

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 15, 2026

NEW ISSUE; BOOK-ENTRY ONLY

Rating: Moody's: Aa2
See **Rating**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see **Tax Matters**.*

\$2,335,000*
CITY OF HURON, OHIO
GENERAL OBLIGATION (Limited Tax)
STREET IMPROVEMENT BONDS, SERIES 2026

Dated: Closing Date

The Bonds. The Bonds are unvoted general obligations of the City, issued to finance certain permanent improvements as described under **Authorization and Purpose**. Principal and interest, unless paid from other sources, are to be paid from the proceeds of the City's levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law.

Book-Entry Only. The Bonds will be initially issued only as fully-registered bonds, one for each maturity, issuable under a book-entry system, registered initially in the name of The Depository Trust Company or its nominee ("DTC"). There will be no distribution of Bonds to the ultimate purchasers. The Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. See **Appendix E**.

Payment*. (See *Maturity Schedule on inside cover*.) Principal and interest will be payable to the registered owner (DTC), principal upon presentation and surrender at the designated corporate trust office of Argent Institutional Trust Company (the Bond Registrar) and interest transmitted by the Bond Registrar on each interest payment date (June 1 and December 1 of each year, beginning December 1, 2026) to the registered owner (DTC) as of the 15th day preceding that interest payment date.

Prior Redemption*. The Bonds maturing on or after December 1, 2031, are subject to optional redemption by the City prior to maturity, beginning December 1, 2030, and Term Bonds are subject to mandatory prior redemption if so requested by the successful bidder, as described in this Official Statement. See **Prior Redemption**.

The Bonds are offered when, as and if issued, subject to the opinion on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Bond Counsel to the City. Squire Patton Boggs (US) LLP will also pass upon certain legal matters for the City as its disclosure counsel. Municipal advisory services are being provided to the City by Sudsina & Associates, LLC. The Bonds are expected to be available for delivery to DTC or its agent on May 7, 2026.

This Official Statement has been prepared by the City in connection with its original offering for sale of the Bonds. The Cover includes certain information for quick reference only. *It is not a summary of the Bond issue.* Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

Sale Procedure. Electronic bids (received via **PARITY**) and written bids (received via facsimile) must be submitted in accordance with the Official Notice of Sale. See **Appendix G**. Bids will be received until 11:00 a.m. Ohio time, on April 23, 2026. This Official Statement is "deemed final" by the City as of its date for purposes of, and except for certain omissions as permitted by, SEC Rule 15c2-12(b)(1), and is subject to completion, amendment or supplementation in the final Official Statement.

The date of this Official Statement is April __, 2026, and the information herein speaks only as of that date.

* Preliminary, subject to change.

PRINCIPAL MATURITY SCHEDULE*
ON DECEMBER 1

Year	Amount	Interest Rate	Price	CUSIP©(a) No. 447600
2026	\$120,000			
2027	90,000			
2028	90,000			
2029	95,000			
2030	95,000			
2031	100,000			
2032	100,000			
2033	105,000			
2034	105,000			
2035	110,000			
2036	110,000			
2037	115,000			
2038	120,000			
2039	125,000			
2040	130,000			
2041	135,000			
2042	140,000			
2043	145,000			
2044	150,000			
2045	155,000			

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* Preliminary, subject to change. See the Official Notice of Sale attached as **Appendix G**.

CITY OF HURON, OHIO

CITY OFFICIALS

Mayor: Monty Tapp

City Manager: Stuart Hamilton

Director of Finance: Isaac Phillips

Director of Law: Todd A. Schrader

City Council

Monty Tapp, Mayor

Mark Claus

Sam Artino

William Biddlecombe, Vice Mayor

Joe Dike

Tom Harris

Joel Hagy

PROFESSIONAL SERVICES

Bond and Disclosure Counsel:

Squire Patton Boggs (US) LLP

Bond Registrar:

Argent Institutional Trust Company

Municipal Advisor:

Sudsina & Associates, LLC

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the Cover (as defined herein). No dealer, broker, sales person or other person has been authorized by the City to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Official Statement is provided by the City in connection with the original offering of the Bonds. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the City for other purposes, including general information provided to the public or to portions of the public. The information in this Official Statement is subject to change without notice. Neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since its date.

This Official Statement contains statements that the City believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the City’s control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The City undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE CITY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE CITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR DISAPPROVED THE BONDS FOR SALE.

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The Ohio Municipal Advisory Council (OMAC) has requested that this paragraph be included in this Official Statement. Certain information contained in the Official Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes

the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

The City may, and the successful bidder is authorized to, complete the Cover or add a separate page on the front of this Official Statement to indicate the offering prices or yields, interest rate(s), the identity of the Underwriter(s), and the rating.

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INTRODUCTORY STATEMENT

This Official Statement has been prepared by the City of Huron, Ohio (the City), in connection with its original issuance and sale of the Bonds identified on the Cover (the Bonds). Certain information concerning the Bonds, including their authorization, purpose, terms and security and sources of payment, and the City is provided in this Official Statement.

This Introductory Statement briefly describes certain information relating to the Bonds and supplements certain information on the Cover. It is not intended as a substitute for the more detailed discussions in this Official Statement. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

All financial and other information in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources and except for certain information on the Cover, and in **Appendices D, E, F and G**. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. See also **Regarding This Official Statement**.

This Official Statement should be considered in its entirety and no one subject should be considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents. References to provisions of Ohio law, including the Revised Code and the Ohio Constitution, and of the City's Charter (the Charter), are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement:

- **“Beneficial Owner”** means the owner of a book-entry interest in the Bonds, as defined in **Appendix E**.
- **“Council”** means the Council of the City.
- **“County”** means County of Erie, Ohio.
- **“County Auditor”** means the Auditor of the County.
- **“Cover”** means the cover page and the inside cover of this Official Statement.
- **“Debt charges”** means principal (including any mandatory redemption payments), of and interest and any redemption premium on the obligations referred to; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2025”) means the Fiscal Year ending on December 31 in that year.
- **“Fiscal Year 2024 Financial Statements”** means the Basic Financial Statements from the City's Financial Report for Fiscal Year 2024 (Audited) attached as **Appendix C**.
- **“Revised Code”** means the Ohio Revised Code.

- “State” or “Ohio” means the State of Ohio.

The Bonds are issued by the City of Huron, Ohio. They are authorized by Chapter 133 of the Revised Code, the Charter and legislation passed by the Council. The Bonds are issued to finance certain permanent improvements as described herein under **The Bonds – Authorization and Purpose**.

The Bonds are general obligations of the City, the full faith and credit and general property taxing power of which are pledged to the payment of debt charges. Unless paid from other sources, debt charges are to be paid from the proceeds of the City’s levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law. See **Security and Sources of Payment**.

The Authorizing Legislation (see **The Bonds – Authorization and Purpose**) provides that the Bonds will be issued in the denomination of \$5,000 or in whole multiples of \$5,000. The Bonds will be initially issued only as fully-registered bonds, one for each maturity, issuable under a book-entry system and registered initially in the name of The Depository Trust Company, New York, New York, or its nominee (DTC). See **Certain Terms of the Bonds – General; Book-Entry System** and **Appendix E**.

