

Preliminary Official Statement Dated February 21, 2025

NEW ISSUE - Book Entry Only

RATINGS: (See "Ratings" herein)

In the opinion of Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds, the Series A Notes and the Series B Notes (collectively, the "Notes") is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds and the Notes is not treated as a preference item in calculating the Federal alternative minimum tax imposed on individuals under the Code; however, such interest may be subject to the alternative minimum tax imposed under Section 55(b) of the Code on applicable corporations (within the meaning of Section 59(k) of the Code). See Appendices B-1, B-2 and B-3 "Form of Legal Opinion of Bond Counsel – The Bonds", "Form of Legal Opinion of Bond Counsel – The Series A Notes" and "Form of Legal Opinion of Bond Counsel – The Series B Notes", respectively and "Section I – Tax Matters" herein.

Bond Counsel is also of the opinion that, under existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and interest on the Bonds and the Notes is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See "Section I – Tax Matters" herein).

CITY OF NEW LONDON, CONNECTICUT

\$5,673,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025 (the "Bonds")

Dated: Date of Delivery

Due: March 15, as shown herein

Interest on the Bonds will be payable September 15, 2025 and semiannually thereafter on March 15 and September 15 in each year until maturity at the rates set forth on the inside cover page hereof.

The Bonds are subject to optional redemption prior to maturity as described herein. (See "Optional Redemption" herein).

The Bonds are being offered for sale in accordance with their official Notice of Sale dated February 21, 2025. Electronic bids via **PARITY**[®] for the Bonds will be received until 11:00 A.M., (E.T.) on Thursday, March 6, 2025, at the Office of Munistat Services, Inc. 129 Samson Rock Drive, Suite A, Madison, Connecticut, as described in the respective Notice of Sale. (See "Appendix D-1" herein.)

\$27,774,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (the "Series A Notes")

Dated: Date of Delivery

Due: March 12, 2026

Interest on the Series A Notes will be payable at maturity.

The Series A Notes are NOT subject to redemption prior to maturity.

The Series A Notes are being offered for sale in accordance with their official Notice of Sale dated February 21, 2025. Electronic bids via **PARITY**[®] for the Series A Notes will be received until 11:30 A.M., (E.T.) on Thursday, March 6, 2025, at the Office of Munistat Services, Inc. 129 Samson Rock Drive, Suite A, Madison, Connecticut, as described in the respective Notice of Sale. (See "Appendix D-2" herein.)

\$12,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (the "Series B Notes")

Dated: Date of Delivery

Due: March 12, 2026

Interest on the Series B Notes will be payable at maturity.

The Series B Notes are NOT subject to redemption prior to maturity.

The Series B Notes are being offered for sale in accordance with their official Notice of Sale dated February 21, 2025. Electronic bids via **PARITY**[®] for the Series B Notes will be received until 12:00 P.M., (E.T.) on Thursday, March 6, 2025, at the Office of Munistat Services, Inc. 129 Samson Rock Drive, Suite A, Madison, Connecticut, as described in the respective Notice of Sale. (See "Appendix D-3" herein.)

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

The Bonds and Notes are issuable only as fully registered bonds and notes, without coupons and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds and Notes. Purchases of the Bonds and Notes will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds and Notes. So long as Cede & Co. is the registered owner of the Bonds and Notes, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds and Notes. (See "Book-Entry Transfer System" herein.)

The Certifying, Registrar, Transfer and Paying Agent for the Bonds and Notes will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut.

The Bonds and Notes are offered for delivery when, as and if issued, subject to the final approving opinions of Tobin, Carberry, O'Malley, Riley & Selinger, P.C., of New London, Connecticut, Bond Counsel to the City. It is expected that delivery of the Bonds and Series A Notes in book-entry form will be made to the Depository Trust Company, New York, New York on or about March 13, 2025. It is expected that delivery of the Series B Notes in book-entry form will be made to the Depository Trust Company, New York, New York on or about March 21, 2025.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

CITY OF NEW LONDON, CONNECTICUT

\$5,673,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024 (the "Bonds")

Dated: Date of Delivery

MATURITY SCHEDULE

Due: March 15, 2028-2045

Maturity	Amount	Coupon	Yield	CUSIP (1)	Maturity	Amount	Coupon	Yield	CUSIP (1)
2028	\$ 253,000	%	%	646513***	2037	\$ 300,000	%	%	646513***
2029	300,000			646513***	2038	300,000			646513***
2030	250,000			646513***	2039	300,000			646513***
2031	375,000			646513***	2040	300,000			646513***
2032	375,000			646513***	2041	300,000			646513***
2033	375,000			646513***	2042	300,000			646513***
2034	375,000			646513***	2043	300,000			646513***
2035	370,000			646513***	2044	300,000			646513***
2036	300,000			646513***	2045	300,000			646513***

\$27,774,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (the "Series A Notes")

Dated: Date of Delivery

Due: March 12, 2026

Amount	Coupon	Yield	CUSIP (1)
\$ 27,774,000	%	%	646513***

\$12,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (the "Series B Notes")

Dated: Date of Delivery

Due: March 12, 2026

Amount	Coupon	Yield	CUSIP (1)
\$ 12,500,000	%	%	646513***

- (1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which are numbers that have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds and the Notes. The City is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds and the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and the Notes.

No dealer, broker, salesman or other person has been authorized by the City of New London, Connecticut (the "City"), to give any information or to make representations not contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and Notes and may not be reproduced or used in whole or in part for any other purpose.

The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

Other than matters expressly set forth in "Appendix A – Audited Financial Statements" herein, the independent auditors for the City are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement and make no representation that they have independently verified the same.

Other than matters expressly set forth herein in "Tax Matters", Appendix B-1 "Form of Legal Opinion of Bond Counsel – The Bonds", Appendix B-2 "Form of Legal Opinion of Bond Counsel – The Series A Notes and Appendix B-3 "Form of Legal Opinion of Bond Counsel – The Series B Notes ", Bond Counsel are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

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

The Municipal Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the City up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the City assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the City; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the City; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the City; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism; and (xi) other factors contained in this Official Statement.

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BOND ISSUE SUMMARY

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

Date of Sale:	Thursday, March 6, 2025, 11:00 A.M. (Eastern Time).
Location of Sale:	Office of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, 06443.
Issuer:	City of New London, Connecticut (the "City").
Issue:	\$5,673,000 General Obligation Bonds, Issue of 2025 (the "Bonds").
Dated Date:	Date of Delivery, March 13, 2025.
Interest Due:	September 15, 2025 and semiannually thereafter on March 15 and September 15 in each year until maturity.
Principal Due:	Serially, March 15, 2028 through 2045, as detailed in this Official Statement.
Purpose and Authority:	The Bonds are being issued to finance and to pay and retire outstanding notes issued to finance capital projects undertaken by the City and approved by the City Council and by the City Board of Finance.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Optional Redemption" herein.
Security:	The Bonds will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated "___" by Fitch Ratings ("Fitch") and "___" by S&P Global Ratings ("S&P"). Certain outstanding bonds of the City are also rated "___" and "___" by Fitch and S&P, respectively. (See "Ratings" herein).
Tax Exemption:	See Appendix B-1 herein – "Form of Legal Opinion of Bond Counsel – The Bonds" herein.
Bank Qualification:	The Bonds shall not be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events not in excess of ten (10) business days of occurrence of such events and (iii) timely notice of a failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the City in substantially the form attached as Appendix C-1 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut.
Legal Opinion:	Tobin, Carberry, O'Malley, Riley & Selinger P.C., of New London, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about March 13, 2025 against payment in Federal Funds .
Issuer Official:	Questions regarding the City and this Official Statement should be directed to David F. McBride Jr., Director of Finance, 13 Masonic Street, New London, Telephone: (860) 447-5218.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

THE SERIES A NOTE ISSUE SUMMARY

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

Date of Sale:	Thursday, March 6, 2025, 11:30 A.M. (Eastern Time).
Location of Sale:	Office of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, 06443.
Issuer:	City of New London, Connecticut (the "City").
Issue:	\$27,774,000 General Obligation Bond Anticipation Notes (the "Series A Notes").
Dated Date:	Date of Delivery, March 13, 2025.
Interest Due:	At maturity, March 12, 2026.
Principal Due:	At maturity, March 12, 2026.
Purpose and Authority:	The Series A Notes are being issued to finance and to pay and retire outstanding notes issued to finance capital projects undertaken by the City and approved by the City Council and by the City Board of Finance.
Redemption:	The Series A Notes are NOT subject to redemption prior to maturity.
Security:	The Series A Notes will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Series A Notes when due.
Credit Rating:	The Series A Notes have been rated "___" by Fitch Ratings ("Fitch") and "___" by S&P Global Ratings ("S&P"). Certain outstanding bonds of the City are also rated "___" and "___" by Fitch and S&P, respectively. (See "Ratings" herein).
Tax Exemption:	See Appendix B-2 herein – "Form of Legal Opinion of Bond Counsel – The Series A Notes" herein.
Bank Qualification:	The Series A Notes shall not be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Series A Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, notices of certain events not in excess of ten (10) business days of occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the City in substantially the form attached as Appendix C-2 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut.
Legal Opinion:	Tobin, Carberry, O'Malley, Riley & Selinger P.C., of New London, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series A Notes in book-entry-only form will be made to The Depository Trust Company on or about March 13, 2025 against payment in Federal Funds .
Issuer Official:	Questions regarding the City and this Official Statement should be directed to David F. McBride Jr., Director of Finance, 13 Masonic Street, New London, Telephone: (860) 447-5218.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

THE SERIES B NOTE ISSUE SUMMARY

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

Date of Sale:	Thursday, March 6, 2025, 12:00 P.M. (Eastern Time).
Location of Sale:	Office of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, 06443.
Issuer:	City of New London, Connecticut (the "City").
Issue:	\$12,500,000 General Obligation Bond Anticipation Notes (the "Series B Notes").
Dated Date:	Date of Delivery, March 21, 2025.
Interest Due:	At maturity, March 12, 2026.
Principal Due:	At maturity, March 12, 2026.
Purpose and Authority:	The Series B Notes are being issued to finance and to pay and retire outstanding notes issued to finance capital projects undertaken by the City and approved by the City Council and by the City Board of Finance.
Redemption:	The Series B Notes are NOT subject to redemption prior to maturity.
Security:	The Series B Notes will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Series B Notes when due.
Credit Rating:	The Series B Notes have been rated "___" by Fitch Ratings ("Fitch") and "___" by S&P Global Ratings ("S&P"). Certain outstanding bonds of the City are also rated "___" and "___" by Fitch and S&P, respectively. (See "Ratings" herein).
Tax Exemption:	See Appendix B-3 herein – "Form of Legal Opinion of Bond Counsel – The Series B Notes" herein.
Bank Qualification:	The Series B Notes shall not be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Series B Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, notices of certain events not in excess of ten (10) business days of occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the City in substantially the form attached as Appendix C-3 to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut.
Legal Opinion:	Tobin, Carberry, O'Malley, Riley & Selinger P.C., of New London, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Series B Notes in book-entry-only form will be made to The Depository Trust Company on or about March 21, 2025 against payment in Federal Funds .
Issuer Official:	Questions regarding the City and this Official Statement should be directed to David F. McBride Jr., Director of Finance, 13 Masonic Street, New London, Telephone: (860) 447-5218.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. Mark N. Chapman, Managing Director, Telephone: (203) 421-2087.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page, inside cover pages and appendices, has been prepared by the City of New London (the "City"), in connection with the issuance and sale by the City of \$5,673,000 General Obligation Bonds, Issue of 2025 (the "Bonds"), \$27,774,000 General Obligation Bond Anticipation Notes (the "Series A Notes") and \$12,500,000 General Obligation Bond Anticipation Notes (the "Series B Notes")(collectively, the "Notes").

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

This presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in financial or other positions of the City. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the City.

Bond Counsel are not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinion) and they make no representation that they have independently verified the same.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature on March 15 in each of the years and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds will be payable September 15, 2025 and semiannually thereafter on March 15 and September 15 in each year until maturity. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of February and August in each year.

The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof for any single maturity. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying, Registrar, Transfer and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut. The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. The legal opinion on the Bonds will be rendered by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., of New London, Connecticut, in substantially the form set forth in Appendix B-1 to this Official Statement. **The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein).**

OPTIONAL REDEMPTION

The Bonds maturing on or before March 15, 2032 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2033, and thereafter are subject to redemption prior to maturity, at the election of the City, on or after March 15, 2032, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the redemption price or prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 15, 2032 and thereafter	100%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of such Bonds at such register owners address as it appears on the registration books for the Bonds, kept for such purpose. So long as a book-entry transfer system is used for the Bonds, the City will send any notice of redemption only to DTC (or successor securities depository) or its nominee.

DESCRIPTION OF THE NOTES

The Notes will be dated the date of delivery and principal and interest will be due at maturity on March 12, 2026. The Notes will be issued in fully registered form in denominations of \$5,000 or any integral multiples. Interest will be calculated on the basis of twelve 30-day months and a 360 day year, at the rate or rates per annum specified by the Underwriter. A book-entry system will be employed evidencing ownership of the Notes with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying, Registrar, Transfer and Paying Agent for the Notes will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut. The Notes shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended for purposes of the deduction by financial institutions for interest expense allocable to the Notes. The legal opinion on the Series A Notes and the Series B Notes will be rendered by Tobin, Carberry, O'Malley, Riley & Selinger, P. C., of New London, Connecticut, in substantially the form set forth in Appendices B-2 and B-3, respectively, to this Official Statement. **The Notes are NOT subject to redemption prior to maturity.**

AUTHORIZATION AND PURPOSE

Authorization: The Bonds and Notes are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City of New London, and ordinances adopted by the City Council.

Purpose: A portion of the proceeds of the Bonds and Notes will be used to finance, and to pay and retire outstanding notes issued to finance, the following projects:

Project	Amount Authorized	Previously Bonded	Notes Payable 3/13/2025	Additions / (Reductions)	The Series A Notes (This Issue)	The Series B Notes (This Issue)	The Bonds (This Issue)
Bennie Dover Middle School Roof.....	\$ 6,200,000	\$ 600,000	\$ 240,000	\$ (20,000)	\$ 220,000	\$ -	\$ -
High School Magnet School Project.....	110,000,000	30,488,000	3,500,000	-	3,500,000	-	-
Bennie Dover Magnet School Project.....	55,000,000	15,245,000	14,000,000	(2,446,000)	11,554,000	-	-
Community Center Project.....	30,000,000	7,500,000	12,500,000	10,000,000	12,500,000	10,000,000	-
The City Infrastructure Improvements Projects - 2023.....	2,100,000	-	2,100,000	-	-	-	2,100,000
The City Equipment Improvements - 2023.....	1,100,000	-	1,100,000	-	-	-	1,100,000
The City Infrastructure Improvements Projects - 2024.....	1,800,000	-	1,800,000	-	-	-	1,800,000
The City Equipment Improvements - 2024.....	673,000	-	673,000	-	-	-	673,000
The City Infrastructure Improvements Projects - 2025.....	1,800,000	-	-	1,800,000	-	1,800,000	-
The City Equipment Improvements - 2025.....	700,000	-	-	700,000	-	700,000	-
Total	\$ 209,373,000	\$ 53,833,000	\$ 35,913,000	\$ 10,034,000	\$ 27,774,000	\$ 12,500,000	\$ 5,673,000

RATINGS

The Bonds have been rated "___" by Fitch Ratings ("Fitch") and "___" and by S&P Global Ratings ("S&P"). Certain outstanding bonds of the City are also rated "___" and "___" by Fitch and S&P, respectively. The Notes have been rated "___" by Fitch and "___" by S&P. Such ratings reflect only the views of such organizations and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the City's Bonds and Notes.

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TAX MATTERS

Federal Income Tax

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at and subsequent to issuance of the Bonds and Notes in order that interest on the Bonds and Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes. Failure to comply with such requirements could cause interest on the Bonds and Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds and Notes. The Arbitrage and Use of Proceeds Certificate, which will be executed and delivered by the City concurrently with the issuance of the Bonds and Notes, contains representations, covenants and procedures relating to the use, expenditures and investment of proceeds of the Bonds and Notes to ensure compliance with such requirements of the Code. Pursuant to the Arbitrage and Use of Proceeds Certificates, the City also covenants and agrees that it shall at all times perform all acts and things necessary or appropriate under any valid provision of law in order to ensure that interest on the Bonds and Notes shall be excluded from gross income of the owners thereof for Federal income tax purposes under the Code.

In the opinions of Bond Counsel, based on existing statutes and court decisions and assuming the accuracy of and continuing compliance by the City with its representations, covenants and the procedures contained in the Arbitrage and Use of Proceeds Certificate, interest on the Bonds and Notes is excluded from gross income for Federal tax purposes and is not treated as an item of tax preference for purposes of computing the Federal alternative minimum tax imposed on individuals under the Code, however, such interest may be subject to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code).

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

Original Issue Discount

The initial public offering price of certain of the Bonds and Notes may be less than the amount payable on the Bonds and Notes at maturity. The discussion in this paragraph relates to the Bonds and Notes having original issue discount. Under existing statutes and court decisions, the excess, if any, of the amount payable when the Bond and Note is scheduled to come due over the initial public offering price of such Bond and Notes (an "OID Bond and OID Note") constitutes original issue discount. Accrued original issue discount is excluded from gross income for federal income tax purposes if interest on the Bonds and Notes is excluded therefrom. For such purposes, the "initial public offering price" refers to the initial offering price to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Bonds and Notes of the same maturity are sold. The prices set forth on the inside cover page of the Official Statement may or may not reflect the price at which a substantial amount of the Bonds and Notes were ultimately sold to the public. Accrued original issue discount on the Bond and Notes is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Under the Code, for purposes of determining a bondholder's adjusted basis in an OID Bond and OID Note, original issue discount treated as having accrued while the bondholder holds the OID Bond or OID Note will be added to the bondholder's basis. Original issue discount will accrue on a constant-yield-to-maturity method based on regular compounding. The bondholder's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond or OID Note.

Prospective purchasers of OID Bonds and OID Notes should consult their own tax advisors concerning the federal income tax consequences of owning and disposing of OID Bonds and OID Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Premium

The initial public offering price of certain of the Bonds and Notes may be greater than the amount payable on the Bonds and Notes at maturity. The discussion in this paragraph relates to those the Bonds and Notes having original issue premium. The excess, if any, of the price paid by the first owner of a Bond and a Note over the principal amount payable at the maturity or the earlier call date, if any, of such Bonds and Note (an "OIP Bonds and OIP Notes") constitutes original issue premium. An owner who purchases an OIP Bond or OIP Note must amortize original issue premium as provided in applicable Treasury Regulations. The portion of such premium amortizing over the period the OIP Bonds and OIP Notes is held by the owner does not reduce taxable income for purposes of either the federal income tax or the Connecticut income tax on individuals, trusts and estates, and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative tax, but it does reduce the owner's adjusted basis in the OIP Bonds and OIP Notes for purposes of determining gain or loss on its disposition. As a result, the owner of an OIP Bonds and OIP Notes may realize a taxable gain upon its disposition even though the OIP Bonds and OIP Notes is sold or redeemed for an amount equal to or less than the owner's original acquisition cost.

Prospective purchasers of OIP Bonds and OIP Notes should consult with their own tax advisors with respect to the federal income tax consequences of owning and disposing of OIP Bonds and OIP Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Connecticut State Income Tax

In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Other Tax Considerations

Prospective purchasers of the Bonds and Notes are advised to consult their own tax advisors regarding other applicable state and local tax consequences of ownership and disposition of, or receipt of interest on, the Bonds and Notes. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds and Notes may affect the tax status of interest on the Bonds and Notes. No assurance can be given that future legislation, or amendments to federal and/or state law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds and Notes or any gain made on the sale or exchange thereof from either federal and/or Connecticut taxable income for purposes of both the federal and state income tax.

The opinions of Bond Counsel are rendered as of their date and Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinions. The discussion above does not purport to address all aspects of federal, state or local taxation that may be relevant to a particular owner, of a Bond or Note.

SECURITY AND REMEDIES

The Bonds and Notes will be general obligations of the City of New London, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds and Notes when due. Unless paid from other sources, the Bonds and Notes are payable from general property tax revenues. The City has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property, such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts. Under existing statutes, the State of Connecticut is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation on its power to tax such dwelling houses.

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

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

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

Enforcement of a claim for payment of principal of or interest on such Bonds and Notes would also be subject to the applicable provisions of federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the state having the power to levy taxes and issue bonds, notes or other obligations.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

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

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

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

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The City takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS AND NOTES

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

DTC PRACTICES

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

GLOBAL HEALTH EMERGENCY RISK

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the "Rescue Plan") that provided various forms of financial assistance and other relief to state and local governments. The City received \$26.2 million from the Rescue Plan. The City was eligible to classify the funds as revenue replacement in accordance with the US Treasury's final rule which afforded the City flexibility in its use of the funds. As such, the City developed a plan for use that focused on infrastructure improvements, public safety equipment/vehicle upgrades, and investments in its internal service fund for healthcare benefits.

For up-to-date information concerning the State's actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the City, nor the parties involved with the issuance of the Bonds and the Notes, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the City.

Pandemics, epidemics and other public health emergencies, may adversely impact the City and its revenues, expenses and financial condition. The City cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the City. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on the City revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CYBERSECURITY

The City like many other public and private entities, relies on technology to conduct its operations. The City and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls, including a comprehensive policy relating to the security of the City's government networks. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the City's digital networks and systems and the costs of remedying any such damage could be substantial.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the City is vulnerable to coastal, inland wetland, small river and stream flooding. Furthermore, the City faces other threats due to climate change, including damaging wind that could become more severe and frequent. The City has a very active program of tree inspections and removals, in coordination with the City's electrical utility provider. The City cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Bonds and Notes shall NOT be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds and Notes.

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The City will enter into Continuing Disclosure Agreements with respect to the Bonds and the Notes, substantially in the forms attached as Appendices C-1, C-2 and C-3 to this Official Statement (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) notice of the occurrence of certain events with respect to the Bonds and the Notes, within 10 business days and (iii) timely notice of a failure by the City to provide the required annual financial information pursuant to Continuing Disclosure Agreements.

The City has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In accordance with the Securities and Exchange Commission's interpretive letter dated June 23, 1995 to the National Association of Bond Lawyers regarding Rule 15c2-12 and the City's previous continuing disclosure agreements, the City has not failed to meet any of its continuing disclosure obligations over the past five years with the following exceptions: the City filed a Failure to File Notice related to its fiscal year June 30, 2020 audited financial statements and certain operating data on February 21, 2021. The June 30, 2020 audited financial statements were filed on May 24, 2021 and other annual financial information and operating data were filed on May 25, 2021. The City also filed a Failure to File Notice related to its fiscal year June 30, 2022 audited financial statements and certain operating data on February 16, 2023. The June 30, 2022 audited financial statements and other annual financial information and operating data were filed on April 13, 2023. The City failed to file an event notice related to its January 28, 2020 master lease for fire trucks in the amount of \$1,840,000 with PNC Equipment Finance LLC. Information regarding the lease and the failure to file the event notice were subsequently filed on February 20, 2024. The City has procedures and protocols in place to ensure its full compliance with its continuing disclosure obligations going forward.

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II. THE ISSUER



DESCRIPTION OF THE CITY

The City of New London, founded in 1659, is Connecticut's sixteenth largest city by population. The City was incorporated in May 1784. New London is located 50 miles southeast of Hartford and covers an area of 5.5 square miles and is surrounded by the Town of Waterford on the north and west, the Thames River on the east, and Long Island Sound on the south. The City is centrally located approximately 120 miles northeast of New York City and approximately 100 miles southwest of Boston, Massachusetts.

The City is about two and one-half hours from New York City by rail or highway transportation. Providence, Rhode Island is approximately an hour from the City and Boston is approximately two hours away. The City is served by interstate, intrastate, and local bus lines. The City is served by Interstate 95 to Boston and New York. Routes 82, 32 and 2 link the City with Hartford. Rail transportation and freight service are available to major points including New York, Boston, Providence and Montreal. Air service is available at T.F. Green Airport (Providence) to the east and Bradley International Airport (Hartford) to the north. The City has one of the finest natural harbors on the eastern seaboard and the State Pier in New London is a noted cargo port. The port has two ferry terminals that provide services to Fishers Island, New York, Orient Point, Long Island, New York and Block Island, Rhode Island.

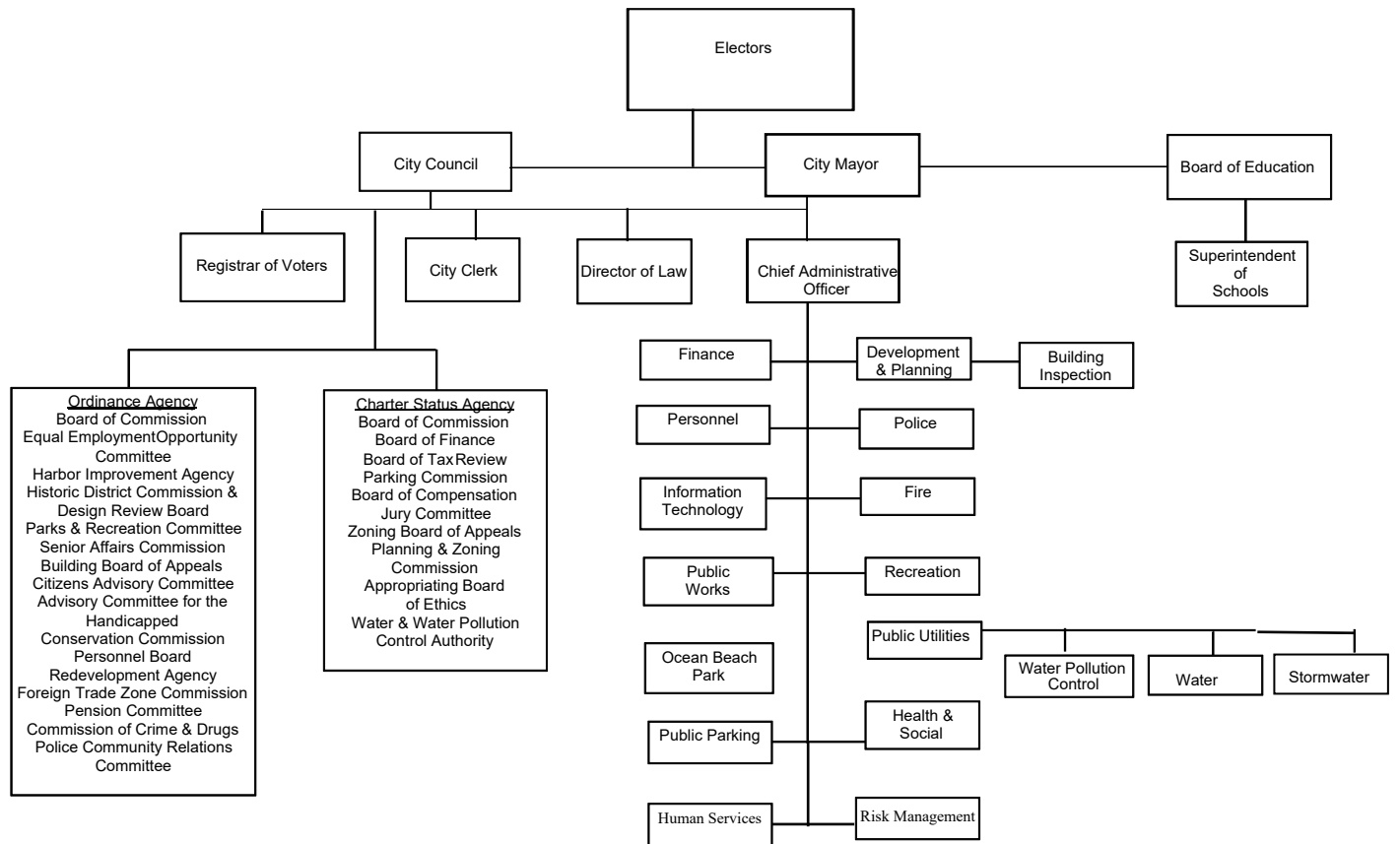
The City is rich in historical significance. Throughout the City there are hundreds of historical and architecturally significant structures, including a central business district which is a registered historic district containing some of the oldest structures in Connecticut.

The City school system includes seven public schools, a regional magnet school, an interdistrict school for arts and communications and a special needs preschool at Connecticut College. The City is also home of the United States Coast Guard Academy, Connecticut College and Mitchell College.

FORM OF GOVERNMENT

The City of New London (the "City") has a Mayor-Council form of government and operates under a Charter adopted in 1927, which was most recently revised in 2010. The amendment to the City Charter approved in 2010 instituted a strong mayor form of government that took effect with the local election held in November 2011. Elections are held on the first Tuesday following the first Monday in November of each odd calendar year as provided by state statute.

TABLE OF ORGANIZATION



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MUNICIPAL OFFICIALS

Office	Name	Manner of Selection	Term
Mayor.....	Michael E. Passero.....	Elected.....	12/4/23 - 12/6/27
Chief Administrative Officer.....	Steven Fields.....	Appointed.....	Indefinite
City Councilor.....	Efrain Dominguez, Jr.....	Elected.....	12/4/23 - 12/1/25
City Councilor.....	Reona M. Dyess.....	Elected.....	12/4/23 - 12/1/25
City Councilor	Jefferey Hart.....	Elected.....	12/4/23 - 12/1/25
City Councilor	Alma Nartatez.....	Elected.....	12/4/23 - 12/1/25
City Councilor	Akil Peck.....	Elected.....	12/4/23 - 12/1/25
City Councilor	Jocelyn Rosario.....	Elected.....	12/4/23 - 12/1/25
City Councilor	John D. Satti.....	Elected.....	12/4/23 - 12/1/25
Director of Finance.....	David F. McBride Jr.....	Appointed.....	Indefinite
Deputy Director of Finance/Treasurer..	Donna J. Rinehart.....	Appointed.....	Indefinite
Tax Collector.....	Samantha Rivera.....	Appointed.....	Indefinite
City Clerk.....	Jonathan Ayala.....	Appointed.....	Indefinite
Superintendent of Schools.....	Dr. Cynthia Ritchie.....	Appointed.....	Indefinite

SUMMARY OF MUNICIPAL SERVICES

Police: The New London Police Department (“NLPD”) stands as the City's most visible provider of public services, ensuring the safety and security of approximately 75,000 individuals who live in, work in, or visit the City each day. With an authorized staff of sixty-four (64) sworn officers, the department is actively striving to achieve its designated staffing level of eighty (80) sworn officers to better serve the community. Additionally, the civilian workforce comprises seventeen (17) dedicated employees who support the department's operations. The NLPD is committed to reintegrating community-oriented services and programs that foster a stronger connection between the police force and the community. This includes initiatives aimed at enhancing public engagement and trust. Recognizing the importance of modern technology in effective policing, the department is in the process of replacing its aging radio communication system and equipment. Furthermore, efforts are underway to update the technological infrastructure to advance services and meet the evolving needs of the community. To ensure accountability and transparency, all sworn members are equipped with AXON Body 4 Worn Cameras, providing a reliable record of interactions between officers and the public. Additionally, all patrol vehicles are outfitted with AXON Fleet 2 dash cameras, further enhancing the department's ability to document and review incidents. The NLPD remains steadfast in its mission to strengthen relationships with residents and stakeholders. By fostering open communication and transparency, the department aims to build a foundation of trust and cooperation within the community. Through these efforts, the NLPD is dedicated to creating a safer and more connected City for all.

Fire: The New London Fire Department operates three fire stations, strategically located within the City. The department is authorized for 70 people consisting of a Fire Chief, a Deputy Chief, a Fire Marshal, 4 Battalion Chiefs, 12 Fire Lieutenants, 32 Fire Fighters, 2 Fire Inspectors, 16 EMTs, and 1 Administrative Assistant. Services provided by the Fire Department are categorized in three general groups: Fire Inspection, Prevention and Code Enforcement; Fire Suppression and Hazardous Materials Response/Abatement; and Emergency Medical Services.

Water: The City uses Veolia Water, N.A. as a contract operator to operate the water system. The system consists of 5 reservoirs and a treatment facility that provides drinking water to New London, Waterford, and East Lyme through a network of pipes, pumps and storage tanks. The average daily demand is 5.5 million gallons per day with a capacity of 6.4 million gallons per day. The annual budget is approximately \$7 million dollars. Maintenance and capital plans are ongoing for replacement and enhancement of equipment and infrastructure.

Water Pollution Control: The City uses Veolia Water, N.A. as a contract operator to operate the wastewater treatment facility and the sewer collection system. The wastewater treatment facility treats waste from New London, Waterford, East Lyme, and soon parts of Old Lyme through a network of gravity sewers, pump stations, and force mains. The average daily flow is approximately 8 million gallons per day with a capacity of 10 million gallons per day. The annual budget is approximately \$5.5 million dollars. Maintenance and capital plans are ongoing for replacement and enhancement of equipment and infrastructure.

Stormwater: The City uses Veolia Water, N.A. as a contract operator to operate the stormwater pump stations and the stormwater collection system. The system has been maintained and upgraded as required to ensure proper design operation. The Bank Street Stormwater Pump Station was recently upgraded with new pumps, motors and controls. The annual budget is approximately \$1.4 million dollars. The investment into the system in capital and maintenance activities since October 2018 is in excess of \$7 million dollars.

Recreation: The New London Department of Recreation is the only Nationally Accredited Parks and Recreation Agency in Connecticut. It administers a multitude of quality recreation programs for our City's residents, including sports leagues, arts and leisure activities, before and after-school programs, and a summer playground for children. It has shifted to offer more essential programs to residents, such as the Before School Programming to provide crucial support for families. It also oversees and funds a free beach, staffed with lifeguards, and offers free swim lessons at the Ocean Beach pool, ensuring accessibility for all. The mission is to connect the community with resources that enrich and enhance the quality of life for all individuals through healthy lifestyle initiatives, prevention services, and programs that encourage civic involvement and community partnerships. Above all, the safety of participants and staff is our top priority. They are also committed to inclusivity. It provides programs open to all residents and actively supports participation by individuals of all abilities. Special accommodations are available to ensure that everyone can fully and successfully engage in the offerings.

Youth Affairs: New London Youth Affairs (“NLYA”) is a Youth Service Bureau which promotes positive outcomes for children, youth, and families by supporting a wide range of comprehensive services and collaborations. Programs are free to the public, serve New London youth (infants through 24 years) and their families, and described as follows. Early childhood and family options are provided at the Family Center for children 3 years of age and younger, and their parents. School readiness is addressed by linking families to wrap-around family/child basic need services and distributions, identifying/supporting children with developmental delays, and connecting children to preschool slots. The Family Center integrates daily skill building series, learning excursions, workshops (parent mental health, parent creative play groups, parent education), and community based resources through BP Mission Early Childhood Center. Parent leadership training is facilitated through a curriculum based program (bilingual People Empowering People, Por Los Ninos). Participants gain civic engagement skills to advocate for children in schools and the community. Whale's Tales children's book bank procures thousands of books, which it then disseminates to children through literacy events, schools, agencies, and Little Free Libraries. The NLYA diaper bank serves hundreds of New London families monthly. NLYA joins together with other Youth Service Bureaus, New London Public Schools, and agencies to organize community and family events. The Connecticut Youth Employment Program develops workforce skills and employs 14-24 year old young people year round at dozens of local sites in wide ranging fields, including career pipelines. COOL (Careers of our Lives) serves high school seniors, to improve individualized academic and employment competencies for placement in post-secondary education/training, and/or employment/apprenticeships. Teen Links serves middle/high school young people through school year employment, workforce certifications, life skills courses, development/resource trainings, and educational/cultural excursions. New London Community Connections Coalition (“NLCCC”) functions as a consortium of New London area organizations, dedicated to prevention of youth substance use and other risky behaviors, and mental health promotion. Efforts include community education, prevention initiatives, and youth/family capacity building. The Juvenile Review Board (“JRB”) is a community based program that diverts youth from the Juvenile Justice System and connects them to local services. Families With Service Needs (“FWSN”), including truancy, are addressed through analogous procedures and individualized support. School attendance promotion is pursued through a home visitation partnership with New London Public Schools.

Human Services: The Department of Human Services oversees and coordinates the non-profit human services delivery system to safe guard and improve the general wellbeing of City residents in New London. The Department, in partnership with first responders, Ledge Light Health District and Alliance for Living has developed and implemented a comprehensive initiative to prevent opioid overdose deaths and increase coordinated access to treatment and recovery support services. The Department oversees a system to reduce frequent transports to the emergency room for individuals who have overdosed. The Department operates the New London Senior Center and provides support for neighborhood groups and directs residents who are looking for rental assistance, utility assistance, food, homeless resources, mental health resources, domestic violence assistance, transportation assistance, etc. to resources available in the New London area.

The Senior Citizen Center is also administered by the Department of Human Services. It is responsible for serving in excess of two hundred lunches per day, distribution of surplus food commodities, providing escort services for visits to doctors, bus trips for shopping, the Rental Rebate Program, Medicare counseling, dissemination of information on available state and federal programs, and a variety of recreational programs and events.

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Public Parking: The Parking Authority oversees the City's off-street public parking facilities, which consist of a total of 1,736 parking spaces, and metered on-street public parking, which consist of a total of 175 parking spaces. The Parking Authority is composed of seven members; five are appointed by the City Council to five-year terms, a City Council Liaison appointed by the City Council, and the seventh is the Mayor. The City parking facilities include a downtown multi-level parking garage at Water Street, which has a capacity of 931 parking spaces. The garage is operated by a private parking company through a parking management agreement with the City. In addition, a series of surface lots, that consist of 250 parking spaces marketed under contract by the Parking Authority on behalf of the City, augment the parking garage. The two downtown surface lots located between Tilley and Golden Streets along Eugene O'Neill Drive provide a combined capacity of 201 spaces, the Fort Trumbull Parking Zone, which consist of 355 spaces, the Fort Trumbull Surface Lot which consist of 100 spaces, the Green Harbor Surface Lot has capacity for 18 spaces. the Marina Surface Lot which consist of 150 spaces. The expansion of the Marina Surface Lot (formerly known as the Pequot Avenue lot), serves a series of marinas and restaurants, contains 150 metered spaces for daily use and monthly passes will be available, electric charging station that will accept payment for charging electric vehicles has been installed. NL Smart Ride, the Uberlike, MicroTransit system, launched December 2021, ridership continues to increase resulting from numerous public information campaigns that shall continue for the remaining year to ensure millennials, seniors and underserved become aware of the affordable alternative transportation capability.

Public Works: The Public Works Department is responsible for the administration, care, and management of all public highways, beaches, parks, athletic fields, playgrounds, sidewalks, trees and brooks as well as litter control throughout the City. The Department is responsible for the Solid Waste Collection and Disposal Division, Recycling Program (see below), and collection of Hazardous Waste. It also maintains all of the City's public buildings. It is responsible for the maintenance of all street signs, streetlights, traffic lights, and the mechanical maintenance of all City-owned vehicles and equipment.

Inspection: The Building Inspection Division of the Office of Development and Planning is the City's regulatory authority for the Connecticut Building Code, the City's Demolition Ordinance, the City's Housing Code and the City's Flood Plain Management Ordinance. It provides all required inspection services for new construction, repairs, alterations and additions, issues demolition permits, inspects existing structures, and issues abatement orders for Housing Code compliance.

