for Ensuring CAP:**

Not Applicable.

**Planned Completion Date:**

Not Applicable.

**Plan to Monitor Completion of CAP:**

Not Applicable.

**APPENDIX F:  
CONTINUING DISCLOSURE FILINGS**

The following pages have been printed directly from the EMMA website information for the Continuing Disclosure filings in recent years.

Home > Issuers By State > Minnesota > Issuer Homepage > Issue Details

## Issue Details



**CITY OF NEW LONDON MINNESOTA GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2016A (MN)**  
NEW LONDON MINN GO IMPT AND REF BDS 2016 A (MN)\*

**Dated Date:** 08/17/2016  
**Underwriting Spread Amount:** Disclosed in Official Statement  
**Closing Date:** 08/17/2016  
**Time of Formal Award:** 08/03/2016 05:39 PM  
**Time of First Execution:** 08/04/2016 08:00 AM

[Final Scale](#)   [Official Statement](#)   [Continuing Disclosure](#)   [Trade Activity](#)

View continuing disclosure or advance refunding document, which provides important information about the security after initial issuance.

### FINANCIAL INFORMATION & DOCUMENTS Collapse ▲

**Most Recent** [2024 Audit - New London MN for the year ended 12/31/2024 posted 07/16/2025 \(494 KB\)](#) [details](#)

#### Audited Financial Statements or ACFR

<a href="#">2024 Audit - New London MN for the year ended 12/31/2024 posted 07/16/2025 (494 KB)</a>	<a href="#">details</a>
<a href="#">2023 Audit - New London MN for the year ended 12/31/2023 posted 09/30/2024 (469 KB)</a>	<a href="#">details</a>
<a href="#">2022 Audit - New London MN for the year ended 12/31/2022 posted 10/26/2023 (444 KB)</a>	<a href="#">details</a>
<a href="#">2021 Audit - New London MN for the year ended 12/31/2021 posted 10/11/2022 (418 KB)</a>	<a href="#">details</a>
<a href="#">2020 Audit - New London MN for the year ended 12/31/2020 posted 07/30/2021 (417 KB)</a>	<a href="#">details</a>
<a href="#">2019 Audit - New London MN for the year ended 12/31/2019 posted 10/08/2020 (462 KB)</a>	<a href="#">details</a>
<a href="#">2018 Audit - New London MN for the year ended 12/31/2018 posted 07/25/2019 (472 KB)</a>	<a href="#">details</a>
<a href="#">2017 Audit - New London MN for the year ended 12/31/2017 posted 09/11/2018 (270 KB)</a>	<a href="#">details</a>
<a href="#">2016 Audit - New London MN for the year ended 12/31/2016 posted 11/07/2017 (269 KB) (Modified 11/07/2017)</a>	<a href="#">details</a>
<a href="#">2015 Audit - New London MN for the year ended 12/31/2015 posted 10/06/2016 (773 KB)</a>	<a href="#">details</a>

### EVENT NOTICES Collapse ▲

**Most Recent** [Event Filing.as of 02/01/2025 posted 12/12/2024 \(12 KB\)](#) [details](#)

#### Bond Call

<a href="#">Event Filing.as of 02/01/2025 posted 12/12/2024 (12 KB)</a>	<a href="#">details</a>
<a href="#">Event Filing.as of 12/12/2022 posted 12/12/2022 (60 KB)</a>	<a href="#">details</a>
<a href="#">Event Filing.as of 12/28/2020 posted 12/29/2020 (59 KB)</a>	<a href="#">details</a>
<a href="#">Event Filing.as of 01/02/2019 posted 01/02/2019 (46 KB)</a>	<a href="#">details</a>
<a href="#">Event Filing.as of 12/13/2016 posted 12/14/2016 (39 KB)</a>	<a href="#">details</a>

### Links to Former NRMSIRs

Until 2009, the organizations listed below served as Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and may have primary market and continuing disclosure documents produced before July 1, 2009, when the EMMA website became the official repository for municipal market disclosures.

- [Bloomberg L.P.](#)
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