Principal and interest will be payable to the registered owner (DTC). Principal will be payable on presentation and surrender at the designated corporate trust office of the Bond Registrar. See **Bond Registrar**. Interest will be transmitted by the Bond Registrar on each interest payment date (June 1 and December 1, beginning December 1, 2026) to the registered owner as of the 15th day of the calendar month next preceding that interest payment date.

The Bonds maturing on or after December 1, 2031*, are subject to prior redemption on any date, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of \$5,000), on or after December 1, 2030*, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date. Term Bonds subject to mandatory prior redemption may be created as described in this Official Statement, if so requested by the successful bidder. See **Certain Terms of the Bonds – Prior Redemption**.

The legal opinion as to the validity of the Bonds and the tax-exempt status of the interest on the Bonds will be rendered by Squire Patton Boggs (US) LLP (Bond Counsel). See **Legal Matters, Tax Matters** and **Appendix D**.

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* Preliminary, subject to change.

THE BONDS – AUTHORIZATION AND PURPOSE

The Bonds are to be issued pursuant to Chapter 133 of the Revised Code, the Charter, an ordinance passed by the Council and a certificate of award provided for by that ordinance (collectively, the Authorizing Legislation).

The Bonds are being issued for the purpose of improving a portion of US-6 located in the City by constructing, reconstructing, resurfacing, paving, grading, draining and making other improvements and, in connection therewith, constructing and reconstructing, as necessary, one or more roundabouts, curbs, gutters, sidewalks, concrete aprons, storm sewers, catch basins and related drainage facilities, and replacing or adding signage, lighting and traffic signals, together with all necessary related improvements and appurtenances thereto.

CERTAIN TERMS OF THE BONDS

General; Book-Entry System

The Bonds will be dated their date of original issuance, will be payable in the principal amounts and on the dates and will bear interest (computed on the basis of a 360-day year and 12 30-day months) at the rates and be payable on the dates, at the place and in the manner, all as described on the Cover.

The Bond Registrar will act as the paying agent for the Bonds and will keep all books and records necessary for registration, exchange and transfer of the Bonds. See **Bond Registrar**.

The Bonds will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (DTC), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Bonds. For discussion of the book-entry system and DTC and the replacement of Bonds in the event that the book-entry system is discontinued, see **Appendix E**.

Prior Redemption*

The Bonds are subject to mandatory and optional redemption as follows.

Mandatory Redemption

Any bidder may, at its option, specify that particular maturities of the Bonds for which the same rate of interest is specified in its bid shall be issued as term bonds subject to mandatory sinking fund redemption by the City in consecutive years immediately preceding the maturity thereof (a Term Bond). In the event that the successful bidder specifies that any maturity of the Bonds shall be issued as a Term Bond, that Term Bond shall be subject to mandatory sinking fund redemption on December 1 in each applicable year, in the principal amount for such year as set forth on the Cover, at a redemption price equal to the principal amount to be redeemed, plus interest accrued thereon to the redemption date, without premium. See the **Official Notice of Sale** attached hereto as **Appendix G** for more information. Term Bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the Term Bonds of the corresponding maturity.

* Preliminary, subject to change.

Optional Redemption

The Bonds maturing on or after December 1, 2031, are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of \$5,000), on any date on or after December 1, 2030, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

Selection of Bonds and Book-Entry Interests to be Redeemed

If fewer than all outstanding Bonds are called for optional redemption at one time, the Bonds to be called will be called as selected by, and selected in a manner as determined by, the City.

If less than all of an outstanding Bond of one maturity under a book-entry system is to be called for redemption (in the amount of \$5,000 or any whole multiple), the Bond Registrar will give notice of redemption only to DTC as registered owner. The selection of the book-entry interests in that Bond to be redeemed is discussed below under **Notice of Call for Redemption; Effect**.

If bond certificates are issued to the ultimate owners, and if fewer than all of the Bonds of a single maturity are to be redeemed, the selection of Bonds (or portions of Bonds in the amount of \$5,000 or any whole multiple) to be redeemed will be made by lot in a manner determined by the Bond Registrar.

In the case of a partial redemption by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal will be treated as if it were a separate Bond of the denomination of \$5,000.

Notice of Call for Redemption; Effect

The Bond Registrar is to cause notice of the call for redemption, identifying the Bonds or portions of Bonds to be redeemed, to be sent by first-class mail, at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Bond to be redeemed at the address shown on the Register on the 15th day preceding that mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any Bonds.

On the date designated for redemption, Bonds or portions of Bonds called for redemption shall become due and payable. If the Bond Registrar then holds sufficient money for payment of debt charges payable on that redemption date, interest on each Bond (or portion of a Bond) so called for redemption will cease to accrue on that date.

So long as all Bonds are held under a book-entry system by a securities depository (such as DTC), call notice is sent by the Bond Registrar only to the depository or its nominee. Selection of book-entry interests in the Bonds called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its Direct Participants and Indirect Participants. Any failure of the depository to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Bonds or portions of Bonds. See **Appendix E**.

SECURITY AND SOURCES OF PAYMENT

The Bonds will be unvoted general obligation debt of the City payable from the sources described, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or

transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

Basic Security

The basic security for payment of the Bonds is the requirement that the City levy ad valorem property taxes within the ten-mill limitation imposed by Ohio law to pay debt charges on the Bonds. The State constitution specifically prohibits a subdivision such as the City from incurring general obligation indebtedness unless the authorizing legislation makes provision “for levying and collecting annually by taxation an amount sufficient to pay” the debt charges on the bonds. (Ohio Constitution Article XII Section 11.)

The Ohio Supreme Court has stated:

“Section 11 of Article XII of the Constitution of Ohio imposes a mandatory duty upon the State and its political subdivisions to pay the interest and principal of their indebtedness before provisions are to be made for current operating expenses.” *State ex rel. Nat’l City Bank v. Bd. of Ed. of the Cleveland City School District*, 52 Ohio St. 2d 81, 85 (1977).

Under State law, the levy for debt charges on unvoted general obligations of the City is to be placed before and in preference to all other levies and for the full amount of those debt charges. See the further discussions under **Ad Valorem Property Taxes, Special Assessments and City Debt and Other Long-Term Obligations**.

Ohio law requires the City to levy and collect that property tax to pay debt charges on the Bonds as they come due, unless and to the extent those debt charges are paid from other sources, such as described below.

The Authorizing Legislation provides further security by making a pledge of the full faith and credit and the general property taxing power of the City for the payment of debt charges on the Bonds as they come due. All funds of the City are included in that pledge, except those specifically limited to another use or prohibited from that use by the Ohio Constitution, or Ohio or federal law, or revenue bond trust agreements. Those exceptions as to portions of the Bonds include tax levies voted for specific purposes or expressly pledged to certain obligations, special assessments pledged to particular bonds or notes, and certain utility revenues and highway use receipts (limited by the Ohio Constitution to highway-related purposes). A similar pledge is made in each ordinance authorizing voted or unvoted general obligation debt.