Solid Waste: The City operates under a Municipal Solid Waste Management Services Contract, as amended, (the "Services Contract") with the Southeastern Connecticut Regional Resources Recovery Authority (the "Authority") where it participates with twelve other municipalities in the Southeastern Connecticut System (the "System"). One additional area municipality, Fishers Island, New York, has contracted with the System for solid waste disposal services. The System consists of a massburn solid waste disposal and electric generation facility which is located in Preston, Connecticut.

Under the Services Contract, the City is required to deliver all solid waste generated within its boundaries, and to pay a uniform per ton disposal service payment (the "Service Payment") at the current rate of \$67.81 per ton.

Service Payments are payable so long as the System is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the Facility. The City's obligation to pay the Service Payment, so long as the System is so accepting the City's solid waste, is absolute and unconditional, is not subject to any setoff, counterclaim, recoupment, defense (other than payment itself) or other right which the City may have against the System or any person for any reason whatsoever, and is not to be affected by any defect in title, design, fitness for use, loss or destruction of the System. The City has pledged its full faith and credit to the payment of Service Payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the Service Payments.

Recycling Program: The City operates three refuse compactors and two recycling vehicles full-time with supplemental assistance for leaves, and yard waste. The City's goal of recycling 25% of its waste is close to being achieved; office paper, regional composting, and the recycling of food waste from public schools and restaurants offer potential for even more expansion. In the near future large-scale food composting will become a reality as the permitted Authority composting facility comes on-line.

EDUCATIONAL SYSTEM

New London Public Schools ("NLPS") is designated as an All Magnet District per Legislation (CT P.A 14-90, Sec. 37, (a)) and is currently transitioning to become Connecticut’s first and only all-magnet school district. NLPS serves more than 3,500 resident and non-resident students annually, in preschool – 12th grade. NLPS consists of one PreK school, three elementary schools (all of which successfully completed new construction) a multi-magnet middle school campus (currently under renovation and new construction), and a multi-magnet high school campus (which has just completed new renovation and construction). The NLPS offers the choice of three comprehensive magnet pathways, including International Education, Science, Technology, Engineering, Mathematics (STEM) and Visual & Performing Arts. The fully transitioned all-magnet district project will offer completed K-12 pathways as a viable, high-quality school choice option for all Connecticut residents.

EDUCATIONAL FACILITIES

Schools	Grades	Date of Construction	Classrooms	Enrollment 10/01/24	Rated Capacity (1)
Early Child Center at B.P. Mission.....	Pre-K	2005	8	66	120
Winthrop Elementary.....	K-5 (2)	1967/2011	27	449	600
Jennings Elementary.....	K-5 (2)	2008	30	406	600
Nathan Hale Arts Magnet School.....	K-5 (2)	1970/2013	39	445	600
Bennie Dover Jackson Multi-Magnet Middle					
School Campus.....	6-8	1951/1993/2024	79	476	850
Science and Technology Magnet High School (3)....	9-12	2005	12	N/A	420
New London High School Multi-Magnet					
Campus (including Arts Magnet Middle School)..	9-12	1970/2023	68	1,044	1,211
Total			263	2,886	4,401

- (1) Connecticut State Department of Education School Facilities Survey (ED050).
- (2) Includes Special Education Program students.
- (3) Enrollments figures included with the High School Multi-Magnet Campus.

Source: City of New London, Board of Education.

EDUCATIONAL ENROLLMENT (1, 2)

As of	Actual			
	October 1	PreK-5	6 - 8	9 - 12
2015	1,689	624	886	3,199
2016	1,757	602	963	3,322
2017	1,840	699	966	3,505
2018	2,095	844	968	3,907
2019	1,798	622	963	3,383
2020	1,669	640	939	3,248
2021	1,543	586	891	3,020
2022	1,420	571	857	2,848
2023	1,413	555	866	2,834
2024	1,366	476	1,044	2,886

- (1) As of October 1.
- (2) Excludes out-of-City District placements.

Source: City of New London Department of Education.

MUNICIPAL EMPLOYMENT (1)

Fiscal Year	2025	2024	2023	2022	2021	2020
Board of Education.....	684	761	741	768	650	643
General Government.....	249	245	253	246	248	250
Total.....	<u>933</u>	<u>1,006</u>	<u>994</u>	<u>1,014</u>	<u>898</u>	<u>893</u>

(1) Beginning in fiscal year 2021-22, the Board of Education accounts for ESSER funded employees.

Source: City of New London, Board of Education.

MUNICIPAL EMPLOYEES BARGAINING ORGANIZATIONS

Employees	Organization	Number of Employees	Current Contract Expiration
<u>General Government</u>			
Police.....	Local 724, Council 4, AFSCME, AFL-CIO.....	66	6/30/24 (1)
Fire.....	Local 1522, IAFF, AFL-CIO.....	62	6/30/25
Public Works.....	Local 1378, Council 4, AFSCME, AFL-CIO.....	74	6/30/26
Municipal Employees.....	Local 1303, 125, Council 4, AFSCME-CIO.....	29	6/30/26
	Organized.....	<u>231</u>	
	Non-Union.....	<u>18</u>	
	General Government sub-total.....	<u>249</u>	
<u>Board of Education</u>			
Teachers.....	New London Education Association.....	352	6/30/25
Administrators.....	New London Administration Education Association.....	25	6/30/26
Custodians.....	Local 1378A, Council 4, AFSCME, AFL-CIO.....	32	6/30/25
Secretaries.....	Professional Secretaries Association of New London Public Schools AFSCME Council 4, AFL-CIO Local 3705.....	31	6/30/25
Non-Certified Staff.....	Paraprofessionals and Tutors.....	148	6/30/27
	Organized.....	<u>588</u>	
	Non-Union.....	<u>96</u>	
	Board of Education sub-total.....	<u>684</u>	
	Total General Government and Board of Education.....	<u>933</u>	

(1) New contract has been agreed to in principle. However, it still needs to be ratified and approved by the City Council.

Source: City of New London, Personnel and Board of Education Departments.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

ECONOMIC DEVELOPMENT

The City is experiencing dynamic growth, driven by a thriving economy anchored by the defense and healthcare industries. At the forefront is Electric Boat ("EB"), a division of General Dynamics, which has secured over \$43 billion in contracts for the construction and support of U.S. Navy submarines. In 2024, the New London/Norwich region had a growth of 3.5% which was best in the state and ranked nationally due to its growing economy. The award of an additional \$5.1 billion in 2017 for the Columbia Class Submarine design, along with a significant maintenance contract for the Virginia Class Submarine 'Indiana,' ensures a robust pipeline of work extending 15-30 years. The City expects this long-term commitment to sustain employment for over 4,400 engineering and technical professionals, primarily based in EB's impressive 762,000 square foot research and development complex in the City. An additional 3,000 jobs are proposed for 2025 for both ship builders and engineers that continues to build confidence in private and public investments.

The healthcare sector is equally vibrant, with Lawrence + Memorial Hospital ("L+M") serving as the city's second largest employer. With more than 2,500 employees, L+M has undergone rapid expansion, recently joining the Yale New Haven Health System. A major highlight is the completion of an \$81 million renovation of its emergency room, enhancing patient care with improved infrastructure and amenities. L+M's ongoing community outreach initiatives underscore its commitment to fostering health, home ownership, and vibrant neighborhoods throughout the City.

Exciting developments are also underway with the National Coast Guard Museum, which has officially broken ground on an 80,000 square foot state-of-the-art facility on the historic waterfront. This museum is projected to attract 300,000 annual visitors, further enriching the city's cultural landscape. The Capital Campaign has surpassed the halfway mark with \$75 million committed from individual, corporate, and governmental support, positioning the City as a pivotal destination for maritime heritage. In 2022-2024, the City has invested close to \$2 million in capital improvements to sidewalks, roads, lighting, signage, transportation, parking and historic preservation to ensure when the museum opens both residents and guest will enjoy this transformational project.

The City is proud to be home to the U.S. Coast Guard Academy and associated research facilities, reinforcing our longstanding partnership with the Coast Guard. In recognition of this collaboration, the City was designated a "Coast Guard City" in 2020, celebrating our shared history and commitment to national maritime defense.

The Renaissance City Development Association ("RCDA") is spearheading the redevelopment of the Fort Trumbull peninsula, a 90-acre site with the potential for 300,000 square feet of new development. Recent projects include the completion of a 137-unit multi-family apartment complex and an additional 80 units completed in 2024. RJ Development has also added a 200-unit apartment complex within walking distance of EB. The pipeline includes projects approved for construction, encompassing 650 units of multi-family housing and a 100-unit extended stay hotel. In addition, the City has financed and is constructing a state-of-the-art community and recreation center located in Fort Trumbull that broke ground in 2023. Together, these initiatives represent over \$100 million in new construction, addressing the growing housing needs of our workforce. The City's current pipeline of housing includes a total of 1,300 approved housing units that represent close to \$350 million of construction with an economic impact of \$87 million in spending over the next 7 years plus an average of 629 jobs per year. *(Based on The Associated General Contractors Economic Development Impact Formula).*

The City's downtown waterfront is a vibrant hub, featuring Waterfront Park—a popular venue for summer events that attract thousands of visitors each summer from surrounding areas. With a scenic 2,500-foot bicycle and pedestrian walkway, the park includes a large plaza with a stage for concerts and events. The renovated City Pier, home to the U.S. Coast Guard Barque Eagle, enhances our maritime offerings and serves as a key landing for the Thames River Heritage Park's water taxi service, connecting visitors to rich cultural attractions along the river.

Downtown New London is further enlivened by Parade Plaza, a public space ideal for music events and festivals, conveniently located near our multi-modal transportation hub. Recent expansions of Shoreline East Commuter Rail, alongside improvements to Union Station and public parking facilities, enhance accessibility to our city. Notable investments, including over \$800,000 in parking garage upgrades and a \$14 million grant for further expansion, emphasize our commitment to infrastructure and community connectivity.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	City of New London	New London County	Southeastern CT Planning Region (1)	State of Connecticut
1980	28,842	238,409	n/a	3,107,576
1990	28,540	254,957	n/a	3,287,116
2000	25,671	259,088	n/a	3,405,565
2010	27,620	274,055	n/a	3,574,097
2023	27,199	n/a	279,025	3,598,348

(1) Starting with the 2019-23 American Community Survey data, the area was adjusted to reflect the Southeastern CT Planning Region. Previous to the 2022 data, the New London County data is displayed.

Source: U.S. Census Bureau and 2019-2023 American Community Survey.

AGE CHARACTERISTICS OF POPULATION

Age	City of New London		Southeastern CT Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,363	5.0	13,480	4.8	181,240	5.0
5 - 9.....	1,138	4.2	13,724	4.9	195,390	5.4
10 - 14.....	1,769	6.5	17,087	6.1	217,297	6.0
15 - 19.....	2,260	8.3	18,101	6.5	238,145	6.6
20 - 24.....	3,164	11.6	19,509	7.0	233,423	6.5
25 - 34.....	3,860	14.2	36,571	13.1	449,771	12.5
35 - 44.....	3,722	13.7	33,072	11.9	451,461	12.5
45 - 54.....	2,578	9.5	33,540	12.0	462,543	12.9
55 - 59.....	1,924	7.1	20,896	7.5	260,758	7.2
60 - 64.....	1,504	5.5	19,902	7.1	257,548	7.2
65 - 74.....	2,413	8.9	31,090	11.1	376,023	10.4
75 - 84.....	1,088	4.0	15,473	5.5	187,378	5.2
85 and over.....	416	1.5	6,580	2.4	87,371	2.4
Total	27,199	100.0	279,025	100.0	3,598,348	100.0

Source: U.S. Census Bureau and 2019-2023 American Community Survey.

INCOME DISTRIBUTION

	City of New London		Southeastern CT Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	231	4.1	1,629	2.3	22,973	2.5
\$ 10,000 to 14,999	289	5.1	1,577	2.2	12,547	1.4
\$ 15,000 to 24,999	353	6.2	2,552	3.6	29,893	3.3
\$ 25,000 to 34,999	583	10.3	3,355	4.7	35,598	3.9
\$ 35,000 to 49,999	535	9.4	5,535	7.8	61,793	6.7
\$ 50,000 to 74,999	989	17.4	9,588	13.5	108,046	11.8
\$ 75,000 to 99,999	796	14.0	8,874	12.5	108,216	11.8
\$100,000 to 149,999	933	16.4	14,941	21.0	185,242	20.2
\$150,000 to 199,999	487	8.6	10,907	15.3	128,574	14.0
\$200,000 or more	485	8.5	12,300	17.3	224,258	24.5
Total	5,681	100.0	71,258	100.0	917,140	100.0

Source: U.S. Census Bureau and 2019-2023 American Community Survey.

SELECTED WEALTH AND INCOME INDICATORS

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2023)</u>	<u>(2000)</u>	<u>(2023)</u>
City of New London.....	\$ 38,972	\$ 71,144	\$ 18,437	\$ 33,888
Southeastern CT Planning Region.....	n/a	106,791	n/a	45,691
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	49,600	96,922	21,690	43,289

Source: U.S. Census Bureau, Census 2000 and 2019-2023 American Community Survey.

EDUCATIONAL ATTAINMENT

Years of School Completed, Age 25 & Older

<u>Educational Attainment Group</u>	<u>City of New London</u>		<u>Southeastern CT Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	1,000	5.7	5,645	2.9	101,530	4.0
9th to 12th grade.....	1,095	6.3	8,858	4.5	118,019	4.7
High School graduate.....	5,171	29.5	57,503	29.2	647,094	25.5
Some college - no degree.....	3,699	21.1	39,770	20.2	410,591	16.2
Associates degree.....	1,473	8.4	17,070	8.7	193,216	7.6
Bachelor's degree.....	2,886	16.5	37,885	19.2	581,935	23.0
Graduate or professional degree.....	2,181	12.5	30,393	15.4	480,468	19.0
Total.....	<u>17,505</u>	<u>100.0</u>	<u>197,124</u>	<u>100.0</u>	<u>2,532,853</u>	<u>100.0</u>
Percent High School Graduate or Higher.....		88.0%		92.6%		91.3%
Percent Bachelor's Degree or Higher.....		28.9%		34.6%		41.9%

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

MAJOR EMPLOYERS

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Electric Boat Corporation.....	Submarine Manufacturing/R&D.....	3,500
Lawrence + Memorial Hospital.....	Medical Center.....	2,500
City of New London.....	Government and Education.....	933
Connecticut College.....	Higher Education.....	909
U. S. Coast Guard	Military and Civilian.....	900
Day Publishing Company.....	Newspaper.....	280
Kindred Crossing.....	Healthcare.....	217
Cross Sound Ferry.....	Ferry Service.....	200
Sheffield Industries.....	Manufacturing.....	190
Mitchell College.....	Higher Education.....	124
Beachwood Rehab & Nursing Center....	Nursing & Convalescent Homes.....	105

Source: State of Connecticut, Department of Labor

EMPLOYMENT BY INDUSTRY

	City of New London		Southeastern CT Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	23	0.2	832	0.6	7,261	0.4
Construction.....	660	5.2	8,380	6.2	112,821	6.1
Manufacturing.....	2,185	17.2	19,845	14.6	195,355	10.6
Wholesale trade.....	73	0.6	1,831	1.4	37,294	2.0
Retail trade.....	1,809	14.2	14,431	10.7	192,535	10.5
Transportation & warehousing & utilities.....	288	2.3	5,099	3.8	84,571	4.6
Information.....	196	1.5	1,971	1.5	36,631	2.0
Finance, insurance, real estate.....	484	3.8	5,831	4.3	162,724	8.9
Professional, scientific & management.....	1,121	8.8	12,599	9.3	223,982	12.2
Educational, health & social services.....	3,569	28.1	35,291	26.0	490,839	26.7
Arts, entertainment & recreation.....	1,535	12.1	17,623	13.0	145,445	7.9
Other professional services.....	355	2.8	5,286	3.9	78,662	4.3
Public administration.....	415	3.3	6,479	4.8	67,335	3.7
Total.....	12,713	100.0	135,498	100.0	1,835,455	100.0

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

UNEMPLOYMENT RATE STATISTICS

Yearly Average	City of New London	Norwich- New London Labor Market	State of Connecticut	United States
	%	%	%	%
2014	8.7	6.9	6.6	6.2
2015	8.3	6.0	5.6	5.3
2016	7.2	5.1	4.8	4.9
2017	5.9	4.3	4.4	4.4
2018	5.2	3.8	3.9	3.9
2019	4.8	3.5	3.6	3.7
2020	13.3	10.0	8.0	8.1
2021	10.2	6.9	6.4	5.4
2022	5.6	4.1	4.1	3.7
2023	4.8	3.6	3.8	3.6
2024 Monthly				
January	6.1	4.8	5.0	4.1
February	6.6	5.2	5.4	4.2
March	5.1	4.0	4.2	3.9
April	4.4	3.5	3.5	3.5
May	5.2	3.9	4.1	3.7
June	3.6	2.7	2.8	4.3
July	4.7	3.4	3.5	4.5
August	4.6	3.3	3.4	4.4
September	3.4	2.5	2.5	3.9
October	3.3	2.3	2.5	3.9
November	3.7	2.7	2.7	4.0
December	3.6	2.6	2.7	3.8

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

NUMBER OF DWELLING UNITS

<u>2023</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>% Increase</u> <u>2010-2023</u>	<u>% Increase</u> <u>2000-2023</u>	<u>% Increase</u> <u>1990-2023</u>
12,514	11,840	11,560	11,424	5.69%	8.25%	9.54%

Source: U.S. Census Bureau and 2019-2023 American Community Survey.

CHARACTERISTICS OF HOUSING UNITS

<u>Sales Price Category</u>	<u>City of New London</u>		<u>Southeastern CT</u> <u>Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
	Less than \$50,000	95	2.1	2,919	3.9	22,174
\$ 50,000 to \$ 99,999	165	3.6	1,630	2.2	15,116	1.6
\$ 100,000 to \$149,999	460	9.9	3,703	4.9	38,832	4.1
\$ 150,000 to \$199,999	723	15.6	6,972	9.3	77,152	8.2
\$ 200,000 to \$299,999	1,948	42.0	23,759	31.7	233,824	24.9
\$ 300,000 to \$499,999	1,123	24.2	25,390	33.9	319,703	34.0
\$ 500,000 to \$999,999	104	2.2	9,154	12.2	173,643	18.5
\$1,000,000 and over	16	0.3	1,396	1.9	59,468	6.3
Total	<u>4,634</u>	<u>100.0</u>	<u>74,923</u>	<u>100.0</u>	<u>939,912</u>	<u>100.0</u>
 Median Value.....	 \$234,800		 \$293,900		 \$343,200	

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

AGE DISTRIBUTION OF HOUSING

<u>Year Built</u>	<u>City of New London</u>		<u>Southeastern CT</u> <u>Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier.....	5,844	46.7	29,396	23.4	313,434	20.4
1940 - 1949.....	605	4.8	5,250	4.2	95,842	6.2
1950 - 1959.....	1,549	12.4	14,279	11.4	221,879	14.4
1960 - 1969.....	1,491	11.9	15,671	12.5	198,807	12.9
1970 - 1979.....	1,134	9.1	17,530	13.9	210,611	13.7
1980 - 1989.....	678	5.4	15,832	12.6	197,533	12.9
1990 - 1999.....	387	3.1	10,663	8.5	116,617	7.6
2000 - 2009.....	452	3.6	11,738	9.3	108,430	7.1
2010 - 2019.....	347	2.8	4,908	3.9	66,546	4.3
2020 or later.....	27	0.2	461	0.4	6,350	0.4
Total.....	<u>12,514</u>	<u>100.0</u>	<u>125,728</u>	<u>100.0</u>	<u>1,536,049</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

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NUMBER AND VALUE OF BUILDING PERMITS

Fiscal Year	Residential		Industrial/Commercial		Total	
	Number of Permits	Value	Number of Permits	Value	Number Permits	Value
2024	749	\$ 14,874,569	332	\$ 26,881,918	1,081	\$ 41,756,487
2023	818	13,473,331	479	66,768,022	1,297	80,241,353
2022	837	13,696,355	271	66,347,580	1,108	80,043,935
2021	768	12,646,799	279	87,160,381	1,047	99,807,180
2020	730	8,022,018	322	55,691,459	1,052	63,713,477
2019	982	8,113,731	295	25,585,256	1,277	33,698,987
2018	894	4,996,814	432	20,155,009	1,326	25,151,823
2017	956	5,781,878	394	31,323,911	1,350	37,105,789
2016	861	6,079,743	311	8,576,076	1,172	14,655,819
2015	720	4,410,940	370	14,337,367	1,090	18,748,307

Source: City Officials; Building Inspector's Office.

BREAKDOWN OF LAND USE

Land Use by Category	Total Area	
	Acres	Percent
Residential.....	879	24.2
Commercial/Industrial/Utilities/Parking.....	405	11.2
Institutional.....	571	15.7
Vacant Land/Open Space.....	950	26.2
Roads/Water.....	826	22.7
Total.....	3,631	100.0

Source: City of New London.

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IV. TAX BASE DATA

ASSESSMENT PRACTICES

The Assessment Division of Finance is the local government office responsible for the valuation of all Real and Personal Property within the City limits as of October 1st each year.

The Real Property portion of the Grand List includes all land and improvements that are permanently attached to the land. Under certain circumstances, easements in air space are also separately assessed as real property, pursuant to §12-64. A revaluation or Mass Appraisal must be performed every 5 years in accordance with §12-62. It is the method by which an equitable tax base is maintained. The City last completed its mandated revaluation for the October 1, 2023 Grand List, which was effective for fiscal year 2024-25. Values may be recalculated between revaluations if there are modifications to an existing structure, total new construction, building or land change of use and subdivisions. Interaction between the Building and Planning Departments is crucial.

The Personal Property portion of the Grand List is filed annually on a form provided by the Assessor. It includes unregistered motor vehicles, Machinery and equipment and all business furniture, fixtures and equipment, electronic data equipment, expensed supplies, as well as all other business-related goods, chattels and effects, including leasehold improvements. All forms are reviewed and calculated into a value and assessment annually.

The Motor Vehicle portion of the Grand List is comprised of all vehicles registered with the State of Connecticut as of October 1st yearly, as well as a Supplemental list of all vehicles registered after October 1. The values are established based on a schedule of recommended values by the State of Connecticut, Secretary of the Office of Policy & Management. The assessment is 70% of the Clean Retail Value in that schedule. Adjustments to motor vehicle assessment may be made if the vehicle was sold, stolen, registered out of state or a total loss within the assessment year and the proper proof is provided.

Many exemptions are maintained by the Assessor including Veterans, Active-duty Servicemen, both in and out-of-State, Tax relief for the Elderly and/or Totally Disabled and exemptions for the Blind.

All portions of the List are combined each October 1 to create the "Grand List" of taxable property, which is filed the following January 31st.

All assessments may be appealed by written application to the New London Board of Appeals yearly.

PROPERTY TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the Grand List of the prior October 1, and all property taxes and motor vehicle taxes generally are payable in two installments (July 1 and January 1). Payments not received by August 1 and February 1 become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. Motor vehicle supplemental bills are payable on January 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget.

In accordance with state statute, the oldest outstanding tax on a specific property is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants issued. The Department of Motor Vehicles is notified of all motor vehicle delinquencies resulting in payment prior to registration. Ledge Light Health District assists in withholding of health licenses/permits for businesses seeking renewal who are more than one year in arrears. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible. Taxes become uncollectible fifteen years after the due date under state statutes.

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

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle rate at 32.46 mills for the assessment year commencing October 1, 2021. Section 4-66l of the General Statutes, as amended (“Section 4-66l”), diverts a portion of the state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to motor vehicle property tax cap. The City’s motor vehicle tax rate for current 2023 assessment year (Fiscal Year ending June 30, 2025) is 27.50 mills.

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Grand List of Oct. 1	Fiscal Year Ending '6/30	Net Taxable Grand List (1)	Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
						End of Each Fiscal Year	As of 6/30/2024
2023 (1,2)	2025 (1,2)	\$ 2,169,180,737	27.50	\$ 60,300,304	In Process	In Process	In Process
2022	2024	1,621,264,779	37.24	59,339,796	97.3	\$ 1,608,555	\$ 1,608,555
2021	2023	1,583,790,301	37.31	57,901,431	97.3	1,592,272	634,781
2020	2022	1,512,763,748	37.95	58,105,751	97.9	1,197,957	235,232
2019	2021	1,492,043,048	38.19	57,300,148	97.3	1,564,428	15,202
2018 (2)	2020 (2)	1,450,658,923	39.90	58,821,838	97.6	1,393,750	10,920
2017	2019	1,325,382,323	43.62	58,584,430	98.1	1,138,093	11,424
2016	2018	1,308,497,452	43.17	56,138,026	98.1	1,053,321	7,609
2015	2017	1,296,673,954	40.57	52,309,151	98.2	938,803	3,786
2014	2016	1,253,973,537	39.49	49,446,015	97.7	1,125,526	3,695

- (1) Adopted Budget.
- (2) Years of revaluations. The City's last revaluation is effective as of 10/01/2023. (See "Assessments Practices" herein).

Source: City of New London, Tax Collector's Office.

TAXABLE GRAND LIST

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/23 (1)	\$ 1,848,295,113	\$ 261,365,780	\$ 165,102,180	\$ 2,274,763,073	\$ 103,564,141	\$ 2,171,198,932
10/01/22	1,279,103,107	247,883,400	175,582,385	1,702,568,892	82,974,361	1,619,594,531
10/01/21	1,287,622,435	215,758,620	155,050,650	1,658,431,705	74,641,404	1,583,790,301
10/01/20	1,251,743,336	208,969,420	123,053,730	1,583,766,486	71,002,738	1,512,763,748
10/01/19	1,236,272,413	208,257,266	115,010,180	1,559,539,859	67,496,811	1,492,043,048
10/01/18 (1)	1,225,407,073	185,498,120	108,719,671	1,519,624,864	68,965,941	1,450,658,923
10/01/17	1,108,276,707	184,095,740	107,340,346	1,399,712,793	74,330,470	1,325,382,323
10/01/16	1,094,842,768	123,203,130	104,884,730	1,322,930,628	14,433,176	1,308,497,452
10/01/15	1,094,105,938	114,312,773	101,932,470	1,310,351,181	13,677,227	1,296,673,954
10/01/14	1,097,407,053	111,413,908	100,833,563	1,309,654,524	55,680,987	1,253,973,537

- (1) Years of revaluation.

Source: City of New London, Assessor's Office.

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REAL PROPERTY BREAKDOWN BY CATEGORY

Grand List Dated	Residential Real Property	Industrial & Commercial Real Property	All Land	Total Real Property
10/1/2023	\$ 1,077,929,680	\$ 752,802,933	\$ 17,562,500	\$ 1,848,295,113
10/1/2022	675,775,050	592,252,267	11,075,790	1,279,103,107
10/1/2021	670,814,849	605,369,826	11,437,760	1,287,622,435
10/1/2020	667,463,209	573,167,927	11,112,200	1,251,743,336
10/1/2019	664,941,669	560,243,394	11,087,650	1,236,272,713
10/1/2018	661,909,199	549,938,684	13,560,190	1,225,408,073
10/1/2017	624,143,194	473,485,143	10,648,370	1,108,276,707
10/1/2016	617,747,344	466,280,804	10,814,620	1,094,842,768
10/1/2015	615,651,672	466,785,464	11,668,802	1,094,105,938
10/1/2014	619,834,170	465,093,113	12,479,770	1,097,407,053

Source: City of New London, Assessor's Office.

LARGEST TAXPAYERS

Name of Taxpayer	Nature of Business	Valuation as of 10/01/2023	Rank	Percent of Total
Electric Boat Corporation.....	Submarine Manufacturing/R&D...	\$ 90,810,992	1	4.18
Yankee Gas.....	Public Utility.....	49,104,970	2	2.26
Eversource.....	Public Utility.....	39,137,220	3	1.80
G & I X New London Mall LLC	Shopping Mall.....	26,907,690	4	1.24
Nutmeg Woods LLC.....	Apartments.....	26,776,770	5	1.23
Villages at Shore Landing LLC.....	Apartments.....	26,202,900	6	1.21
Vesta Winthrop LLC (Apts Huntington St).....	Apartments.....	24,738,460	7	1.14
New London Shopping Center.....	Shopping Mall.....	13,179,500	8	0.61
Faire Harbour Landings LLC.....	Apartments.....	12,602,200	9	0.58
Mohican Historic Preservation LP.....	Real Estate.....	11,076,400	10	0.51
	Total.....	<u>\$ 320,537,102</u>		<u>14.76</u>

Source: City of New London, Assessor's Office.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2022	\$ 3,538,831,970	8.60%
2021	3,258,658,859	19.55%
2020	2,725,879,071	19.44%
2019	2,282,298,423	10.06%
2018 (1)	2,073,700,923	1.39%
2017	2,045,197,010	12.62%
2016	1,816,064,648	-1.86%
2015	1,850,395,191	-0.46%
2014	1,858,962,622	1.77%
2013 (1)	1,826,592,880	-0.61%

(1) Years of revaluation.

Source: State of Connecticut, Office of Policy and Management.

V. FINANCIAL INFORMATION

FISCAL YEAR

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

ACCOUNTING POLICIES

The City's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements ("Appendix A").

BASIS OF ACCOUNTING

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements ("Appendix A").

ANNUAL AUDIT

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the City of New London Charter, the City is obligated to undergo an annual examination by an independent certified public accountant. The auditors, PFK O'Connor Davies, LLP, were appointed by the City Council, and are required to conduct their examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receives a copy of said Audit Report when completed. The June 30, 2023 Annual Financial Report was completed January 29, 2024.

BUDGETARY PROCEDURES

The City adopts a budget for the General Fund, four Special Revenue Funds, three Enterprise Funds and the Pension Fund. The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

<u>Deadline</u>	
April 1	(1) The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
During April	(2) The City Council holds public deliberations during the month and submits the proposed budget and appropriation ordinance to the Board of Finance on or before May 1.
May 15	(3) The Board of Finance holds public deliberations for the budget and appropriation ordinance and submits its recommendations to the City Council on or before May 15.
May 15	(4) A public hearing by the City Council and Board of Finance is conducted to obtain taxpayer comments while the appropriation ordinance is under Board of Finance review.
On or before June 1	(5) The budget is legally enacted through passage of the appropriation ordinance.
July 1	(6) The fiscal year begins.
	(7) During the fiscal year additional appropriation requests are submitted by the Mayor to the City Council for approval.

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EMPLOYEE PENSION SYSTEMS

The City’s Pension Plans cover all employees of the City with the exception of teachers and school administrators, covered by the State Teachers’ Retirement Fund. Police Officers and Fire Fighters are covered by the State Municipal Employees’ Retirement Fund ("MERS"). The City’s Public Works employees were transferred into the MERS on January 1, 2016. In addition to administering several Defined Contribution Pension Plans, which are 401(a) plans, the City is the administrator of two single-employer Defined Benefit Public Employee Retirement Systems ("PERS"). These two PERS are the City of New London Non-Contributory Pension Program and the City of New London Contributory Pension Program and are established and administered by the City to provide pension benefits for its non-teacher employees. Participation in either a Defined Contribution Pension Plan or a PERS is determined by union contract or, for non-union employees, by election.

The PERS contributory plan is considered to be part of the City’s financial reporting entity and is included in the City’s financial statements as a pension trust fund. The PERS non-contributory plan has been closed to new employees for many years and is funded on a pay-as-you-go basis from the General Fund of the City. This plan does not issue a stand-alone financial report, nor is it included in the report of a public employee’s retirement system. See Appendix A, Notes to the General Financial Statements, Exhibit L, Section IV, Employee Retirement Systems and Pension Plans, for additional information.

The City has implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective Fiscal Year 2015. Net position is based on fair market value as of June 30 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date for the Non-Contributory and Contributory Plans updated to July 1, 2023.

In accordance with GASB Statement No. 67, the components of the net pension liability of the City's pension plans as of June 30 were as follows:

	Non-Contributory				
	2024	2023	2022	2021	2020
Total pension liability.....	\$ 3,729,472	\$ 4,343,069	\$ 4,602,622	\$ 5,285,783	\$ 6,596,913
Plan fiduciary net position.....	-	-	-	-	-
Net pension liability.....	<u>\$ 3,729,472</u>	<u>\$ 4,343,069</u>	<u>\$ 4,602,622</u>	<u>\$ 5,285,783</u>	<u>\$ 6,596,913</u>
Plan fiduciary net position as a % of total pension liability.....	0.0%	0.0%	0.0%	0.0%	0.0%
	Contributory				
	2024	2023	2022	2021	2020
Total pension liability.....	\$ 41,205,389	\$ 41,083,409	\$ 42,878,191	\$ 43,645,164	\$ 42,959,948
Plan fiduciary net position.....	32,642,874	33,921,058	32,000,026	37,074,322	30,969,997
Net pension liability.....	<u>\$ 8,562,515</u>	<u>\$ 7,162,351</u>	<u>\$ 10,878,165</u>	<u>\$ 6,570,842</u>	<u>\$ 11,989,951</u>
Plan fiduciary net position as a % of total pension liability.....	79.2%	82.6%	74.6%	84.9%	72.1%

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The following represents the net pension liability of the City's pension plans, calculated using the discount rates listed below, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net Pension Liability			
Non-Contributory Plan.....	\$ 3,954,655	\$ 3,729,472	\$ 3,526,708

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability			
Contributory Plan.....	\$ 12,119,312	\$ 8,562,515	\$ 5,493,790

Based upon the most recent valuations, the combined accumulated plan benefits and assets are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AL) (b)	Unfunded AL (UAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
<u>Non-Contributory Plan</u>						
7/1/2023	\$ -	\$ 4,497,009	\$ 4,497,009	0.0%	\$ -	N/A
7/1/2022	-	4,666,644	4,666,644	0.0%	-	N/A
7/1/2021	-	5,693,018	5,693,018	0.0%	-	N/A
7/1/2020	-	5,931,524	5,931,524	0.0%	-	N/A
7/1/2019	-	6,120,851	6,120,851	0.0%	-	N/A
<u>Contributory Plan</u>						
7/1/2023	\$ 33,976,380	\$ 41,499,157	\$ 7,522,777	81.9%	\$ 3,683,976	204.2%
7/1/2022	32,853,123	41,669,792	8,816,669	78.8%	3,570,399	246.9%
7/1/2021	32,125,162	43,090,319	10,965,157	74.6%	3,740,378	293.2%
7/1/2020	30,516,294	43,928,046	13,411,752	69.5%	3,576,783	375.0%
7/1/2019	30,612,791	43,382,440	12,769,649	70.6%	3,289,035	388.2%

The following table represents a brief history of the City's funding of the pension plans:

Fiscal Year Ended June 30	Actuarially Determined Employer Contribution	Actual Contribution	Percentage Contributed
<u>Non-Contributory Plan</u>			
2025 (1)	\$ 1,610,000	N/A	N/A
2024	1,272,000	565,224	44.4%
2023	1,213,000	575,412	47.4%
2022	1,073,000	584,675	54.5%
2021	968,000	615,825	63.6%
<u>Contributory Plan</u>			
2025 (1)	\$ 984,000	\$ 984,000	100.0%
2024	1,050,000	1,277,000	121.6%
2023	1,277,000	1,365,955	107.0%
2022	1,426,000	1,859,525	130.4%
2021	1,318,000	2,183,526	165.7%

(1) Adopted Budget.

OTHER POST-EMPLOYMENT BENEFITS

The City’s Other Post-Employment Benefits Program (the "Program") is a single-employer defined benefit healthcare plan administered by the City of New London. The Program provides medical and dental benefits to eligible retirees and their spouses as established through negotiations between the City and the various unions representing the employees. Eligible full-time and part-time employees of the City may elect to participate in the program. The City has established a trust for these benefits. The benefits are paid directly out of the General Fund on a pay-as-you-go basis.

The contribution requirements of Program members and the City/Board of Education are also negotiated with the various unions representing the employees. Retired Program members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as stated below. These are average costs with the actual costs to the retirees based on the employee group they were in when they retired.

The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

In accordance with GASB Statement No. 74 and No. 75, the net pension is based on the fair market value as of the end of the fiscal year and the total other post-employment benefit ("OPEB") liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the City as of June 30 were as follows:

	City Plan				
	2024	2023	2022	2021	2020
Total OPEB liability.....	\$ 30,150,252	\$ 30,058,344	\$ 23,219,789	\$ 27,036,096	\$ 31,978,592
Plan fiduciary net position.....	2,511,176	2,065,854	1,709,964	1,324,153	847,208
Net OPEB liability.....	<u>\$ 27,639,076</u>	<u>\$ 27,992,490</u>	<u>\$ 21,509,825</u>	<u>\$ 25,711,943</u>	<u>\$ 31,131,384</u>
Plan fiduciary net position as a % of total OPEB liability.....	8.33%	6.87%	7.36%	4.90%	2.65%

The following represents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Current Rate	1% Increase
	2.93%	3.93%	4.93%
Net City OPEB Liability.....	\$ 31,687,683	\$ 27,639,076	\$ 24,281,047

The City’s annual OPEB cost is calculated based on the annual determined employer contribution (“ADEC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ADEC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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Based upon the most recent valuations, the combined accumulated plan benefits and assets are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AL) (b)	Unfunded AL (UAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAL as a Percentage of Covered [(b) - (a) / (c)]
7/1/2022	\$ 1,709,964	\$29,289,221	\$27,579,257	5.84%	\$49,095,378	56.2%
7/1/2020	847,208	25,780,008	24,932,800	3.29%	45,343,942	55.0%
7/1/2018	799,574	24,576,528	23,776,954	3.25%	43,484,835	54.7%
7/1/2016	457,270	27,530,217	27,072,947	1.66%	35,659,895	75.9%
7/1/2014	268,312	25,888,384	25,620,072	1.04%	33,302,000	76.9%

The following table represents a brief history of the City's funding of the OPEB liability:

Year Ended June 30	Actuarial Determined Employer Contribution	Actual Contribution	Percentage Contributed
2025 (1)	\$ 3,510,815	N/A	N/A
2024	3,341,113	1,547,237	46.3%
2023	3,003,663	1,328,756	44.2%
2022	2,787,457	1,674,472	60.1%
2021	2,700,093	1,056,579	39.1%

(1) Adopted Budgets.

INVESTMENT POLICIES AND PROCEDURES

The City Charter under Connecticut General Statutes Sections 7-400, as amended by Public Act 94-190, 7-401 and 7-402 govern the investments the City is permitted to acquire. Generally, the City may invest in certificates of deposit, repurchase agreements, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, certain mutual funds and money market mutual funds.

The City's investment practices have been to invest only in certificates of deposit, repurchase agreements, the State of Connecticut Tax-Exempt Proceeds Fund, and United States Treasury Bills. The City has followed these investment practices and the City's operating funds and capital funds are currently invested in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) the State of Connecticut Tax-Exempt Proceeds fund; and (3) United States Treasury Bills.

RISK MANAGEMENT

The City of New London and Public Schools have initiated a formal Risk Management improvement process to identify and mitigate potential sources of risk resulting from all City operations. The process involved conducting detailed risk assessments of all departments, analysis of historical claim data to identify loss trends and establishment of specific department risk improvement strategy to address sources of risk.