Additional Sources of Payment

The Authorizing Legislation also contains specific covenants that debt charges will be paid from municipal income taxes, in accordance with Section 133.05(B)(7) of the Revised Code. See **Debt Table A** and **Debt Table C**. Those include covenants to appropriate annually from lawfully available municipal income taxes, and to continue to levy and collect those income taxes, in amounts necessary to meet the debt charges on the Bonds. See **Municipal Income Tax**.

Enforcement of Rights and Remedies

In addition to the right of individual bondholders to sue upon their particular Bonds, Ohio law authorizes the holders of not less than 10% in principal amount of the outstanding Bonds, whether

or not then due and payable or reduced to judgment, to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the City to levy, collect and apply the unvoted property taxes to pay debt charges, and in the case of any default in payment of debt charges to bring action to require the City to account as if it were the trustee of an express trust for the holders or to enjoin any acts that may be unlawful or in violation of bondholder rights.

The law also provides that the holders of not less than 25% in principal amount of the outstanding Bonds may appoint a trustee to represent the bondholders if the City defaults in the payment of debt charges on the Bonds and that default continues for a period of 30 days, or if the City fails or refuses to comply with the requirements of the State's Uniform Public Securities Law (Chapter 133 of the Revised Code) or the applicable bond proceedings. Such a trustee may (and if requested by bondholders of not less than 25% in principal amount of the outstanding Bonds shall) (i) bring an action for payment of any debt charges then due on the Bonds, (ii) by mandamus or other action enforce all rights of the bondholders, including requiring the City to assess, levy, charge, collect and apply pledged receipts (including without limitation ad valorem property taxes, income taxes, utility revenues and other receipts) in accordance with the Authorizing Legislation, (iii) bring action upon the Bonds, (iv) by action, require the City to account as if it were the trustee of an express trust for the bondholders and (v) by action, enjoin any acts or things that may be unlawful or in violation of the rights of the bondholders, but may not declare all Bonds due and payable (acceleration). See also **Appendix E**.

The State has pledged to and agreed with holders of securities such as the Bonds that

“...the state will not, by enacting any law or adopting any rule, repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the power or duty of a subdivision to exercise, perform, carry out, and fulfill its responsibilities or covenants under this chapter [Chapter 133, the State's Uniform Public Securities Law] or legislation or agreements as to its Chapter 133. securities, including a credit enhancement facility, passed or entered into pursuant to this chapter, or repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the rights and remedies of any such holders fully to enforce such responsibilities, covenants, and agreements or to enforce the pledge and agreement of the State contained in this division, or otherwise exercise any sovereign power materially impairing or materially inconsistent with the provisions of such legislation, covenants, and agreements.” (Section 133.25(D) of the Revised Code.)

Bankruptcy

Federal and State laws provide procedures for the adjustment of indebtedness of political subdivisions, such as the City. Chapter 9 of the U.S. Bankruptcy Code would permit the City to make such an adjustment if (i) it were “insolvent” (i.e., the City was not paying its debt charges as they came due or it was unable to pay those debt charges as they became due), (ii) it met certain other criteria (e.g., having negotiated in good faith with its creditors and failed to reach agreement or such negotiation was impractical because of time restrictions, the number of creditors or other reasons) and (iii) it were authorized under State law (by legislation or by a governmental officer) to seek relief under Chapter 9. The State's Uniform Public Securities Law provides that the City or any other subdivision must obtain the approval of the State Tax Commissioner in order to file a bankruptcy petition stating that it is insolvent and “that it desires to effect a plan for the composition or adjustment of its debts and to take such further proceedings” under the Bankruptcy Code. That law also states:

“No taxing subdivision shall be permitted, in availing itself of such acts of congress [the Bankruptcy Code], to scale down, cut down, or reduce the principal sum of its securities, except that interest thereon may be reduced in whole or in part.” (Section 133.36 of the Revised Code.)

The County may also initiate proceedings under the Bankruptcy Code. Because it collects, distributes or otherwise provides revenues to the City, the City’s financial condition could be affected by such an action.

Refunding

State law authorizes the refunding and advance refunding of all or a portion of the Bonds. If the City places in escrow either money or direct obligations of, or obligations guaranteed as to payment by, the United States, or a combination of both, that with investment income thereon will be sufficient for the payment of debt charges on the refunded Bonds, those Bonds will no longer be considered to be outstanding. They will also not be considered in determining any direct or indirect limitation on City indebtedness, and the levy of taxes to pay debt charges on them will not be required. For this purpose, direct obligations of or obligations guaranteed by the United States include rights to receive payments or portions of payments of the principal of or interest or other investment income on (i) those U.S. obligations and (ii) other obligations fully secured as to payment by those U.S. obligations and the interest or other investment income on those obligations.

LITIGATION

To the knowledge of the appropriate City officials, no litigation or administrative action or proceeding is pending restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt charges on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, signed or delivered, or the validity of the Bonds. No petitions for referendum with respect to the Authorizing Legislation or any other measure authorizing the payment of or security for the Bonds, or the carrying out of the government purposes to which the Bond proceeds are to be applied, and no petitions seeking to initiate any measure affecting the same or the proceedings therefor, have been filed. The City will deliver to the Underwriter a certificate to that effect at the time of original delivery of the Bonds to the Underwriter.

The City is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security for the Bonds, or the permanent improvements being financed. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of the Director of Law, have a material adverse effect on the Bonds, the security for the Bonds, or those improvements or the City’s operating revenues.

Under current Ohio law, City money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the City.

See also **City Facilities; Insurance**.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Bonds and with regard to certain tax matters (see **Tax Matters**) are subject to the opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the City. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as **Appendix D**, dated and premised on law in effect on the date of issuance of the Bonds, will be

delivered on the date of issuance of the Bonds. The text of the opinion to be delivered may vary from the text as set forth in **Appendix D** if necessary to reflect facts and law on the date of issuance. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

Squire Patton Boggs (US) LLP, in its capacity as Bond Counsel, has drafted those portions of this Official Statement under the captions **Certain Terms of the Bonds** (excluding certain information concerning the book-entry system there and in **Appendix E**), **Security and Sources of Payment** and **Tax Matters**.

Squire Patton Boggs (US) LLP, both in its capacity as Bond Counsel and Disclosure Counsel to the City, and others, including the Municipal Advisor, have assisted the City with its preparation of certain other portions of this Official Statement and participated with responsible City officials and staff in telephone conferences where other statements and information contained in this Official Statement were reviewed for accuracy and completeness. Bond Counsel and Disclosure Counsel and those other parties, however, have not been engaged to, and will not, independently confirm or verify such statements or information or any other statements or information provided by the City or others, and will not be responsible for the accuracy, completeness or fairness of any such statements or information or any other reports, financial information, offering or disclosure documents or other information pertaining to the Bonds that may be prepared or made available by the City or others to potential or actual purchasers of the Bonds, to owners of the Bonds, including Beneficial Owners, or to others.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinions or advice are rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion or letter guarantee the outcome of any legal dispute that may arise out of the transaction.

In addition to rendering its opinion, Squire Patton Boggs (US) LLP will assist in the preparation of and advise the City concerning documents for the bond transcript. The City has also retained the legal services of that law firm from time to time as special counsel in connection with matters that do not relate to City financings. Squire Patton Boggs (US) LLP also serves and has served as bond counsel for one or more of the political subdivisions Squire Patton Boggs (US) LLP also serves and has served as bond counsel for one or more of the political subdivisions that the City territorially overlaps.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the Code), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and the Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the City's certifications and representations or the continuing compliance with the City's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (IRS) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The City has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) 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). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the

Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the Cover, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (Discount Bonds) may be offered and sold to the public at an original issue discount (OID). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds (Premium Bonds) may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEY SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Bonds are lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies (including domestic for life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or other funds of the State and State subdivisions and taxing districts, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Fire), notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any State agency with respect to investments by them.

The Bonds are acceptable under Ohio law as security for the repayment of the deposit of public money.

Beneficial Owners of the Bonds should make their own determination as to such matters as legality of investment in or pledgeability of book-entry interests.

RATING

The Bonds have been rated "Aa2" by Moody's Investors Service. No application for a rating has been made by the City to any other rating service.

The rating reflects only the views of the rating service, and any explanation of the meaning or significance of the rating may only be obtained from the rating service. The City furnished to the rating service certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the City. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions.

There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market value of the Bonds.

The City expects to furnish the rating service with information and materials that may be requested. The City, however, assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Bonds.

TRANSCRIPT AND CLOSING CERTIFICATES

A complete transcript of proceedings and a certificate (described under **Litigation**) relating to litigation will be delivered by the City when the Bonds are delivered by the City to the Underwriter. The City at that time will also provide to the Underwriter a certificate, signed by the City officials who sign this Official Statement and addressed to the Underwriter, relating to the accuracy and completeness of this Official Statement and to its being a “final official statement” in the judgment of the City for purposes of SEC Rule 15c2-12(b)(3).

CONTINUING DISCLOSURE AGREEMENT

The City has agreed, for the benefit of the holders and Beneficial Owners from time to time of the Bonds, in accordance with SEC Rule 15c2-12 (the Rule), to provide or cause to be provided to the Municipal Securities Rulemaking Board such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of the Rule (the Continuing Disclosure Agreement). See **Appendix F** for the proposed form of the Continuing Disclosure Agreement. The foregoing information, data and notices can be obtained from:

Isaac Phillips
Director of Finance
City of Huron
417 Main Street
Huron, Ohio 44839
Telephone: (419) 433-5000 Ext. 1201
E-mail: isaac.phillips@huronohio.us

The performance by the City of the Continuing Disclosure Agreement will be subject to the annual appropriation by the City of any funds that may be necessary to perform it. The Continuing Disclosure Agreement will remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the City remains an obligated person with respect to the Bonds within the meaning of the Rule.

In accordance with the Rule, the City entered into continuing disclosure agreements in connection with certain of its prior financings. The City believes that, during the last five years, it has complied in all material respects with those prior continuing disclosure agreements; however, notice of certain of the City’s material financial obligations entered into after July 23, 2019 were filed more than 10 business days after the date of such occurrence. In addition, during the last five years, the City generally filed its audited financial statements on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website at the same time as its filings of annual financial information and operating data (AIFs) or after public release of the audited financial statements on the Ohio Auditor of State’s website (which was sometimes later than nine months after

fiscal year end), but, in any event, not later than the deadline under its continuing disclosure agreements for the filing of its AIFs (when available at the time of those filings).

The information in the immediately preceding paragraph is included in this Official Statement out of an abundance of caution in light of the uncertainty that exists in the municipal market concerning what constitutes a failure to comply with a prior continuing disclosure agreement and whether a particular instance of noncompliance constitutes material noncompliance, and also in keeping with the spirit of the Rule to improve disclosure in the municipal securities market. By providing that information, the City does not intend to make, and is not making, any statement or suggestion regarding its materiality to any investor.

MUNICIPAL ADVISOR

The City has retained Sudsina & Associates, LLC (the Municipal Advisor), to provide financial advice in connection with the City's issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

BOND REGISTRAR

Argent Institutional Trust Company will act as bond registrar, paying agent, transfer agent and authenticating agent for the Bonds (the Bond Registrar). The Bond Registrar will keep all books and records necessary for registration, exchange and transfer of the Bonds, in accordance with the terms of agreements between it and the City.

The Bond Registrar is a trust company organized under the laws of the State of Florida. It has designated its Cincinnati, Ohio corporate trust office in connection with the Bonds.

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THE CITY

GENERAL INFORMATION

The City is located in Erie County in north central Ohio on the shores of Lake Erie, approximately 45 miles east of the City of Toledo and 45 miles west of the City of Cleveland. It was incorporated as a village in 1835, and became a city in 1960.

The City's 2020 population of 7,149 placed it as the second largest city in the County. The U.S. Census Bureau estimates that the City's 2024 population was 6,757. See **Economic and Demographic Information – Population**.

The City's area is approximately five square miles. Land use, as measured by the tax value of real property, is presented in the following table.

	Percent of Tax Valuation of Real Property
Residential	84.18%
Commercial/Industrial	12.69
Public Utility	2.67
Agricultural	0.46
Undeveloped	(a)

(a) Included in above categories.

Source: County Auditor.

The City is served by diversified transportation facilities, including three State and U.S. highways. It is adjacent to areas served by Conrail and Amtrak and is served by passenger air services at Cleveland Hopkins International Airport located in Cleveland. Erie-Ottawa International Airport, located twenty miles west of the City, accommodates general aviation needs.

Banking and financial services are provided to the City area by offices of local commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

One daily newspaper serves the City. The City is within the broadcast area of Cleveland, Lorain and Toledo television stations and multiple AM and FM radio stations. Multichannel cable TV service, including educational, governmental and public access channels, is provided by Buckeye Cable System, Inc.

The Firelands Campus of Bowling Green State University is located to the west side of the City in Huron Township and has an enrollment of approximately 2,100 students. Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include the University of Akron, Baldwin Wallace University, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Lorain County Community College, Oberlin College, Ursuline College and branches of Kent State University and Bowling Green State University.

Summer recreational opportunities draw numerous tourists to enjoy boating and water sports, golf and summer theatre. Fishing is a year-round attraction, whether it is along the City's

renowned mile-long pier, from a private boat or by utilizing the services of local charter fishing captains. The City includes opportunities for visitors to vacation in cottages and motels along Lake Erie and provides dining and shopping in unique shops and artist studios.