The formal Risk Management improvement process and strategy will proactively target reducing employee injuries and associated Workers' Compensation claims, address liability, auto and property risks through effective safety management initiatives. Aggressive claim management practices will mitigate open Workers' Compensation claims and liability cases. The entire process is over seen by a Risk Management Steering Committee which is comprised of City leadership and all department heads.

The City's objectives are to reduce the frequency and severity of workplace injuries, liability, auto and property risks that will result in a safe environment for New London employees and the public it serves.

PROPERTY TAX REVENUES

<u>Fiscal Year</u>	<u>General Fund Revenues (000's)</u>	<u>Property Tax Revenues (000's)</u>	<u>Property Tax As a % of General Fund Revenues</u>
2025 - Adopted Budget (1)	\$ 103,625	\$ 61,237	59.1
2024 - Estimated Actuals (1)	102,212	59,482	58.2
2023	106,088	56,686	53.4
2022	106,667	58,990	55.3
2021	100,018	57,626	57.6
2020	102,380	58,123	56.8
2019	101,304	58,073	57.3
2018	101,800	55,633	54.6
2017	98,850	52,114	52.7
2016	91,139	49,248	54.0

(1) Budgetary figures for fiscal years 2023-24 and 2024-25 do not include one-time pass-through state funding for the teachers’ retirement system pension liability. The figure was \$8,068,057 in fiscal year 2022-23.

Source: Annual audited financial statements, fiscal year 2023-24 unaudited estimates and fiscal year 2024-25 adopted budget.

INTERGOVERNMENTAL REVENUES

<u>Fiscal Year</u>	<u>General Fund Revenues (000's)</u>	<u>Intergovernmental Revenues (000's)</u>	<u>Aid As % of General Fund Revenue</u>
2025 - Adopted Budget (1)	\$ 103,625	\$ 35,372	34.1
2024 - Estimated Actuals (1)	102,429	36,056	35.2
2023	106,088	43,232	40.8
2022	106,667	40,293	37.8
2021	100,018	37,594	37.6
2020	102,380	38,033	37.1
2019	101,304	38,141	37.7
2018	101,800	40,031	39.3
2017	98,850	40,325	40.8
2016	91,139	36,544	40.1

(1) Budgetary figures for fiscal years 2023-24 and 2024-25 do not include one-time pass-through state funding for the teachers’ retirement system pension liability. The figure was \$8,068,057 in fiscal year 2022-23.

Source: Annual audited financial statements, fiscal year 2023-24 unaudited estimates and fiscal year 2024-25 adopted budget.

MUNICIPAL BUDGET EXPENDITURES CAP

Connecticut General Statutes Section 4-661, as amended (“Section 4-661”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities that increase its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the “expenditure cap”). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded. The Governor’s 2024-25 biennium budget legislation includes funding to the City for the municipal revenue sharing grant in fiscal year ending June 30, 2024 and June 30, 2025. The City is expected to receive \$1.1M in both years.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

COMPARATIVE GENERAL FUND OPERATING STATEMENT
(Budget and Actual – Budgetary Basis)

	Fiscal Year 2022-23			FY 2023-24 Unaudited Estimates	FY 2024-25 Adopted Budget
	Final Budget	Actual	Variance Favorable (Unfavorable)		
REVENUES					
Property taxes.....	\$ 60,019,935	\$ 56,686,098	\$ (3,333,837)	\$ 59,481,897	\$ 61,237,298
Intergovernmental revenue.....	31,998,384	35,163,462	3,165,078	36,056,281	35,371,861
Charges for services.....	5,570,500	5,971,506	401,006	6,255,494	6,296,025
Interest income.....	436,732	198,491	(238,241)	635,675	719,874
TOTAL REVENUES.....	98,025,551	98,019,557	(5,994)	102,429,347	103,625,058
EXPENDITURES					
City council.....	316,158	306,378	9,780	334,271	344,413
Probate court.....	30,000	33,369	(3,369)	27,119	35,000
Office of the Mayor.....	987,333	974,618	12,715	1,073,644	1,198,249
Elections.....	116,318	114,082	2,236	151,529	151,418
Finance.....	3,306,898	3,099,541	207,357	3,113,769	3,159,697
City clerk.....	304,831	297,554	7,277	356,157	404,428
Contingency.....	391,876	-	391,876	-	85,000
Law.....	375,000	364,149	10,851	641,196	385,000
Police.....	12,675,733	12,659,111	16,622	13,154,919	13,216,920
Fire.....	10,008,901	10,949,568	(940,667)	11,101,604	11,493,082
Civil preparedness.....	26,000	24,473	1,527	26,115	26,050
Public works.....	8,252,953	8,393,798	(140,845)	8,482,143	8,641,698
Health and welfare.....	207,784	207,784	-	209,750	209,750
Recreation.....	976,807	980,574	(3,767)	1,105,336	1,139,117
Library.....	1,048,110	1,048,110	-	1,100,600	1,155,600
Human services / senior center.....	517,278	493,393	23,885	551,745	567,640
Development and planning.....	1,476,974	1,370,317	106,657	1,429,778	1,613,301
Employee benefit payments.....	4,380,505	3,908,787	471,718	3,893,074	1,696,011
Education.....	45,215,500	44,945,791	269,709	45,595,976	47,451,526
TOTAL EXPENDITURES.....	90,614,959	90,171,397	443,562	92,348,725	92,973,900
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES:.....	7,410,592	7,848,160	437,568	10,080,622	10,651,158
OTHER FINANCING SOURCES (USES):					
Transfers in.....	657,500	1,868,979	1,211,479	685,400	600,000
Transfers out.....	(8,068,092)	(7,535,208)	532,884	(8,835,609)	(11,251,158)
TOTAL OTHER FINANCING					
SOURCES (USES):.....	(7,410,592)	(5,666,229)	1,744,363	(8,150,209)	(10,651,158)
Net change in budgetary fund balance.....	\$ -	2,181,931	\$ 2,181,931	\$ 1,930,413	\$ -
Budgetary Fund Balance, beginning.....		19,245,358			
Budgetary Fund Balance, ending.....		<u>\$ 21,427,289</u>			

Source: Fiscal year 2022-23 audited financials, fiscal year 2023-24 unaudited estimates and fiscal year 2024-25 adopted budget.

COMPARATIVE GENERAL FUND BALANCE SHEETS
Summary of Assets and Liabilities
(GAAP Basis)

Fiscal Year Ended:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash and cash equivalents.....	\$ 6,418,263	\$ 677,124	\$ 680,210	\$ 844,538	\$ 791,223
Investments.....	17,403,915	17,810,119	21,645,866	19,863,925	19,051,706
Receivables, net of allowance for.....					
uncollectible amounts.....	1,853,445	3,121,134	2,966,509	4,497,130	4,839,426
Due from other funds.....	1,843,048	6,638,324	3,410,957	8,219,761	12,311,899
Prepays.....	-	-	638,169	645,786	403,094
Total Assets.....	<u>\$27,518,671</u>	<u>\$28,246,701</u>	<u>\$29,341,711</u>	<u>\$34,071,140</u>	<u>\$37,397,348</u>
LIABILITIES					
Accounts payable.....	\$ 6,693,377	\$ 6,775,845	\$ 6,123,252	\$ 5,513,737	\$ 5,739,524
Accrued wages and related liabilities.....	2,280,407	1,744,772	2,815,565	3,689,157	2,485,221
Due to other funds.....	807,368	430,585	484,550	-	1,044,849
Deferred and unearned revenue.....	12,595	12,595	-	-	-
Overpayments.....	312,420	406,247	387,171	270,046	266,909
Performance bonds.....	690,075	583,817	590,697	716,452	695,863
Total Liabilities.....	<u>10,796,242</u>	<u>9,953,861</u>	<u>10,401,235</u>	<u>10,189,392</u>	<u>10,232,366</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes.....	1,282,332	2,125,005	2,469,550	1,929,173	2,387,884
Advanced property tax collections.....	360,400	391,968	269,137	603,187	1,399,027
Leases related.....	-	-	-	2,104,030	1,950,782
Total Deferred Inflows of Resources.....	<u>1,642,732</u>	<u>2,516,973</u>	<u>2,738,687</u>	<u>4,636,390</u>	<u>5,737,693</u>
FUND BALANCES					
Nonspendable.....	-	-	638,169	645,786	514,069
Unassigned.....	15,079,697	15,775,867	15,563,620	18,599,572	20,913,220
Total Fund Balances.....	<u>15,079,697</u>	<u>15,775,867</u>	<u>16,201,789</u>	<u>19,245,358</u>	<u>21,427,289</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$27,518,671</u>	<u>\$28,246,701</u>	<u>\$29,341,711</u>	<u>\$34,071,140</u>	<u>\$37,397,348</u>

(1) Fiscal year 2022-23 draft audited financials.

Source: Fiscal year 2022-23 draft audited financials and annual audited financial statements.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

	Actual <u>2018-19</u>	Actual <u>2019-20</u>	Actual <u>2020-21</u>	Actual <u>2021-22</u>	Actual <u>2022-23</u>
Nonspendable.....	\$ -	\$ -	\$ 638,169	\$ 645,786	\$ 514,069
Unassigned.....	15,079,697	15,775,867	15,563,620	18,599,572	20,913,220
Total Fund Balance.....	<u>\$ 15,079,697</u>	<u>\$ 15,775,867</u>	<u>\$ 16,201,789</u>	<u>\$ 19,245,358</u>	<u>\$ 21,427,289</u>
Unassigned Fund Balance as % of Total Expenditures & Transfers.....	<u>15.18%</u>	<u>15.41%</u>	<u>15.61%</u>	<u>17.84%</u>	<u>19.77%</u>

COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES
Summary of Audited Revenues and Expenditures
(GAAP Basis)

Fiscal Year Ended:	2019	2020	2021	2022	2023
REVENUES					
Property taxes.....	\$ 58,072,702	\$ 58,123,246	\$ 57,625,978	\$ 58,989,685	\$ 56,686,098
Intergovernmental.....	38,140,977	38,032,723	37,594,120	40,293,427	43,231,519
Charges for services.....	4,482,617	6,096,775	4,712,049	6,649,338	5,971,506
Interest income.....	90,466	126,993	85,623	734,249	148,491
Other.....	517,009	-	-	-	50,000
Total Revenues.....	101,303,771	102,379,737	100,017,770	106,666,699	106,087,614
EXPENDITURES					
Current:					
General government.....	5,875,165	5,735,541	5,897,825	6,570,459	6,560,008
Public safety.....	19,951,326	21,005,868	21,788,528	22,634,859	23,633,152
Public works.....	8,272,500	7,816,593	7,771,682	8,383,448	8,393,798
Health and welfare.....	198,872	199,348	204,489	203,852	207,784
Culture and recreation.....	1,852,281	1,865,421	1,931,757	2,376,015	2,522,077
Employee benefits.....	4,221,987	4,193,939	4,642,550	4,880,073	3,908,787
Education.....	50,333,981	50,927,901	49,960,330	50,965,518	53,013,848
Total Expenditures.....	90,706,112	91,744,611	92,197,161	96,014,224	98,239,454
Revenues over expenditures.....	10,597,659	10,635,126	7,820,609	10,652,475	7,848,160
Other Financing Sources (Uses)					
Operating transfers in.....	268,300	658,404	101,345	650,000	1,868,979
Operating transfers out.....	(8,607,990)	(10,597,360)	(7,496,032)	(8,258,906)	(7,535,208)
Total Other Financing Sources (Uses).....	(8,339,690)	(9,938,956)	(7,394,687)	(7,608,906)	(5,666,229)
Net change in fund balances.....	2,257,969	696,170	425,922	3,043,569	2,181,931
Fund Balance - July 1.....	12,821,728	15,079,697	15,775,867	16,201,789	19,245,358
Fund Balance - June 30.....	\$ 15,079,697	\$ 15,775,867	\$ 16,201,789	\$ 19,245,358	\$ 21,427,289

Source: Annual audited financial statements.

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COMPARATIVE BALANCE SHEETS – ENTERPRISE FUND

Fiscal Year Ended:	2019	2020	2021	2022	2023
OPERATING REVENUES					
Charges for services.....	\$ 16,744,541	\$ 16,791,487	\$ 16,041,519	\$ 16,412,509	\$ 18,277,215
OPERATING EXPENSES					
Personnel services.....	455,196	539,277	540,466	1,151,332	1,176,806
Contractual services.....	12,466,026	12,231,194	10,959,264	12,293,644	13,477,955
Supplies and materials.....	219,515	257,965	152,527	28,900	35,510
Insurance and property taxes.....	308,854	769,973	598,502	344,657	354,518
Depreciation.....	3,624,804	3,269,435	3,390,548	3,382,974	3,377,644
Repairs and maintenance.....	468,440	1,884,190	1,595,024	1,172,534	256,508
Electricity.....	-	1,097,011	1,240,146	1,153,302	1,122,791
Other.....	284,523	-	32,845	-	-
Capital outlay.....	76,576	-	-	-	-
TOTAL OPERATING EXPENSES.....	17,903,934	20,049,045	18,509,322	19,527,343	19,801,732
OPERATING INCOME (LOSS).....	(1,159,393)	(3,257,558)	(2,467,803)	(3,114,834)	(1,524,517)
NONOPERATING REVENUES (EXPENSES)					
Investment income.....	753,985	683,607	339,891	460,755	495,309
Net change in fair value of investments...	-	-	871,949	(1,098,706)	196,232
Grants and contributions.....	100,000	458,596	100,000	-	70,341
Settlement.....	-	-	-	-	17,413
Interest expense.....	(293,132)	(252,241)	(355,292)	(288,582)	(251,867)
TOTAL NONOPERATING REVENUES (EXPENSES).....	560,853	889,962	956,548	(926,533)	527,428
INCOME (LOSS) BEFORE TRANSFERS.....	(598,540)	(2,367,596)	(1,511,255)	(4,041,367)	(997,089)
TRANSFER OUT.....	(100,000)	(300,000)	(100,000)	(100,000)	(50,000)
TRANSFER IN.....	60,000	60,000	100,000	250,000	1,050,000
CHANGE IN NET ASSETS.....	(638,540)	(2,607,596)	(1,511,255)	(3,891,367)	2,911
TOTAL NET POSITION - JULY 1.....	124,491,255	123,852,715	121,245,119	119,733,864	115,842,497
TOTAL NET POSITION - JUNE 30.....	\$123,852,715	\$121,245,119	\$119,733,864	\$115,842,497	\$115,845,408

Source: Annual audited financial statements.

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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUND**

Fiscal Year Ended:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assets					
Current assets:					
Cash and investments.....	\$ 11,597,860	\$ 13,061,692	\$ 8,938,668	\$ 10,886,848	\$ 13,888,187
Receivables, net of allowances for collection losses.....	2,252,209	2,252,375	2,187,690	2,740,664	2,333,947
Intergovernmental receivable.....	-	-	-	-	39,832
Prepaid expenses.....	618,101	19,599	-	-	-
Due from other funds.....	1,119,544	145,470	-	-	-
Total current assets.....	<u>15,587,714</u>	<u>15,479,136</u>	<u>11,126,358</u>	<u>13,627,512</u>	<u>16,261,966</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments.....	10,911,507	12,384,474	13,797,865	13,512,150	14,352,696
Capital assets (net).....	111,343,293	111,158,019	109,970,849	107,072,351	105,409,088
Total assets.....	<u>137,842,514</u>	<u>139,021,629</u>	<u>134,895,072</u>	<u>134,212,013</u>	<u>136,023,750</u>
Deferred Outflows of Resources					
Deferred charge on refunding.....	108,223	-	3,750	2,500	1,250
Liabilities					
Current liabilities:					
Cash overdraft.....	-	-	-	-	-
Accounts payable and accrued liabilities.....	564,170	881,891	766,411	1,665,106	1,544,028
Retainage payable.....	17,245	144,672	85,746	21,226	22,287
Accrued payroll.....	15,302	-	21,848	24,139	20,071
Accrued interest.....	64,136	54,991	89,117	80,809	70,416
Due to other funds.....	1,798,171	4,507,237	3,056,787	6,062,497	9,310,907
Overpayments.....	115,603	100,572	166,574	200,643	208,038
Unearned revenue.....	200,572	124,851	48,029	322,454	572
Bonds and notes payable.....	978,576	1,025,913	907,450	955,638	949,364
Total current liabilities.....	<u>3,753,775</u>	<u>6,840,127</u>	<u>5,141,962</u>	<u>9,332,512</u>	<u>12,125,683</u>
Noncurrent liabilities:					
Bonds, notes and related liabilities.....	10,344,247	10,851,619	9,909,462	8,934,703	7,957,841
Total liabilities.....	<u>14,098,022</u>	<u>17,691,746</u>	<u>15,051,424</u>	<u>18,267,215</u>	<u>20,083,524</u>
Net Position					
Net investment in capital assets.....	100,128,693	100,825,375	100,732,731	98,407,543	97,733,838
Restricted for specific purposes.....	12,126,610	12,374,474	13,797,865	6,183,960	14,352,696
Unrestricted.....	11,597,412	8,035,270	5,203,268	3,922,804	3,758,874
Total net position.....	<u>\$ 123,852,715</u>	<u>\$ 121,235,119</u>	<u>\$ 119,733,864</u>	<u>\$ 108,514,307</u>	<u>\$ 115,845,408</u>

Source: Annual audited financial statements.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of March 13, 2025 (Pro Forma)

Long-Term Debt: Bonds

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 3/13/25</u>	<u>Date of Fiscal Year Maturity</u>
<u>General Purpose</u>					
3/26/2015	General Purpose	2.25 - 4.00	\$ 5,350,000	\$ 2,400,000	2030
12/16/2016	Refunding - General Purpose	3.00 - 5.00	5,271,000	2,219,000	2030
3/15/2017	General Purpose	3.00 - 5.00	7,165,000	4,940,000	2037
3/8/2018	General Purpose	3.00 - 5.00	4,195,000	2,940,000	2038
3/21/2019	General Purpose	2.50 - 5.00	4,300,000	3,010,000	2039
3/21/2019	Refunding - General Purpose	2.50 - 5.00	3,285,000	1,775,000	2031
1/28/2020	General Purpose - Fire Trucks.....	2.78	1,840,000	969,639	2030
3/19/2020	General Purpose	2.00 - 4.00	2,200,000	2,000,000	2040
5/4/2020	General Purpose	3.125 - 5.00	3,200,000	2,750,000	2040
5/4/2020	Refunding - General Purpose	3.00 - 5.00	3,553,000	2,038,000	2034
10/14/2020	General Purpose	0.95 - 3.00	3,100,000	2,800,000	2041
10/14/2020	Refunding - General Purpose	0.75 - 2.35	3,950,000	3,153,000	2034
3/17/2022	General Purpose	3.00 - 5.00	3,800,000	3,800,000	2042
7/15/2022	General Purpose - Phone Equipment.....	4.35	307,548	127,291	2027
3/16/2023	General Purpose	4.00 - 5.00	4,050,000	4,050,000	2043
3/15/2024	General Purpose	4.00 - 5.00	6,000,000	6,000,000	2044
3/13/2025	General Purpose	TBD	5,673,000	5,673,000	2045
			\$ 67,239,548	\$ 50,644,929	
<u>Schools</u>					
12/16/2016	Refunding - Schools	3.00 - 5.00	4,349,000	1,831,000	2030
3/15/2017	Schools	3.00 - 5.00	505,000	325,000	2037
3/8/2018	Schools	3.00 - 5.00	600,000	420,000	2038
3/21/2019	Schools	2.50 - 5.00	7,000,000	4,900,000	2039
3/19/2020	Schools	2.00 - 4.00	7,000,000	6,400,000	2040
5/4/2020	Refunding - Schools	3.00 - 5.00	1,882,000	783,000	2034
10/14/2020	Refunding - Schools	0.75 - 2.35	4,455,000	3,462,000	2034
3/18/2021	Schools	1.25 - 4.25	13,300,000	12,750,000	2041
3/17/2022	Schools	3.00 - 5.00	10,000,000	10,000,000	2042
3/16/2023	Schools	4.00 - 5.00	4,500,000	4,500,000	2043
3/15/2024	Schools	4.00 - 5.00	7,032,000	7,030,000	2044
			\$ 60,623,000	\$ 52,401,000	
<u>Pensions</u>					
12/17/2015	Pension Deficit	1.25 - 4.60	4,000,000	2,615,000	2036
			\$ 4,000,000	\$ 2,615,000	
<u>Sewers</u>					
3/15/2017	Sewers.....	3.00 - 5.00	3,100,000	2,015,000	2037
			\$ 3,100,000	\$ 2,015,000	
<u>Water</u>					
1/31/2017	Drinking Water Fund Loan #2013-7025.....	2.00	5,534,628	3,261,971	2036
5/4/2020	Water.....	3.125 - 5.00	1,650,000	1,440,000	2040
5/4/2020	Refunding - Water	3.00 - 5.00	1,525,000	509,000	2027
			\$ 8,709,628	\$ 5,210,971	
	Total		\$ 143,672,176	\$ 112,886,900	

Short-Term Debt: The Series A Notes

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 3/13/25</u>	<u>Date of Fiscal Year Maturity</u>
<u>General Purpose</u>					
3/13/2025	General Purpose	TBD	12,500,000	12,500,000	2026
			\$ 12,500,000	\$ 12,500,000	
<u>Schools</u>					
3/13/2025	Schools	TBD	\$ 15,274,000	\$ 15,274,000	2026
			15,274,000	15,274,000	
	Total		\$ 27,774,000	\$ 27,774,000	

Short-Term Debt: The Series B Notes

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue Amount</u>	<u>Principal Outstanding as of 3/21/25</u>	<u>Date of Fiscal Year Maturity</u>
<u>General Purpose</u>					
3/21/2025	General Purpose	TBD	12,500,000	12,500,000	2026
			\$ 12,500,000	\$ 12,500,000	

Other Long-Term Commitments:

<u>Fiscal Year June 30:</u>	<u>Principal</u>	<u>Interest</u>
2024-25	\$ 503,830	\$ 69,973
2025-26	487,835	52,202
2026-27	244,401	34,675
2027-28	197,487	28,076
2028-29	156,214	22,744
2029-30	150,963	18,526
2030-31	122,361	14,450
2031-32	129,769	11,147
2032-33	137,500	7,643
2033-34	145,567	3,931
Total	\$ 2,275,927	\$ 263,367

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**COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
GENERAL FUND AND ENTERPRISE FUND**

As of March 13, 2025
(Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds	ALL ISSUES
	Principal Payments (1)	Interest Payments	Total Debt Service (1)	Principal Payments	Total Principal (1)
2024-25	\$ 7,024,682	\$ 3,789,765	\$ 10,814,448	\$ -	\$ 7,024,682
2025-26	7,782,623	3,504,491	11,287,114	-	7,782,623
2026-27	8,700,923	3,187,888	11,888,811	-	8,700,923
2027-28	8,366,761	2,843,231	11,209,992	253,000	8,619,761
2028-29	7,917,860	2,476,980	10,394,841	300,000	8,217,860
2029-30	8,024,224	2,220,874	10,245,098	250,000	8,274,224
2030-31	6,680,463	1,956,308	8,636,771	375,000	7,055,463
2031-32	6,391,528	1,749,350	8,140,878	375,000	6,766,528
2032-33	6,467,715	1,542,758	8,010,473	375,000	6,842,715
2033-34	6,564,027	1,347,423	7,911,450	375,000	6,939,027
2034-35	5,635,466	1,159,245	6,794,711	370,000	6,005,466
2035-36	5,527,880	987,198	6,515,078	300,000	5,827,880
2036-37	5,210,000	823,112	6,033,112	300,000	5,510,000
2037-38	4,790,000	659,913	5,449,913	300,000	5,090,000
2038-39	4,550,000	512,947	5,062,947	300,000	4,850,000
2038-40	3,985,000	384,066	4,369,066	300,000	4,285,000
2040-41	3,260,000	270,150	3,530,150	300,000	3,560,000
2041-42	2,185,000	170,750	2,355,750	300,000	2,485,000
2042-43	1,360,000	91,600	1,451,600	300,000	1,660,000
2043-44	930,000	37,200	967,200	300,000	1,230,000
2044-45	-	-	-	300,000	300,000
Total	\$ 111,354,152	\$ 29,715,250	\$ 141,069,402	\$ 5,673,000	\$ 117,027,152

(1) Includes water debt in the amount of \$5,715,054 paid from user charges. Does not reflect principal payments of \$4,140,252 to be made as of March 13, 2025.

Source: City of New London.

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COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
GENERAL FUND
As of March 13, 2025
(Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds	ALL ISSUES
	Principal Payments (1)	Interest Payments	Total Debt Service (1)	Principal Payments	Total Principal (1)
2024-25	\$ 6,276,169	\$ 3,564,493	\$ 9,840,663	\$ -	\$ 6,276,169
2025-26	7,026,730	3,308,749	10,335,479	-	7,026,730
2026-27	7,948,542	3,021,609	10,970,151	-	7,948,542
2027-28	7,848,782	2,698,350	10,547,132	253,000	8,101,782
2028-29	7,374,169	2,346,061	9,720,231	300,000	7,674,169
2029-30	7,474,706	2,104,432	9,579,138	250,000	7,724,706
2030-31	6,125,000	1,854,654	7,979,654	375,000	6,500,000
2031-32	5,830,000	1,662,799	7,492,799	375,000	6,205,000
2032-33	5,900,000	1,471,431	7,371,431	375,000	6,275,000
2033-34	5,990,000	1,291,139	7,281,139	375,000	6,365,000
2034-35	5,055,000	1,117,826	6,172,826	370,000	5,425,000
2035-36	5,080,000	960,310	6,040,310	300,000	5,380,000
2036-37	4,950,000	806,206	5,756,206	300,000	5,250,000
2037-38	4,685,000	651,775	5,336,775	300,000	4,985,000
2038-39	4,445,000	508,025	4,953,025	300,000	4,745,000
2039-40	3,880,000	382,425	4,262,425	300,000	4,180,000
2040-41	3,260,000	270,150	3,530,150	300,000	3,560,000
2041-42	2,185,000	170,750	2,355,750	300,000	2,485,000
2042-43	1,360,000	91,600	1,451,600	300,000	1,660,000
2043-44	930,000	37,200	967,200	300,000	1,230,000
2044-45	-	-	-	300,000	300,000
Total	\$ 103,624,098	\$28,319,985	\$131,944,083	\$ 5,673,000	\$ 109,297,098

(1) Does not reflect principal payments of \$3,636,169 to be made as of March 13, 2025.

Source: City of New London.

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COMBINED SCHEDULE OF LONG-TERM DEBT THROUGH MATURITY
ENTERPRISE FUND
As of March 13, 2025
(Pro Forma)

Fiscal Year	Existing Indebtedness		
	Principal Payments (1)	Interest Payments	Total Debt Service (1)
2024-25	\$ 748,513	\$ 225,272	\$ 973,785
2025-26	755,893	195,742	951,635
2026-27	752,381	166,279	918,660
2027-28	517,979	144,881	662,860
2028-29	543,691	130,919	674,610
2029-30	549,518	116,442	665,960
2030-31	555,463	101,654	657,117
2031-32	561,528	86,551	648,079
2032-33	567,715	71,327	639,042
2033-34	574,027	56,284	630,311
2034-35	580,466	41,419	621,885
2035-36	447,880	26,888	474,768
2036-37	260,000	16,906	276,906
2037-38	105,000	8,138	113,138
2038-39	105,000	4,922	109,922
2039-40	105,000	1,641	106,641
Total	\$ 7,730,054	\$ 1,395,265	\$ 9,125,319

(1) Includes water debt in the amount of \$5,715,054 paid from user charges. Does not reflect principal payments of \$504,803 to be made as of March 13, 2025.

Source: City of New London.

THE CITY OF NEW LONDON, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

The City has no overlapping or underlying indebtedness.

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DEBT STATEMENT

As of March 21, 2025

(Pro Forma)

Long-Term Indebtedness (1)	
The Bonds (This Issue).....	\$ 5,673,000
General Purpose.....	43,875,000
Schools.....	52,401,000
Sewers.....	2,015,000
Pensions.....	2,615,000
Equipment financing notes.....	1,096,929
Water (2).....	<u>5,210,971</u>
Total Long-Term Indebtedness.....	112,886,900
Short-Term Indebtedness	
The Series A Notes (This Issue).....	27,774,000
The Series B Notes (This Issue).....	12,500,000
State of CT Clean Water Fund IFO.....	<u>8,403,771</u>
Total Direct Indebtedness.....	161,564,671
Exclusions:	
Self-Supporting Water Debt.....	<u>(5,210,971)</u>
Total Net Direct Indebtedness.....	<u>\$ 156,353,700</u>

(1) Does not include authorized but unissued debt of \$34,144,247.

(2) Includes \$5,210,971 of self-supporting water debt which will be paid from user charges but guaranteed by the full faith and credit of the City.

CURRENT DEBT RATIOS

As of March 21, 2025

(Pro Forma)

Total Direct Indebtedness.....	\$ 161,564,671
Total Net Direct Indebtedness.....	\$ 161,564,671
Total Net Direct Indebtedness.....	\$ 156,353,700
Population (1).....	27,199
Net Taxable Grand List (10/1/23).....	\$ 2,171,198,932
Estimated Full Value.....	\$ 3,101,712,760
Equalized Net Taxable Grand List (2022) (2).....	\$ 3,538,831,970
Per Capita Income (2023) (1).....	\$33,888
Total Direct Indebtedness:	
Per Capita.....	\$5,940.10
To Net Taxable Grand List.....	7.44%
To Estimated Full Value.....	5.21%
To Equalized Net Taxable Grand List.....	4.57%
Per Capita to Per Capita Income.....	17.53%
Total Net Direct Indebtedness:	
Per Capita.....	\$5,748.51
To Net Taxable Grand List.....	7.20%
To Estimated Full Value.....	5.04%
To Equalized Net Taxable Grand List.....	4.42%
Per Capita to Per Capita Income.....	16.96%

(1) U.S. Census Bureau, 2019-2023 American Community Survey.

(2) Office of Policy and Management, State of Connecticut

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The City has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut (CGS) subject to statutory debt limitations and the requirements of the City Charter for the authorization of indebtedness.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will make proportional progress payments for eligible construction costs during certain phases of construction. The following projects will be reimbursed under this method:

<u>Project</u>	<u>Amount of Total Authorization</u>	<u>Estimated Non-reimbursable Costs</u>	<u>Estimated Eligible Costs for Reimbursement (1)</u>	<u>Estimated Reimbursement Rate (%)</u>	<u>Estimated Grant (1)</u>
21st Century School Buildings Program....	\$ 61,000,000	\$ 475,000	\$ 60,525,000	95.00	\$ 57,498,750
High School Magnet School Project.....	110,000,000	14,008,129	95,991,871	82.83	79,510,067
Bennie Dover Magnet School Project.....	55,000,000	7,004,065	47,995,935	82.83	39,755,033
Total.....	<u>\$ 226,000,000</u>	<u>\$ 21,487,194</u>	<u>\$ 204,512,806</u>		<u>\$ 176,763,850</u>

(1) Estimated grants for total project. Eligible costs to be determined upon completion of the project audit and are likely to change.

DRINKING WATER STATE REVOLVING FUND PROGRAM

The City is a participant in the State of Connecticut's Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance to the City through loans bearing interest at a rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the State of Connecticut as determined by the State Bond Commission as well as subsidies pursuant to the terms of Project Loan and Subsidy Agreements.

Pursuant to the Project Loan and Subsidy Agreement, the City is obligated to repay only that amount that it draws down for the Loan for the repayment of project costs ("Interim Fund Obligation"). The City delivered to the State obligations secured by the full faith and credit of the City and/or a dedicated source of revenue of such municipality.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program.

The City has one Permanent Loan Obligation ("PLO") bearing interest of 2% which was issued to the State of Connecticut under the Drinking Water State Revolving Fund Program. This obligation was financed on July 31, 2016 for \$5,534,628.

The City has the following Drinking Water State Revolving Fund loan outstanding:

<u>Project</u>	<u>Original 2% Loan Amount</u>	<u>Amount Outstanding As of March 13, 2025</u>
DWSRF 2013-7025.....	\$ 5,534,628	\$ 3,261,971

In addition to the permanent loans listed above, the City currently has an Interim Funding Obligation ("IFO") outstanding in the amount of \$8,403,771. The City is currently performing renovations and upgrades to its System-Wide Lead Services Lines which are expected to be financed through the State of Connecticut's Clean Water Fund. The City expects to receive \$5,832,167 in State and Federal Grants. The City's expected net share is \$2,571,604.

LIMITATION OF INDEBTEDNESS

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

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

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The CGS also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

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STATEMENT OF STATUTORY DEBT LIMITATION
As of March 21, 2025
(Pro Forma)

Tax collections (including interest and liens for the prior year) - Base for establishing debt limit \$ 58,471,912

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$ 131,561,802					
(4.50 times base).....		\$ 263,123,604				
(3.75 times base).....			\$ 219,269,670			
(3.25 times base).....				\$ 190,033,714		
(3.00 times base).....					\$ 175,415,736	
(7.00 times base).....						\$ 409,303,384
Indebtedness (Including the Bonds and Notes)						
Bonds Payable (1).....	\$ 43,875,000	\$ 52,401,000	\$ 2,015,000	\$ -	\$ 2,615,000	\$ 100,906,000
Equipment financing notes.....	1,096,929	-	-	-	-	1,096,929
The Bonds (This Issue).....	5,673,000	-	-	-	-	5,673,000
The Series A Notes (This Issue)...	12,500,000	15,274,000	-	-	-	27,774,000
The Series B Notes (This Issue)....	12,500,000	-	-	-	-	12,500,000
Authorized but Unissued Debt (2).....	100	5,982,546	-	-	-	5,982,646
Total Indebtedness.....	75,645,029	73,657,546	2,015,000	-	-	151,317,575
Less:						
School grants receivable (3).....	-	(28,483,265)	-	-	-	(28,483,265)
Total Net Indebtedness.....	75,645,029	45,174,281	2,015,000	-	-	122,834,311
Excess of Limit Over Outstanding and Authorized Debt.....	\$ 55,916,773	\$ 217,949,323	\$ 217,254,670	\$ 190,033,714	\$ 175,415,736	\$ 286,469,073

- (1) Does not include self-supporting water debt outstanding as of March 13, 2025 in the amount of \$5,210,971 excluded from the debt limit by Connecticut General Statute. Outstanding water bonds excluded are as follows: \$509,000 refunding issue of May 4, 2020 and \$1,400,000 bond issue of May 4, 2020. The City also has a State of Connecticut Drinking Water Revolving Fund Program Project Loan Obligation outstanding in the amount of \$3,261,971 and one IFO outstanding in the amount of \$8,403,771. (See "Drinking Water State Revolving Fund Program" herein).
- (2) Excludes \$28,161,601 of authorized but unissued water debt, per Connecticut General Statutes. (See "Authorized but Unissued Debt" herein).
- (3) It is estimated that the City will receive State of Connecticut School Construction grant progress payments in the amount of \$176,763,850 during the construction of the project. As of March 13, 2025, the City has received progress payments in the amount of \$148,280,585. (See "School Building Grant Reimbursements" and "Authorized but Unissued Debt" herein).

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AUTHORIZED BUT UNISSUED DEBT

Project	Amount Authorized	Prior Debt	Grants and Paydowns	The Series A Notes (This Issue)	The Series B Notes (This Issue)	The Bonds (This Issue)	Authorized But Unissued
21st Century School Buildings							
Program (1).....	\$ 61,000,000	\$ 5,497,000	\$ 54,080,698	\$ -	\$ -	\$ -	\$ 1,422,302
Bennie Dover Middle School Roof.....	6,200,000	600,000	4,229,879	220,000	-	-	1,150,121
Intake Pump - Lake Konomoc.....	6,500,000	5,534,628	-	-	-	-	965,372
Various City Infrastructure including:							
Various School Improvements, Veteran's Field Remediation and Parade Construction.....	3,300,100	3,300,000	-	-	-	-	100
High School Magnet School Project (1).....	110,000,000	30,488,000	72,603,280	3,500,000	-	-	3,408,720
Bennie Dover Magnet School Project (1).....	55,000,000	16,245,000	27,199,597	11,554,000	-	-	1,403
Community Center Project.....	30,000,000	7,500,000	-	12,500,000	10,000,000	-	-
The City Infrastructure Improvements							
Projects - 2023.....	2,100,000	-	-	-	-	2,100,000	-
The City Equipment Improvements - 2023.....	1,100,000	-	-	-	-	1,100,000	-
Lead Service Line Replacement Project (2).....	35,600,000	8,403,771	-	-	-	-	27,196,229
The City Infrastructure Improvements							
Projects - 2024.....	1,800,000	-	-	-	-	1,800,000	-
The City Equipment Improvements - 2024.....	673,000	-	-	-	-	673,000	-
The City Infrastructure Improvements							
Projects - 2025.....	1,800,000	-	-	-	1,800,000	-	-
The City Equipment Improvements - 2025.....	700,000	-	-	-	700,000	-	-
Total	<u>\$ 315,773,100</u>	<u>\$ 77,568,399</u>	<u>\$ 158,113,454</u>	<u>\$ 27,774,000</u>	<u>\$ 12,500,000</u>	<u>\$ 5,673,000</u>	<u>\$ 34,144,247</u>

- (1) It is estimated that the City will receive State of Connecticut School Construction grant progress payments in the amount of \$176,763,850 during the construction of the project. As of March 13, 2025, the City has received progress payments in the amount of \$148,280,585. (See "School Building Grant Reimbursements" and "Authorized but Unissued Debt" herein).
- (2) The City intends to fund this project with the Drinking Water State Revolving Fund Program.

HISTORICAL DEBT STATEMENT

	2023-24	2022-23	2021-22	2020-21	2019-20
Population (1).....	27,199	27,199	27,199	27,199	27,199
Net taxable grand list.....	\$ 1,619,594,531	\$ 1,583,790,301	\$ 1,512,763,748	\$ 1,492,043,048	\$ 1,450,658,923
Estimated full value.....	\$ 2,313,706,473	\$ 2,262,557,573	\$ 2,161,091,069	\$ 2,131,490,069	\$ 2,072,369,890
Equalized net taxable grand list (2)....	\$ 3,538,831,970	\$ 3,258,658,859	\$ 2,725,879,071	\$ 2,282,298,423	\$ 2,073,700,923
Per capita income (1).....	\$33,888	\$33,888	\$33,888	\$33,888	\$33,888
Short-term debt.....	\$ 44,316,771	\$ 30,460,000	\$ 35,830,000	\$ 22,600,000	\$ 22,520,000
Long-term debt.....	110,019,054	103,085,295	99,846,366	90,939,155	79,835,044
Total Direct debt.....	\$ 154,335,825	\$ 133,545,295	\$ 135,676,366	\$ 113,539,155	\$ 102,355,044
Net Direct debt.....	\$ 148,620,771	\$ 127,258,000	\$ 128,809,000	\$ 106,156,784	\$ 94,421,633

- (1) U.S. Census Bureau, 2019-2023 American Community Survey.
- (2) Office of Policy and Management, State of Connecticut

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HISTORICAL DEBT RATIOS

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Total Direct Indebtedness:					
Per capita.....	\$5,674.32	\$4,909.93	\$4,988.29	\$4,174.39	\$3,763.19
To net taxable grand list.....	9.53%	8.43%	8.97%	7.61%	7.06%
To estimated full value.....	6.67%	5.90%	6.28%	5.33%	4.94%
To equalized net taxable grand list.....	4.36%	4.10%	4.98%	4.97%	4.94%
Debt per capita to per capita income.....	16.74%	14.49%	14.72%	12.32%	11.10%
Net direct Indebtedness:					
Per capita.....	\$5,464.20	\$4,678.77	\$4,735.80	\$3,902.97	\$3,471.51
To net taxable grand list.....	9.18%	8.04%	8.51%	7.11%	6.51%
To estimated full value.....	6.42%	5.62%	5.96%	4.98%	4.56%
To equalized net taxable grand list.....	4.20%	3.91%	4.73%	4.65%	4.55%
Debt per capita to per capita income.....	16.12%	13.81%	13.97%	11.52%	10.24%

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS OUT

<u>Fiscal Year Ended 6/30</u>	<u>Annual Debt Service</u>	<u>Total General Fund Expenditures and Transfers out</u>	<u>Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %</u>
2025 (1)	\$ 8,751,158	\$ 104,225,058	8.40%
2024 (1)	8,599,199	102,166,772	8.42%
2023	7,230,653	105,774,662	6.84%
2022	6,575,748	104,273,130	6.31%
2021	7,135,193	99,693,193	7.16%
2020	7,807,023	102,341,971	7.63%
2019	6,719,997	99,314,102	6.77%
2018	6,476,811	97,194,615	6.66%
2017	7,107,921	96,408,560	7.37%
2016	5,018,476	90,633,637	5.54%

(1) Unaudited estimates for fiscal year 2023-24 and the adopted budget for fiscal year 2024-25.