Located approximately 10 miles west of the City is the multimillion-dollar Cedar Point Amusement Park, which was acquired by Six Flags Entertainment Corporation in 2024. In 2024, the park drew over four million visitors from throughout the country, and it consistently ranks as the top choice in Amusement Today's annual poll and the 10th best amusement park in America for 2024 by USA Today. In May 2023, the park opened The Boardwalk, a new themed area with rides, dining and other attractions, including a modern version of the original Wild Mouse roller coaster. In addition to being a major tourist attraction for the region with a significant seasonal effect on restaurants and hotels throughout the region, Cedar Point also provides excellent employment opportunities for the region's youth. Cedar Point Sports Center Sports Force Park is located outside of Cedar Point and offers a state-of-the-art sports facility for soccer, baseball, softball and lacrosse tournaments.

Located just outside the City in Huron Township, Kalahari Resort and Water Park and Sawmill Creek golf resort offer hundreds of rooms, over 100,000 square feet of convention space, and on-site recreation.

Good soil and climate tempered by Lake Erie have made the area surrounding the City a highly productive agricultural region. A large variety of fruits and vegetables is harvested each year. Major crops are corn, soybeans, canola and wheat.

Firelands Regional Medical Center is located in the City of Sandusky, approximately 10 miles from the City. Firelands has approximately 500 beds and offers full, state-of-the-art medical services. Admiral's Point Nursing Facility, a 100-bed licensed/certified long-term nursing facility, provides health care services to the City and surrounding localities. Because of the City's proximity to the cities of Cleveland and Toledo, the area also has well-established referral patterns to the major tertiary medical centers. The City and Huron Township are served by a full-time EMT squad, fully trained in basic and advanced life support.

City facilities include the Municipal Building, which houses the police department and legislative and administration offices, and the Fire Station. The City also owns a service complex, parks and recreation administrative building, and a water treatment plant.

The City owns and operates the municipal Boat Basin Facility and also maintains four parks within its boundaries. The Huron Public Library (separate entity), with over 55,000 volumes, is a center of activity for all members of the community and surrounding area.

City Government

The City operates under and is governed by its Charter, first adopted by the voters in 1960 and which has been and may be amended by the voters from time to time. The City is also subject to various laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a Council-Manager form of government.

Legislative authority is vested in a seven-member Council, of whom all are elected at large for four-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the Mayor, who is elected by the Council from among its members for a two-year term. The Mayor

presides at Council meetings and has a vote but no veto power. The Mayor is a ceremonial head of the City but has no administrative authority. The Charter establishes certain administrative departments; the Council may establish divisions of those departments and additional divisions.

The City's chief executive and administrative officer is the City Manager, who is appointed by the Council to serve at its pleasure. The City Manager may be removed by a vote of five members of the Council.

The City Manager appoints, subject to the approval of Council, the directors of City departments. The City Manager also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees.

All Council members serve part-time. The current Council members, and some of the major appointed officials, are:

ELECTED Members of Council

Name	Years in Office	Vocation in Private Life
Monty Tapp (Mayor)(a)	6	Retired
Mark Claus(a)	6	Design/Sales Engineer
Sam Artino(b)	20	Retired
William Biddlecombe (Vice Mayor)(b)	4	Engineering Technician
Joe Dike(b)	10	Medical Equipment Product Manager
Tom Harris(b)	<1	Local Business Owner
Joel Hagy(a)	6	Commercial Manager

(a) Term expires November 30, 2027.

(b) Term expires November 30, 2029.

APPOINTED

Office	Name	Years in Position	Years Service with the City
City Manager	Stuart Hamilton	<1	5
Clerk of Council	Terri Welkener	6	6
Director of Finance	Isaac Phillips	<1	<1
Law Director	Todd A. Schrader	5	5

Employees

The City has 62 full-time and 67 part-time employees. The number of full-time employees has remained relatively stable since December 31, 2018. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

Full-time employees are represented by the following bargaining units:

Bargaining Unit	Agreement Duration	Number of Employees
Police Sergeant	January 1, 2025 - December 31, 2027	4
Patrolmen	January 1, 2025 - December 31, 2027	10
Service and Maintenance	January 1, 2025 - December 31, 2027	14
Fire Fighters	January 1, 2025 - December 31, 2027	15

The remaining full-time City employees have not elected to join a bargaining unit.

The Council by ordinance establishes salaries, wages and other economic benefits for City employees, the terms of which generally are the products of negotiations with representatives of the employees or bargaining unit. The City worked with bargaining units to transition emergency communications services to the Erie County Sheriff's office, saving the City approximately \$200,000 per year.

The City utilizes a fully-insured health insurance plan. Under this plan, the City pays a fixed cost regardless of employee utilization. Beginning in 2025, the City included a Health Savings Account (HSA) to the plan to keep premiums competitive and allow City employees to contribute and participate in an HSA for tax benefits for out-of-pocket medical expenses. This keeps premiums competitive and allows City employees to contribute and participate in an HRA for tax benefits for out-of-pocket medical expenses.

The City's overall health insurance costs were approximately \$1 million in both 2021 and 2022. The annual cost increased by 20% in 2023 and 17% in 2024. The HSA plan started in 2025 increased total healthcare costs 35%. Due to higher-than-expected premium costs the City shopped for other options and switched to a new health insurance provider in 2026 that is projected to save 16% in premium costs. Eligible full-time City employees may opt out of the health insurance program for themselves and/or their dependents. Those that decline coverage receive an annual payment paid quarterly. Approximately 14 employees have opted out of the plan in 2026. The plan covers approximately 50 employees and remains in place through 2026.

In the City's judgment, its employee relations have been and are excellent.

Retirement Expenses

Present and retired employees of the City are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the police and fire departments. All other eligible City employees are covered by the Ohio Public Employees Retirement System (OPERS).

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. In 2012, the General Assembly passed five separate pension reform measures intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The reform legislation passed with respect to OPERS and OP&F provided for (i) no change in the City contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began on July 2,

2013. With certain transition provisions applicable to certain current employees, the reform legislation has, among other changes, increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost-of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent. The OP&F reform legislation also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

For further information on these pension plans and for Fiscal Year 2024 reporting with respect to employer pensions, see the Notes to the Fiscal Year 2024 Financial Statements. Financial and other information for OPERS and OP&F can also be found on the respective website for each retirement system including its Comprehensive Annual Financial Report.

As of December 31, 2024, the City had the net pension liability reported and explained in the Notes to the Fiscal Year 2024 Financial Statements.

City employees covered by OPERS contribute at a statutory rate of 10.0% of earnable salary. As the employer, the City's statutory contribution rate for those employees is 14.0% of the same base. City employees covered by OP&F contributed at a statutory rate of 12.25% of earnable salary. As the employer, the City's statutory contribution rates, applied to the same base, are 19.5% for police personnel and 24.0% for fire personnel. These employee and employer contribution rates have been and are now the maximums permitted under current State law. The City "picks up" 100% of the employee's contributions for the City Manager.

The City's current employer contributions to OPERS and OP&F, and the payments toward the accrued OP&F liability, have been treated as current expenses and included in the City's operating expenditures, except to the extent paid from the proceeds of the "Police and Fire Pension" levy referred to under **Tax Rates**.

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, City employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

City Facilities; Insurance

The City services for public safety (police & fire), municipal court, finance department, City Manager, building and zoning permits, and other administrative functions, are provided from a main administration building, comprising 21,123 square feet, located on approximately one acre. The City Services Division comprising the departments of water pumping, water distribution, and street repair and maintenance, is located on approximately 10 acres with the water plant comprised of 35,000 square feet and the service complex comprised of 14,760 square feet.

The City has a variety of parks and recreational facilities including the following:

- Boat Basin & Amphitheater - situated on approximately seven acres with approximately 125 docks, a 1,000-seat outside amphitheater, restrooms and showers, along the Huron River, a tributary of Lake Erie.

– Fabens Park - situated on approximately nine acres with nine fields for baseball or softball, playground equipment for children five to 12 years of age, five tennis courts, three picnic shelters with tables and restrooms.

– Lakefront Park – situated on approximately one acre with a gazebo and picnic tables, playground equipment, restrooms, and a public beach on Lake Erie.

– Nickel Plate Beach - situated on approximately two acres leased from Norfolk and Southern Railroad with a public beach on Lake Erie.

– Oklahoma Park - situated on approximately 1/4 acre with playground equipment, picnic shelter with picnic tables and basketball court.

– Berlin Rd Park - situated on approximately five acres with a pond, which is going through minor improvements. The park is available to the public for recreational purposes, such as fishing and walking.

– Former Oster’s Manufactured Home Park –situated on approximately 2 acres of land. Purchased by the City in 2024, the property is undergoing improvements to be a green space or potential park in the near future.

The City currently carries building and contents insurance in the amount of \$34,728,767 (with a \$1,000 deductible), plus an additional property insurance (which includes miscellaneous property and equipment) in the amount of \$1,766,573 (also with a \$1,000 deductible). The total combined insured value for all City buildings and contents (including property and equipment) is \$36,495,340.

The City also maintains a variety of liability insurance coverage with varying deductibles. The liability insurance on City vehicles has a bodily injury and property damage coverage in the amount of \$10,000,000 per occurrence (with no deductible). The City also carries public official and employee liability insurance coverage with a \$10,000,000 limit of liability (with \$2,500 retention) for each loss and cyber security insurance liability coverage.

Economic and Demographic Information

Population

Recent Census population has been:

Year	City	County
1970	6,896	75,909
1980	7,123	79,655
1990	7,030	76,779
2000	7,958	79,551
2010	7,149	77,079
2024(est)	6,757	74,581

2024 Census figures show the following breakdown by age groups of the population of the City:

Under 5	5-19	20-34	35-44	45-54	55-64	65+	Total
427	876	1,160	604	751	1,107	1,922	6,757

Educational attainment for the City and the County's population (25 years or older) is set forth in the following table.

	City		County	
Less than 9th Grade	0	0.0%	851	1.6%
9th to 12th Grade (no diploma)	97	2.0	2,845	5.3
High School graduate (includes GED)	1,214	24.8	18,248	33.8
Some college, no degree	1,299	26.5	11,421	21.1
Associate degree	391	8.0	4,972	9.2
Bachelor degree	1,064	21.7	10,316	19.1
Graduate or professional degree	833	17.0	5,369	9.9

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.

Industry and Commerce

The City is continuing its efforts to redevelop the 20 acres of waterfront property that formerly housed a grain elevator facility. The City completed a request for proposals seeking development plans for the site from interested parties. The City awarded the purchase and development of the site to Triban Investments LLC. The City and developer have begun the planning and development stages of the development and construction is anticipated to begin in 2026. The property is also planned to have boat docks, a half mile walking trail, green space, and an overlook boardwalk.

In 2021, Ardagh Group (Ardagh), a global leader in recyclable metal and glass packaging solutions, purchased the facility formerly known as IAC. Ardagh invested more than \$400 million into the facility while converting the facility into a manufacturing plant producing infinitely recyclable beverage cans and ends. The facility began production in early 2022 and is providing more than 200 local jobs. The employer is the second top taxpayer in the City.

In 2021, the City annexed approximately 100 acres of property owned by Cedar Fair (dba Sawmill Creek Resort) on the northwest side of the City. The annexation included a tax increment financing (TIF) agreement between Cedar Fair and the City. Beginning in 2024, the City is receiving \$450,000 (approx. \$330,000 after service payments are made to the schools) of TIF proceeds every year to use on improvements in the area, including those being financed by outstanding bonds and the City's cost of a major State of Ohio project connecting the City to the City of Sandusky on US 6 (north of Route 2). During 2021 and 2022 Cedar Fair spent over \$25 million on resort renovations. The employer is one of the top ten income taxpayers in the City.

In 2022, the City purchased approximately 40 acres of farmland on the southeast part of the City limits. The City expects to market the land for future commercial and/or industrial use. The City also plans to relocate the City's service and recreation facilities from lakefront properties to this location by 2030.

Mimi Farms Inc. (dba Mucci Farms), a Canadian-headquartered company, completed construction of its third and final phase of hydroponic vegetable greenhouses on the west-side of the City in 2021. The employer currently employees over 200 workers with an average pay of approximately \$20 an hour. The location of Mucci Farms was annexed to the City from Huron

Township in 2017. Mucci Farms specializes in growing non-GMO produce including tomatoes, cucumbers, peppers, eggplants and strawberries. The company sells its hydroponic crops to wholesalers and major corporations, such as Kroger, Trader Joe's, Costco, Wal-Mart and others. The employer is a top five income taxpayer in the City.

In December 2017 the City announced that it received one of 13 coveted licenses for a company to build a privately funded multimillion-dollar medical marijuana growing facility within the City's corporate park on Rye Beach Road. The growing facility, known as Firelands Scientific, is still expanding with over 100 new jobs since 2018. The facility occupies approximately 75,000 square feet within the City's corporate park representing an investment totaling upward of \$20 million. The employer is a top 10 income taxpayer in the City.

Employment and Income

The following table shows comparative employment and unemployment statistics for the indicated periods.

Year(a)	Employed in	Unemployment Rate		
	County	County	State	U.S.
2020	32,680	10.4%	8.1%	8.1%
2021	34,536	6.4	5.1	5.3
2022	34,733	4.9	4.0	3.6
2023	34,780	4.4	3.5	3.6
2024	35,700	4.8	4.3	4.0
2025	35,600	5.4	4.6	4.3
2026				
Jan.(b)	33,900	6.2	4.6	4.7

(a) Not seasonally adjusted.
(b) Preliminary.

Source: Ohio Department of Job and Family Services – Bureau of Labor Market Information.

Most City residents work outside the City. The following table lists the employers (private and public) having the largest work forces within the City as of December 31, 2024 (the most recent date available, except as otherwise noted).

Employer	Nature of Activity or Business	Approximate Number of Employees
Sawmill Creek Resort	Amusement services	392
Ardagh	Metal and glass packing company	335(a)
Mimi Farms	Farming	227
Huron Board of Education	Public education	214
Humanetic Innovative Solutions	Crash test dummy manufacturer	143
The City	Municipal government	129(b)
Firelands Technology Ventures LLC	Pharmaceutical	114
Erie County Auditor's Office	County government	111

(a) As of December 31, 2025.
(b) Current.