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VII. LEGAL AND OTHER LITIGATION

LITIGATION

As of the date of this Official Statement, there are no claims or litigation pending or to the knowledge of the City threatened, which would individually or in the aggregate result in final judgments against the City which would have a materially adverse effect on the finances of the City or which would impact the validity of the Bonds and Notes or the power of the City to levy and collect taxes to pay the principal and interest on the Bonds and Notes when due.

LEGAL MATTERS

Tobin, Carberry, O'Malley, Riley & Selinger, P. C., of New London, Connecticut is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and Notes and will render its opinions with respect to the Bonds, the Series A Notes and the Series B Notes in substantially the forms attached to the Official Statement as Appendices B-1, B-2 and B-3, respectively.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the City on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the City as to the plan of finance and the structuring of the Bonds and Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds and Notes was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND THE NOTES

A Upon the delivery of the Bonds and the Notes, the original purchaser(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and Notes or the levy or collection of taxes to pay the principal of and interest on the Bonds and Notes;
2. A certificate on behalf of the City, signed by the Mayor and Director of Finance, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify to the best of said officials' knowledge and belief, as of the date of the Official Statement and the date of the closing, that the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Bonds and Notes;
4. The approving opinions of Tobin, Carberry, O'Malley, Riley & Selinger, P.C. of New London, Connecticut for the Bonds, the Series A Notes and the Series B Notes substantially in the forms attached to the Official Statement as Appendices B-1, B-2 and B-3, respectively;
5. Executed Continuing Disclosure Agreements for the Bonds, the Series A Notes and the Series B Notes in substantially the form attached to the Official Statement as Appendices C-1, C-2 and C-3, respectively; and

6. The City will provide the winning bidder(s) of the Bonds 15 copies and the Notes 10 copies of the final Official Statement, as prepared for this issue at the City's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder(s) at its own expense by arrangement with the printer. If the City's financial advisor is provided with the necessary information from the winning bidder(s) by 12:00 p.m. (Noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name(s) of the winning bidder(s) for the Bonds and Notes.

A transcript of the proceedings taken by the City in authorizing the Bonds and Notes will be kept on file at the principal office of U.S. Bank Trust Company, National Association of Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

Additional information may be obtained upon request from David McBride., Director of Finance, City of New London, 13 Masonic Street, New London, Connecticut 06320 at (860) 447-5218 or from the Municipal Advisor at (203) 421-2087.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds and Notes.

This Official Statement is submitted in connection with the sale of the Bonds and Notes and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly authorized and approved by the City and duly executed and delivered on its behalf by the City.

CITY OF NEW LONDON, CONNECTICUT

By: _____
Michael E. Passero
Mayor

By: _____
David F. McBride, Jr.
Director of Finance

Dated: February 21, 2025

APPENDIX A - FINANCIAL STATEMENTS

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Appendix A – Audited Financial Statements - is taken from the Annual Report of the City of New London for the Fiscal Year ending June 30, 2023 as presented by the auditors as of the date of their report to the City. This appendix does not include all of the schedules. A copy of the complete report is available upon request to the Director of Finance, City of New London, Connecticut. The auditors have not performed a subsequent review for this Official Statement.



Independent Auditors' Report

**City Council
City of New London, Connecticut**

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, Connecticut ("City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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'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.

Auditors' 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 auditors' 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 GAAS 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are 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 fund financial statements and schedules 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 financial report. The other information comprises the introductory and trend information sections but does not include the basic financial statements and our auditors' 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 January 29, 2024 on our consideration of the City'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'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's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
January 29, 2024



Department of Finance
13 Masonic Street
New London, CT 06320

Phone (860) 447-5218
Fax (860) 447-5297

CITY OF NEW LONDON

Management's Discussion and Analysis For the Year Ended June 30, 2023

As management of the City of New London, Connecticut ("City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. Please read it in conjunction with the City's financial statements immediately following this section.

Financial highlights

- On a government-wide basis, the assets and deferred outflows of resources of the City exceed its liabilities and deferred inflows of resources at the close of the most recent fiscal year as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Change in net position	\$ 16,707,353	\$ 2,911	\$ 16,710,264
Total net position	205,354,615	115,845,408	321,200,023
Unrestricted net position	(11,545,248)	3,758,874	(7,786,374)

- The significant factors for the change in net position are as follows:

Governmental and enterprise fund activity:

➤ positive operations of the general fund of	\$ 2,181,931
➤ negative operations of the capital nonrecurring fund of	(10,082,817)
➤ negative operations of the school projects fund of	(16,556,734)
➤ negative operations of the water pollution control authority fund of	(419,525)
➤ positive operations of the water department fund of	706,562
➤ negative operations of the ocean beach park fund of	(378,228)
➤ positive operations of the internal service funds of	695,743

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	38,322,988
➤ net long-term debt activity of	3,677,276
➤ change in net pension liability of	(16,432,834)
➤ change in net OPEB liability of	(6,482,665)
➤ change in deferred outflows of resources related to pension and OPEB of	11,633,667
➤ change in deferred inflows of resources related to pension and OPEB of	9,304,866

Management's Discussion and Analysis (continued)

- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,840,585, a decrease of \$25,192,228 in comparison with the prior year. The change is based on the operating results of each major fund noted above and described in further detail in the Financial Analysis of the City's Funds section.
- At the end of the current fiscal year, the unassigned fund balance in the general fund was \$20,913,220, or 21.40% of total general fund budgetary expenditures and transfers out.
- Net capital assets increased in the current year by \$36,659,725. The increase is primarily attributable to capital asset additions for construction in progress for school renovations.
- The City's total debt decreased by \$5,620,110 as a result of the scheduled principal payments of \$6,427,649, offset by the issuance of leases and equipment financing notes of \$807,539.
- During the year, the City implemented GASB No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity, but had the following impact on the Town's financial statements:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 952,497
Long-term liabilities:	
Subscription liability	952,497

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information as well as the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the City's financial health. Other non-financial events such as the impact of changes in the City's tax base or infrastructure should also be considered when evaluating the City's financial health.

The *statement of activities* presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and welfare, recreation and culture, and education. The business-type activities of the City include the Water Pollution Control Authority, Water Department, Storm Water Management, Ocean Beach Park and Water Street Parking Garage.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

For governmental funds, the City presents separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, capital nonrecurring fund, school projects fund and education grants fund, all of which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the other governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City uses two different types of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to report the activities of the Water Pollution Control Authority, Water Department, Storm Water Management, Ocean Beach Park and Water Street Parking Garage.

Internal service funds are an accounting device used for risk financing activities.

The City uses internal service funds to account for self-insured liability/auto/property, workers' compensation and heart and hypertension benefits as well as other liability insurances. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority, Water Department, Storm Water Management, Ocean Beach Park, Water Street Parking Garage and the internal service fund. The Water Pollution Control Authority and Water Department are considered major funds, while Storm Water Management, Ocean Beach Park, and Water Street Parking Garage are not.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found on Exhibits I and J.

Notes to financial statements. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on Exhibit K of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the City's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the City's progress in funding its obligation to provide other post-employment benefits.

Other information. Other required schedules and the combining statements and supplemental schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information section.

Government-wide financial analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$321,200,023 at the close of the current fiscal year.

The largest portion of the City's net position is its investment in capital assets. Net investment in capital assets is the total net capital assets less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis (continued)

An additional portion of the City's net position, \$16,509,989, represents resources that are subject to restrictions on how they may be used. For governmental activities, restrictions include grantor restrictions and restrictions by State Statutes (enabling legislation). For business-type activities the restrictions are for amounts billed for capital replacement and debt service. The remaining balance of unrestricted net position is \$(7,786,374).

Net position over time serves as a useful indicator of a government's financial position. The analysis below focuses on net position and changes in net position.

**Summary Statement of Net Position
June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)
Current and other assets	\$ 107,581,022	\$ 123,801,089	\$ 21,303,755	\$ 21,077,165	\$ 128,884,777	\$ 144,878,254
Capital assets (net)	359,326,192	321,003,204	105,409,088	107,072,351	464,735,280	428,075,555
Total assets	<u>466,907,214</u>	<u>444,804,293</u>	<u>126,712,843</u>	<u>128,149,516</u>	<u>593,620,057</u>	<u>572,953,809</u>
Deferred outflows of resources	28,956,332	17,322,665	1,250	2,500	28,957,582	17,325,165
Long-term liabilities	187,907,676	170,692,424	7,957,841	8,934,703	195,865,517	179,627,127
Other liabilities	81,371,474	72,860,931	2,814,776	3,270,015	84,186,250	76,130,946
Total liabilities	<u>269,279,150</u>	<u>243,553,355</u>	<u>10,772,617</u>	<u>12,204,718</u>	<u>280,051,767</u>	<u>255,758,073</u>
Deferred inflows of resources	21,229,781	29,926,341	96,068	104,801	21,325,849	30,031,142
Net position:						
Net investment in capital assets	214,742,570	176,160,274	97,733,838	98,407,543	312,476,408	274,567,817
Restricted	2,157,293	62,342,294	14,352,696	13,512,150	16,509,989	75,854,444
Unrestricted	<u>(11,545,248)</u>	<u>(49,855,306)</u>	<u>3,758,874</u>	<u>3,922,804</u>	<u>(7,786,374)</u>	<u>(45,932,502)</u>
Total net position	<u>\$ 205,354,615</u>	<u>\$ 188,647,262</u>	<u>\$ 115,845,408</u>	<u>\$ 115,842,497</u>	<u>\$ 321,200,023</u>	<u>\$ 304,489,759</u>

Management's Discussion and Analysis (continued)

As detailed below, the City's total net position increased by \$16,710,264 during the current fiscal year:

**Statement of Changes in Net Position
For the Years Ended June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 12,371,624	\$ 12,820,487	\$ 18,277,215	\$ 16,412,509	\$ 30,648,839	\$ 29,232,996
Operating grants and contributions	69,364,916	65,107,678	-	-	69,364,916	65,107,678
Capital grants and contributions	27,668,458	35,990,952	70,341	-	27,738,799	35,990,952
General revenues:						
Property taxes	57,292,238	58,477,610	-	-	57,292,238	58,477,610
Grants and contributions not restricted to specific programs	11,805,280	10,530,936	-	-	11,805,280	10,530,936
Income from investments	148,715	734,553	495,309	460,755	644,024	1,195,308
Net change in fair value of investments	-	-	196,232	(1,098,706)	196,232	(1,098,706)
Settlement	-	-	17,413	-	17,413	-
Total revenues	178,651,231	183,662,216	19,056,510	15,774,558	197,707,741	199,436,774
Expenses:						
General government	9,650,134	8,069,663	-	-	9,650,134	8,069,663
Public safety	30,332,288	27,063,976	-	-	30,332,288	27,063,976
Public works	14,646,607	12,483,657	-	-	14,646,607	12,483,657
Health and welfare	1,657,690	1,920,059	-	-	1,657,690	1,920,059
Recreation and culture	4,306,727	4,027,726	-	-	4,306,727	4,027,726
Education	97,289,138	88,366,053	-	-	97,289,138	88,366,053
Interest	3,061,294	2,345,273	-	-	3,061,294	2,345,273
Water Pollution Control Authority	-	-	7,374,224	7,440,935	7,374,224	7,440,935
Water Department	-	-	7,340,829	7,648,986	7,340,829	7,648,986
Storm Water Management	-	-	1,392,149	1,191,317	1,392,149	1,191,317
Ocean Beach Park	-	-	3,067,796	2,684,821	3,067,796	2,684,821
Water Street Parking Garage	-	-	878,601	849,866	878,601	849,866
Total expenses	160,943,878	144,276,407	20,053,599	19,815,925	180,997,477	164,092,332
Increase (decrease) in net position before transfers	17,707,353	39,385,809	(997,089)	(4,041,367)	16,710,264	35,344,442
Transfers	(1,000,000)	(150,000)	1,000,000	150,000	-	-
Change in net position	16,707,353	39,235,809	2,911	(3,891,367)	16,710,264	35,344,442
Net position - July 1	188,647,262	149,411,453	115,842,497	119,733,864	304,489,759	269,145,317
Net position - June 30	\$ 205,354,615	\$ 188,647,262	\$ 115,845,408	\$ 115,842,497	\$ 321,200,023	\$ 304,489,759

The increase in net position was primarily due to the following:

Governmental activities

Governmental activities resulted in an increase of the City's net position of \$16,707,353.

Revenues

Governmental activities revenues totaled \$178,651,231. This represents a decrease of \$5,010,985 from the prior year. Operating grants and contributions are the largest revenue source for the City and represent 38.83% of revenues. Details for the other categories are as follows:

Charges for services	6.93%
Operating grants and contributions	38.83%
Capital grants and contributions	15.49%
Property taxes	32.07%
Grants and contributions not restricted to specific programs	6.61%
Income from investments and net change in fair value of investments	<u>0.08%</u>
Total	<u><u>100.00%</u></u>

The most significant fluctuations from the prior year were as follows:

- Operating grants and contributions increased by \$4,257,238 primarily due to an increase in the ESSER grants of \$4,565,931.
- Capital grants and contributions decreased by \$8,322,494 primarily due to a decrease in the school construction grant of \$12,417,233 offset by an increase in the LOTCIP grant of \$2,085,360 and ARPA grant of \$1,412,913.
- Property taxes decreased by \$1,185,372 as compared to prior year due to a tax appeal judgment.

Expenses

Governmental activity expenses totaled \$160,943,878 for the fiscal year, an increase of \$16,667,471. Of the total expenses, \$97,289,138 or 60.45% is related to education. Details for the other categories are as follows:

General government	6.00%
Public safety	18.85%
Public works	9.10%
Health and welfare	1.03%
Recreation and culture	2.68%
Education	60.45%
Interest	<u>1.90%</u>
Total	<u><u>100.00%</u></u>

The most significant fluctuations from the prior year were as follows:

- General government expenses increased by \$1,580,471 due to an increase in pension expense of \$880,034 and ARPA grant related expenses of \$984,868.
- Public safety expenses increased by \$3,268,312 due to an increase in pension expense of \$2,154,509 and benefits claims expenses of \$658,966.
- Public works expenses increased by \$2,162,950 due to an increase in pension expense of \$1,054,767 and benefit claims expenses of \$364,838.
- Education expenses increased by \$8,923,085 primarily due to increases in:
 - ESSER grant expenses of \$4,565,931
 - general fund budget of \$1,134,037
 - state teachers' pension on behalf amount of \$966,241
 - OPEB expenses of \$554,349
 - adult education activities of \$514,681

Business-type activities

Business-type activities resulted in an increase in the City's net position of \$2,911.

Revenues

- Charges for services increased by \$1,864,706 due to an increase in the Water Department of \$948,933 and Ocean Beach Park of \$492,544 due to increased usage.
- Net change in fair value of investments increased by \$1,294,938 during the year due to the improvement in the market as compared to the prior year.

Expenses

- Ocean Beach Park expenses increased by \$382,975 due to an increase of \$292,334 in contractual services as a result of the increase in revenues noted above.

Financial analysis of the City's funds

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

Governmental funds. The focus on the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At year end, the City's governmental funds reported combined ending fund balances of \$24,840,585, a decrease of \$25,192,228 in comparison with the prior year.

Management's Discussion and Analysis (continued)

The components of fund balance were as follows:

Nonspendable	\$ 514,069
Restricted	2,157,293
Committed	58,314,367
Assigned	5,822,840
Unassigned	<u>(41,967,984)</u>
Total	<u>\$ 24,840,585</u>

The total fund balance decreased by \$25,192,228 as a result of the following activity:

General Fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$20,913,220. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 21.40% of total general fund budgetary expenditures and transfers out. The City Council's current policy requires 14.30% in unassigned fund balance of the following year's budget. This amount will be increased 1% per year until it reaches 16.67%.

The City's total fund balance in the general fund increased by \$2,181,931 during the current fiscal year. This was primarily due to transfers in from other funds over expectations by \$1,211,479 and expenditures and other financing uses were under expectations by \$976,446. A more detailed discussion is included under budgetary highlights.

Capital Nonrecurring Fund. This fund accounts for financial resources to be used for capital projects of the City not accounted for in other capital project funds. The capital nonrecurring fund's expenditures and other financing uses exceeded revenues and other financing sources by \$10,082,817 for the fiscal year mostly due to the timing of the funding and spending for projects.

School Projects Fund. This fund accounts for specially financed school capital projects under grants received from the State. The school projects fund's expenditures and other financing uses exceeded revenues and other financing sources by \$16,556,734 for the fiscal year due to the timing of grant funding, project financing and the spending for the projects.

Education Grants Fund. This fund accounts for financial resources received from the Federal Government and the State of Connecticut to be used as in accordance with each grant award. The education grant fund's expenditures exceeded revenues by \$241,250 for the fiscal year due to expenditures for non-grant funded activities in excess of charges for services revenues.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has six proprietary funds: Water Pollution Control Authority, Water Department, Storm Water Management, Ocean Beach Park, Water Street Parking Garage and Internal Service Funds.

Water Pollution Control Authority. There was a decrease in net position of \$419,525 in the Water Pollution Control Authority due to increased costs for contractual services expenses. Unrestricted net position of the Water Pollution Control Authority was \$6,208,907 at year end.

Water Department. There was an increase in net position of \$706,562 primarily due to an increase in charges for services of \$948,933 due to increased usage, offset by an increase in contractual services of \$292,334. The Water Department fund had an unrestricted net position deficit of \$2,828,918 at year end.

Storm Water Management. There was an increase in net position of \$56,067 due to an increase in charges for services of \$112,650. The Storm Water Management fund had an unrestricted net position of \$87,388 at year end.

Ocean Beach Park. Ocean Beach Park net position decreased \$378,228 due to an increase in contractual services. The Ocean Beach Park fund had an unrestricted net position deficit of \$374,497 at year end.

Water Street Parking Garage. The Water Street Parking Garage net position increased \$38,035 due to an increase in charges for services in the current year. Unrestricted net position of the Water Street Parking Garage was \$665,994 at year end.

Internal Service Funds. The internal service funds are used to account for liability/auto/property, workers' compensation, and heart and hypertension claims. The internal service funds had an increase in net position of \$695,743. This was due to charges for services exceeding claims to fund outstanding liabilities. The internal service funds had an unrestricted net position deficit of \$712,142 at year end. This deficit is due to the long-term nature of liability/auto/property, workers' compensation liability and heart and hypertension claims which will be funded in future years.

General Fund budgetary highlights

Revenues and other financing sources exceeded expenditures and other financing uses by \$2,181,931 resulting in an increase in fund balance to \$21,427,289. Overall, revenues and other financing sources were \$1,205,485 more than anticipated. In addition, expenditures and other financing uses were \$976,446 less than anticipated.

The most significant budget variances were as follows:

Revenues:

- Property taxes were less than budgeted by \$3,333,837 due to lower than expected motor vehicle tax collections and a tax appeal judgment during the year.
- Intergovernmental revenue was greater than budgeted by \$3,165,078 due to unbudgeted grants received for the municipal revenue sharing grant of \$608,526, municipal transition grant of \$767,042 and PILOT grant of \$1,952,950.
- Transfers in were greater than budgeted by \$1,211,479 due to a transfer in from the capital nonrecurring fund of \$1,213,979.

Expenditures:

- General government was underspent by \$745,380 primarily due to unused contingency of \$391,876 and the finance department underspent by \$207,357 as a result of less technology software and communications costs than anticipated.
- Public safety was overspent by \$532,518 primarily due to fire department overtime needs in excess of the amount budgeted.
- Education expenditures were underspent by \$269,709 primarily due to unemployment compensation underspent by approximately \$209,500.

The most significant budget transfers were as follows:

- The transfers out budget was decreased by \$283,500 to primarily increase the police budget by \$250,000 to fund body camera costs.

Capital asset and debt administration

Capital Assets. The City's investment in capital assets (net of accumulated depreciation/amortization) for its governmental and business-type activities amounted to \$359,326,192 and \$105,409,088, respectively. The total increase in the City's investment in capital assets for the current fiscal year was \$36,659,725 or 8.56%. The increase is mainly attributable to the increase in construction in progress offset by depreciation/amortization expense.

**Capital Assets (Net)
June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)
Land	\$ 8,278,991	\$ 8,278,991	\$ 2,214,827	\$ 2,214,827	\$ 10,493,818	\$ 10,493,818
Construction in progress	150,722,308	108,139,033	2,311,347	4,323,051	153,033,655	112,462,084
Intangible right-to-use assets	2,694,249	2,787,397	-	-	2,694,249	2,787,397
Land improvements	32,319,632	32,981,519	287,970	344,796	32,607,602	33,326,315
Buildings and improvements	79,666,142	82,032,819	12,965,685	13,706,383	92,631,827	95,739,202
Machinery and equipment	11,496,742	10,588,937	2,743,505	3,067,976	14,240,247	13,656,913
Vehicles	6,914,780	6,422,073	52,529	56,937	6,967,309	6,479,010
Infrastructure	67,233,348	69,772,435	84,833,225	83,358,381	152,066,573	153,130,816
Total	\$ 359,326,192	\$ 321,003,204	\$ 105,409,088	\$ 107,072,351	\$ 464,735,280	\$ 428,075,555

The significant capital asset additions consisted of the following:

Construction in progress:

- High school magnet school project \$ 19,447,536
- Bennie Dover magnet school project 14,116,670
- Community center 3,026,343
- Jefferson roundabout 2,085,360
- Various road and sidewalk improvements 1,208,540

Buildings and improvements:

- Fire headquarters renovation 608,528
- Wyland wall restoration 275,000

Machinery and equipment:

- Education computers and technology equipment 700,423
- Trash cans 242,871

Vehicles:

- Ambulance 323,887
- Police cruisers 208,352

Business-type activities:

Construction in progress:

- Williams Street pump station \$ 674,000
- Chlorine treatment building 444,100

Infrastructure:

- Bogue brook dam improvements 3,656,450

Additional information on the City's capital assets can be found in Note III.D.

Long-term debt. At the end of the year, the City had total long-term debt outstanding of \$107,825,845 backed by the full faith and credit of the City.

**Long-term Debt
June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 (as restated)	2023	2022 (as restated)	2023	2022 (as restated)
General obligation bonds	\$ 94,478,000	\$ 90,369,000	\$ 4,907,000	\$ 5,521,000	\$ 99,385,000	\$ 95,890,000
Bond anticipation notes (permanently financed)	-	8,550,000	-	-	-	8,550,000
Clean water notes	-	-	-	8,377	-	8,377
Drinking water notes	-	-	3,700,295	3,956,367	3,700,295	3,956,367
Notes payable	1,806,008	2,022,364	72,124	149,313	1,878,132	2,171,677
Leases payable	2,153,693	1,917,037	-	-	2,153,693	1,917,037
Subscription payable	708,725	952,497	-	-	708,725	952,497
Total	\$ 99,146,426	\$ 103,810,898	\$ 8,679,419	\$ 9,635,057	\$ 107,825,845	\$ 113,445,955

The City's total debt decreased by \$5,620,110 or 4.95% during the current fiscal year. The decrease is the result of scheduled principal payments of \$6,427,649, offset by the issuance of leases and equipment financing notes of \$807,539.

The City maintains an AA- rating from Fitch and an AA- rating from Standard & Poor's.

The overall statutory debt limit for the City is equal to seven times annual receipts from prior year taxation or \$409,303,384. At year end, the City had \$124,938,000 of total indebtedness subject to the debt limit, which is well below the statutory debt limit. Debt to be paid from user fees (enterprise funds) are not subject to the debt limitation statute.

Additional information on the City's long-term debt can be found in Note III.G.

Economic factors and next year's budgets and rates

The 2023-2024 general fund adopted budget totaled \$102,166,772. The following economic factors currently affect the City of New London and were considered in developing the 2023-2024 fiscal year budget:

- As of June 2023, the national unemployment rate was 3.6% and the State was 3.7%. The City's unemployment rate was 5.6% as compared to 6.6% in the prior year.
- The City has been focused on economic development and has partnered with the State and a private developer for development of the City pier and offshore wind power.

Requests for information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Director of Finance, City of New London, 13 Masonic Street, New London, Connecticut 06320.

Basic Financial Statements

City of New London, Connecticut

Statement of Net Position
June 30, 2023

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 24,869,796	\$ 6,485,403	\$ 31,355,199
Investments	61,247,251	7,402,784	68,650,035
Receivables (net):			
Property taxes	1,385,240	-	1,385,240
User fees	-	2,333,947	2,333,947
Accounts	620,128	-	620,128
Intergovernmental	5,050,890	39,832	5,090,722
Leases	106,669	-	106,669
Loans	70,000	-	70,000
Internal balances	9,310,907	(9,310,907)	-
Prepays	403,094	-	403,094
Other	25,250	-	25,250
Total current assets	<u>103,089,225</u>	<u>6,951,059</u>	<u>110,040,284</u>
Noncurrent assets:			
Restricted assets:			
Cash	697,015	-	697,015
Investments	-	14,352,696	14,352,696
Total restricted assets	<u>697,015</u>	<u>14,352,696</u>	<u>15,049,711</u>
Receivables (net):			
Property taxes	986,233	-	986,233
Leases	1,955,088	-	1,955,088
Loans	805,226	-	805,226
Assessments	48,235	-	48,235
Total receivables (net)	<u>3,794,782</u>	<u>-</u>	<u>3,794,782</u>
Capital assets (net of accumulated depreciation/amortization):			
Land	8,278,991	2,214,827	10,493,818
Construction in progress	150,722,308	2,311,347	153,033,655
Intangible right-to-use assets	2,694,249	-	2,694,249
Land improvements	32,319,632	287,970	32,607,602
Buildings and improvements	79,666,142	12,965,685	92,631,827
Machinery and equipment	11,496,742	2,743,505	14,240,247
Vehicles	6,914,780	52,529	6,967,309
Infrastructure	67,233,348	84,833,225	152,066,573
Total capital assets (net of accumulated depreciation/ amortization)	<u>359,326,192</u>	<u>105,409,088</u>	<u>464,735,280</u>
Total noncurrent assets	<u>363,817,989</u>	<u>119,761,784</u>	<u>483,579,773</u>
Total assets	<u>466,907,214</u>	<u>126,712,843</u>	<u>593,620,057</u>
<u>Deferred Outflows of Resources</u>			
Deferred charges on refunding	-	1,250	1,250
Pension related	17,611,442	-	17,611,442
OPEB related	11,344,890	-	11,344,890
Total deferred outflows of resources	<u>28,956,332</u>	<u>1,250</u>	<u>28,957,582</u>

(Continued)

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

City of New London, Connecticut

Statement of Net Position
June 30, 2023

<u>Liabilities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ 14,547,014	\$ 1,544,028	\$ 16,091,042
Accrued payroll and related liabilities	2,830,429	20,071	2,850,500
Accrued interest payable	837,656	70,416	908,072
Retainage payable	5,680,755	22,287	5,703,042
Unearned revenue	18,071,371	572	18,071,943
Overpayments	266,909	208,038	474,947
Bond anticipation notes	30,460,000	-	30,460,000
Long-term debt	6,276,400	949,364	7,225,764
Claims payable	2,049,155	-	2,049,155
Compensated absences	212,481	-	212,481
MERS pension contribution payable	139,304	-	139,304
Total current liabilities	<u>81,371,474</u>	<u>2,814,776</u>	<u>84,186,250</u>
Noncurrent liabilities:			
Performance bonds	695,863	-	695,863
Long-term debt and related liabilities	96,631,759	7,957,841	104,589,600
Claims payable	3,081,566	-	3,081,566
Compensated absences	849,922	-	849,922
MERS pension contribution payable	3,064,684	-	3,064,684
Net pension liability	55,591,392	-	55,591,392
Net OPEB liability	27,992,490	-	27,992,490
Total noncurrent liabilities	<u>187,907,676</u>	<u>7,957,841</u>	<u>195,865,517</u>
Total liabilities	<u>269,279,150</u>	<u>10,772,617</u>	<u>280,051,767</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	1,399,027	-	1,399,027
Deferred charge on refunding	298,486	96,068	394,554
Pension related	4,256,774	-	4,256,774
OPEB related	13,324,712	-	13,324,712
Lease related	1,950,782	-	1,950,782
Total deferred inflows of resources	<u>21,229,781</u>	<u>96,068</u>	<u>21,325,849</u>
<u>Net Position</u>			
Net investment in capital assets	214,742,570	97,733,838	312,476,408
Restricted for:			
Housing rehabilitation programs	976,034	-	976,034
Health and welfare programs	197,032	-	197,032
Cafeteria operations	955,809	-	955,809
Education programs	28,418	-	28,418
Surcharge fund	-	7,922,139	7,922,139
Sinking fund	-	2,656,104	2,656,104
Capital projects	-	3,774,453	3,774,453
Unrestricted	<u>(11,545,248)</u>	<u>3,758,874</u>	<u>(7,786,374)</u>
Total net position	<u>\$ 205,354,615</u>	<u>\$ 115,845,408</u>	<u>\$ 321,200,023</u>

(Concluded)

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

City of New London, Connecticut

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 9,650,134	\$ 3,615,588	\$ 1,410,143	\$ -	\$ (4,624,403)	\$ -	\$ (4,624,403)
Public safety	30,332,288	3,387,194	1,010,526	-	(25,934,568)	-	(25,934,568)
Public works	14,646,607	814,395	47,485	9,051,560	(4,733,167)	-	(4,733,167)
Health and welfare	1,657,690	56,239	151,347	-	(1,450,104)	-	(1,450,104)
Recreation and culture	4,306,727	444,366	385,644	-	(3,476,717)	-	(3,476,717)
Education	97,289,138	4,053,842	66,359,771	18,616,898	(8,258,627)	-	(8,258,627)
Interest	3,061,294	-	-	-	(3,061,294)	-	(3,061,294)
Total governmental activities	160,943,878	12,371,624	69,364,916	27,668,458	(51,538,880)	-	(51,538,880)
Business-type activities:							
Water Pollution Control Authority	7,374,224	5,771,358	-	-	-	(1,602,866)	(1,602,866)
Water Department	7,340,829	7,466,469	-	70,341	-	195,981	195,981
Storm Water Management	1,392,149	1,433,184	-	-	-	41,035	41,035
Ocean Beach Park	3,067,796	2,639,568	-	-	-	(428,228)	(428,228)
Water Street Parking Garage	878,601	966,636	-	-	-	88,035	88,035
Total business-type activities	20,053,599	18,277,215	-	70,341	-	(1,706,043)	(1,706,043)
Total	\$ 180,997,477	\$ 30,648,839	\$ 69,364,916	\$ 27,738,799	(51,538,880)	(1,706,043)	(53,244,923)
General revenues:							
Property taxes					57,292,238	-	57,292,238
Grants and contributions not restricted to specific programs					11,805,280	-	11,805,280
Net income from investments					148,715	495,309	644,024
Net change in fair value of investments					-	196,232	196,232
Settlement					-	17,413	17,413
Total general revenues					69,246,233	708,954	69,955,187
Transfers in (out)					(1,000,000)	1,000,000	-
Change in net position					16,707,353	2,911	16,710,264
Net position - July 1, 2022					188,647,262	115,842,497	304,489,759
Net position - June 30, 2023					<u>\$ 205,354,615</u>	<u>\$ 115,845,408</u>	<u>\$ 321,200,023</u>

City of New London, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

	General	Capital Nonrecurring	School Projects	Education Grants	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 94,208	\$ 12,020,444	\$ 536,270	\$ 3,747,624	\$ 6,414,496	\$ 22,813,042
Restricted cash	697,015	-	-	-	-	697,015
Investments	19,051,706	16,686,025	17,616,656	-	6,392,864	59,747,251
Receivables (net):						
Property taxes	2,387,884	-	-	-	995	2,388,879
Accounts	389,785	6	-	59,039	153,646	602,476
Intergovernmental	-	2,105,203	-	1,551,210	1,394,477	5,050,890
Leases	2,061,757	-	-	-	-	2,061,757
Loans	-	-	-	-	875,226	875,226
Assessments	-	-	-	-	48,235	48,235
Due from other funds	12,311,899	-	-	-	-	12,311,899
Prepays	403,094	-	-	-	-	403,094
Other	-	-	-	-	25,250	25,250
Total assets	\$ 37,397,348	\$ 30,811,678	\$ 18,152,926	\$ 5,357,873	\$ 15,305,189	\$ 107,025,014
<u>Liabilities</u>						
Accounts payable	\$ 5,739,524	\$ 2,967,981	\$ 5,243,241	\$ 2,361,324	\$ 1,035,260	\$ 17,347,330
Accrued payroll and related liabilities	2,485,221	7,896	-	237,102	100,210	2,830,429
Retainage payable	-	632,964	5,035,476	-	12,315	5,680,755
Due to other funds	1,044,849	-	-	-	-	1,044,849
Unearned revenue	-	16,712,750	-	698,545	660,076	18,071,371
Overpayments	266,909	-	-	-	-	266,909
Bond anticipation notes	-	9,200,000	21,260,000	-	-	30,460,000
Performance bonds	695,863	-	-	-	-	695,863
Total liabilities	10,232,366	29,521,591	31,538,717	3,296,971	1,807,861	76,397,506
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	2,387,884	-	-	-	995	2,388,879
Advance property tax collections	1,399,027	-	-	-	-	1,399,027
Assessments	-	-	-	-	48,235	48,235
Leases related	1,950,782	-	-	-	-	1,950,782
Total deferred inflows of resources	5,737,693	-	-	-	49,230	5,786,923
<u>Fund Balances</u>						
Nonspendable	514,069	-	-	-	-	514,069
Restricted	-	-	-	-	2,157,293	2,157,293
Committed	-	34,513,658	16,271,842	2,060,902	5,467,965	58,314,367
Assigned	-	-	-	-	5,822,840	5,822,840
Unassigned	20,913,220	(33,223,571)	(29,657,633)	-	-	(41,967,984)
Total fund balances	21,427,289	1,290,087	(13,385,791)	2,060,902	13,448,098	24,840,585
Total liabilities, deferred inflows of resources and fund balances	\$ 37,397,348	\$ 30,811,678	\$ 18,152,926	\$ 5,357,873	\$ 15,305,189	\$ 107,025,014

(Continued)

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

City of New London, Connecticut

Reconciliation of Fund Balance to Net Position of Governmental Activities
June 30, 2023

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balance (Exhibit C)	<u>\$ 24,840,585</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	321,003,204
Current year capital asset additions (net of construction in progress)	48,381,170
Depreciation/amortization expense	<u>(10,058,182)</u>
Total	<u>359,326,192</u>

Other long-term assets are not available resources and, therefore, are not reported in the funds:

Interest and lien receivable on property taxes	582,594
Allowance for doubtful accounts	<u>(600,000)</u>
Total	<u>(17,406)</u>

Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	2,388,879
Assessment receivable - accrual basis change	48,235
Deferred outflows related to pensions	17,611,442
Deferred outflows related to OPEB	<u>11,344,890</u>
Total	<u>31,393,446</u>

Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>(712,142)</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued interest payable	(837,656)
Bonds and notes payable	(96,284,008)
Leases payable	(2,153,693)
Subscription payable	(708,725)
Premium	(3,761,733)
Compensated absences	(1,062,403)
MERS pension contribution payable	(3,203,988)
Net pension liability	(55,591,392)
Net OPEB liability	(27,992,490)
Deferred charge on refunding	(298,486)
Deferred inflows related to pensions	(4,256,774)
Deferred inflows related to OPEB	<u>(13,324,712)</u>
Total	<u>(209,476,060)</u>

Net position of governmental activities (Exhibit A)	<u>\$205,354,615</u>
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The notes to the financial statements are an integral part of this statement. (Concluded)

City of New London, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	General	Capital Nonrecurring	School Projects	Education Grants	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 56,686,098	\$ -	\$ -	\$ -	\$ 94,642	\$ 56,780,740
Intergovernmental	43,231,519	6,893,945	17,163,856	34,001,188	6,017,102	107,307,610
Charges for services	5,971,506	-	218,750	1,257,973	4,923,395	12,371,624
Contributions	50,000	839,565	-	156,896	484,583	1,531,044
Income from investments	148,491	-	21	-	203	148,715
Total revenues	106,087,614	7,733,510	17,382,627	35,416,057	11,519,925	178,139,733
Expenditures:						
Current:						
General government	6,560,008	984,868	-	-	503,202	8,048,078
Public safety	23,633,152	154,000	-	-	1,316,924	25,104,076
Public works	8,393,798	-	-	-	727,751	9,121,549
Health and welfare	207,784	-	-	-	1,428,090	1,635,874
Recreation and culture	2,522,077	-	-	-	833,764	3,355,841
Employee benefits	3,908,787	-	-	-	-	3,908,787
Education	53,013,848	-	-	35,657,307	6,185,789	94,856,944
Capital outlay	-	13,796,480	34,158,111	-	807,539	48,762,130
Debt service	-	-	-	-	9,333,417	9,333,417
Total expenditures	98,239,454	14,935,348	34,158,111	35,657,307	21,136,476	204,126,696
Excess (deficiency) of revenues over expenditures	7,848,160	(7,201,838)	(16,775,484)	(241,250)	(9,616,551)	(25,986,963)
Other financing sources (uses):						
Issuance of debt	-	-	-	-	807,539	807,539
Premium	-	-	-	-	987,196	987,196
Transfers in	1,868,979	-	218,750	-	8,152,208	10,239,937
Transfers out	(7,535,208)	(2,880,979)	-	-	(823,750)	(11,239,937)
Net other financing sources (uses)	(5,666,229)	(2,880,979)	218,750	-	9,123,193	794,735
Net change in fund balances	2,181,931	(10,082,817)	(16,556,734)	(241,250)	(493,358)	(25,192,228)
Fund balances - July 1, 2022	19,245,358	11,372,904	3,170,943	2,302,152	13,941,456	50,032,813
Fund balances - June 30, 2023	\$ 21,427,289	\$ 1,290,087	\$ (13,385,791)	\$ 2,060,902	\$ 13,448,098	\$ 24,840,585