Source: City.

The 2024 median family and household incomes, as reported by the Census Bureau in its “2020-2024 American Community Survey 5-Year Estimates,” are set forth in the following table:

	2024 Median Income	
	Family	Household
City	\$98,569	\$78,333
County	91,945	71,993
State	92,749	71,389
United States	99,999	80,734

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the Huron City School District filing Ohio personal income tax returns for calendar year 2023 (the most recent information available) was \$96,399, compared to the averages of \$110,922 for all Ohio school districts (for all tax returns filed, the 2023 State average for tax returns that indicated school districts was \$81,829) and \$71,653 for all school districts in the County.

The income per household in the City and County is estimated to be distributed as set forth in the following table.

Income and Benefits(a)	City		County	
Less than \$10,000	137	4.3%	1,795	5.5%
\$10,000 to \$14,999	123	3.9	1,451	4.5
\$15,000 to \$24,999	112	3.5	2,213	6.8
\$25,000 to \$34,999	262	8.2	2,603	8.0
\$35,000 to \$49,999	341	10.7	3,247	10.0
\$50,000 to \$74,999	561	17.7	5,652	17.4
\$75,000 to \$99,999	644	20.3	4,548	14.0
\$100,000 to \$149,999	464	14.6	6,237	19.2
\$150,000 to \$199,999	251	7.9	2,532	7.8
\$200,000 or more	283	8.9	2,204	6.8

(a) In 2024 inflation-adjusted dollars.

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.

The U.S. Census Bureau also estimates that 5.6% of people in the City and 13.0% of the people in the County have incomes that fall below the poverty level.

Housing and Building Permits

The following is U.S. Census Bureau information concerning housing in the City, with comparative County and State statistics.

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	2024 Median Value of Owner-Occupied Homes(a)	% Constructed Prior to 1940	Number of Housing Units		% Change
			2010(b)	2024(a)	
City	\$222,500	18.2%	3,591	3,637	+1.3%
County	199,700	20.2	37,845	38,534	+1.8
State	214,800	19.0	5,127,508	5,292,391	+3.2

(a) Source: U.S. Census Bureau Selected Source Characteristics in the United States 2020-2024.

(b) Source: U.S. Census Bureau American Fact Finder 2010 Census Redistricting Data (Public Law 94-171) Summary File.

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued by the City are shown in the following table.

Year	Number	Value
2021(a)	202	\$51,199,252
2022(a)	127	22,854,550
2023	187	11,472,564
2024	204	10,598,465
2025	204	12,814,196

(a) In 2021 and 2022, the City approved permits for expansion and renovation projects for two new employers in the City, Ardagh and Sawmill Creek Resort. See further details under **Industry and Commerce**.

Utilities; Public Safety and Services

Sewage collection and disposal is provided by the County. Electricity is obtained from Ohio Edison Company (except as set forth below), and natural gas is supplied by Columbia Gas of Ohio. Fire protection is provided by the City. Solid waste collection is provided by Republic Services, and solid waste from the City is sent to the County landfill.

Electric System

As an economic incentive, the City began offering a municipal electric utility with the establishment of the City's industrial park, where the program is confined. The City in the process of extending its distribution system under the Norfolk Southern train tracks, which will enable the City to start supplying service to the Sawmill Parkways Industrial Park. The City purchases electric power from American Municipal Power and redistributes it from the City's own distribution grid. The City's electric utility currently serves 11 businesses in the park.

The City constructed an electric substation to provide additional electricity to customers. The City acquired two new major customers in 2018. Both Mucci Farms and Firelands Scientific became large electric users. See **Industry and Commerce**. As of 2022, Mucci Farms has completed all three phases of greenhouse construction, which has an annual electrical consumption of 90,000,000 kilowatt hours per year. Firelands Scientific has an annual consumption of just over 10,000,000 kilowatt hours per year. Prior to the existence of these two customers, the City's electric utility system sold an average of 2,000,000 kilowatt hours per year. With these employers that total has increased by a factor of 50.

The following table sets forth a summary of all receipts and expenditures on a cash basis in the City's Electric Fund for the years 2021 through 2025 and projected for 2026.

Year	Beginning Balance January 1	Receipts(a)	Expenditures/Transfers			Ending Balance December 31
			Operation and Maintenance(b)	Capital(c)	Debt Service(d)	
2021	\$ 254,775	\$7,634,142	\$2,898,130	\$173,364	\$3,742,833	\$1,074,590
2022	1,074,590	3,797,979	4,144,949	9,156	125,440	593,024
2023	593,024	4,780,618	4,498,752	52,623	122,880	699,387
2024	699,387	5,419,977	4,499,806	882	120,320	1,498,356
2025	1,498,356	6,193,750	6,720,641	400,000	100,000	471,465
2026(e)	471,465	6,325,422	5,988,748	0	376,000	432,139

(a) Includes operating transfers out and other non-operating revenues.

(b) Includes operating transfers out and other non-operating expenses.

(c) Transfer to Enterprise Capital Projects Fund.

(d) Transfer to Electric Debt Service Fund.

(e) Projected.

Water System

The City owns and operates a municipal water system with a peak capacity of 4.95 million gallons per day (MGD) and an average daily output of 2.36 million gallons that provides water service to 3,500 residential and commercial accounts in the City. Approximately 60% of the treated water is sold to the County for distribution to its customers in certain areas adjacent to the City.

The City Council has authority to increase water rates as may be necessary. The City annually reviews and updates the water rates to meet the requirements of the ongoing 10-year capital improvement plan. In 2022, City Council increased the residential water rate for the first time since 2007. Beginning in 2023, the residential water rate has and will increase by 5% each year for the next ten years. In addition to the City residential rate, in 2015 the City established a long-term wholesale agreement with the County. This agreement has a term of 40 years and a sliding scale that reduces the rate as the quantity of water purchased increases. Revenue from the sale of water to the County makes up approximately 30% of total annual water sales. The City and the County are negotiating an updated rate. Currently, the County purchases approximately one million gallons of water from the City, per day, to supply water to a portion of residents in the City and Perkins Township. All other residents under the County's distribution system are supplied by the City of Sandusky's water plant.

The City made major capital improvements to the City's water treatment plan in 2020 and 2022. The City's plant was rated at 3.4 million gallons per day before the improvements. The recent updates, totaling over \$3 million, increased the filtration plant's capacity to accommodate 4.95 million gallons per day (MGD), with the ability to increase to 5.87 MGD. This growth is anticipated to establish incremental increases in revenues that can be utilized to offset long-term liability.

The following table sets forth a summary of all receipts and expenditures on a cash basis in the City's Water Fund for the years 2021 through 2025 and projected for 2026.