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

City of New London, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D) \$ (25,192,228)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay	48,381,170
Depreciation/amortization expense	<u>(10,058,182)</u>
Total	<u>38,322,988</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities:

Change in property tax receivable and assessment - accrual basis change	457,455
Change in property tax interest and lien revenue - accrual basis change	<u>54,043</u>
Total	<u>511,498</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Equipment financing notes	(307,548)
Leases	(499,991)
Premium	(987,196)
Principal repayments:	
Bonds	4,441,000
Notes	523,904
Leases	263,335
Subscriptions	<u>243,772</u>
Total	<u>3,677,276</u>

(Continued)

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

City of New London, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in/amortization of:	
Accrued interest payable	\$ (22,777)
Premium	788,603
Compensated absences	(361,398)
MERS pension contribution payable	230,328
Net pension liability	(16,432,834)
Net OPEB liability	(6,482,665)
Deferred outflows of resources related to pension	6,279,145
Deferred inflows of resources related to pension	7,912,462
Deferred outflows of resources related to OPEB	5,354,522
Deferred inflows of resources related to OPEB	1,392,404
Deferred charge on refunding	<u>34,286</u>
Total	<u>(1,307,924)</u>
Internal service funds are used by management for risk financing activities:	
The net revenues (expenses) of activities of the internal service fund is reported with governmental activities	<u>695,743</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 16,707,353</u>

(Concluded)

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

City of New London, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2023

	Business-Type Activities Enterprise Funds					Governmental Activities	
	Major Funds		Other Proprietary Funds				
	Water Pollution Control Authority	Water Department	Storm Water Management	Ocean Beach Park	Water Street Parking Garage		Total
<u>Assets</u>							
Current assets:							
Cash	\$ 1,829,184	\$ 2,966,206	\$ 647,618	\$ 229,372	\$ 813,023	\$ 6,485,403	\$2,056,754
Investments	6,402,784	500,000	500,000	-	-	7,402,784	1,500,000
Receivables (net)	654,604	1,364,240	315,103	-	-	2,333,947	17,652
Intergovernmental receivable	-	39,832	-	-	-	39,832	-
Due from other funds	-	-	-	-	-	-	1,044,849
Total current assets	<u>8,886,572</u>	<u>4,870,278</u>	<u>1,462,721</u>	<u>229,372</u>	<u>813,023</u>	<u>16,261,966</u>	<u>4,619,255</u>
Noncurrent assets:							
Restricted assets:							
Investments	<u>3,769,493</u>	<u>10,583,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,352,696</u>	<u>-</u>
Capital assets (net):							
Land	182,850	1,827,888	-	54,054	150,035	2,214,827	-
Construction in progress	444,100	1,846,022	-	-	21,225	2,311,347	-
Land improvements	-	-	-	287,970	-	287,970	-
Buildings and improvements	4,219,589	5,521,552	-	2,919,956	304,588	12,965,685	-
Machinery and equipment	1,366,883	543,821	765,965	-	66,836	2,743,505	-
Vehicles	-	-	-	-	52,529	52,529	-
Infrastructure	<u>35,169,471</u>	<u>49,623,794</u>	<u>39,960</u>	<u>-</u>	<u>-</u>	<u>84,833,225</u>	<u>-</u>
Total capital assets (net)	<u>41,382,893</u>	<u>59,363,077</u>	<u>805,925</u>	<u>3,261,980</u>	<u>595,213</u>	<u>105,409,088</u>	<u>-</u>
Total noncurrent assets	<u>45,152,386</u>	<u>69,946,280</u>	<u>805,925</u>	<u>3,261,980</u>	<u>595,213</u>	<u>119,761,784</u>	<u>-</u>
Total assets	<u>54,038,958</u>	<u>74,816,558</u>	<u>2,268,646</u>	<u>3,491,352</u>	<u>1,408,236</u>	<u>136,023,750</u>	<u>4,619,255</u>
<u>Deferred Outflows of Resources</u>							
Deferred charge on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>-</u>

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

(Continued)

City of New London, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2023

	Business-Type Activities Enterprise Funds					Total	Governmental Activities
	Major Funds		Other Proprietary Funds				Internal Service Funds
	Water Pollution Control Authority	Water Department	Storm Water Management	Ocean Beach Park	Water Street Parking Garage		
<u>Liabilities</u>							
Current liabilities:							
Accounts payable	\$ 64,073	\$ 736,492	\$ -	\$ 602,358	\$ 141,105	\$ 1,544,028	\$ 200,676
Accrued payroll and related liabilities	6,886	6,005	1,828	-	5,352	20,071	-
Accrued interest payable	23,621	20,839	24,445	1,511	-	70,416	-
Retainage payable	-	21,226	-	-	1,061	22,287	-
Due to other funds	2,583,085	6,727,822	-	-	-	9,310,907	-
Unearned revenue	-	-	-	-	572	572	-
Overpayments	-	208,038	-	-	-	208,038	-
Long-term debt	155,000	502,240	70,000	222,124	-	949,364	-
Claims payable	-	-	-	-	-	-	2,049,155
Total current liabilities	2,832,665	8,222,662	96,273	825,993	148,090	12,125,683	2,249,831
Noncurrent liabilities:							
Long-term debt and related liabilities	2,136,614	4,205,055	1,607,684	8,488	-	7,957,841	-
Claims payable	-	-	-	-	-	-	3,081,566
Total noncurrent liabilities	2,136,614	4,205,055	1,607,684	8,488	-	7,957,841	3,081,566
Total liabilities	4,969,279	12,427,717	1,703,957	834,481	148,090	20,083,524	5,331,397
<u>Deferred Inflows of Resources</u>							
Deferred charge on refunding	-	96,068	-	-	-	96,068	-
<u>Net Position</u>							
Net investment in capital assets	39,091,279	54,538,488	477,301	3,032,618	594,152	97,733,838	-
Restricted for:							
Surcharge fund	-	7,922,139	-	-	-	7,922,139	-
Sinking fund	2,656,104	-	-	-	-	2,656,104	-
Capital projects	1,113,389	2,661,064	-	-	-	3,774,453	-
Unrestricted	6,208,907	(2,828,918)	87,388	(374,497)	665,994	3,758,874	(712,142)
Total net position	\$49,069,679	\$62,292,773	\$ 564,689	\$2,658,121	\$1,260,146	\$115,845,408	\$ (712,142)

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

(Concluded)

City of New London, Connecticut

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

Business-Type Activities
Enterprise Funds

Governmental
Activities

	Major Funds		Other Proprietary Funds			Total	Internal Service Funds
	Water Pollution Control Authority	Water Department	Storm Water Management	Ocean Beach Park	Water Street Parking Garage		
Operating revenues:							
Charges for services	\$ 5,771,358	\$ 7,466,469	\$ 1,433,184	\$ 2,639,568	\$ 966,636	\$ 18,277,215	\$ 3,254,846
Operating expenses:							
Personnel services	218,358	198,048	50,116	-	710,284	1,176,806	-
Contractual services	4,872,904	4,690,914	1,011,418	2,869,342	33,378	13,477,956	-
Materials and supplies	4,206	11,600	4,032	-	15,672	35,510	-
Insurance and property taxes	150,000	139,518	-	-	65,000	354,518	-
Depreciation/amortization	1,489,293	1,612,660	64,483	191,549	19,658	3,377,643	-
Repairs and maintenance	14,681	18,790	211,617	-	11,420	256,508	-
Electricity	549,801	549,801	-	-	23,189	1,122,791	-
Claims and administration	-	-	-	-	-	-	2,559,103
Total operating expenses	7,299,243	7,221,331	1,341,666	3,060,891	878,601	19,801,732	2,559,103
Operating income (loss)	(1,527,885)	245,138	91,518	(421,323)	88,035	(1,524,517)	695,743
Nonoperating revenues (expenses):							
Income from investments	107,030	373,247	15,032	-	-	495,309	-
Net change in fair value of investments	76,311	119,921	-	-	-	196,232	-
Capital grant	-	70,341	-	-	-	70,341	-
Settlement	-	17,413	-	-	-	17,413	-
Interest expense	(74,981)	(119,498)	(50,483)	(6,905)	-	(251,867)	-
Net nonoperating revenues (expenses)	108,360	461,424	(35,451)	(6,905)	-	527,428	-
Income (loss) before transfers	(1,419,525)	706,562	56,067	(428,228)	88,035	(997,089)	695,743
Transfers:							
Transfers in	1,000,000	-	-	50,000	-	1,050,000	-
Transfers out	-	-	-	-	(50,000)	(50,000)	-
Net transfers in (out)	1,000,000	-	-	50,000	(50,000)	1,000,000	-
Change in net position	(419,525)	706,562	56,067	(378,228)	38,035	2,911	695,743
Total net position - July 1, 2022	49,489,204	61,586,211	508,622	3,036,349	1,222,111	115,842,497	(1,407,885)
Total net position - June 30, 2023	\$ 49,069,679	\$ 62,292,773	\$ 564,689	\$ 2,658,121	\$ 1,260,146	\$ 115,845,408	\$ (712,142)

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

City of New London, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

30

	Business-Type Activities Enterprise Funds					Total	Governmental
	Major Funds		Other Proprietary Funds				Activities
	Water Pollution Control Authority	Water Department	Storm Water Management	Ocean Beach Park	Water Street Parking Garage		Internal Service Funds
Cash flows from (used in) operating activities:							
Receipts from customers and users	\$ 5,991,889	\$ 7,355,703	\$ 1,386,710	\$2,639,568	\$ 995,575	\$ 18,369,445	\$ -
Cash received for premiums	-	-	-	-	-	-	2,202,704
Payments to suppliers	(5,224,554)	(2,540,130)	(1,381,012)	(2,844,419)	(128,775)	(12,118,890)	34,947
Payments to employees	(220,833)	(200,585)	(50,062)	-	(709,394)	(1,180,874)	-
Cash paid to claimants	-	-	-	-	-	-	(2,612,946)
Net cash from (used in) operating activities	546,502	4,614,988	(44,364)	(204,851)	157,406	5,069,681	(375,295)
Cash flows from (used in) noncapital financing activities:							
Transfers from other funds	1,000,000	-	-	50,000	-	1,050,000	-
Transfers to other funds	-	-	-	-	(50,000)	(50,000)	-
Settlement	-	17,413	-	-	-	17,413	-
Net cash from (used in) noncapital financing activities	1,000,000	17,413	-	50,000	(50,000)	1,017,413	-
Cash flows from (used in) capital and related financing activities:							
Principal payments on debt	(163,377)	(510,072)	(70,000)	(212,189)	-	(955,638)	-
Interest paid on debt	(86,597)	(133,488)	(60,812)	(16,344)	-	(297,241)	-
Capital grant	-	30,509	-	-	-	30,509	-
Purchase of capital assets	(444,100)	(1,234,349)	-	-	(35,931)	(1,714,380)	-
Net cash from (used in) capital and related financing activities	(694,074)	(1,847,400)	(130,812)	(228,533)	(35,931)	(2,936,750)	-
Cash flows from (used in) investing activities:							
(Purchase) sale of investments	243,421	(575,286)	-	-	-	(331,865)	-
Income from investments	107,030	373,247	15,032	-	-	495,309	-
Net cash from (used in) investing activities	350,451	(202,039)	15,032	-	-	163,444	-
Net increase (decrease) in cash	1,202,879	2,582,962	(160,144)	(383,384)	71,475	3,313,788	(375,295)
Cash - July 1, 2022	626,305	383,244	807,762	612,756	741,548	3,171,615	2,432,049
Cash - June 30, 2023	\$ 1,829,184	\$ 2,966,206	\$ 647,618	\$ 229,372	\$ 813,023	\$ 6,485,403	\$ 2,056,754

(Continued)

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

City of New London, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds					Governmental Activities	
	Major Funds		Other Proprietary Funds			Total	Internal Service Funds
	Water Pollution Control Authority	Water Department	Storm Water Management	Ocean Beach Park	Water Street Parking Garage		
Reconciliation of operating income (loss) to net cash from (used in) operating activities:							
Operating income (loss)	\$(1,527,885)	\$ 245,138	\$ 91,518	\$ (421,323)	\$ 88,035	\$ (1,524,517)	\$ 695,743
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:							
Depreciation/amortization	1,489,293	1,612,660	64,483	191,549	19,658	3,377,643	-
(Increase) decrease in:							
Receivables	263,549	80,476	33,755	-	28,937	406,717	(7,293)
Due from other funds	-	-	-	-	-	-	(1,044,849)
Increase (decrease) in:							
Accounts payable	(225,861)	214,982	(153,945)	24,923	18,823	(121,078)	34,947
Accrued payroll and related liabilities	(2,475)	(2,537)	54	-	890	(4,068)	-
Retainage payable	-	-	-	-	1,061	1,061	-
Due to other funds	592,899	2,655,511	-	-	-	3,248,410	-
Unearned revenue	(43,018)	(198,637)	(80,229)	-	2	(321,882)	-
Overpayments	-	7,395	-	-	-	7,395	-
Claims payable	-	-	-	-	-	-	(53,843)
Net cash from (used in) operating activities	<u>\$ 546,502</u>	<u>\$ 4,614,988</u>	<u>\$ (44,364)</u>	<u>\$ (204,851)</u>	<u>\$ 157,406</u>	<u>\$ 5,069,681</u>	<u>\$ (375,295)</u>

(Concluded)

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

City of New London, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	Pension and OPEB Trust	Private- Purpose Trust
<u>Assets</u>		
Cash	\$ 582,285	\$ 232,904
Investments:		
Mutual funds:		
Money market	1,142,018	-
Bonds	252,811	-
Bank money market	58,859	-
Equities	22,985,417	-
Corporate bonds	8,352,027	-
Real estate (equities)	1,928,248	-
Total investments	34,719,380	-
Interest receivable	53,196	-
Accounts receivable	1,737	-
Contribution receivable	262,697	-
Total assets	35,619,295	232,904
<u>Liabilities</u>		
Accounts payable	2,475	-
Due to other funds	3,000,975	17
Total liabilities	3,003,450	17
<u>Net Position</u>		
Restricted for:		
Pensions	30,549,991	-
OPEB	2,065,854	-
Individuals and organizations	-	232,887
Total net position	\$ 32,615,845	\$ 232,887

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

City of New London, Connecticut

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	<u>Pension and OPEB Trust</u>	<u>Private- Purpose Trust</u>
Additions:		
Contributions:		
Employer	\$ 2,694,711	\$ -
Plan members	<u>231,215</u>	<u>-</u>
Total contributions	<u>2,925,926</u>	<u>-</u>
Investment income (loss):		
Interest and dividends	924,896	387
Net change in fair value of investments	<u>1,883,019</u>	<u>-</u>
Total investment income (loss)	2,807,915	387
Less investment expenses	<u>327,450</u>	<u>-</u>
Net investment income (loss)	<u>2,480,465</u>	<u>387</u>
Total additions	<u>5,406,391</u>	<u>387</u>
Deductions:		
Benefits	4,717,591	-
Administration and other	<u>20,394</u>	<u>-</u>
Total deductions	<u>4,737,985</u>	<u>-</u>
Changes in net position	668,406	387
Net position - July 1, 2022	<u>31,947,439</u>	<u>232,500</u>
Net position - June 30, 2023	<u><u>\$ 32,615,845</u></u>	<u><u>\$ 232,887</u></u>

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

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**History and organization**

The City of New London, Connecticut (“City”) was founded in 1659 and incorporated in 1784 under the provisions of Special Act No. 330, as amended. The City operates under a Mayor - City Council form of government established by its City Charter amendment in November 2011. The City provides a full range of services as authorized in its Charter, including, but not limited to, education services, police and fire protection, public works, parks, recreation, sanitation, health and certain social services and general administration services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is financially accountable for the pension and OPEB trust funds and, therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (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. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, charges, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. For reimbursement grants, the City considers revenues to be available if they are collected within one year of the end of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund	The City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Nonrecurring Fund	Accounts for the capital projects of the City not accounted for in another capital projects fund.
School Projects Fund	Accounts for specially financed school capital projects under grants received from the Federal Government and the State of Connecticut.
Education Grants Fund	Accounts for specially financed school programs under education grants and tuition.

The City reports the following major proprietary funds:

Water Pollution Control Authority Fund	Accounts for the wastewater treatment plant operations.
Water Department Fund	Accounts for the City's water use operations.

Additionally, the City reports the following fund types:

Special Revenue Funds	Accounts for and report the proceeds of specific revenue resources that are restricted, committed, or assigned to expenditures for specified purposes other than debt.
Debt Service Fund	Accounts for and report resources and expenditures that are assigned for the repayment of debt.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Internal Service Funds	Accounts for risk financing activities for workers' compensation and liability, automobile and pooled property insurance.
Pension Trust Fund	Accounts for the activity of the City's defined benefit pension plan, which accumulates resources for pension benefit payments to qualified employees.
Other Post-Employment Benefit ("OPEB") Trust Fund	Accounts for the activity of the City's OPEB plan, which accumulates resources for retiree medical benefit payments.
Private-Purpose Trust Fund	Accounts for assets held by the City in a trustee capacity for the benefit of various purposes. There is no requirement that any portion of these resources be preserved as capital.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's sewer and water operations and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service fund are charges to customers and benefiting activities for sales, services and premiums. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, depreciation/amortization on capital assets and insurance claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the City's pension and OPEB plans, the Connecticut Municipal Employees Retirement System ("MERS"), the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the City's pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Cash and investments****a. Cash**

The City considers cash as cash on hand and demand deposits.

For cash flow purposes the City considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

b. Investments

In general, State of Connecticut Statutes allow the City to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31.00% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The City's pension and OPEB plans have adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines, diversification guidelines and fixed income and cash equivalent guidelines.

The investment guidelines are as follows:

<u>Asset Class</u>	<u>Pension</u>	<u>OPEB</u>
Equities	58.00%	80.00%
Fixed income	28.00%	17.00%
Real estate and REIT's	14.00%	0.00%
Cash equivalents	<u>0.00%</u>	<u>3.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

c. Method used to value investments

Investments for the City are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Fair value of investments

The City measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The City has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The City follows the limitations specified in the Connecticut General Statutes. Generally, the City's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy with respect to custodial credit risk.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The City does not have a formal policy with respect to the foreign currency risk.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****2. Receivables and payables****a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

b. Property taxes and other receivables

In the government-wide financial statements, all trade, loan, and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 3.50% - 68.00% of outstanding receivable balances and are calculated based upon prior collections and deferred loan program historical payments.

Property taxes are levied each July 1 on the assessed value listed as of the prior October 1 for all real property located in the City. Assessed values are established at 70.00% of estimated market value. All property taxes are due and payable on July 1 of the year except for real estate and personal property taxes greater than \$100, which are due and payable in two installments, July 1 and January 1 of each year. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

In the fund financial statements, property tax and assessment revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

Loan receivables consist of Community Development Block Grant loans. The City provides low interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

c. Leases receivable

The City is a lessor for noncancellable leases of land improvements. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Key estimates and judgments related to leases include:

Discount Rate	The City uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted assets

The restricted assets for the City are restricted for performance bonds. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of the contract or the City calls the bond for nonperformance.

The restricted assets for the City’s enterprise funds are restricted to be used for debt service and capital projects.

5. Capital assets

Capital assets are reported in the applicable governmental or business-type activities’ columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of two years. Capitalization thresholds by asset type are detailed below. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition 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.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Capital assets of the City are depreciated/amortized using the straight-line method. Estimated useful lives and capitalization thresholds by asset type are as follows:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land improvements	20-50	\$ 20,000
Buildings and improvements	10-50	20,000
Machinery and equipment	5-50	5,000
Vehicles	10-30	5,000
Infrastructure	40-75	100,000
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription term	20,000

6. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Deferred outflows and inflows of resources also include deferred outflows and inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the old or new debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

For governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), and assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated absences

Employees of the City and the Board of Education earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies. In no case do these sick leave rights vest with the employee. The payment of nonvesting accumulated sick pay benefits depends on the future illness of the employee and, therefore, no liability has been accrued in these financial statements for such payments.

Vacation leave vests with the employee and is accrued in the government-wide and proprietary fund financial statements at current salary rates when earned.

8. Long-term liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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 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. Lease and subscription liabilities

The City is a lessee for noncancellable leases of land, buildings and equipment. Additionally, the City has certain software subscriptions that require recognition in the financial statements. The City recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The City recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease/subscription, the City initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The City uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

10. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	This category presents the net position of the City which is not classified in the preceding two categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the City Council.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the City Council or by a properly approved purchase order.
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Minimum fund balance policy

The City Council has adopted a fund balance policy for the General Fund requiring an unassigned fund balance of 14.30% of the following year’s adopted budget expenditures. This amount will be increased 1.00% per year until it reaches 16.67%.

11. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****12. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The City uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Excess expenditures over appropriations

During the year, general fund expenditures exceeded appropriations in the following departments:

Probate Court	\$ 3,369
Fire	550,667
Public Works	140,845
Recreation	3,767

C. Capital projects authorizations

The following is a summary of certain capital projects:

Governmental Activities:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
High School Magnet School Project	\$ 110,000,000	\$ 94,268,118	\$ 15,731,882
Bennie Dover Magnet School Project	55,000,000	31,368,057	23,631,943
21st Century School Buildings	61,000,000	-	61,000,000
Community Center Project	39,051,259	4,161,321	34,889,938
Thames River Complex	4,376,000	4,367,684	8,316
Marina Lot	683,884	657,029	26,855
Jefferson Roundabout	4,082,920	2,085,360	1,997,560
Totals	<u>\$ 274,194,063</u>	<u>\$ 136,907,568</u>	<u>\$ 137,286,495</u>

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

C. Capital projects authorizations (continued)Business-Type Activities:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
City storm drainage systems	<u>\$ 1,650,000</u>	<u>\$ 300,940</u>	<u>\$ 1,349,060</u>

III. Detailed notes**A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the City's bank balance, including certificates of deposit classified as investments, was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 100,963,161</u>
Uninsured and uncollateralized	\$ 69,939,439
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>9,164,874</u>
Total amount subject to custodial credit risk	<u>\$ 79,104,313</u>

Financial instruments that potentially subject the City to significant concentrations of credit risk consist primarily of cash. From time to time, the City's cash account balances exceed the Federal Deposit Insurance Corporation limit. The City reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

2. Investments

a. The City's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities in Years				
		N/A	Less than One Year	1-5 Years	5-10 Years	Over 10 Years
Mutual funds:						
Money market	\$ 1,142,018	\$ -	\$ 1,142,018	\$ -	\$ -	\$ -
Bonds	252,811	-	-	42,533	98,500	111,778
Bank money market	1,264,329	1,264,329	-	-	-	-
Certificates of deposit	64,253,589	-	64,253,589	-	-	-
Equities	27,093,175	27,093,175	-	-	-	-
U.S. government securities	3,464,335	-	3,464,335	-	-	-
Corporate bonds	18,231,232	-	1,078,571	16,762,847	319,750	70,064
Real estate (equities)	2,020,622	2,020,622	-	-	-	-
Total	117,722,111	<u>\$ 30,378,126</u>	<u>\$ 69,938,513</u>	<u>\$ 16,805,380</u>	<u>\$ 418,250</u>	<u>\$ 181,842</u>
Less fiduciary funds	<u>(34,719,380)</u>					
Other funds	<u>\$ 83,002,731</u>					

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

A. Cash and investments (continued)

b. The City had the following recurring fair value measurements:

<u>Investments by fair value level:</u>	<u>Amount</u>	<u>Quoted Market Prices in Active Markets Level 1</u>	<u>Significant Observable Inputs Level 2</u>
Mutual funds:			
Money market	\$ 1,142,018	\$ 1,142,018	\$ -
Bonds	252,811	252,811	-
Equities	27,093,175	27,093,175	-
U.S. government securities	3,464,335	3,464,335	-
Corporate bonds	18,231,232	-	18,231,232
Real estate (equities)	2,020,622	2,020,622	-
Total investments by fair value level	52,204,193	<u>\$ 33,972,961</u>	<u>\$ 18,231,232</u>
<u>Other investments not subject to fair value measurement:</u>			
Bank money market	1,264,329		
Certificates of deposit	64,253,589		
Total investments	<u>\$ 117,722,111</u>		

Level 1: Quoted prices for identical investments in active markets

Level 2: Quoted prices for identical investments in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

The market approach was used to determine the market value of the U.S. government securities and corporate bonds.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

A. Cash and investments (continued)

- c. The City's investments subject to credit risk had average ratings by Standard & Poor's as follows:

	Ratings					Total
	AAA	AA	A	BBB	Unrated	
Mutual funds:						
Money market	\$ 1,142,018	\$ -	\$ -	\$ -	\$ -	\$ 1,142,018
Bonds	-	-	-	-	252,811	252,811
U.S. government securities	-	-	-	-	3,464,335	3,464,335
Corporate bonds	-	1,829,114	6,786,543	9,615,575	-	18,231,232
Total	<u>\$ 1,142,018</u>	<u>\$ 1,829,114</u>	<u>\$ 6,786,543</u>	<u>\$ 9,615,575</u>	<u>\$ 3,717,146</u>	<u>\$ 23,090,396</u>

- d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The following City investments are held by the counterparty's trust department or agent but not in the City's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Equities	\$27,093,175	\$ 500,000	\$26,593,175
U.S. government securities	3,464,335	-	3,464,335
Corporate bonds	18,231,232	-	18,231,232
Real estate (equities)	2,020,622	-	2,020,622
Total	<u>\$50,809,364</u>	<u>\$ 500,000</u>	<u>\$50,309,364</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

B. Receivables

1. Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the City's government-wide financial statements with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

Governmental Activities:

	Property Taxes			CDBG Loans	Assessments
	Taxes	Interest and Liens	Total		
Current portion	\$ 1,288,800	\$ 96,440	\$ 1,385,240	\$ 70,000	\$ -
Long-term portion	1,100,079	486,154	1,586,233	2,167,253	148,235
Less allowance for uncollectibles	(350,000)	(250,000)	(600,000)	(1,362,027)	(100,000)
Net long-term portion	\$ 750,079	\$ 236,154	\$ 986,233	\$ 805,226	\$ 48,235
Total receivable (gross/net)	\$ 2,388,879	\$ 582,594	\$ 2,971,473	\$ 875,226	\$ 48,235

Business-Type Activities:

	Use Charges			
	Sewer Use Charges	Water Use Charges	Storm Water Charges	Total
Receivable amount	\$ 713,723	\$ 1,416,715	\$ 335,557	\$ 2,465,995
Less allowance for uncollectibles	(59,119)	(52,475)	(20,454)	(132,048)
Net receivable	\$ 654,604	\$ 1,364,240	\$ 315,103	\$ 2,333,947

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

B. Receivables (continued)

2. Leases receivable

Governmental Activities:

<u>Description</u>	<u>Lease Receivable</u>	<u>Deferred Inflows of Resources</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell towers	\$ 2,061,757	<u>\$ 1,950,782</u>	<u>\$ 153,248</u>	<u>\$ 58,400</u>
Less: current portion	<u>(106,669)</u>			
Long-term portion	<u>\$ 1,955,088</u>			

<u>Description</u>	<u>Terms</u>
Cell towers	The City is lessor in 3 lease agreements for the land improvements for cell towers. Two of the leases include the option to automatically renew for three 5-year terms and the lease agreements will mature in 2037.

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
<u>Major funds:</u>			
General fund:			
Water pollution control authority	N/A	\$ 2,583,085	\$ -
Water department	N/A	6,727,822	-
Internal service	N/A	-	1,044,849
Pension trust fund	N/A	3,000,975	-
Private purpose trust	N/A	17	-
Total general fund		<u>12,311,899</u>	<u>1,044,849</u>
Water pollution control authority:			
General fund	N/A	-	<u>2,583,085</u>
Water department:			
General fund	N/A	-	<u>6,727,822</u>
<u>Other funds:</u>			
Internal service	General fund	<u>1,044,849</u>	-
<u>Fiduciary funds:</u>			
Pension trust fund	General fund	-	3,000,975
Private-purpose trust fund	General fund	-	17
Total		<u>\$ 13,356,748</u>	<u>\$ 13,356,748</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Interfund accounts (continued)

2. Interfund transfers

A summary of interfund transfers is as follows:

	<u>Corresponding Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund:			
Capital nonrecurring	N/A	\$ 1,213,979	\$ -
General government	N/A	5,000	145,000
Public safety	N/A	600,000	9,555
Culture and recreation	N/A	-	100,000
Debt service	N/A	-	7,230,653
Ocean beach park	N/A	-	50,000
Water street parking garage	N/A	50,000	-
Total general fund		<u>1,868,979</u>	<u>7,535,208</u>
Capital nonrecurring:			
General fund	N/A	-	1,213,979
General government	N/A	-	617,000
Public works	N/A	-	50,000
Water pollution control authority	N/A	-	1,000,000
Total capital nonrecurring		<u>-</u>	<u>2,880,979</u>
School projects:			
General government	N/A	218,750	-
<u>Other governmental funds:</u>			
Special revenue funds:			
General government	General fund	145,000	5,000
General government	Capital nonrecurring	617,000	-
General government	School projects	-	218,750
Public works	Capital nonrecurring	50,000	-
Public safety	General fund	9,555	600,000
Culture and recreation	General fund	100,000	-
Debt service	General fund	7,230,653	-
Total other governmental funds		<u>8,152,208</u>	<u>823,750</u>
<u>Proprietary funds:</u>			
Water pollution control authority	Capital nonrecurring	1,000,000	-
Ocean beach park	General fund	50,000	-
Water street parking garage	General fund	-	50,000
Total proprietary funds		<u>1,050,000</u>	<u>50,000</u>
Total		<u>\$ 11,289,937</u>	<u>\$ 11,289,937</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Interfund accounts (continued)

Transfers are used to account for the financing by the general fund of the debt service fund and various programs and activities in other funds. Transfers out from enterprise funds are for return on investment and funding for watershed project.

D. Capital assets

Capital asset activity for the year was as follows:

Governmental Activities:

	Balance July 1, 2022 <i>(as restated)</i>	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	\$ 8,278,991	\$ -	\$ -	\$ 8,278,991
Construction in progress	108,139,033	44,182,139	1,598,864	150,722,308
Total capital assets, not being depreciated/amortized	116,418,024	44,182,139	1,598,864	159,001,299
Capital assets, being depreciated/amortized:				
Intangible right-to-use assets	3,030,914	499,991	-	3,530,905
Land improvements	44,733,696	641,862	-	45,375,558
Buildings and improvements	153,708,927	1,100,045	-	154,808,972
Machinery and equipment	19,302,156	2,215,967	-	21,518,123
Vehicles	16,185,010	1,171,065	-	17,356,075
Infrastructure	152,469,700	168,965	-	152,638,665
Total capital assets being depreciated/amortized	389,430,403	5,797,895	-	395,228,298
Total capital assets	505,848,427	49,980,034	1,598,864	554,229,597
Less accumulated depreciation/amortization for:				
Intangible right-to-use assets	243,517	593,139	-	836,656
Land improvements	11,752,177	1,303,749	-	13,055,926
Buildings and improvements	71,676,108	3,466,722	-	75,142,830
Machinery and equipment	8,713,219	1,308,162	-	10,021,381
Vehicles	9,762,937	678,358	-	10,441,295
Infrastructure	82,697,265	2,708,052	-	85,405,317
Total accumulated depreciation/amortization	184,845,223	10,058,182	-	194,903,405
Total capital assets, being depreciated/amortized, net	204,585,180	(4,260,287)	-	200,324,893
Capital assets, net	\$ 321,003,204	\$ 39,921,852	\$ 1,598,864	\$ 359,326,192

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**D. Capital assets (continued)**

Intangible right-to-use assets by category are as follows:

Type	Asset	Accumulated Amortization
Intangible right-to-use leased land improvements	\$ 1,316,847	\$ 202,592
Intangible right-to-use leased machinery and equipment	954,087	317,324
Intangible right-to-use leased buildings and improvements	307,474	68,328
Intangible right-to-use subscription assets	952,497	248,412
Total intangible right-to-use assets	\$ 3,530,905	\$ 836,656

Depreciation/amortization expense was charged to functions/programs as follows:

General government	\$ 552,037
Public safety	1,162,151
Public works	2,873,567
Health and welfare	10,242
Recreation and culture	908,884
Education	4,551,301
Total	\$ 10,058,182

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

D. Capital assets (continued)

Business-Type Activities:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	\$ 2,214,827	\$ -	\$ -	\$ 2,214,827
Construction in process	4,323,051	1,644,746	3,656,450	2,311,347
Total capital assets, not being depreciated/ amortized	6,537,878	1,644,746	3,656,450	4,526,174
Capital assets, being depreciated/amortized:				
Land improvements	2,740,466	-	-	2,740,466
Buildings and improvements	52,716,516	-	-	52,716,516
Machinery and equipment	12,629,532	69,634	-	12,699,166
Vehicles	66,121	-	-	66,121
Infrastructure	154,889,257	3,656,450	-	158,545,707
Total capital assets, being depreciated/amortized	223,041,892	3,726,084	-	226,767,976
Total capital assets	229,579,770	5,370,830	3,656,450	231,294,150
Less accumulated depreciation/amortization for:				
Land improvements	2,395,670	56,826	-	2,452,496
Buildings and improvements	39,010,133	740,698	-	39,750,831
Machinery and equipment	9,561,556	394,105	-	9,955,661
Vehicles	9,184	4,408	-	13,592
Infrastructure	71,530,876	2,181,606	-	73,712,482
Total accumulated depreciation/amortization	122,507,419	3,377,643	-	125,885,062
Total capital assets, being depreciated/amortized, net	100,534,473	348,441	-	100,882,914
Capital assets, net	<u>\$ 107,072,351</u>	<u>\$ 1,993,187</u>	<u>\$ 3,656,450</u>	<u>\$ 105,409,088</u>

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

D. Capital assets (continued)

Depreciation/amortization expense was charged to functions/programs as follows:

Water pollution control authority	\$ 1,489,293
Water department	1,612,660
Storm water management	64,483
Ocean beach park	191,549
Water street parking garage	<u>19,658</u>
Total	<u><u>\$ 3,377,643</u></u>

E. Construction commitments

The City has the following construction commitments:

Bennie Dover Middle School	\$ 6,940,930
New London High School	9,330,912
Community center	31,521,438
Jefferson Avenue roundabout	1,426,656
Infrastructure	1,050,336
City Hall renovations	392,647
Garfield Mills	<u>122,581</u>
Total	<u><u>\$ 50,785,500</u></u>

F. Short-term liabilities - bond anticipation notes

The City uses bond anticipation notes ("BANS") during the construction period of various public projects prior to the issuance of the bonds at the completion of the project. Short-term liability activity for the year was as follows:

Purpose	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
General purpose	\$ 6,000,000	\$ 9,200,000	\$ 6,000,000	\$ 9,200,000
Schools	<u>21,280,000</u>	<u>21,260,000</u>	<u>21,280,000</u>	<u>21,260,000</u>
Total	<u><u>\$ 27,280,000</u></u>	<u><u>\$ 30,460,000</u></u>	<u><u>\$ 27,280,000</u></u>	<u><u>\$ 30,460,000</u></u>

The BANS carry an interest rate of 5.00% and mature in March 2024.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Changes in long-term liabilities

Bonds, notes, leases, and subscriptions are direct obligations and pledge the full faith and credit of the City.

1. Summary of changes

The following is a summary of changes in long-term liabilities during the fiscal year:

Governmental Activities:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Refunding and Deductions	Balance June 30, 2023	Current Portion	Long-term Portion
Bonds:										
General purpose:										
Improvement	\$ 5,350,000	03/26/15	03/15/30	2.25-4.00%	\$ 3,225,000	\$ -	\$ 425,000	\$ 2,800,000	\$ 400,000	\$ 2,400,000
Refunding	5,271,000	12/13/16	08/15/29	3.00-5.00%	3,567,000	-	455,000	3,112,000	452,000	2,660,000
Improvement	7,165,000	03/15/17	03/15/37	3.00-5.00%	5,590,000	-	275,000	5,315,000	375,000	4,940,000
Improvement	4,195,000	03/08/18	03/15/38	3.00-5.00%	3,360,000	-	210,000	3,150,000	210,000	2,940,000
Improvement	4,300,000	03/21/19	08/15/38	3.00-3.50%	3,655,000	-	215,000	3,440,000	215,000	3,225,000
Refunding	3,285,000	03/21/19	08/15/38	3.00-3.50%	2,685,000	-	300,000	2,385,000	305,000	2,080,000
Improvement	2,200,000	03/05/20	03/15/40	2.25-4.00%	2,200,000	-	100,000	2,100,000	100,000	2,000,000
Refunding	3,553,000	04/07/20	08/01/33	4.00-5.00%	3,069,000	-	503,000	2,566,000	249,000	2,317,000
Improvement	3,200,000	04/07/20	08/01/39	3.00-5.00%	3,200,000	-	150,000	3,050,000	150,000	2,900,000
Improvement*	3,100,000	09/29/20	10/01/40	3.00%	3,100,000	-	-	3,100,000	150,000	2,950,000
Refunding*	3,950,000	09/29/20	10/01/40	0.75-3.00%	3,786,000	-	65,000	3,721,000	240,000	3,481,000
Improvement*	3,800,000	03/03/22	03/04/42	3.00-5.00%	3,800,000	-	-	3,800,000	-	3,800,000
Improvement*	4,050,000	03/02/23	03/15/43	4.00-5.00%	4,050,000	-	-	4,050,000	-	4,050,000
Total general purpose	53,419,000				45,287,000	-	2,698,000	42,589,000	2,846,000	39,743,000
School:										
Refunding	4,349,000	12/13/16	08/15/29	3.00-5.00%	2,943,000	-	375,000	2,568,000	373,000	2,195,000
Improvement	505,000	03/15/17	03/15/37	3.00-5.00%	375,000	-	25,000	350,000	25,000	325,000
Improvement	600,000	03/08/18	03/15/38	3.00-5.00%	480,000	-	30,000	450,000	30,000	420,000
Improvement	7,000,000	03/21/19	08/15/38	3.00-3.50%	5,950,000	-	350,000	5,600,000	350,000	5,250,000
Improvement	7,000,000	03/05/20	03/15/40	2.25-4.00%	7,000,000	-	275,000	6,725,000	325,000	6,400,000
Refunding	1,882,000	04/07/20	08/01/33	4.00-5.00%	1,580,000	-	298,000	1,282,000	240,000	1,042,000
Refunding*	4,455,000	09/29/20	10/01/40	0.75-3.00%	4,359,000	-	220,000	4,139,000	305,000	3,834,000
Improvement	13,300,000	03/04/21	03/15/41	1.25-4.25%	13,300,000	-	-	13,300,000	550,000	12,750,000
Improvement	10,000,000	03/03/22	03/04/42	3.00-5.00%	10,000,000	-	-	10,000,000	-	10,000,000
Improvement	4,500,000	03/02/23	03/15/43	4.00-5.00%	4,500,000	-	-	4,500,000	-	4,500,000
Total school	53,591,000				50,487,000	-	1,573,000	48,914,000	2,198,000	46,716,000

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 (as restated)	Additions	Refunding and Deductions	Balance June 30, 2023	Current Portion	Long-term Portion
Pension:										
Pension deficit*	\$ 4,000,000	12/17/15	12/15/35	1.25-4.60%	\$ 3,145,000	\$ -	\$ 170,000	\$ 2,975,000	\$ 175,000	\$ 2,800,000
Total bonds	111,010,000				98,919,000	-	4,441,000	94,478,000	5,219,000	89,259,000
<u>Notes (direct borrowings):</u>										
Equipment financing notes:										
Police cars	290,629	06/01/18	06/15/23	8.66%	61,686	-	61,686	-	-	-
Haulers	1,115,980	09/01/19	09/01/23	3.78%	471,372	-	231,314	240,058	240,058	-
Fire trucks	1,835,800	01/28/20	07/28/29	2.78%	1,489,306	-	167,536	1,321,770	173,652	1,148,118
Phone equipment	307,548	07/15/22	11/15/26	4.35%	-	307,548	63,368	244,180	57,199	186,981
Total notes	3,549,957				2,022,364	307,548	523,904	1,806,008	470,909	1,335,099
Total bonds and notes	221,569,957				100,941,364	307,548	4,964,904	96,284,008	5,689,909	90,594,099
Leases	2,579,408				1,917,037	499,991	263,335	2,153,693	353,484	1,800,209
Subscription payable	952,497				952,497	-	243,772	708,725	233,007	475,718
Total long-term debt					103,810,898	807,539	5,472,011	99,146,426	6,276,400	92,870,026
Premium					3,563,140	987,196	788,603	3,761,733	-	3,761,733
Total long-term debt and related liabilities					107,374,038	1,794,735	6,260,614	102,908,159	6,276,400	96,631,759
Claims payable					5,184,564	2,559,103	2,612,946	5,130,721	2,049,155	3,081,566
Compensated absences**					701,005	361,398	-	1,062,403	212,481	849,922
MERS pension contribution payable					3,434,316	-	230,328	3,203,988	139,304	3,064,684
Net pension liability					39,158,558	22,520,088	6,087,254	55,591,392	-	55,591,392
Net OPEB liability					21,509,825	9,190,464	2,707,799	27,992,490	-	27,992,490
Total long-term liabilities					\$177,362,306	\$36,425,788	\$17,898,941	\$195,889,153	\$8,677,340	\$187,211,813

All long-term liabilities are generally liquidated by the General Fund and Debt Service Fund.

*Taxable

**Net Change

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

Business-Type Activities:

The following are the changes in long-term liabilities, which will be funded from enterprise fund operations:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022	Additions	Refunding and Deductions	Balance June 30, 2023	Current Portion	Long-term Portion
<u>Water Pollution Control Authority (WPCA)</u>										
Bonds and notes:										
Improvement	\$ 3,100,000	03/23/17	03/15/37	3.00-5.00%	\$ 2,325,000	\$ -	\$ 155,000	\$ 2,170,000	\$ 155,000	\$ 2,015,000
Clean water - 455PDC	2,014,170	02/28/02	08/31/22	2.00%	8,377	-	8,377	-	-	-
Total long-term debt	<u>5,114,170</u>				<u>2,333,377</u>	<u>-</u>	<u>163,377</u>	<u>2,170,000</u>	<u>155,000</u>	<u>2,015,000</u>
Premium					130,969	-	9,355	121,614	-	121,614
Total long-term debt and related liabilities					<u>2,464,346</u>	<u>-</u>	<u>172,732</u>	<u>2,291,614</u>	<u>155,000</u>	<u>2,136,614</u>
<u>Water Department</u>										
Bonds and notes:										
Refunding	1,525,000	04/07/20	08/01/26	4.00-5.00%	1,261,000	-	254,000	1,007,000	241,000	766,000
Drinking water notes	5,534,628	01/31/17	01/31/36	2.00%	3,956,367	-	256,072	3,700,295	261,240	3,439,055
Total long-term debt	<u>7,059,628</u>				<u>5,217,367</u>	<u>-</u>	<u>510,072</u>	<u>4,707,295</u>	<u>502,240</u>	<u>4,205,055</u>
<u>Storm Water Management</u>										
Bonds:										
Improvement	1,650,000	04/07/20	08/01/39	3.00-5.00%	1,650,000	-	70,000	1,580,000	70,000	1,510,000
Premium					106,564	-	8,880	97,684	-	97,684
Total long-term debt and related liabilities					<u>1,756,564</u>	<u>-</u>	<u>78,880</u>	<u>1,677,684</u>	<u>70,000</u>	<u>1,607,684</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022	Additions	Refunding and Deductions	Balance June 30,	Current Portion	Long-term Portion
<u>Ocean Beach Park</u>										
Bonds and notes:										
Improvement*	\$ 600,000	03/21/19	08/15/23	2.80-3.20%	\$ 240,000	\$ -	\$ 120,000	\$ 120,000	\$ 120,000	\$ -
Refunding*	45,000	09/29/20	04/01/24	0.75-3.00%	45,000	-	15,000	30,000	30,000	-
Note payable (direct borrowings)	<u>1,000,000</u>	10/28/11	10/28/23	2.00%	<u>149,313</u>	<u>-</u>	<u>77,189</u>	<u>72,124</u>	<u>72,124</u>	<u>-</u>
Total long-term debt	<u>1,645,000</u>				<u>434,313</u>	<u>-</u>	<u>212,189</u>	<u>222,124</u>	<u>222,124</u>	<u>-</u>
Premium					<u>17,751</u>	<u>-</u>	<u>9,263</u>	<u>8,488</u>	<u>-</u>	<u>8,488</u>
Total long-term debt and related liabilities					<u>452,064</u>	<u>-</u>	<u>221,452</u>	<u>230,612</u>	<u>222,124</u>	<u>8,488</u>
Total enterprise fund long-term liabilities					<u>\$ 9,890,341</u>	<u>\$ -</u>	<u>\$ 983,136</u>	<u>\$ 8,907,205</u>	<u>\$ 949,364</u>	<u>\$ 7,957,841</u>

*Taxable

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

2. The following is a summary of principal and interest amounts of bond and note maturities:

Year Ending June 30,	Governmental Activities		
	Principal		Interest
	Bonds	Equipment Financing Notes	
2024	\$ 5,219,000	\$ 470,909	\$ 3,155,424
2025	6,038,000	238,168	2,947,232
2026	6,781,000	245,730	2,701,449
2027	7,070,000	253,543	2,422,124
2028	7,030,000	193,782	2,138,186
2029	6,550,000	199,169	1,852,534
2030	6,645,000	204,707	1,617,692
2031	5,500,000	-	1,404,703
2032	5,205,000	-	1,243,949
2033	5,275,000	-	1,083,833
2034	5,365,000	-	934,790
2035	4,430,000	-	792,576
2036	4,455,000	-	660,061
2037	4,230,000	-	530,806
2038	3,905,000	-	405,175
2039	3,665,000	-	296,825
2040	3,100,000	-	202,425
2041	2,330,000	-	121,350
2042	1,255,000	-	59,150
2043	430,000	-	17,200
Totals	<u>\$ 94,478,000</u>	<u>\$ 1,806,008</u>	<u>\$24,587,484</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

Year Ending June 30,	Business-Type Activities						
	Principal						
	WPCA Bonds	Water		Storm Water Bonds	Ocean Beach Park		Interest
	Bonds	Notes		Bonds	Notes		
2024	\$ 155,000	\$ 241,000	\$ 261,240	\$ 70,000	\$150,000	\$ 72,124	\$ 257,031
2025	155,000	257,000	266,513	70,000	-	-	225,272
2026	155,000	259,000	271,893	70,000	-	-	195,743
2027	155,000	250,000	277,381	70,000	-	-	166,280
2028	155,000	-	282,979	80,000	-	-	144,881
2029	155,000	-	288,691	100,000	-	-	130,919
2030	155,000	-	294,518	100,000	-	-	116,442
2031	155,000	-	300,463	100,000	-	-	101,654
2032	155,000	-	306,528	100,000	-	-	86,551
2033	155,000	-	312,715	100,000	-	-	71,326
2034	155,000	-	319,027	100,000	-	-	56,284
2035	155,000	-	325,466	100,000	-	-	41,419
2036	155,000	-	192,881	100,000	-	-	26,889
2037	155,000	-	-	105,000	-	-	16,914
2038	-	-	-	105,000	-	-	8,138
2039	-	-	-	105,000	-	-	4,922
2040	-	-	-	105,000	-	-	1,641
Totals	<u>\$2,170,000</u>	<u>\$1,007,000</u>	<u>\$3,700,295</u>	<u>\$1,580,000</u>	<u>\$150,000</u>	<u>\$ 72,124</u>	<u>\$1,652,306</u>

3. Assets pledged as collateral

The City's outstanding equipment financing notes are secured with collateral of the equipment purchased of \$1,806,008.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**G. Changes in long-term liabilities (continued)****4. Statutory debt limitations**

The City's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 131,561,802	\$ 51,789,000	\$ 79,772,802
Schools	263,123,604	70,174,000	192,949,604
Sewers	219,269,670	-	219,269,670
Urban renewal	190,033,714	-	190,033,714
Pension deficit	175,415,736	2,975,000	172,440,736

The total overall statutory debt limit for the City is equal to 7 times the annual receipts for the prior year taxation:

\$ 409,303,384

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

5. Authorized/unissued debt

The amount of authorized and unissued bonds as follows:

Governmental Activities:

General purpose	\$ 34,000,000
Schools	<u>135,232,136</u>
Total	<u>\$ 169,232,136</u>

Business-Type Activities:

Lake Konomoc intake pump	<u>\$ 965,372</u>
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City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

6. Leases

Lease agreements are summarized as follows:

Governmental Activities:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Senior center	2022	9	2.70%	\$ 307,474	\$ 303,999
City copiers	2022	5	2.70%	8,035	4,892
Education postage machines	2022	5	2.70%	28,532	15,758
Bus parking lot	2022	13	2.70%	1,316,847	1,209,027
Education copiers	2022/2023	3-5	2.70%	918,520	620,017
Total				<u>\$ 2,579,408</u>	<u>\$ 2,153,693</u>

*All interest rates have been imputed based on the rate of the recently issued debt as there were no interest rates specified in the subscription agreement.

Description	Terms
Senior center	The building's lease term includes three options to extend that all include 5-year extension periods. The City has fixed rent increases that begin on June 1, 2023.
City copiers	These leases do not include any extension terms and the City will not acquire the equipment at the end of the term.
Education postage machines	The lease is not renewable and the City will not acquire the postage machines at the end of the term.
Bus parking lot	The lease does not include any extension terms and the City will not acquire the land at the end of the term.
Education copiers	These leases do not include any extension terms and the City will not acquire the equipment at the end of the term.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

H. Changes in long-term liabilities (continued)

The following is a summary of lease payable principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2024	\$ 353,484	\$ 58,091
2025	271,205	48,566
2026	244,742	41,263
2027	244,401	34,675
2028	197,487	28,076
2029	156,214	22,744
2030	150,963	18,526
2031	122,361	14,450
2032	129,769	11,147
2033	137,500	7,643
2034	145,567	3,931
Totals	<u>\$ 2,153,693</u>	<u>\$ 289,112</u>

7. Subscription arrangements

Subscription arrangements are summarized as follows:

Governmental Activities:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Police body camera software	2023	4	4.50%	\$ 911,348	\$ 698,326
Cloud services	2023	2	4.50%	41,149	10,399
Total				<u>\$ 952,497</u>	<u>\$ 708,725</u>

*All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the subscription agreement.

Description	Terms
Police body camera software	The City has a subscription arrangement for the police body camera software and cloud storage of camera footage. This arrangement does not include extension or termination terms.
Cloud services	The City has a subscription arrangement for cloud services. This arrangement does not include extension or termination terms.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**G. Changes in long-term liabilities (continued)**

The following is a summary of subscription principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2024	\$ 233,007	\$ 31,893
2025	232,625	21,407
2026	243,093	10,939
Total	<u>\$ 708,725</u>	<u>\$ 64,239</u>

H. Fund balances and restricted net position

Fund balances are classified as follows:

Fund Balance Component	General Fund	Capital Nonrecurring	School Projects	Education Grants	Other Governmental Funds	Total
Nonspendable:						
Prepays	\$ 403,094	\$ -	\$ -	\$ -	\$ -	\$ 403,094
Leases receivable	110,975	-	-	-	-	110,975
Total nonspendable	<u>514,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,069</u>
Restricted:						
Housing rehabilitation programs	-	-	-	-	976,034	976,034
Health and welfare programs	-	-	-	-	197,032	197,032
Cafeteria operations*	-	-	-	-	955,809	955,809
School activity programs	-	-	-	-	28,418	28,418
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,157,293</u>	<u>2,157,293</u>
Committed:						
General government programs	-	-	-	-	1,634,184	1,634,184
Community programs	-	-	-	-	513,220	513,220
Public safety programs	-	-	-	-	1,849,845	1,849,845
Public works programs	-	-	-	-	221,461	221,461
Port authority	-	-	-	-	178,571	178,571
Culture and recreation programs	-	-	-	-	431,145	431,145
Education programs	-	-	-	2,060,902	639,539	2,700,441
Construction contracts	-	34,513,658	16,271,842	-	-	50,785,500
Total committed	<u>-</u>	<u>34,513,658</u>	<u>16,271,842</u>	<u>2,060,902</u>	<u>5,467,965</u>	<u>58,314,367</u>
Assigned:						
Debt service	-	-	-	-	5,822,840	5,822,840
Unassigned	20,913,220	(33,223,571)	(29,657,633)	-	-	(41,967,984)
Total	<u>\$ 21,427,289</u>	<u>\$ 1,290,087</u>	<u>\$ (13,385,791)</u>	<u>\$ 2,060,902</u>	<u>\$ 13,448,098</u>	<u>\$ 24,840,585</u>
* The amount of restricted net position restricted by enabling legislation totaled:						<u>\$ 955,809</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

IV. Other information

A. Risk management

The City purchases commercial insurance coverage for all the following risks and limits as detailed below:

Coverage	Limit	Deductible	Aggregate
General liability	\$ 1,000,000	\$ 350,000	
Auto	1,000,000	350,000	
Law enforcement liability and school leaders	1,000,000	500,000	
Public officials	1,000,000	350,000	
Damage to City property	1,000,000	100,000	
Flood damage	10,000,000	100,000	\$ 10,000,000
Excess liability	10,000,000		
Workers compensation stop loss	350,000		

The City is exposed to various risks for which it has retained the risk of loss including torts; theft or, damage to and destruction of assets; natural disaster; general liability; and workers' compensation. The City is self-insured for claims under C.G.S. 7-433c the Heart and Hypertension Act. Settled claims have not exceeded commercial coverage in any of the past 3 years. There have not been any significant reductions in insurance coverage from amounts held in prior years.

The City utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

City departments are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the City's best estimate based on available information.

The claims liability reported in the fund is based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

A. Risk management (continued)

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
<u>General Liability</u>						
2021-2022	\$ 1,465,316	\$ 920,612	\$ 815,614	\$ 1,570,314	\$ 1,099,220	\$ 471,094
2022-2023	1,570,314	1,539,787	1,071,099	2,039,002	1,427,301	611,701
<u>Workers Compensation</u>						
2021-2022	1,008,952	1,350,841	1,174,273	1,185,520	711,312	474,208
2022-2023	1,185,520	1,207,174	1,476,271	916,423	549,854	366,569
<u>Heart and Hypertension</u>						
2021-2022	3,680,429	(1,063,194)	188,505	2,428,730	194,000	2,234,730
2022-2023	2,428,730	(187,858)	65,576	2,175,296	72,000	2,103,296
<u>Totals</u>						
2021-2022	6,154,697	1,208,259	2,178,392	5,184,564	2,004,532	3,180,032
2022-2023	\$ 5,184,564	\$ 2,559,103	\$ 2,612,946	\$ 5,130,721	\$ 2,049,155	\$ 3,081,566

B. Commitments and litigation

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. 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.

The City is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the City.

V. Pensions and other post-employment benefit plans (“OPEB”)

A. Pension plans

1. Plan description

a. Plan administration

The City administers two single-employer Defined Benefit Public Employee Retirement Systems (“PERS”), The City of New London Noncontributory Pension Plan and the City of New London Contributory Pension Plan. The PERS are established and administered by the City to provide pension benefits for its non-teacher employees. These plans do not issue stand-alone financial reports, nor are they included in the report of a public employee’s retirement system.

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

A. Pension plans (continued)

Management of the plans is vested in the Pension Committee. The benefits, employee contributions and employer contributions for both plans are governed by the City Council and can only be amended by the Pension Committee.

Noncontributory

The PERS noncontributory plan is funded on a pay-as-you-go basis from the General Fund of the City. There are no assets that are being accumulated in a trust that meets the criteria in GASB No. 68 to pay benefits. The plan's membership was open to City employees hired prior to May 1, 1971, with the exception of certified teachers and administrative personnel at the Board of Education. The plan was established through City ordinance. The plan is closed to employees hired subsequent to May 1, 1971. The plan provides retirement and disability benefits. There is no cost-of-living provision in the plan.

Contributory

The PERS contributory plan is considered to be part of the City of New London's financial reporting entity and is included in the City's financial statements as a pension trust fund. The plan's membership includes substantially all City employees hired after May 1, 1971, with the exception of certified teachers and administrative personnel at the Board of Education and police officers. The plan was established through City ordinance. The plan remains open only to members of the Public Works Union, certain Department Heads and General Unaffiliated individuals, and Board of Education Unaffiliated, Custodian and Secretarial members who have elected to continue plan membership.

Participating units of the plan are Police, Unaffiliated General Salaried and Board of Education, Firefighters, MEU, Nurses, Public Works, Board of Education Custodians and Secretaries. All full time members of Units hired subsequent to May 1, 1971 are eligible to participate; however, Firefighters employed after November 1, 1996, Nurses employed after July 1, 1998, Policemen employed after December 22, 1999, General Salaried Unaffiliated and Board of Education Unaffiliated hired after March 6, 2000 and MEU members hired after February 29, 2000 are not eligible to participate in the plan. The plan provides retirement, death and disability benefits.

b. Plan membership

Membership in the plans is as follows:

	<u>July 1, 2021</u>	<u>July 1, 2022</u>
	<u>Noncontributory</u>	<u>Contributory</u>
Retirees and beneficiaries currently receiving benefits	23	181
Vested terminated employees	-	37
Active plan members	-	65
Total participants	<u>23</u>	<u>283</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

A. Pension plans (continued)

2. Benefit provisions

The benefit provisions for the plans are as follows:

	<u>Noncontributory</u>	<u>Contributory</u>
Normal retirement	Non officer firefighters are eligible to retire at 55 with 15 years of service	General Salaried Unaffiliated and Board of Education Unaffiliated - age 54 with 15 years of service All others - age 57 with 15 years of service Maximum retirement for Firefighters is age 65
Benefit calculation	Equal to 33.33% of compensation for the first 15 years of service plus an additional 1.66% of compensation for each of the next 10 years of service. The maximum benefit is 50% of compensation. Compensation is defined as base pay plus longevity received at retirement.	Board of Education Custodians and Secretaries, Fire, MEU, and Public Works: 2% of average compensation multiplied by years of service up to a maximum of 30 years Maximum normal retirement benefit is 60% of average compensation General Salaried Unaffiliated and Board of Education Unaffiliated - 3% of average compensation multiplied by years of service up to a maximum of 20 years Maximum normal benefit is 60% of average compensation
Service connected disability amount	1/2 of compensation less workmen's compensation	None
Cost of living adjustments	None	Retired Police - Increase every other year starting at age 62 with max increase in any 1 year being 1% Secretaries - At 5 years following retirement one-time 3% COLA and at 10 years following retirement one-time additional 3% COLA Public Works - Shall receive a one-time 5% COLA on the anniversary of their fifth year of retirement

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

A. Pension plans (continued)

3. Contributions

Contribution requirements for the plans are as follows:

	<u>Noncontributory</u>	<u>Contributory</u>
Employee	N/A - No active plan members	Participants are required to contribute 6% of their pensionable wages plus longevity
Employer	The plan is funded on a pay-as-you-go basis	Actuarial determined contribution
Percentage of covered payroll		37.99%

4. Investments

a. Investment policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. It is the policy of the City's Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Committee periodically reviews the asset allocation and strategic objectives in light of market conditions, benefit payments, expenses, and expected contributions from the City.

The following was the Committee's adopted asset allocation policy for the Contributory Plan:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap domestic equity	25.00%	5.60%
Mid cap domestic equity	10.00%	7.50%
Small cap domestic equity	3.00%	8.20%
International developed equity	4.00%	5.60%
Emerging markets equity	16.00%	8.20%
U.S. government fixed income	12.00%	1.80%
U.S. corporate fixed investment	12.00%	3.10%
U.S. corporate fixed high yield	4.00%	4.70%
Real estate	14.00%	4.90%
Total/weighted average	<u>100.00%</u>	5.40%
Long-term inflation expectation		<u>2.40%</u>
Long-term expected nominal return		<u>7.80%</u>

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

A. Pension plans (continued)**b. Concentrations**

There were no investments in any one organization that represents 5.00% or more of the pension plan's net position.

c. Rate of return

The long-term expected rate of return on the pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the pension plan's target asset allocation are also summarized above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	Noncontributory	Contributory
Rate of return	N/A	9.41%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability are as follows:

	Noncontributory	Contributory
Total pension liability	\$ 4,343,069	\$ 41,079,273
Plan fiduciary net position	-	30,549,991
Net pension liability	\$ 4,343,069	\$ 10,529,282
Plan fiduciary net position as a percentage of the total pension liability	0.00%	74.37%

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

A. Pension plans (continued)

6. Actuarial methods and significant assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Noncontributory</u>	<u>Contributory</u>
Valuation date	July 1, 2021	July 1, 2022
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage
Asset valuation method	N/A	Fair value
Salary increases	N/A	Graded scale 4.40% at age 20 down to 2.40% at age 60 and beyond
Inflation	2.40%	2.40%
Investment rate of return	3.65%	6.75%
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2021	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2021

7. Changes from prior year

a. Changes in assumptions

Noncontributory plan:

The discount rate increased from 3.54% to 3.65%.

b. Changes in benefit terms

There were no changes in benefit terms.

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

A. Pension plans (continued)**8. Discount rate**

The discount rate used to measure the total pension liability was as follows:

	Noncontributory	Contributory
Discount rate	3.65%	6.75%

The discount rate for the noncontributory plan is based on the Bond Buyer GO Municipal bond 20-year average for AA index.

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

9. Changes in the net pension liability

The City's net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated as noted below. The changes in net pension liability for each plan for the fiscal year were as follows:

<u>Valuation Date: July 1, 2021</u>	Total Pension Liability
Noncontributory Plan	(a)
Balance at July 1, 2022	<u>\$ 4,602,622</u>
Interest	152,837
Differences between expected and actual experience	191,242
Changes in assumptions	(28,220)
Benefit payments, including refunds of member contributions	<u>(575,412)</u>
Net change	<u>(259,553)</u>
Balance at June 30, 2023	<u><u>\$ 4,343,069</u></u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

A. Pension plans (continued)

Valuation Date: July 1, 2022	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Contributory Plan			
Balance at July 1, 2022	\$ 42,874,055	\$ 30,237,475	\$ 12,636,580
Service cost	550,774	-	550,774
Interest	2,813,231	-	2,813,231
Differences between expected and actual experience	(1,597,702)	-	(1,597,702)
Contributions - employer	-	1,365,955	(1,365,955)
Contributions - member	-	231,215	(231,215)
Net investment income (loss)	-	2,288,750	(2,288,750)
Benefit payments, including refunds of member contributions	(3,561,085)	(3,561,085)	-
Administrative expenses	-	(12,319)	12,319
Net change	(1,794,782)	312,516	(2,107,298)
Balance at June 30, 2023	\$ 41,079,273	\$ 30,549,991	\$ 10,529,282

10. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Net pension liability	Discount Rate	1% Decrease	Current Discount	1% Increase
Noncontributory plan	3.65%	\$ 4,612,695	\$ 4,343,069	\$ 4,101,340
Contributory plan	6.75%	\$15,733,916	\$10,529,282	\$ 6,035,847

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

A. Pension plans (continued)

11. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

The City reported deferred outflows and deferred inflows of resources and pension expense as follows:

<u>Contributory Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ -	\$ 1,065,026	\$(1,065,026)
Net difference between projected and actual earnings on pension plan investments	<u>569,989</u>	<u>-</u>	<u>569,989</u>
Totals	<u>\$ 569,989</u>	<u>\$ 1,065,026</u>	<u>\$ (495,037)</u>
		<u>Noncontributory</u>	<u>Contributory</u>
The City recognized pension expense of:		<u>\$ 315,859</u>	<u>\$ 510,892</u>

Differences between expected and actual experience and changes in assumptions are amortized over the average remaining service period of actives and inactive, which were as follows:

	<u>Noncontributory</u>	<u>Contributory</u>
Years	0.0	2.4

Actual investment earnings below (or above) projected earnings are amortized over 5 years.

Amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2024	\$ (1,164,903)
2025	(277,635)
2026	1,113,190
2027	<u>(165,689)</u>
Total	<u>\$ (495,037)</u>

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023****B. MEU and Unaffiliated Employees Defined Contribution Plan**

The City has established a single employer, defined contribution plan for all MEU and unaffiliated employees hired after December 1, 2000. The City and plan members are both required to make contributions. The plan is administered by the ICMA Retirement Trust Corporation. The authority for establishing and amending plan provisions rests with the City Council.

The employee and City required contributions to the plan are 6.00% and 10.00% of covered payroll, respectively. Actual contributions for the plan for the year totaled \$772,983, which consisted of \$474,369 contributed by employees and \$298,614 recognized as pension expense by the City. The current year covered payroll for the plan is \$2,986,140.

The participant's interest in employer contributions to their account and amounts rolled from the defined benefit plan are vested after 5 years of service. The City's and employee's contributions are determined by union contract for the MEU and through City Council authorization for unaffiliated employees.

C. Connecticut municipal employees' retirement system**1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

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

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Police officers and firefighters with social security
- Police officers and firefighters without social security

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Connecticut municipal employees' retirement system (continued)

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Fire	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
Early retirement	
Early retirement amount	5 years of continuous service or 15 years of active aggregate service Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

C. Connecticut municipal employees' retirement system (continued)**3. Contributions****Employer**

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The collective net pension liability was measured as of June 30, 2022, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The City's proportionate share of the collective net pension liability was based upon the City's 2022 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The City's proportional share and change from the prior year was as follows:

<u>Plan Description</u>	<u>Proportional share</u>	<u>Change from prior year</u>
Police officers without social security sub plan	3.654925%	(0.428977%)
Firefighters without social security sub plan	3.354117%	(0.105399%)
General employees with social security sub plan	1.848248%	0.095221%
The City's proportional share of the collective net pension liability was:		<u>\$ 40,719,041</u>

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the collective net pension liability.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Connecticut municipal employees' retirement system (continued)

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 6,789,101	\$ 909,466	\$ 5,879,635
Changes in proportional share	599,186	2,282,282	(1,683,096)
Net difference between projected and actual earnings on pension plan investments	5,176,491	-	5,176,491
Contributions subsequent to measurement date	4,476,675	-	4,476,675
Total	\$ 17,041,453	\$ 3,191,748	13,849,705
Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year			(4,476,675)
Net amortized amount of deferred inflows and outflows			\$ 9,373,030
The City recognized pension expense of:			\$ 7,882,412

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	\$ 2,130,622
2025	1,946,470
2026	1,588,468
2027	3,707,470
Total	\$ 9,373,030

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

C. Connecticut municipal employees' retirement system (continued)**5. Actuarial assumptions**

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%.
Mortality rates	<p><u>Employees</u>: Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB.</p> <p><u>Police and Fire</u>: RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB.</p> <p><u>Disabled</u>: For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.</p>

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Long-term expected rate of return

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

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Connecticut municipal employees' retirement system (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Global equity	37.00%	6.90%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.20%
Real estate	10.00%	6.30%
Infrastructure and natural resources	<u>7.00%</u>	7.70%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the collective total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective total pension liability.

7. Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the City's proportional share of the collective net pension liability of MERS, calculated using the discount rate, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
City's proportional share of the collective net pension liability	<u>\$ 56,617,974</u>	<u>\$ 40,719,041</u>	<u>\$ 27,483,729</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

C. Connecticut municipal employees' retirement system (continued)

8. Plan fiduciary net position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

9. Payable to the pension plan

The City has \$3,203,988 of installments payable for prior service costs to the MERS plan at year end. The payable represents the City's legally required contribution and related withheld employee contributions.

D. Connecticut state teachers' retirement system

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

D. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service
Vesting - Amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their pensionable wages for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

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

City's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the City	<u>100,903,814</u>
Total	<u>\$ 100,903,814</u>
During the year, the City recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 7,955,534</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

D. Connecticut state teachers' retirement system (continued)

The collective net pension liability was measured as of June 30, 2022 and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The City has no proportionate share of the collective net pension liability.

5. Actuarial assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

D. Connecticut state teachers' retirement system (continued)**Long-term expected rate of return**

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

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	2.00%	(0.40%)
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the collective total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective total pension liability.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

D. Connecticut state teachers' retirement system (continued)

7. Sensitivity of the collective net pension liability to changes in the discount rate

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

E. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Noncontributory Plan	\$ 4,343,069	\$ -	\$ -	\$ 315,859
Contributory Plan	10,529,282	569,989	1,065,026	510,892
MERS	40,719,041	17,041,453	3,191,748	7,882,412
Total	<u>\$ 55,591,392</u>	<u>\$ 17,611,442</u>	<u>\$ 4,256,774</u>	<u>\$ 8,709,163</u>

F. Other post-employment benefit plan ("OPEB")

1. Plan description

a. Plan administration

The City administers one single-employer, post-retirement healthcare plan for the City of New London Other Post-Employment Benefit ("OPEB") plan. The plan provides medical and dental benefits for eligible retirees and their spouses. The plan does not issue standalone financial reports.

b. Plan membership

The following employees are covered by the benefit terms:

	July 1, <u>2022</u>
Inactive plan members or beneficiaries currently receiving benefit payments	218
Active plan members	<u>670</u>
Total	<u>888</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

F. Other post-employment benefit plan (“OPEB”) (continued)

2. Benefit provisions

The plan provides for medical and dental benefits and life insurance for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

3. Contributions

Authority	Retirement Board
Amendments to contributions	Union contracts
Employer contributions	\$1,328,756
Percentage of pensionable wages	2.93%
Employer	The City's contributions are made based upon the actuarially determined amount
Employees	The plan members are not required to contribute to the plan
Retirees:	
Teachers and administrators	100.00%
All others	100.00%

Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the City’s group medical insurance plan until they formally begin receiving benefits from the State Teachers’ Retirement Plan. These former teachers are required to contribute the cost of the insurance to the City.

4. Investments

a. Investment policy

The OPEB plan’s policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the City’s Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

F. Other post-employment benefit plan (“OPEB”) (continued)

The following was the Board's adopted asset allocation policy for the OPEB plan:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. broad equity market	80.00%	4.10%
U.S. core fixed income	17.00%	1.84%
U.S. cash	<u>3.00%</u>	<u>0.20%</u>
Total/weighted average	<u>100.00%</u>	1.05%
Long-term inflation expectation		<u>2.60%</u>
Long-term expected nominal return		<u>3.65%</u>

b. Concentrations

There were no investments in any one organization that represents 5.00% or more of the OPEB plan's net position.

c. Rate of return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric means real rates of return for each major asset class included in the OPEB plan's target asset allocation are also summarized above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.13%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

F. Other post-employment benefit plan (“OPEB”) (continued)

5. Net OPEB liability

The components of the net OPEB liability were measured as of June 30, 2023 and were as follows:

Total OPEB liability	\$ 30,058,344
Plan fiduciary net position	<u>2,065,854</u>
Net OPEB liability	<u>\$27,992,490</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>6.87%</u>

6. Actuarial methods and significant assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2022
Discount rate	3.65%
Inflation	2.60%
Healthcare cost trend rates:	
Initial medical trend rate	6.40%
Ultimate medical trend rate	4.00% over 51 years
Mortality rates	Pub-2010 mortality table with generational projection per MP-2021 ultimate scale

The discount rate was based on the S&P municipal bond 20-year high grade index as of the measurement date.

7. Changes from prior year

a. Changes in assumptions

The City’s plan had the following changes in assumptions:

	From	To
Discount rate	3.54%	3.65%
Inflation	2.70%	2.60%
Healthcare cost trend rates:		
Initial medical trend rate	5.30%	6.40%
Ultimate medical trend rate	4.10% over 54 years	4.00% over 51 years
Mortality rates	Pub-2010 mortality table with generational projection per MP-2019 ultimate scale	Pub-2010 mortality table with generational projection per MP-2021 ultimate scale

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**F. Other post-employment benefit plan (“OPEB”) (continued)****b. Changes in benefit terms**

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

9. Changes in the net OPEB liability

The City’s OPEB liability was measured at June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated as noted below:

Valuation Date: July 1, 2022	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 23,219,789	\$ 1,709,964	\$ 21,509,825
Service cost	1,184,856	-	1,184,856
Interest	843,633	-	843,633
Differences between expected and actual experience	7,153,900	-	7,153,900
Changes in assumptions	(1,187,328)	-	(1,187,328)
Contributions - employer	-	1,328,756	(1,328,756)
Net investment income (loss)	-	191,715	(191,715)
Benefit payments, including refunds of member contributions	(1,156,506)	(1,156,506)	-
Administrative expenses	-	(8,075)	8,075
Net change	6,838,555	355,890	6,482,665
Balance at June 30, 2023	\$ 30,058,344	\$ 2,065,854	\$ 27,992,490

10. Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	3.65%	\$ 32,149,477	\$ 27,992,490	\$ 24,556,613

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

F. Other post-employment benefit plan (“OPEB”) (continued)

11. Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	Trend Rate	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	6.40% decreasing to 4.00%	\$23,896,633	\$ 27,992,490	\$33,090,902

12. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

The City reported deferred outflows and inflows of resources and OPEB expense as follows:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 6,408,702	\$ 7,996,498	\$ (1,587,796)
Changes in assumptions	4,936,188	5,286,000	(349,812)
Net difference between projected and actual earnings on OPEB plan investments	-	42,214	(42,214)
Total	<u>\$11,344,890</u>	<u>\$ 13,324,712</u>	<u>\$ (1,979,822)</u>

The City recognized OPEB expense of: \$ 1,064,495

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes in assumptions and experience losses (gains) are amortized over an average of 9.6 years.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

F. Other post-employment benefit plan (“OPEB”) (continued)

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

Year Ending June 30,	
2024	\$ (876,259)
2025	(455,763)
2026	(365,921)
2027	(423,772)
2028	(376,098)
Thereafter	<u>517,991</u>
Total	<u>\$ (1,979,822)</u>

G. Connecticut state teachers’ retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (“TRS-RHIP”) - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers’ Retirement Board (“TRB”). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service

City of New London, Connecticut

**Notes to Financial Statements
For the Year Ended June 30, 2023**

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Retiree health care coverage**

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

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

Employees

Each member is required to contribute 1.25% of their annual pensionable wages.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

The City reports no amounts for its proportionate share of the collective net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the City as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the City were as follows:

City's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the City	<u>8,836,860</u>
Total	<u>\$ 8,836,860</u>
During the year, the City recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 112,523</u>

The collective net OPEB liability was measured as of June 30, 2022, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The City has no proportionate share of the collective net OPEB liability.

5. Actuarial assumptions

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023**G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Changes in assumptions and inputs**

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

6. Discount rate

The discount rate used to measure the collective total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate

The City's proportionate share of the collective net OPEB liability is \$0 and, therefore, the change in the discount rate and the health care cost trend rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

H. Pension and other post-employment benefit plan statements

Pension and Other Post-Employment Benefit Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2023

<u>Assets</u>	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Cash	\$ 113,029	\$ 469,256	\$ 582,285
Investments:			
Mutual funds:			
Money market	1,142,018	-	1,142,018
Bonds	-	252,811	252,811
Bank money market	11,059	47,800	58,859
Equities	21,772,680	1,212,737	22,985,417
Bonds	8,352,027	-	8,352,027
Real estate (equities)	1,928,248	-	1,928,248
Total investments	<u>33,206,032</u>	<u>1,513,348</u>	<u>34,719,380</u>
Interest receivable	53,196	-	53,196
Accounts receivable	1,737	-	1,737
Contribution receivable	179,447	83,250	262,697
Total assets	<u>33,553,441</u>	<u>2,065,854</u>	<u>35,619,295</u>
<u>Liabilities</u>			
Accounts payable	2,475	-	2,475
Due to other funds	3,000,975	-	3,000,975
Total liabilities	<u>3,003,450</u>	<u>-</u>	<u>3,003,450</u>
<u>Net Position</u>			
Restricted for:			
Pensions	30,549,991	-	30,549,991
OPEB	-	2,065,854	2,065,854
Total net position	<u>\$ 30,549,991</u>	<u>\$ 2,065,854</u>	<u>\$ 32,615,845</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

H. Pension and other post-employment benefit plan statements (continued)

Pension and Other Post-Employment Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 1,365,955	\$ 1,328,756	\$ 2,694,711
Plan members	231,215	-	231,215
Total contributions	<u>1,597,170</u>	<u>1,328,756</u>	<u>2,925,926</u>
Investment income (loss):			
Interest and dividends	891,554	33,342	924,896
Net change in fair value of investments	<u>1,705,456</u>	<u>177,563</u>	<u>1,883,019</u>
Total investment income (loss)	2,597,010	210,905	2,807,915
Less investment expenses	<u>308,260</u>	<u>19,190</u>	<u>327,450</u>
Net investment income (loss)	<u>2,288,750</u>	<u>191,715</u>	<u>2,480,465</u>
Total additions	<u>3,885,920</u>	<u>1,520,471</u>	<u>5,406,391</u>
Deductions:			
Benefits	3,561,085	1,156,506	4,717,591
Administration	<u>12,319</u>	<u>8,075</u>	<u>20,394</u>
Total deductions	<u>3,573,404</u>	<u>1,164,581</u>	<u>4,737,985</u>
Changes in net position	312,516	355,890	668,406
Net position - July 1, 2022	<u>30,237,475</u>	<u>1,709,964</u>	<u>31,947,439</u>
Net position - June 30, 2023	<u>\$ 30,549,991</u>	<u>\$ 2,065,854</u>	<u>\$ 32,615,845</u>

City of New London, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2023

VI. Prior period adjustments

As a result of the implementation of GASB Statement No. 96, intangible right-to-use subscription assets and subscription liability were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 952,497
Long-term liabilities:	
Subscription liability	952,497

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<hr/>	
<u>Pension Plans</u>	
Noncontributory	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
Contributory	
Municipal Employees' Retirement System	Schedule of Proportionate Share of the Collective Net Pension Liability
State Teachers' Retirement System	Schedule of Contributions
	Notes to Required Supplementary Information
<hr/>	
<u>Other Post-Employment Benefits Plans</u>	
City	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
State Teachers' Retirement Board Retiree	
Health Insurance Plan	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

City of New London, Connecticut
Required Supplementary Information
General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Property taxes:					
Real estate tax	\$ 47,004,218	\$ -	\$ 47,004,218	\$ 45,741,040	\$ (1,263,178)
Personal property tax	5,768,188	-	5,768,188	5,746,305	(21,883)
Motor vehicle tax	5,102,529	-	5,102,529	3,951,104	(1,151,425)
Supplemental motor vehicle tax	600,000	-	600,000	590,501	(9,499)
Prior years taxes	800,000	-	800,000	598,690	(201,310)
Prior years taxes - judgment	-	-	-	(743,247)	(743,247)
Collections on suspense	150,000	-	150,000	167,897	17,897
Delinquent tax interest	500,000	-	500,000	539,806	39,806
Telephone access line	95,000	-	95,000	94,002	(998)
Total property taxes	60,019,935	-	60,019,935	56,686,098	(3,333,837)
Intergovernmental:					
Veterans	3,500	-	3,500	3,981	481
Disability exempt	3,000	-	3,000	3,176	176
Mashantucket Pequot	1,667,837	-	1,667,837	1,667,837	-
Distressed municipality	-	-	-	29,934	29,934
Municipal stabilization	1,112,913	-	1,112,913	1,112,913	-
Grants for municipal	33,160	-	33,160	1,408,737	1,375,577
PILOT - state-owned property	397,800	-	397,800	-	(397,800)
Tiered PILOT	5,646,421	-	5,646,421	7,599,371	1,952,950
OTB share	15,000	-	15,000	-	(15,000)
PILOT - elderly state - housing	50,000	-	50,000	-	(50,000)
Federal low income - housing	25,000	-	25,000	12,500	(12,500)
CT Port Authority - State pier	500,000	-	500,000	879,591	379,591
Education cost sharing	22,481,753	-	22,481,753	22,340,260	(141,493)
Nonpublic health services	-	-	-	76,044	76,044
School construction progress payments	52,000	-	52,000	-	(52,000)
Emergency management	10,000	-	10,000	23,928	13,928
Absentee Ballot	-	-	-	5,190	5,190
Total intergovernmental	31,998,384	-	31,998,384	35,163,462	3,165,078
Charges for services:					
City council	200	-	200	662	462
Mayor	-	-	-	71	71
Finance	750,350	-	750,350	955,864	205,514
Law	-	-	-	29	29
Probate	30,000	-	30,000	36,779	6,779
City clerk	1,021,000	-	1,021,000	1,108,638	87,638
Office of development and planning	938,050	-	938,050	908,916	(29,134)
Public safety:					
Police	39,650	-	39,650	70,809	31,159
Fire	1,884,900	-	1,884,900	1,989,869	104,969
Public works	905,000	-	905,000	814,395	(90,605)

(Continued)

See Notes to Required Supplementary Information.

City of New London, Connecticut
Required Supplementary Information
General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services (continued):					
Recreation and culture:					
Human services / senior center	\$ -	\$ 1,350	\$ 1,350	\$ 1,442	\$ 92
Recreation	-	-	-	23,135	23,135
Education	-	-	-	60,897	60,897
Total charges for services	<u>5,569,150</u>	<u>1,350</u>	<u>5,570,500</u>	<u>5,971,506</u>	<u>401,006</u>
Contributions	<u>81,000</u>	<u>-</u>	<u>81,000</u>	<u>50,000</u>	<u>(31,000)</u>
Income from investments	355,732	-	355,732	143,894	(211,838)
Net change in fair value of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,597</u>	<u>4,597</u>
Income from investments	<u>355,732</u>	<u>-</u>	<u>355,732</u>	<u>148,491</u>	<u>(207,241)</u>
Total revenues	98,024,201	1,350	98,025,551	98,019,557	(5,994)
Other financing sources:					
Transfers in	<u>650,000</u>	<u>7,500</u>	<u>657,500</u>	<u>1,868,979</u>	<u>1,211,479</u>
Total revenues and other financing sources	<u>\$ 98,674,201</u>	<u>\$ 8,850</u>	<u>\$ 98,683,051</u>	<u>\$ 99,888,536</u>	<u>\$ 1,205,485</u>

(Concluded)

See Notes to Required Supplementary Information.

City of New London, Connecticut
Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
City council	\$ 316,158	\$ -	\$ 316,158	\$ 306,378	\$ 9,780
Mayor	987,333	-	987,333	974,618	12,715
Finance	3,298,774	8,124	3,306,898	3,099,541	207,357
Law	375,000	-	375,000	364,149	10,851
Probate court	30,000	-	30,000	33,369	(3,369)
City clerk	304,831	-	304,831	297,554	7,277
Elections	116,318	-	116,318	114,082	2,236
Office of development and planning	1,438,474	38,500	1,476,974	1,370,317	106,657
Contingency	400,000	(398,124)	1,876	-	1,876
Total general government	<u>7,266,888</u>	<u>(351,500)</u>	<u>6,915,388</u>	<u>6,560,008</u>	<u>355,380</u>
Public safety:					
Police	12,425,733	250,000	12,675,733	12,659,111	16,622
Fire	10,008,901	390,000	10,398,901	10,949,568	(550,667)
Emergency management/ civil preparedness	26,000	-	26,000	24,473	1,527
Total public safety	<u>22,460,634</u>	<u>640,000</u>	<u>23,100,634</u>	<u>23,633,152</u>	<u>(532,518)</u>
Public works	<u>8,252,953</u>	<u>-</u>	<u>8,252,953</u>	<u>8,393,798</u>	<u>(140,845)</u>
Health and welfare	<u>207,784</u>	<u>-</u>	<u>207,784</u>	<u>207,784</u>	<u>-</u>
Recreation and culture:					
Human services/ senior center	515,928	1,350	517,278	493,393	23,885
Library	1,048,110	-	1,048,110	1,048,110	-
Recreation	974,307	2,500	976,807	980,574	(3,767)
Total recreation and culture	<u>2,538,345</u>	<u>3,850</u>	<u>2,542,195</u>	<u>2,522,077</u>	<u>20,118</u>
Employee benefits	<u>4,380,505</u>	<u>-</u>	<u>4,380,505</u>	<u>3,908,787</u>	<u>471,718</u>
Education	<u>45,215,500</u>	<u>-</u>	<u>45,215,500</u>	<u>44,945,791</u>	<u>269,709</u>
Total expenditures	90,322,609	292,350	90,614,959	90,171,397	443,562
Other financing uses:					
Transfers out	<u>8,351,592</u>	<u>(283,500)</u>	<u>8,068,092</u>	<u>7,535,208</u>	<u>532,884</u>
Total expenditures and other financing uses	<u>\$ 98,674,201</u>	<u>\$ 8,850</u>	<u>\$ 98,683,051</u>	<u>\$ 97,706,605</u>	<u>\$ 976,446</u>

See Notes to Required Supplementary Information.

City of New London, Connecticut

Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Budgets and Budgetary Accounting

The City establishes the budget for its General Fund in accordance with provisions of its Charter and the Connecticut General Statutes.

Formal budgetary integration is employed as a management control device during the year.

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- The City does not budget for revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the City's behalf.

Reconciliation to Exhibit D	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 98,019,557	\$ 90,171,397
State Teachers' Pension on behalf amount	7,955,534	7,955,534
State Teachers' OPEB on behalf amount	112,523	112,523
GAAP Basis - Exhibit D	\$ 106,087,614	\$ 98,239,454

Prior to April 1, the Mayor submits to the City Council a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

The City Council submits the proposed budget and appropriations ordinance to the Board of Finance on or before May 1. The Board of Finance submits its recommendations to the City Council on or before May 15. After a public hearing, the budget is legally enacted through passage of the appropriations ordinance.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level for the General Fund. The City Council may transfer amounts between line items within a department. Additional appropriation requests must be approved by the City Council.

The Board of Education, which is not a separate legal entity, is authorized under state law to make any transfers required within their budget at their discretion. Appropriation of additional funds must have Board of Education and City Council approval.

During the year, there were additional appropriations from revenues and other financing sources of: \$ 8,850

City of New London, Connecticut

Required Supplementary Information

Noncontributory Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,103	\$ 6,830
Interest	152,837	107,892	139,024	193,562	216,374	233,939	180,561	264,692	282,631	299,650
Differences between expected and actual experience	191,242	219,088	(813,135)	484,319	203,114	(383,909)	584,300	(219,084)	-	-
Change of assumptions	(28,220)	(425,466)	(21,194)	721,514	146,404	(120,163)	(486,961)	542,846	-	-
Benefit payments, including refunds of member contributions	(575,412)	(584,675)	(615,825)	(628,683)	(655,265)	(691,728)	(685,802)	(716,518)	(804,770)	(717,176)
Net change in total pension liability	(259,553)	(683,161)	(1,311,130)	770,712	(89,373)	(961,861)	(407,902)	(128,064)	(515,036)	(410,696)
Total pension liability - July 1	4,602,622	5,285,783	6,596,913	5,826,201	5,915,574	6,877,435	7,285,337	7,413,401	7,928,437	8,339,133
Total pension liability - June 30 (a)	<u>\$ 4,343,069</u>	<u>\$ 4,602,622</u>	<u>\$ 5,285,783</u>	<u>\$ 6,596,913</u>	<u>\$ 5,826,201</u>	<u>\$ 5,915,574</u>	<u>\$ 6,877,435</u>	<u>\$ 7,285,337</u>	<u>\$ 7,413,401</u>	<u>\$ 7,928,437</u>
Covered employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 56,818</u>
Net pension liability as a percentage of covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>12355.67%</u>	<u>13954.09%</u>

Note: There are no assets accumulated in a trust that meets the criteria in GASB No. 68 to pay benefits.

N/A - Information not available or not applicable

City of New London, Connecticut

Required Supplementary Information

Noncontributory Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,213,000	\$ 1,073,000	\$ 968,000	\$ 1,008,000	\$ 909,000	\$ 857,000	\$ 877,000	\$ 819,000	\$ 604,000	\$ 633,000
Contributions in relation to the actuarially determined contribution	<u>575,412</u>	<u>584,675</u>	<u>615,825</u>	<u>628,683</u>	<u>655,265</u>	<u>691,728</u>	<u>685,802</u>	<u>716,518</u>	<u>804,770</u>	<u>717,176</u>
Contribution excess (deficiency)	<u>\$ (637,588)</u>	<u>\$ (488,325)</u>	<u>\$ (352,175)</u>	<u>\$ (379,317)</u>	<u>\$ (253,735)</u>	<u>\$ (165,272)</u>	<u>\$ (191,198)</u>	<u>\$ (102,482)</u>	<u>\$ 200,770</u>	<u>\$ 84,176</u>
Covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 60,000</u>	<u>\$ 56,818</u>
Contributions as a percentage of covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1341.28%</u>	<u>1262.23%</u>

N/A - Plan does not have any active participants

City of New London, Connecticut

Notes to Required Supplementary Information

Noncontributory Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2015	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Inflation rate	2.40%	2.40%	2.60%	2.60%	2.60%	2.75%	3.00%	3.00%	2.50%	3.00%
Discount rate	3.65%	3.54%	2.16%	2.60%	2.60%	2.75%	3.00%	3.00%	3.75%	6.38%
Mortality rate	Pub-2010 mortality tables projected to the valuation date with Scale MP-2021	Pub-2010 mortality tables projected to the valuation date with Scale MP-2021	Pub-2010 mortality tables projected to the valuation date with Scale MP-2019	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2018	RP-2000 mortality table projected to the valuation date with scale BB	RP-2000 mortality table projected to the valuation date with scale BB	RP-2000 mortality table projected to the valuation date with scale AA	RP-2000 mortality table projected to the valuation date with scale AA	RP-2000 mortality table projected to the valuation date with scale AA

City of New London, Connecticut
Required Supplementary Information

Contributory Plan
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ 550,774	\$ 523,046	\$ 452,224	\$ 638,570	\$ 847,292	\$ 504,894	\$ 973,451	\$ 958,923	\$ 991,266	\$ 953,140
Interest	2,813,231	2,862,630	2,912,526	2,683,682	2,441,261	2,780,595	2,965,655	3,128,487	3,452,051	3,442,146
Changes of benefit terms	-	-	-	-	-	-	-	3,100,047	-	-
Differences between expected and actual experience	(1,597,702)	(576,479)	(409,274)	712,078	(422,812)	354,680	(3,280,839)	415,666	-	-
Change of assumptions	-	-	1,401,144	(4,071,459)	(5,355,241)	6,487,541	2,449,503	-	-	-
Benefit payments, including refunds of member contributions	<u>(3,561,085)</u>	<u>(3,576,170)</u>	<u>(3,671,404)</u>	<u>(3,805,152)</u>	<u>(3,791,753)</u>	<u>(3,752,017)</u>	<u>(3,770,293)</u>	<u>(16,374,591)</u>	<u>(3,777,054)</u>	<u>(3,787,233)</u>
Net change in total pension liability	(1,794,782)	(766,973)	685,216	(3,842,281)	(6,281,253)	6,375,693	(662,523)	(8,771,468)	666,263	608,053
Total pension liability - July 1	<u>42,874,055</u>	<u>43,641,028</u>	<u>42,955,812</u>	<u>46,798,093</u>	<u>53,079,346</u>	<u>46,703,653</u>	<u>47,366,176</u>	<u>56,137,644</u>	<u>55,471,381</u>	<u>54,863,328</u>
Total pension liability - June 30 (a)	<u>\$ 41,079,273</u>	<u>\$ 42,874,055</u>	<u>\$ 43,641,028</u>	<u>\$42,955,812</u>	<u>\$46,798,093</u>	<u>\$ 53,079,346</u>	<u>\$ 46,703,653</u>	<u>\$ 47,366,176</u>	<u>\$ 56,137,644</u>	<u>\$ 55,471,381</u>
Plan fiduciary net position:										
Contributions - employer	\$ 1,365,955	\$ 1,859,525	\$ 2,183,526	\$ 1,386,893	\$ 1,371,074	\$ 993,574	\$ 404,486	\$ 525,279	\$ 685,986	\$ 685,356
Contributions - member	231,215	244,489	226,926	210,811	212,306	221,821	238,894	2,237,452 (1)	433,527	395,777
Net investment income (loss)	2,288,750	(5,041,726)	8,811,976	1,275,393	2,262,496	2,483,722	2,559,547	(35,053)	1,958,493	6,608,248
Benefit payments, including refunds of member contributions	(3,561,085)	(3,576,170)	(3,671,404)	(3,805,152)	(3,791,753)	(3,752,017)	(3,770,293) (2)	(16,374,591) (2)	(3,777,054)	(3,787,233)
Administration	(12,319)	(15,354)	(33,893)	(43,300)	(33,375)	(16,982)	-	-	-	-
Net change in plan fiduciary net position	312,516	(6,529,236)	7,517,131	(975,355)	20,748	(69,882)	(567,366)	(13,646,913)	(699,048)	3,902,148
Plan fiduciary net position - July 1	<u>30,237,475</u>	<u>36,766,711</u>	<u>29,249,580</u>	<u>30,224,935</u>	<u>30,204,187</u>	<u>30,274,069</u>	<u>30,841,435</u>	<u>44,488,348</u>	<u>45,187,396</u>	<u>41,285,248</u>
Plan fiduciary net position - June 30	<u>\$ 30,549,991</u>	<u>\$ 30,237,475</u>	<u>\$ 36,766,711</u>	<u>\$29,249,580</u>	<u>\$30,224,935</u>	<u>\$ 30,204,187</u>	<u>\$ 30,274,069</u>	<u>\$ 30,841,435</u>	<u>\$ 44,488,348</u>	<u>\$ 45,187,396</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 10,529,282</u>	<u>\$ 12,636,580</u>	<u>\$ 6,874,317</u>	<u>\$13,706,232</u>	<u>\$16,573,158</u>	<u>\$ 22,875,159</u>	<u>\$ 16,429,584</u>	<u>\$ 16,524,741</u>	<u>\$ 11,649,296</u>	<u>\$ 10,283,985</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74.37%</u>	<u>70.53%</u>	<u>84.25%</u>	<u>68.09%</u>	<u>64.59%</u>	<u>56.90%</u>	<u>64.82%</u>	<u>65.11%</u>	<u>79.25%</u>	<u>81.46%</u>
Covered payroll	<u>\$ 3,595,880</u>	<u>\$ 3,740,378</u>	<u>\$ 3,576,783</u>	<u>\$ 3,289,035</u>	<u>\$ 3,657,215</u>	<u>\$ 3,595,880</u>	<u>\$ 2,809,411</u>	<u>\$ 6,353,404</u>	<u>\$ 6,804,000</u>	<u>\$ 6,348,480</u>
Net pension liability as a percentage of covered payroll	<u>292.82%</u>	<u>337.84%</u>	<u>192.19%</u>	<u>416.73%</u>	<u>453.16%</u>	<u>636.15%</u>	<u>584.81%</u>	<u>260.09%</u>	<u>171.21%</u>	<u>161.99%</u>
<u>Schedule of Investment Returns</u>										
Annual money weighted rate of return, net investment expense	<u>9.41%</u>	<u>(10.94%)</u>	<u>25.55%</u>	<u>6.14%</u>	<u>6.15%</u>	<u>8.54%</u>	<u>8.70%</u>	<u>(0.09%)</u>	<u>4.45%</u>	<u>16.49%</u>

(1) Includes \$1,951,342 of buyback contributions.

(2) Includes \$41,119 and \$12,552,845 of assets transferred to the State of Connecticut MERS plan for fiscal years 2017 and 2016, respectively.

See Notes to Required Supplementary Information.

City of New London, Connecticut

Required Supplementary Information

Contributory Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,277,000	\$ 1,426,000	\$ 1,318,000	\$ 1,322,000	\$ 1,217,000	\$ 1,165,000	\$ 979,000	\$ 903,000	\$ 973,000	\$ 1,108,000
Contributions in relation to the actuarially determined contribution	<u>1,365,955</u>	<u>1,859,525</u>	<u>2,183,526</u>	<u>1,386,893</u>	<u>1,371,074</u>	<u>993,574</u>	<u>404,486</u>	<u>525,279</u>	<u>525,279</u>	<u>685,356</u>
Contribution excess (deficiency)	<u>\$ 88,955</u>	<u>\$ 433,525</u>	<u>\$ 865,526</u>	<u>\$ 64,893</u>	<u>\$ 154,074</u>	<u>\$ (171,426)</u>	<u>\$ (574,514)</u>	<u>\$ (377,721)</u>	<u>\$ (447,721)</u>	<u>\$ (422,644)</u>
Covered payroll	<u>\$ 3,595,880</u>	<u>\$ 3,740,378</u>	<u>\$ 3,576,783</u>	<u>\$ 3,289,035</u>	<u>\$ 3,657,215</u>	<u>\$ 3,595,880</u>	<u>\$ 2,809,411</u>	<u>\$ 6,353,404</u>	<u>\$ 6,804,000</u>	<u>\$ 6,348,480</u>
Contributions as a percentage of covered payroll	<u>37.99%</u>	<u>49.71%</u>	<u>61.05%</u>	<u>42.17%</u>	<u>37.49%</u>	<u>27.63%</u>	<u>14.40%</u>	<u>8.27%</u>	<u>7.72%</u>	<u>10.80%</u>

City of New London, Connecticut

Notes to Required Supplementary Information

Contributory Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2014	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.40%	2.40%	2.40%	2.40%	2.60%	2.60%	2.75%	3.00%	2.50%	N/A
Salary increases	Graded scale 4.40% at age 20 down to 2.40% at age 60 and beyond	Graded scale 4.40% at age 20 down to 2.40% at age 60 and beyond	Graded scale 4.40% at age 20 down to 2.40% at age 60 and beyond	Graded scale 4.40% at age 20 down to 2.40% at age 60 and beyond	Graded scale 4.60% at age 20 down to 2.60% at age 60 and beyond	Graded scale 4.60% at age 20 down to 2.60% at age 60 and beyond	Graded scale 4.60% at age 20 down to 2.75% at age 60 and beyond	Graded scale 5.00% at age 20 down to 3.00% at age 60 and beyond	Graded scale 5.00% at age 20 down to 3.00% at age 60 and beyond	Graded scale 5.00% at age 20 down to 3.00% at age 60 and beyond
Cost-of-living increases	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1991	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1991	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1991	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1991	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1992	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1993	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1994	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1995	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1996	Retired police - 1/2% per year starting at age 62 following retirement from active service for retirements after 7/1/1997
	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated	Others - cost of living adjustments as negotiated
Investment rate of return (net)	6.75%	6.75%	7.00%	7.00%	7.00%	7.00%	7.50%	7.50%	6.38%	6.38%
Mortality rate	Pub-2010 mortality tables projected to the valuation date with Scale MP-2021	Pub-2010 mortality tables projected to the valuation date with Scale MP-2021	RP-2014 adjusted to 2006 total dataset mortality table projected to the valuation date with scale MP-2019	RP-2014 adjusted to 2006 total dataset mortality table projected to the valuation date with scale MP-2019	RP-2014 adjusted to 2006 total dataset mortality table projected to the valuation date with scale MP-2018	RP-2014 adjusted to 2006 total dataset mortality table projected to the valuation date with scale MP-2018	RP-2000 mortality table projected to the valuation date with Scale AA	RP-2000 mortality table projected to the valuation date with Scale AA	RP-2000 mortality table projected to the valuation date with Scale AA	RP-2000 mortality table projected to the valuation date with Scale AA

N/A - Information not available or not applicable

City of New London, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
City's proportion of the collective net pension liability for the police officers without social security sub plan	<u>3.654925%</u>	<u>4.083902%</u>	<u>4.139489%</u>	<u>4.480276%</u>	<u>4.628183%</u>	<u>4.366642%</u>	<u>4.366642%</u>	<u>4.467847%</u>	<u>4.634080%</u>
City's proportion of the collective net pension liability for the firefighters without social security sub plan	<u>3.354117%</u>	<u>3.459516%</u>	<u>3.232210%</u>	<u>3.242942%</u>	<u>3.584138%</u>	<u>3.440431%</u>	<u>3.440431%</u>	<u>3.587174%</u>	<u>N/A</u>
City's proportion of the collective net pension liability for the general employees with social security sub plan	<u>1.848248%</u>	<u>1.753027%</u>	<u>1.989673%</u>	<u>2.023475%</u>	<u>1.884750%</u>	<u>1.770495%</u>	<u>1.770495%</u>	<u>N/A</u>	<u>N/A</u>
City's proportionate share of the collective net pension (asset) liability	<u>\$40,719,041</u>	<u>\$21,919,356</u>	<u>\$32,836,914</u>	<u>\$32,571,549</u>	<u>\$29,582,420</u>	<u>\$(3,066,541)</u>	<u>\$ (922,420)</u>	<u>\$(6,778,002)</u>	<u>\$(4,424,739)</u>
Covered payroll	<u>\$18,053,733</u>	<u>\$18,456,602</u>	<u>\$17,617,472</u>	<u>\$18,356,040</u>	<u>\$19,068,683</u>	<u>\$16,150,428</u>	<u>\$16,150,428</u>	<u>\$11,361,100</u>	<u>\$ 6,044,716</u>
City's proportionate share of the collective net pension (asset) liability as a percentage of its covered payroll	<u>225.54%</u>	<u>118.76%</u>	<u>186.39%</u>	<u>177.44%</u>	<u>155.14%</u>	<u>(18.99%)</u>	<u>(5.71%)</u>	<u>(59.66%)</u>	<u>(59.66%)</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>68.71%</u>	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution	<u>\$ 3,942,432</u>	<u>\$ 3,491,977</u>	<u>\$ 3,294,222</u>	<u>\$ 2,694,524</u>	<u>\$ 2,756,612</u>	<u>\$ 2,267,608</u>	<u>\$ 2,267,608</u>	<u>\$ 1,018,621</u>	<u>\$ 967,517</u>
Contributions in relation to the contractually required contribution	<u>3,942,432</u>	<u>3,491,977</u>	<u>3,294,222</u>	<u>2,694,524</u>	<u>2,756,612</u>	<u>2,267,608</u>	<u>2,267,608</u>	<u>1,018,621</u>	<u>967,517</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>17,249,939</u>	<u>15,656,914</u>	<u>16,528,535</u>	<u>14,391,773</u>	<u>17,760,686</u>	<u>14,646,418</u>	<u>16,150,426</u>	<u>7,235,546</u>	<u>6,459,963</u>
Contributions as a percentage of covered payroll	<u>22.85%</u>	<u>22.30%</u>	<u>19.93%</u>	<u>18.72%</u>	<u>15.52%</u>	<u>15.48%</u>	<u>14.04%</u>	<u>14.08%</u>	<u>14.98%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

N/A - Not available or not applicable

See Notes to Required Supplementary Information.

City of New London, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Changes of benefit terms	None	None	None	None	None	None	None	None	None	
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2014	
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	
Remaining amortization period	18 years	19 years	20 years	21 years	23 years	23 years	25 years	25 years	27 years	
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	
Inflation rate	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%	3.25%	
Salary increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.50%-11.25%, average, including inflation	
Cost-of-living adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	
Social security wage base	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%	
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%	8.00%	
Mortality rate	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table set forward one year for males and set back one year for females

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

City of New London, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Nine Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
City's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
City's proportionate share of the collective net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net pension liability associated with the City	<u>100,903,814</u>	<u>83,470,200</u>	<u>105,390,539</u>	<u>94,414,517</u>	<u>72,799,078</u>	<u>70,466,034</u>	<u>72,342,205</u>	<u>55,834,897</u>	<u>51,608,173</u>
Total	<u>\$100,903,814</u>	<u>\$83,470,200</u>	<u>\$105,390,539</u>	<u>\$94,414,517</u>	<u>\$72,799,078</u>	<u>\$70,466,034</u>	<u>\$72,342,205</u>	<u>\$55,834,897</u>	<u>\$51,608,173</u>
Covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to plan.

(2) Not applicable since 0% proportional share of the collective net pension liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

See Notes to Required Supplementary Information.

City of New London, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

City of New London, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Last Seven Years (1)Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
OPEB liability:							
Service cost	\$ 1,184,856	\$ 1,432,134	\$ 1,368,998	\$ 1,261,094	\$ 962,949	\$ 968,046	\$ 1,101,455
Interest	843,633	604,512	727,044	967,540	1,102,159	1,028,971	881,606
Differences between expected and actual experience	7,153,900	-	(7,425,115)	-	(6,122,515)	-	(2,785,678)
Changes in assumptions	(1,187,328)	(4,884,643)	1,290,893	3,845,182	4,013,538	(1,018,072)	-
Benefit payments, including refunds of member contributions	<u>(1,156,506)</u>	<u>(968,310)</u>	<u>(904,316)</u>	<u>(948,139)</u>	<u>(1,228,031)</u>	<u>(1,245,630)</u>	<u>(1,267,017)</u>
Net change in total OPEB liability	6,838,555	(3,816,307)	(4,942,496)	5,125,677	(1,271,900)	(266,685)	(2,069,634)
OPEB liability - July 1	<u>23,219,789</u>	<u>27,036,096</u>	<u>31,978,592</u>	<u>26,852,915</u>	<u>28,124,815</u>	<u>28,391,500</u>	<u>30,461,134</u>
OPEB liability - June 30 (a)	<u>\$ 30,058,344</u>	<u>\$ 23,219,789</u>	<u>\$ 27,036,096</u>	<u>\$ 31,978,592</u>	<u>\$ 26,852,915</u>	<u>\$ 28,124,815</u>	<u>\$ 28,391,500</u>
Plan fiduciary net position:							
Contributions - employer	\$ 1,328,756	\$ 1,674,472	\$ 1,056,579	\$ 1,061,520	\$ 1,335,531	\$ 1,356,630	\$ 1,378,017
Net investment income (loss)	191,715	(252,977)	343,165	(13,907)	19,796	73,220	59,991
Benefit payments, including refunds of member contributions	(1,156,506)	(968,310)	(904,316)	(948,139)	(1,228,031)	(1,245,630)	(1,267,017)
Administration and other	<u>(8,075)</u>	<u>(67,374)</u>	<u>(18,483)</u>	<u>(129,046)</u>	<u>-</u>	<u>(15,180)</u>	<u>(27,230)</u>
Net change in plan fiduciary net position	355,890	385,811	476,945	(29,572)	127,296	169,040	143,761
Plan fiduciary net position - July 1	<u>1,709,964</u>	<u>1,324,153</u>	<u>847,208</u>	<u>876,780</u>	<u>749,484</u>	<u>580,444</u>	<u>436,683</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 2,065,854</u>	<u>\$ 1,709,964</u>	<u>\$ 1,324,153</u>	<u>\$ 847,208</u>	<u>\$ 876,780</u>	<u>\$ 749,484</u>	<u>\$ 580,444</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 27,992,490</u>	<u>\$ 21,509,825</u>	<u>\$ 25,711,943</u>	<u>\$ 31,131,384</u>	<u>\$ 25,976,135</u>	<u>\$ 27,375,331</u>	<u>\$ 27,811,056</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>6.87%</u>	<u>7.36%</u>	<u>4.90%</u>	<u>2.65%</u>	<u>3.27%</u>	<u>2.66%</u>	<u>2.04%</u>
Covered payroll	<u>\$ 45,343,942</u>	<u>\$ 45,343,942</u>	<u>\$ 45,343,942</u>	<u>\$ 43,484,835</u>	<u>\$ 43,484,835</u>	<u>\$ 35,659,895</u>	<u>\$ 35,659,895</u>
Net OPEB liability as a percentage of covered payroll	<u>61.73%</u>	<u>47.44%</u>	<u>56.70%</u>	<u>71.59%</u>	<u>59.74%</u>	<u>76.77%</u>	<u>77.99%</u>

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense	<u>11.13%</u>	<u>(18.33%)</u>	<u>40.07%</u>	<u>(1.49%)</u>	<u>2.20%</u>	<u>10.17%</u>	<u>10.15%</u>
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(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

City of New London, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 3,003,663	\$ 2,787,457	\$ 2,700,093	\$ 2,520,055	\$ 2,420,049	\$ 2,290,779	\$ 2,120,720	\$ 2,017,079	\$ 2,623,239	\$ 2,467,000
Contributions in relation to the actuarially determined contribution	<u>1,328,756</u>	<u>1,674,472</u>	<u>1,056,579</u>	<u>1,061,520</u>	<u>1,335,531</u>	<u>1,356,630</u>	<u>1,378,017</u>	<u>1,363,311</u>	<u>1,297,277</u>	<u>1,158,000</u>
Contribution excess (deficiency)	<u>\$ (1,674,907)</u>	<u>\$ (1,112,985)</u>	<u>\$ (1,643,514)</u>	<u>\$ (1,458,535)</u>	<u>\$ (1,084,518)</u>	<u>\$ (934,149)</u>	<u>\$ (742,703)</u>	<u>\$ (653,768)</u>	<u>\$ (1,325,962)</u>	<u>\$ (1,309,000)</u>
Covered payroll	<u>\$45,343,942</u>	<u>\$45,343,942</u>	<u>\$45,343,942</u>	<u>\$43,484,835</u>	<u>\$43,484,835</u>	<u>\$35,659,895</u>	<u>\$35,659,895</u>	<u>\$33,301,669</u>	<u>\$42,451,000</u>	<u>\$42,451,000</u>
Contributions as a percentage of covered payroll	<u>2.93%</u>	<u>3.69%</u>	<u>2.33%</u>	<u>2.44%</u>	<u>3.07%</u>	<u>3.80%</u>	<u>3.86%</u>	<u>4.09%</u>	<u>3.06%</u>	<u>2.73%</u>

N/A - Not available.

City of New London, Connecticut

Notes to Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2022	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2012	July 1, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Healthcare inflation rate - initial	6.40%	5.30%	5.30%	6.00%	6.00%	5.40%	5.40%	5.70%	7.20%	7.20%
Healthcare inflation rate - ultimate	4.00%	4.40%	4.40%	4.10%	4.10%	4.40%	4.40%	4.40%	4.70%	4.70%
Investment rate of return (net)	3.54%	2.21%	2.21%	3.87%	3.87%	4.00%	4.00%	4.00%	4.00%	4.00%
Mortality rate	City and non-certified employees: PubG-2010 Mortality Table projected with MP-2021 ultimate scale Police and fire: PubS-2010 mortality table projected with MP-2021	City and non-certified employees: PubG-2010 Mortality Table projected with MP-2019 ultimate scale Police and fire: PubS-2010 mortality table projected with MP-2019	City and non-certified employees: PubG-2010 Mortality Table projected with MP-2019 ultimate scale Police and fire: PubS-2010 mortality table projected with MP-2019	City and non-certified employees: PubG-2010 Mortality Table projected with MP-2014 ultimate scale Police and fire: PubS-2010 mortality table projected with MP-2014	City and non-certified employees: PubG-2010 Mortality Table projected with MP-2014 ultimate scale Police and fire: PubS-2010 mortality table projected with MP-2014	RP-2000 Combined Healthy Mortality Table	RP-2000 Combined Healthy Mortality Table	RP-2000 Combined Healthy Mortality Table	RP-2000 Combined Healthy Mortality Table	RP-2000 Combined Healthy Mortality Table

City of New London, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Six Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>						
City's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
City's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the City	<u>8,836,860</u>	<u>9,093,925</u>	<u>15,719,003</u>	<u>14,724,476</u>	<u>14,552,969</u>	<u>18,137,160</u>
Total	<u>\$ 8,836,860</u>	<u>\$ 9,093,925</u>	<u>\$ 15,719,003</u>	<u>\$ 14,724,476</u>	<u>\$ 14,552,969</u>	<u>\$ 18,137,160</u>
Covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
City's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the collective net OPEB liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

City of New London, Connecticut

Notes to Required Supplementary Information

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Six Years (1)**

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

APPENDIX B-1 – FORM OF LEGAL OPINION OF BOND COUNSEL – THE BONDS

March __, 2025

City of New London
 181 State Street
 New London, Connecticut 06320

RE: \$5,673,000 of City of New London, Connecticut General Obligation Bonds, Issue of 2025, dated March 13, 2025 (the "Bonds")

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of New London, Connecticut (the "City"), an Arbitrage and Use of Proceeds Certificate of the City dated March __, 2025 (the "Arbitrage and Use of Proceeds Certificate") and other proofs submitted to us relative to the issuance and sale of \$5,673,000 City of New London, Connecticut General Obligation Bonds, Issue of 2025, dated March __, 2025, maturing on March 15 of each of the following years in the principal amounts and bearing interest payable semiannually on March 15 and September 15 each year, commencing on September 15, 2025 until maturity, at rates per annum, set forth as follows:

\$5,673,000 of City of New London, Connecticut General Obligation Bonds,
Issue of 2025, dated March __, 2025

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2028	\$ _____	_____%	646513 _____	2037	\$ _____	_____%	646513 _____
2029	_____	_____	646513 _____	2038	_____	_____	646513 _____
2030	_____	_____	646513 _____	2039	_____	_____	646513 _____
2031	_____	_____	646513 _____	2040	_____	_____	646513 _____
2032	_____	_____	646513 _____	2041	_____	_____	646513 _____
2033	_____	_____	646513 _____	2042	_____	_____	646513 _____
2034	_____	_____	646513 _____	2043	_____	_____	646513 _____
2035	_____	_____	646513 _____	2044	_____	_____	646513 _____
2036	_____	_____	646513 _____	2045	_____	_____	646513 _____

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except as to our opinion set forth therein) or other offering material relating to the Bonds and we express no opinion relating thereto.

The Bonds are issued in fully registered form without interest coupons, in the name of Cede & Co. as registered owner and nominee of The Depository Trust Company ("DTC"), an automated depository for securities and clearinghouse for securities transactions which will maintain a book entry system for recording the ownership interest in the Bonds. Purchase of ownership interest in the Bonds is being made in book entry form in denominations of \$5,000 or any integral multiple thereof.

In our opinion, such proceedings and proofs show lawful authority for the issuance and sale of said Bonds under authority of the Constitution and laws of the State of Connecticut and said Bonds are a valid and legally binding general obligation of the City payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the City without limitation as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at or subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes under the Code. The City has covenanted in the Arbitrage and Use of Proceeds Certificate delivered with respect to the Bonds that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code; and (ii) such interest is not treated as a preference item for purposes of calculating the alternative minimum tax imposed on individuals under the Code; however, such interest may be subject to the alternative minimum tax imposed under Section 55(b) of the Code on applicable corporations (within the meaning of Section 59(k) of the Code). We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate, and (ii) compliance by the City with the covenants and procedures contained in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

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

Other than the record of proceedings, we have not been requested to examine or review and have not examined or reviewed the accuracy or sufficiency of any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of said Bonds, and we express no opinion with respect to any such financial or other information or the accuracy or sufficiency thereof.

The rights of owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and may be subject to the exercise of judicial discretion.

Very truly yours,

TOBIN, CARBERRY, O'MALLEY,
RILEY & SELINGER, P.C.

APPENDIX B-2 – FORM OF LEGAL OPINION OF BOND COUNSEL – THE SERIES A NOTES

March __, 2025

City of New London
181 State Street
New London, Connecticut 06320

RE: \$27,774,000 of City of New London, Connecticut General Obligation Bond Anticipation Notes (the "Series A Notes")

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of New London, Connecticut (the "City"), an Arbitrage and Use of Proceeds Certificate of the City dated March __, 2025 (the "Arbitrage and Use of Proceeds Certificate") and other proofs submitted to us relative to the issuance and sale of \$27,774,000 City of New London, Connecticut General Obligation Bond Anticipation Notes, dated March __, 2025, maturing on March 12, 2026.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except as to our opinion set forth therein) or other offering material relating to the Series A Notes and we express no opinion relating thereto.

The Series A Notes are issued in fully registered form, in the name of Cede & Co. as registered owner and nominee of The Depository Trust Company ("DTC"), an automated depository for securities and clearinghouse for securities transactions which will maintain a book entry system for recording the ownership interest in the Series A Notes. Purchase of ownership interest in the Series A Notes is being made in book entry form in denominations of \$5,000 or any integral multiple thereof.

In our opinion, such proceedings and proofs show lawful authority for the issuance and sale of said Series A Notes under authority of the Constitution and laws of the State of Connecticut and said Series A Notes are a valid and legally binding general obligation of the City payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the City without limitation as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at or subsequent to the issuance and delivery of the Series A Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes under the Code. The City has covenanted in the Arbitrage and Use of Proceeds Certificate delivered with respect to the Series A Notes that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, (i) interest on the Series A Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code; and (ii) such interest is not treated as a preference item for purposes of calculating the alternative minimum tax imposed on individuals under the Code; however, such interest may be subject to the alternative minimum tax imposed under Section 55(b) of the Code on applicable corporations (within the meaning of Section 59(k) of the Code). We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Series A Notes.

In rendering the foregoing opinions regarding the federal treatment of interest on the Series A Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate, and (ii) compliance by the City with the covenants and procedures contained in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

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

Other than the record of proceedings, we have not been requested to examine or review and have not examined or reviewed the accuracy or sufficiency of any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of said Series A Notes, and we express no opinion with respect to any such financial or other information or the accuracy or sufficiency thereof.

The rights of owners of the Series A Notes and the enforceability of the Series A Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and may be subject to the exercise of judicial discretion.

Very truly yours,

TOBIN, CARBERRY, O'MALLEY,
RILEY & SELINGER, P.C.

APPENDIX B-3 – FORM OF LEGAL OPINION OF BOND COUNSEL – THE SERIES B NOTES

March __, 2025

City of New London
181 State Street
New London, Connecticut 06320

RE: \$12,500,000 of City of New London, Connecticut General Obligation Bond Anticipation Notes (the "Series B Notes")

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of New London, Connecticut (the "City"), an Arbitrage and Use of Proceeds Certificate of the City dated March __, 2025 (the "Arbitrage and Use of Proceeds Certificate") and other proofs submitted to us relative to the issuance and sale of \$12,500,000 City of New London, Connecticut General Obligation Bond Anticipation Notes, dated March __, 2025, maturing on March 12, 2026.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except as to our opinion set forth therein) or other offering material relating to the Series B Notes and we express no opinion relating thereto.

The Series B Notes are issued in fully registered form, in the name of Cede & Co. as registered owner and nominee of The Depository Trust Company ("DTC"), an automated depository for securities and clearinghouse for securities transactions which will maintain a book entry system for recording the ownership interest in the Series B Notes. Purchase of ownership interest in the Series B Notes is being made in book entry form in denominations of \$5,000 or any integral multiple thereof.

In our opinion, such proceedings and proofs show lawful authority for the issuance and sale of said Series B Notes under authority of the Constitution and laws of the State of Connecticut and said Series B Notes are a valid and legally binding general obligation of the City payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the City without limitation as to rate or amount, except as to certain classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at or subsequent to the issuance and delivery of the Series B Notes in order that interest on the Series B Notes be and remain excluded from gross income for federal income tax purposes under the Code. The City has covenanted in the Arbitrage and Use of Proceeds Certificate delivered with respect to the Series B Notes that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Series B Notes shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, (i) interest on the Series B Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code; and (ii) such interest is not treated as a preference item for purposes of calculating the alternative minimum tax imposed on individuals under the Code; however, such interest may be subject to the alternative minimum tax imposed under Section 55(b) of the Code on applicable corporations (within the meaning of Section 59(k) of the Code). We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Series B Notes.

In rendering the foregoing opinions regarding the federal treatment of interest on the Series B Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate, and (ii) compliance by the City with the covenants and procedures contained in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

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

Other than the record of proceedings, we have not been requested to examine or review and have not examined or reviewed the accuracy or sufficiency of any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of said Series B Notes, and we express no opinion with respect to any such financial or other information or the accuracy or sufficiency thereof.

The rights of owners of the Series B Notes and the enforceability of the Series B Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and may be subject to the exercise of judicial discretion.

Very truly yours,

TOBIN, CARBERRY, O'MALLEY,
RILEY & SELINGER, P.C.

APPENDIX C-1 – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE BONDS

CONTINUING DISCLOSURE AGREEMENT FOR BONDS

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will execute a Continuing Disclosure Agreement, for the Bonds substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material events with respect to the Bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds:

Continuing Disclosure Agreement for Bonds

In connection with the issuance and sale of

CITY OF NEW LONDON, CONNECTICUT

\$5,673,000 General Obligation Bonds, Issue of 2025

Dated March __, 2025

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of March 13, 2025 by the City of New London, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of City of New London, Connecticut, \$5,673,000 General Obligation Bonds, Issue of 2025 dated March __, 2025 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

R E C I T A L S:

WHEREAS, the Issuer has heretofore authorized the issuance of the Bonds dated as of March __, 2025 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement dated March __, 2025 describing the Bonds (the "Official Statement"); and

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

WHEREAS, the Issuer is authorized pursuant to its duly adopted ordinances authorizing the Bonds and pursuant to Section 3-20e of the General Statutes of Connecticut to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

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

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

W I T N E S S E T H:

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

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

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Official Statement" means the final official statement of the Issuer dated March __, 2025, as defined in paragraph (f)(3) of the Rule, prepared in connection with the Bonds.

"Rule" means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission on the United States, or any successor thereto.

Section 2. Annual Financial Information.

- (a) The Issuer agrees to provide or cause to be filed with the MSRB, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:
- (i) Audited financial statements as of and for each year ending on its Fiscal Year End for the general fund, capital projects funds, special revenue funds, enterprise funds, trust or agency funds, and the general long-term obligations account group prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and
 - (ii) The following financial information and operating data to the extent customarily prepared by the Issuer and publicly available and not included in the financial statements described in (i) above:
 - (A) amounts of the gross and the net taxable grand list applicable to the fiscal year,
 - (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
 - (C) amount of the annual property tax levy, percentage collected and amount uncollected as of the close of the fiscal year,
 - (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
 - (E) calculation of total direct debt and total net direct debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
 - (F) total direct debt and total net direct debt of the Issuer per capita,
 - (G) ratios of the total direct debt and total net direct debt of the Issuer to the Issuer's net taxable grand list,
 - (H) statement of statutory debt limitation and debt margins as of the close of the fiscal year, and
 - (I) funding status of the Issuer's pension benefit obligation.
- (b) The financial information and operating data described above will be provided on or before the date eight months after the close of the Fiscal Year End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.
- (c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents previously filed with the MSRB. If the document to be referenced is a final official statement, it must be available from the MSRB. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.
- (d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

- (e) Any filing under this Agreement shall be made by transmitting such filing to the MSRB in an electronic format as prescribed by the MSRB.

Section 3. Listed Events.

The Issuer agrees to provide or cause to be filed, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) bond calls, if material and tender offers;
- (i) Defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all the assets of Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect Bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Listed event (l) includes the note related thereto contained in the Rule. For the purposes of Listed Events (o) and (p), the term "financial obligation" means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to file or cause to be filed, in a timely manner, notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be filed pursuant to this Agreement may be filed by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Section 3 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance is: City of New London, 13 Masonic Street, New London, Connecticut 06320.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. General.

- (a) The Issuer shall have no obligation to provide or file any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing or filing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide or file any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide or file further additional information, data or notices of the type so provided.
- (b) This Agreement shall be governed by the laws of the State of Connecticut.
- (c) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rules as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information filed on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial activities for the City of New London.

[Signatures to follow]

City of New London, Connecticut

By: _____
Michael E. Passero
Mayor

By: _____
David McBride
Director of Finance

[Signature page to Continuing Disclosure Agreement for Bonds]

APPENDIX C-2 – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE SERIES A NOTES

CONTINUING DISCLOSURE AGREEMENT FOR THE SERIES A NOTES

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will execute a Continuing Disclosure Agreement, for the Series A Notes substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material events with respect to the Series A Notes and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Series A Notes:

Continuing Disclosure Agreement for Series A Notes

In connection with the issuance and sale of

CITY OF NEW LONDON, CONNECTICUT

\$27,774,000 General Obligation Bond Anticipation Notes

Dated March __, 2025

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of March __, 2025 by the City of New London, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of City of New London, Connecticut, \$27,774,000 General Obligation Bond Anticipation Notes (the "Series A Notes"), dated March __, 2025 due on March 12, 2026 (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

RECITALS:

WHEREAS, the Issuer has heretofore authorized the issuance of the Series A Notes dated as of March __, 2025, as described in the Issuer's Official Statement dated March __, 2025 (the "Official Statement"); and

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

WHEREAS, the Issuer is authorized pursuant to its duly adopted ordinances authorizing the Series A Notes and pursuant to Section 3-20e of the General Statutes of Connecticut to make representations and agreements for the benefit of the beneficial owners of the Series A Notes to meet the requirements of the Rule; and

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

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

WITNESSETH:

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

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

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Official Statement" means the final official statement of the Issuer dated March __, 2025, as defined in paragraph (f)(3) of the Rule, prepared in connection with the Notes.

"Rule" means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission on the United States, or any successor thereto.

Section 2. Annual Financial Information.

- (a) The Issuer agrees to provide or cause to be filed with the MSRB, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:
- (i) Audited financial statements as of and for each year ending on its Fiscal Year End for the general fund, capital projects funds, special revenue funds, enterprise funds, trust or agency funds, and the general long-term obligations account group prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and
 - (ii) The following financial information and operating data to the extent customarily prepared by the Issuer and publicly available and not included in the financial statements described in (i) above:
 - (A) amounts of the gross and the net taxable grand list applicable to the fiscal year,
 - (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
 - (C) amount of the annual property tax levy, percentage collected and amount uncollected as of the close of the fiscal year,
 - (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
 - (E) calculation of total direct debt and total net direct debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
 - (F) total direct debt and total net direct debt of the Issuer per capita,
 - (G) ratios of the total direct debt and total net direct debt of the Issuer to the Issuer's net taxable grand list,
 - (H) statement of statutory debt limitation and debt margins as of the close of the fiscal year, and
 - (I) funding status of the Issuer's pension benefit obligation.
- (b) The financial information and operating data described above will be provided on or before the date eight months after the close of the Fiscal Year End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.
- (c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents previously filed with the MSRB. If the document to be referenced is a final official statement, it must be available from the MSRB. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

- (d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.
- (e) Any filing under this Agreement shall be made by transmitting such filing to the MSRB in an electronic format as prescribed by the MSRB.

Section 3. Listed Events.

The Issuer agrees to provide or cause to be filed, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series A Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series A Notes, or other material events affecting the tax-exempt status of the Series A Notes;
- (g) modifications to rights of holders of the Series A Notes, if material;
- (h) bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) release, substitution, or sale of property securing repayment of the Series A Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all the assets of Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect Noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Listed event (l) includes the note related thereto contained in the Rule. For the purposes of Listed Events (o) and (p), the term "financial obligation" means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to file or cause to be filed, in a timely manner, notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be filed pursuant to this Agreement may be filed by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Series A Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Series A Notes within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Series A Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Section 3 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Series A Notes of such failure. The present address of the Director of Finance is: City of New London, 13 Masonic Street, New London, Connecticut 06320.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Series A Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Series A Notes.

Section 8. General.

- (a) The Issuer shall have no obligation to provide or file any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing or filing such additional information, data or notices from time to time as it deems appropriate in connection with the Series A Notes. If the Issuer elects to provide or file any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide or file further additional information, data or notices of the type so provided.
- (b) This Agreement shall be governed by the laws of the State of Connecticut.
- (c) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Series A Notes, and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rules as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information filed on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial activities for the City of New London.

[Signatures to follow]

City of New London, Connecticut

By: _____
Michael E. Passero
Mayor

By: _____
David McBride
Director of Finance

[Signature page to Continuing Disclosure Agreement - Notes]

APPENDIX C-3 – FORM OF CONTINUING DISCLOSURE AGREEMENT – THE SERIES B NOTES

CONTINUING DISCLOSURE AGREEMENT FOR SERIES B NOTES

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will execute a Continuing Disclosure Agreement, for the Series B Notes substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material events with respect to the Series B Notes and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Series B Notes:

Continuing Disclosure Agreement for Series B Notes

In connection with the issuance and sale of

CITY OF NEW LONDON, CONNECTICUT

\$12,500,000 General Obligation Bond Anticipation Notes

Dated March __, 2025

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of March __, 2025 by the City of New London, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of City of New London, Connecticut, \$27,774,000 General Obligation Bond Anticipation Notes, dated March __, 2025 due on March 12, 2026 (the "Series B Notes"), for the benefit of the beneficial owners from time to time of the Series B Notes.

RECITALS:

WHEREAS, the Issuer has heretofore authorized the issuance of the Series B Notes dated as of March __, 2025, as described in the Issuer's Official Statement dated March __, 2025 (the "Official Statement"); and

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

WHEREAS, the Issuer is authorized pursuant to its duly adopted ordinances authorizing the Series B Notes and pursuant to Section 3-20e of the General Statutes of Connecticut to make representations and agreements for the benefit of the beneficial owners of the Series B Notes to meet the requirements of the Rule; and

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

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

WITNESSETH:

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

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

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Official Statement" means the final official statement of the Issuer dated March __, 2025, as defined in paragraph (f)(3) of the Rule, prepared in connection with the Series B Notes.

"Rule" means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission on the United States, or any successor thereto.

Section 2. Annual Financial Information.

- (a) The Issuer agrees to provide or cause to be filed with the MSRB, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2025) as follows:
- (i) Audited financial statements as of and for each year ending on its Fiscal Year End for the general fund, capital projects funds, special revenue funds, enterprise funds, trust or agency funds, and the general long-term obligations account group prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and
 - (ii) The following financial information and operating data to the extent customarily prepared by the Issuer and publicly available and not included in the financial statements described in (i) above:
 - (A) amounts of the gross and the net taxable grand list applicable to the fiscal year,
 - (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
 - (C) amount of the annual property tax levy, percentage collected and amount uncollected as of the close of the fiscal year,
 - (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
 - (E) calculation of total direct debt and total net direct debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
 - (F) total direct debt and total net direct debt of the Issuer per capita,
 - (G) ratios of the total direct debt and total net direct debt of the Issuer to the Issuer's net taxable grand list,
 - (H) statement of statutory debt limitation and debt margins as of the close of the fiscal year, and
 - (I) funding status of the Issuer's pension benefit obligation.
- (b) The financial information and operating data described above will be provided on or before the date eight months after the close of the Fiscal Year End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.
- (c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents previously filed with the MSRB. If the document to be referenced is a final official statement, it must be available from the MSRB. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.
- (d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

- (e) Any filing under this Agreement shall be made by transmitting such filing to the MSRB in an electronic format as prescribed by the MSRB.

Section 3. Listed Events.

The Issuer agrees to provide or cause to be filed, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series B Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series B Notes, or other material events affecting the tax-exempt status of the Series B Notes;
- (g) modifications to rights of holders of the Series B Notes, if material;
- (h) bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) release, substitution, or sale of property securing repayment of the Series B Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all the assets of Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect Noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Listed event (l) includes the note related thereto contained in the Rule. For the purposes of Listed Events (o) and (p), the term "financial obligation" means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to file or cause to be filed, in a timely manner, notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be filed pursuant to this Agreement may be filed by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Series B Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Series B Notes within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Series B Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Section 3 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Series B Notes of such failure. The present address of the Director of Finance is: City of New London, 13 Masonic Street, New London, Connecticut 06320.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Series B Notes shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Series B Notes.

Section 8. General.

- (a) The Issuer shall have no obligation to provide or file any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing or filing such additional information, data or notices from time to time as it deems appropriate in connection with the Series B Notes. If the Issuer elects to provide or file any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide or file further additional information, data or notices of the type so provided.
- (b) This Agreement shall be governed by the laws of the State of Connecticut.
- (c) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Series B Notes, and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rules as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information filed on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial activities for the City of New London.

[Signatures to follow]

City of New London, Connecticut

By: _____
Michael E. Passero
Mayor

By: _____
David McBride
Director of Finance

[Signature page to Continuing Disclosure Agreement – Series B Notes]

APPENDIX D-1 – NOTICE OF SALE – THE BONDS

NOTICE OF SALE

**CITY OF NEW LONDON, CONNECTICUT
\$5,673,000
GENERAL OBLIGATION BONDS, ISSUE OF 2025
(TAX EXEMPT)
(BOOK-ENTRY ONLY)**

Electronic bids (as described herein) will be received by the CITY OF NEW LONDON, CONNECTICUT (the "City") until **11:00 A.M. (E.S.T.) on**

Thursday, March 6, 2025

for the purchase of all, but not less than all, of the City of New London, Connecticut, \$5,673,000 General Obligation Bonds, Issue of 2025 (the "Bonds"). Electronic bids must be submitted via *PARITY*® in the manner specified below. (See "Electronic Bidding Procedures").

The Bonds

The Bonds will be dated March 13, 2025 and will be payable to the registered owner on March 15 in the year of their respective maturity, as further described in the Preliminary Official Statement for the Bonds dated February 21, 2025 (the "Preliminary Official Statement"). The Bonds will bear interest (which interest shall be computed on a 360-day year, twelve 30-day month basis) payable on September 15, 2025 and semiannually thereafter on March 15 and September 15 in each year until maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase.

The Bonds will mature on March 15 in the following amounts and years:

<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>
2028	\$253,000	2037	\$300,000
2029	\$300,000	2038	\$300,000
2030	\$250,000	2039	\$300,000
2031	\$375,000	2040	\$300,000
2032	\$375,000	2041	\$300,000
2033	\$375,000	2042	\$300,000
2034	\$375,000	2043	\$300,000
2035	\$370,000	2044	\$300,000
2036	\$300,000	2045	\$300,000

The Bonds maturing on or before March 15, 2032 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2033 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after March 15, 2032, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
March 15, 2032 and thereafter	100.0%

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

Nature of Obligation

The Bonds will be general obligations of the City for payment of which the City's full faith and credit will be pledged as discussed in more detail in the Preliminary Official Statement section entitled "Security and Remedies". The Bonds are payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

No Bank Qualification

The Bonds SHALL NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Electronic Bidding Procedures

Any prospective bidder must submit its electronic bid through the facilities of *PARITY*®. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required at the sole cost of the bidder in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of *PARITY*® shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in the Notice of Sale, shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City, and upon acceptance by the City shall bind the bidder to a legally valid, binding and enforceable contract to purchase the Bonds on the terms described in this Notice of Sale. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, *PARITY*®, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by *PARITY*® as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*®, including any fee charged, may be obtained from *PARITY*®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 – email notice: parity@i-deal.com).

For purposes of the electronic bidding process, the time as maintained by *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described in this Notice of Sale. All bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Proposals for the purchase of the Bonds must be submitted electronically, in accordance with the requirements prescribed herein. Each bid must be for the entire \$5,673,000 of the Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum; provided such bid shall not state (a) more than one interest rate for any Bonds having like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of 360-day year consisting of twelve 30-day months. No bid for less than par and accrued interest will be considered. Unless all bids are rejected, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the City by lot from among all such proposals.

True interest cost will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to March 13, 2025, the dated date of the Bonds, results in an amount equal to the purchase price of the Bonds, excluding interest accrued to the date of delivery of the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:30 P.M. (E.D.T.) on March 6, 2025. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

By submitting a bid for the Bonds, the bidder represents and warrants to the City that such bidder's bid for the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract for the purchase of the Bonds on the terms described in this Notice of Sale.

Closing Documents and Legal Opinion

The Bonds will be certified by U.S. Bank Trust Company, National Association, of Hartford, Connecticut. U.S. Bank Trust Company, National Association will act as Paying Agent and Registrar. The legality of the issue will be passed upon by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., of New London, Connecticut, Bond Counsel to the City, and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with a Signature and No Litigation Certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that, under existing statutes and court decisions (i) interest on the Bonds is excluded from gross income for Federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the Federal alternative minimum tax on individuals; however, such interest may be subject to the Federal alternative minimum tax imposed under Section 55(b) of the Code on applicable corporations (within the meaning of Section 59(k) of the Code), , (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax. In rendering the legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Arbitrage and Use of Proceeds Certificate entered into by the City for the benefit of the owners of the Bonds, and further, will assume compliance by the City with the covenants and procedures set forth in such Arbitrage and Use of Proceeds Certificate. A signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, of Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City will receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest interest cost, as set forth in this Notice of Sale.

(c) In the event that the competitive sale requirements are not satisfied, the City shall **so** advise the winning bidder. In such event, the City may elect to treat (i) the first price at which ten percent (10%) of each maturity of the Bonds (the "10% test") is actually sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"). The winning bidder shall advise the City if the Bonds satisfy the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, whether Bonds of a maturity that do not meet the 10% test, thereafter shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to the Bonds. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

(d) If the competitive sale requirements are not satisfied, and the City does not elect to apply the hold-the-offering-price rule, then until the 10% test has been satisfied as to the Bonds, the winning bidder agrees to promptly report to the City the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds or until all Bonds have been sold to the public.

(e) If the competitive sale requirements are not satisfied and the City elects to apply the hold-the-offering-price rule, by submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of the award at the offering price ("the initial offering price"), or at the corresponding yield, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) The close of the fifth (5th) business day after the sale date; or
- (2) The date on which the underwriters have sold at least 10% of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of the Bonds to the public at prices that are no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business date after the sale date.

(f) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds or all Bonds have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the Bonds until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds or all Bonds have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires. The City acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

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

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

Continuing Disclosure

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

Settlement of the Bonds

It is anticipated that the Bonds will be delivered to DTC in New York City on or about March 13, 2025. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereto to accept delivery of and pay for the Bonds. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid by the purchaser.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 15 copies of the Official Statement prepared for the Bonds at the City's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening. If the City's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rate, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Related Information

For more information regarding this issue and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement containing financial information and pertinent information relating to the issuance, sale and security of the Bonds, may be obtained from the undersigned, or from Office of Munistat Services, Inc., 129 Samson Park Drive, Suite A, Madison, Connecticut 06443, (203) 421-2087.

CITY OF NEW LONDON, CONNECTICUT

By: _____
David F. McBride, Jr.
Director of Finance

February 21, 2025

\$5,673,000
CITY OF NEW LONDON, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2025
CERTIFICATE WITH RESPECT TO "ISSUE PRICE"

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

Select appropriate provisions below

1. *[Alternative 1-Competitive Sale Rule Applies] Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering price of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] [the Representative] is \$ _____ (the "Expected Offering Price"). The Expected Offering Price is the price for the Bonds used by [SHORT NAME OF UNDERWRITER] [the Representative] in formulating its bid to purchase the Bonds. Attached as Schedule A is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] [the Representative] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] [the Representative] was not given the opportunity to review other bids prior to submitting its bid

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

1. *[Alternative 2-Bonds sold under General Rule] Sale of the Bonds.* As of the date of this certificate, the first price at which at least 10% of the Bonds was sold to the Public is \$ ____.

1. *[Alternative 3-Hold the Offering Price Rule Applies] Hold the Offering Price of the Bonds.*

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the initial offering price of \$ _____ (the "Initial Offering Price") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

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

2. *Defined Terms.*

(a) *City* means the City of New London, Connecticut.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or with the same maturity date but different stated interest rates, would be treated as separate Maturities.

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is March 6, 2025.

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

[Use with Alternative 3

(f) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of the Bonds to the Public at prices that are no higher than the Initial Offering Price.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER] [THE REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

Dated: [Closing Date]

[UNDERWRITER]

By: _____
Name: _____
Title: _____

APPENDIX D-2 – NOTICES OF SALE – THE SERIES A NOTES

NOTICE OF SALE

**CITY OF NEW LONDON, CONNECTICUT
\$27,774,000
GENERAL OBLIGATION BOND ANTICIPATION NOTES**

(BOOK-ENTRY ONLY)

Electronic bids (as described herein) will be received by the CITY OF NEW LONDON, CONNECTICUT (the "City"), until **11:30 A.M. (E.S.T.) on**

Thursday, March 6, 2025

for the purchase of the City of New London, Connecticut, \$27,774,000 General Obligation Bond Anticipation Notes (the "Series A Notes"). Electronic bids must be submitted via *PARITY*® in the manner specified below. (See "Electronic Bidding Procedures").

The Series A Notes

The Series A Notes will be dated March 13, 2025 and will be payable to the registered owner on March 12, 2026, as further described in the Preliminary Official Statement for the Series A Notes dated February 21, 2025 (the "Preliminary Official Statement"). The Series A Notes will bear interest (which interest shall be computed on a 360-day year, twelve 30-day month basis) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/1000 of 1% per annum.

The Series A Notes are not subject to redemption prior to maturity.

The Series A Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Series A Notes will be issued in registered form and one note certificate will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Series A Notes in principal amounts of \$5,000 or integral multiples thereto with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Series A Notes, will be required to deposit the note certificate with DTC, registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. Principal of and interest on the Series A Notes will be payable by the City or its agent in same-day funds to DTC or its nominee as registered owner of the Series A Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Nature of Obligation

The Series A Notes will be general obligations of the City for payment of which the City's full faith and credit will be pledged as discussed in more detail in the Preliminary Official Statement section entitled "Security and Remedies". The Series A Notes are payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

No Bank Qualification

The Series A Notes shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, (the "Code") for purposes of the deduction by financial institutions for interest expense allocable to the Series A Notes.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of *PARITY*®. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required at the sole cost of the bidder in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of *PARITY*® shall be deemed an irrevocable offer to purchase the Series A Notes on the terms provided in the Notice of Sale, shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City, and upon acceptance by the City shall bind the bidder to a legally valid, binding and enforceable contract to purchase the Series A Notes on the terms described in this Notice of Sale. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, *PARITY*®, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by *PARITY*® as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*®, including any fee charged, may be obtained from *PARITY*®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 – email notice: parity@i-deal.com).

For purposes of the electronic bidding process, the time as maintained by *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the City, as described in this Notice of Sale. All bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Proposals for the purchase of the Series A Notes must be submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Series A Notes but any proposal for a part must be for not less than \$100,000, or a whole multiple thereof, except that one such proposal for a part may include the odd \$174,000, and a separate proposal will be required for each part of the Series A Notes for which a separate interest rate is bid. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the City, the award will be made on the basis of the highest principal amount of the Series A Notes specified. No bid for less than par and accrued interest, if any, will be considered and the City reserves the right to award to any bidder all or any part of the Series A Notes bid for in its proposal. If a bidder is awarded only a part of the Series A Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the City with respect to the Series A Notes awarded is the same as the contained in the bidder's proposal with respect to the entire amount bid, rounded to six decimal places. The Series A Notes will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:30 P.M. (E.D.T.) on March 6, 2025. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless rejected or postponed, the Series A Notes will be awarded to the bidder or bidders offering to purchase the Series A Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost; such statement shall not be considered part of the proposal.

By submitting a bid for the Series A Notes, the bidder represents and warrants to the City that such bidder's bid for the Series A Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract for the purchase of the Series A Notes on the terms described in this Notice of Sale.

Closing Documents and Legal Opinion

The Series A Notes will be certified by U.S. Bank Trust Company, National Association, of Hartford, Connecticut. U.S. Bank Trust Company, National Association will act as Paying Agent and Registrar. The legality of the issue will be passed upon by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., of New London, Connecticut, Bond Counsel to the City, and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with a Signature and No Litigation Certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that, under existing statutes and court decisions (i) interest on the Series A Notes is excluded from gross income for Federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the Federal alternative minimum tax on individuals; however, such interest may be subject to the Federal alternative minimum tax imposed under Section 55(b) of the Code on applicable corporations (within the meaning of Section 59(k) of the Code), (iii) under existing statutes, interest on the Series A Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax. In rendering the legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Arbitrage and Use of Proceeds Certificate entered into by the City for the benefit of the owners of the Series A Notes, and further, will assume compliance by the City with the covenants and procedures set forth in such Arbitrage and Use of Proceeds Certificate. A signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, of Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

(a) The winning bidder shall assist the City in establishing the issue price of the Series A Notes and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series A Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Series A Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series A Notes) will apply to the initial sale of the Series A Notes (the "competitive sale requirements") because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City will receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Series A Notes to the bidder who submits a firm offer to purchase the Series A Notes at the lowest interest cost, as set forth in this Notice of Sale.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. In such event, the City may elect to treat (i) the first price at which ten percent (10%) of Series A Notes (the "10% test") is actually sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of the Series A Notes as the issue price of that maturity (the "hold-the-offering-price rule"). The winning bidder shall advise the City if the Series A Notes satisfy the 10% test as of the date and time of the award of the Series A Notes. The City shall promptly advise the winning bidder, at or before the time of award of the Series A Notes, whether Series A Notes shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to the Series A Notes. Bidders should prepare their bids on the assumption that the Series A Notes will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series A Notes.**

(d) If the competitive sale requirements are not satisfied, and the City does not elect to apply the hold-the-offering-price rule, then until the 10% test has been satisfied as to the Series A Notes, the winning bidder agrees to promptly report to the City the prices at which the Series A Notes have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series A Notes or until all Series A Notes have been sold to the public.

(e) If the competitive sale requirements are not satisfied and the City elects to apply the hold-the-offering-price rule, by submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series A Notes to the Public on or before the date of the award at the offering price ("the initial offering price"), or at the corresponding yield, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Series A Notes, that the underwriters will neither offer nor sell unsold Series A Notes to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) The close of the fifth (5th) business day after the sale date; or
- (2) The date on which the underwriters have sold at least 10% of the Series A Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of the Series A Notes to the public at prices that are no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business date after the sale date.

(f) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series A Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series A Notes allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series A Notes or all Notes have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series A Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series A Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the Series A Notes until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series A Notes or all Notes have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series A Notes.

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

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series A Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series A Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series A Notes to the public),

- (iii) a purchaser of any of the Series A Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Series A Notes are awarded by the City to the winning bidder.

Continuing Disclosure

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

Settlement of the Notes

It is anticipated that the Series A Notes will be delivered to DTC in New York City on or about March 13, 2025. The deposit of the Series A Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Series A Notes prior to delivery, and the City will not be responsible for any delay occasioned by the inability to deposit the Series A Notes with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereto to accept delivery of and pay for the Series A Notes. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid by the purchaser.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 10 copies of the Official Statement prepared for the Series A Notes at the City's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening. If the City's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rate, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Series A Notes.

Related Information

For more information regarding this issue and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement containing financial information and pertinent information relating to the issuance, sale and security of the Series A Notes, may be obtained from the undersigned, or from Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, (203) 421-2087.

CITY OF NEW LONDON, CONNECTICUT

By: _____
David F. McBride, Jr.
Director of Finance

February 21, 2025

\$27,774,000
CITY OF NEW LONDON, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES
CERTIFICATE WITH RESPECT TO "ISSUE PRICE"

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

Select appropriate provisions below

1. *[Alternative 1-Competitive Sale Rule Applies] Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering price of the Series A Notes to the Public by [SHORT NAME OF UNDERWRITER] [the Representative] is \$_____ (the "Expected Offering Price"). The Expected Offering Price is the price for the Series A Notes used by [SHORT NAME OF UNDERWRITER] [the Representative] in formulating its bid to purchase the Series A Notes. Attached as Schedule A is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] [the Representative] to purchase the Series A Notes.

(b) [SHORT NAME OF UNDERWRITER] [the Representative] was not given the opportunity to review other bids prior to submitting its bid

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series A Notes.

1. *[Alternative 2-Series A Notes sold under General Rule] Sale of the Series A Notes.* As of the date of this certificate, the first price at which at least 10% of the Series A Notes was sold to the Public is \$_____.

1. *[Alternative 3-Hold the Offering Price Rule Applies] Hold the Offering Price of the Series A Notes.*

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series A Notes to the Public for purchase at the initial offering price of \$_____ (the "Initial Offering Price") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series A Notes is attached to this certificate as Schedule B.]

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

2. *Defined Terms.*

(a) *City* means the City of New London, Connecticut.

(b) *Maturity* means Series A Notes with the same credit and payment terms. Series A Notes with different maturity dates, or with the same maturity date but different stated interest rates, would be treated as separate Maturities.

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Series A Notes. The Sale Date of the Series A Notes is March 6, 2025.

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

[Use with Alternative 3

(f) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of the Series A Notes to the Public at prices that are no higher than the Initial Offering Price.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER] [THE REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series A Notes, and by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Series A Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Series A Notes.

Dated: [Closing Date]

[UNDERWRITER]

By: _____
Name: _____
Title: _____

APPENDIX D-3 – NOTICES OF SALE – THE SERIES B NOTES

NOTICE OF SALE

CITY OF NEW LONDON, CONNECTICUT \$12,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

(BOOK-ENTRY ONLY)

Electronic bids (as described herein) will be received by the CITY OF NEW LONDON, CONNECTICUT (the "City"), until **12:00 P.M. (E.S.T.) on**

Thursday, March 6, 2025

for the purchase of the City of New London, Connecticut, \$12,500,000 General Obligation Bond Anticipation Notes (the "Series B Notes"). Electronic bids must be submitted via *PARITY*® in the manner specified below. (See "Electronic Bidding Procedures").

The Series B Notes

The Series B Notes will be dated March 21, 2025 and will be payable to the registered owner on March 12, 2026, as further described in the Preliminary Official Statement for the Series B Notes dated February 21, 2025 (the "Preliminary Official Statement"). The Series B Notes will bear interest (which interest shall be computed on a 360-day year, twelve 30-day month basis) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/1000 of 1% per annum.

The Series B Notes are not subject to redemption prior to maturity.

The Series B Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Series B Notes will be issued in registered form and one note certificate will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Series B Notes in principal amounts of \$5,000 or integral multiples thereto with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Series B Notes, will be required to deposit the note certificate with DTC, registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. Principal of and interest on the Series B Notes will be payable by the City or its agent in same-day funds to DTC or its nominee as registered owner of the Series B Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Nature of Obligation

The Series B Notes will be general obligations of the City for payment of which the City's full faith and credit will be pledged as discussed in more detail in the Preliminary Official Statement section entitled "Security and Remedies". The Series B Notes are payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

No Bank Qualification

The Series B Notes shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, (the "Code") for purposes of the deduction by financial institutions for interest expense allocable to the Series B Notes.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of *PARITY*®. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required at the sole cost of the bidder in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of *PARITY*® shall be deemed an irrevocable offer to purchase the Series B Notes on the terms provided in the Notice of Sale, shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City, and upon acceptance by the City shall bind the bidder to a legally valid, binding and enforceable contract to purchase the Series B Notes on the terms described in this Notice of Sale. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, *PARITY*®, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by *PARITY*® as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about *PARITY*®, including any fee charged, may be obtained from *PARITY*®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 – email notice: parity@i-deal.com).

For purposes of the electronic bidding process, the time as maintained by *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the City, as described in this Notice of Sale. All bids shall be deemed to incorporate the provisions of this Notice of Sale.

Bid Specifications/Basis of Award

Proposals for the purchase of the Series B Notes must be submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Series B Notes but any proposal for a part must be for not less than \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Series B Notes for which a separate interest rate is bid. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the City, the award will be made on the basis of the highest principal amount of the Series B Notes specified. No bid for less than par and accrued interest, if any, will be considered and the City reserves the right to award to any bidder all or any part of the Series B Notes bid for in its proposal. If a bidder is awarded only a part of the Series B Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the City with respect to the Series B Notes awarded is the same as the contained in the bidder's proposal with respect to the entire amount bid, rounded to six decimal places. The Series B Notes will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:30 P.M. (E.D.T.) on March 6, 2025. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless rejected or postponed, the Series B Notes will be awarded to the bidder or bidders offering to purchase the Series B Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost; such statement shall not be considered part of the proposal.

By submitting a bid for the Series B Notes, the bidder represents and warrants to the City that such bidder's bid for the Series B Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract for the purchase of the Series B Notes on the terms described in this Notice of Sale.

Closing Documents and Legal Opinion

The Series B Notes will be certified by U.S. Bank Trust Company, National Association, of Hartford, Connecticut. U.S. Bank Trust Company, National Association will act as Paying Agent and Registrar. The legality of the issue will be passed upon by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., of New London, Connecticut, Bond Counsel to the City, and the winning bidders will be furnished with their opinion without charge. Each winning bidder will also be furnished with a Signature and No Litigation Certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that, under existing statutes and court decisions (i) interest on the Series B Notes is excluded from gross income for Federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the Federal alternative minimum tax on individuals; however, such interest may be subject to the Federal alternative minimum tax imposed under Section 55(b) of the Code on applicable corporations (within the meaning of Section 59(k) of the Code), (iii) under existing statutes, interest on the Series B Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax. In rendering the legal opinion, Bond Counsel will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Arbitrage and Use of Proceeds Certificate entered into by the City for the benefit of the owners of the Series B Notes, and further, will assume compliance by the City with the covenants and procedures set forth in such Arbitrage and Use of Proceeds Certificate. A signed opinion and transcript of proceedings will be filed with U.S. Bank Trust Company, National Association, of Hartford, Connecticut, and will be available for examination upon request.

Obligation to Deliver Issue Price Certificate

(a) The winning bidder shall assist the City in establishing the issue price of the Series B Notes and shall execute and deliver to the City at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series B Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Series B Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series B Notes) will apply to the initial sale of the Series B Notes (the "competitive sale requirements") because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City will receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Series B Notes to the bidder who submits a firm offer to purchase the Series B Notes at the lowest interest cost, as set forth in this Notice of Sale.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. In such event, the City may elect to treat (i) the first price at which ten percent (10%) of Series B Notes (the "10% test") is actually sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of the Series B Notes as the issue price of that maturity (the "hold-the-offering-price rule"). The winning bidder shall advise the City if the Series B Notes satisfy the 10% test as of the date and time of the award of the Series B Notes. The City shall promptly advise the winning bidder, at or before the time of award of the Series B Notes, whether Series B Notes shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to the Series B Notes. Bidders should prepare their bids on the assumption that the Series B Notes will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series B Notes.**

(d) If the competitive sale requirements are not satisfied, and the City does not elect to apply the hold-the-offering-price rule, then until the 10% test has been satisfied as to the Series B Notes, the winning bidder agrees to promptly report to the City the prices at which the Series B Notes have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series B Notes or until all Series B Notes have been sold to the public.

(e) If the competitive sale requirements are not satisfied and the City elects to apply the hold-the-offering-price rule, by submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series B Notes to the Public on or before the date of the award at the offering price ("the initial offering price"), or at the corresponding yield, set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Series B Notes, that the underwriters will neither offer nor sell unsold Series B Notes to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) The close of the fifth (5th) business day after the sale date; or
- (2) The date on which the underwriters have sold at least 10% of the Series B Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of the Series B Notes to the public at prices that are no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business date after the sale date.

(f) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series B Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series B Notes allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series B Notes or all Series B Notes have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series B Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series B Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the Series B Notes until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series B Notes or all Series B Notes have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series B Notes.

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

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

Continuing Disclosure

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

Settlement of the Series B Notes

It is anticipated that the Series B Notes will be delivered to DTC in New York City on or about March 21, 2025. The deposit of the Series B Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Series B Notes prior to delivery, and the City will not be responsible for any delay occasioned by the inability to deposit the Series B Notes with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereto to accept delivery of and pay for the Series B Notes. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid by the purchaser.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 10 copies of the Official Statement prepared for the Series B Notes at the City's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening. If the City's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rate, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Series B Notes.

Related Information

For more information regarding this issue and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement containing financial information and pertinent information relating to the issuance, sale and security of the Series B Notes, may be obtained from the undersigned, or from Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, (203) 421-2087.

CITY OF NEW LONDON, CONNECTICUT

By: _____
David F. McBride, Jr.
Director of Finance

February 21, 2025

\$27,774,000
CITY OF NEW LONDON, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES
CERTIFICATE WITH RESPECT TO "ISSUE PRICE"

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

Select appropriate provisions below

1. *[Alternative 1-Competitive Sale Rule Applies] Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering price of the Series B Notes to the Public by [SHORT NAME OF UNDERWRITER] [the Representative] is \$_____ (the "Expected Offering Price"). The Expected Offering Price is the price for the Series B Notes used by [SHORT NAME OF UNDERWRITER] [the Representative] in formulating its bid to purchase the Series B Notes. Attached as Schedule A is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] [the Representative] to purchase the Series B Notes.

(b) [SHORT NAME OF UNDERWRITER] [the Representative] was not given the opportunity to review other bids prior to submitting its bid

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series B Notes.

1. *[Alternative 2-Series B Notes sold under General Rule] Sale of the Series B Notes.* As of the date of this certificate, the first price at which at least 10% of the Series B Notes was sold to the Public is \$_____.

1. *[Alternative 3-Hold the Offering Price Rule Applies] Hold the Offering Price of the Series B Notes.*

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series B Notes to the Public for purchase at the initial offering price of \$_____ (the "Initial Offering Price") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series B Notes is attached to this certificate as Schedule B.]

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

2. ***Defined Terms.***

(a) *City* means the City of New London, Connecticut.

(b) *Maturity* means Series B Notes with the same credit and payment terms. Series B Notes with different maturity dates, or with the same maturity date but different stated interest rates, would be treated as separate Maturities.

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Series B Notes. The Sale Date of the Series B Notes is March 6, 2025.

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

[Use with Alternative 3

(f) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of the Series B Notes to the Public at prices that are no higher than the Initial Offering Price.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER] [THE REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series B Notes, and by Tobin, Carberry, O'Malley, Riley & Selinger, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Series B Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Series B Notes.

Dated: [Closing Date]

[UNDERWRITER]

By: _____
Name: _____
Title: _____