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Year	Beginning Balance January 1	Receipts(a)	Expenditures/Transfers			Ending Balance December 31
			Operation and Maintenance(b)	Capital(c)	Debt Service(d)	
2021	\$1,863,342	\$2,656,980	\$1,776,705	\$150,000	\$119,856	\$2,473,761
2022	2,473,761	2,454,135	1,943,508	780,000	175,000	2,029,388
2023	2,029,388	2,801,421	2,157,913	730,000	275,000	1,667,896
2024	1,667,896	3,080,810	2,113,713	600,000	100,000	1,934,993
2025	1,934,993	3,220,133	2,552,945	100,000	450,000	2,052,181
2026(e)	2,052,181	3,013,000	2,879,398	50,000	332,000	1,803,783

(a) Includes operating transfers out and other non-operating revenues.

(b) Includes operating transfers out and other non-operating expenses.

(c) Transfer to Enterprise Capital Projects Fund.

(d) Transfer to Water Debt Service Fund.

(e) Projected.

FINANCIAL MATTERS

Introduction

The City's Fiscal Year corresponds with the calendar year.

The main sources of City revenue have been and are property taxes, income taxes and State distributions, as described below.

The responsibilities for the major financial functions of the City are divided among the City Manager, the Director of Finance (the "Fiscal Officer"), and the Council.

Other important financial functions include general financial recommendations and planning by the City Manager; budget preparation by the City Manager with the assistance of the Fiscal Officer; and express approval of appropriations by the Council.

The Fiscal Officer is the City's fiscal and chief accounting officer. Among that officer's duties are to keep the books and accurate statements of all moneys received and expended and of all taxes and assessments; at the end of each Fiscal Year, to examine all accounts of City officers and departments; and not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or a voucher to be paid unless sufficient funds are in the City treasury to the credit of the fund on which the voucher is drawn. The Fiscal Officer is responsible for receiving, maintaining custody of and disbursing all City funds.

The Fiscal Officer has charge of the financial affairs of the City, including the keeping and supervision of all City accounts and the custody and disbursements of all City funds and moneys. The Fiscal Officer is appointed by the City Manager.

For property taxation purposes, assessment of real property is by the County Auditor subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials.

Budgeting, Property Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, property tax levies and appropriations are made in the Revised Code, including a requirement that the City levy a property tax in a sufficient amount, with any other money available for the purpose, to pay the debt charges on securities payable from property taxes.

The law generally requires that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget then is presented for review by the county budget commission, comprised of the county auditor, treasurer and prosecuting attorney (the prosecutor may opt out in favor of a county commissioner selected by the board of county commissioners). A county budget commission may, however, waive the requirement for a tax budget and require an alternative form of more limited information required by the commission to perform its duties. The Erie County Budget Commission has not yet waived the requirement but has permitted an alternative form of a tax budget from the City.

The county budget commission then determines and approves levies for debt charges outside and inside the ten-mill limitation. The Revised Code provides that “if any debt charge is omitted from the budget, the commission shall include it therein.”

The county budget commission then certifies to each subdivision its action on the tax budget together with the estimate by the county auditor of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the taxing authority (the Council in the case of the City) approves the tax levies and certifies them to the county auditor. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two equal installments, the first usually by February and the second in July.

The Council adopts, by December 31, a permanent appropriation measure for the next Fiscal Year. Although called “permanent,” the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the County Budget Commission’s official estimates of resources, and the County Auditor must certify that the City’s appropriation measures do not appropriate moneys in excess of the amounts set forth in those estimates.

Under recent legislation (see **Ad Valorem Property Taxes – Considerations Regarding Real Property Tax Reform**), county budget commissions have been granted authority to reduce the amount or rate of a tax levy if the county budget commission determines the reduction is necessary to avoid “unnecessary” or “excessive” collections. County budget commissions are required to approve all properly authorized voted property tax levies without modification for the first year of a levy’s collection, unless the levy is a renewal. Before reducing the amount or rate of a tax to avoid unnecessary or excessive collections, the county budget commission must provide the taxing authority an opportunity to present, at a public hearing, information on whether and to what extent the levy should be reduced.

For taxing authorities comprised of primarily elected members (such as school districts), a county budget commission cannot reduce levies below what the levies collected in the prior year, unless there are funds available in reserve balance accounts, nonexpendable trust funds or carryover amounts to offset the reduction, which amounts must be considered by the county budget commission.

Financial Reports and Audits

The City maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the “State Auditor”). The

State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

City receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor that are generally applicable to all Ohio political subdivisions. The records of these cash receipts and expenditures are converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances.

Audits are made by the State Auditor, or CPAs at the direction of that officer, pursuant to Ohio law. No other independent examination or audit of the City's financial records is made.

The most recent audit (including compliance audit) of the City's accounts was completed through Fiscal Year 2024. The Basic Financial Statements of the City for Fiscal Year 2024, set forth as **Appendix C**, have been audited by Charles E. Harris & Associates, Inc., independent auditors, as stated in their report appearing in those statements. No material findings, citations or items for adjustment, or material weaknesses in internal controls, were noted as part of the audit. Upon release by the Auditor of State, the Basic Financial Statements for Fiscal Year 2024 will also be included in the audit reports of the Auditor of State.

Annual financial reports are prepared by the City and are filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix A** for an unaudited comparative cash-basis summary, prepared by the City, of General Fund receipts and expenditures for the last five Fiscal Years and estimated for Fiscal Year 2026. All funds receipts and expenditures for the two prior Fiscal Years are set forth in **Appendix B**. See **Appendix C** for the audited Basic Financial Statements for Fiscal Year 2024, including the audit letter/independent accountant's report.

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by Charles E. Harris & Associates, Inc. since their date.

Investments

Investments and deposits of City funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all subdivisions. The Director of Finance is responsible for those investments and deposits. Under recent and current practices, and the City's adopted investment policy, in addition to deposits evidenced by interest-bearing certificates of deposit, investments are made in repurchase agreements (with the underlying federal or agency securities held on the City's behalf by The Huntington National Bank, STAR Ohio, OSAIC Wealth Inc., and UBS Securities). See also Notes to the Basic Financial Statements in **Appendix C**.

Financial Outlook

The City's General Fund cash balance as of December 31 for each of the years 2021 through 2025 and estimated for 2026 are shown in **Appendix A**.

Upon completion of the City’s update to its master plan in 2022, the City prioritized capital investment and policy modification geared towards long-term growth and private development attraction. Since 2018, the City gained four new employers (including Mucci Farms, Firelands Scientific, Sawmill Creek and Ardagh) which created over 500 jobs among the four employers.

GENERAL FUND

The General Fund is the City’s main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives money from many sources, but primarily from ad valorem property taxes and income taxes levied by the City and State local government distributions. **Appendices A and B** provide further information regarding other revenue sources for the General Fund and other City funds.

AD VALOREM PROPERTY TAXES

*The discussion of ad valorem property taxes under **Ad Valorem Property Taxes** reflects significant legislation enacted by the General Assembly and signed into law by the Governor on December 19, 2025, and, further, should be read in the context of (i) other legislation currently pending or which may be introduced in the General Assembly, (ii) ballot initiatives which may be proposed by electors and (iii) court proceedings which may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of the Bonds. See also **Considerations Regarding Real Property Tax Reform**.*

All references under **Ad Valorem Property Taxes** to “mills” refer to mills for each \$1 of taxable value, to a “Tax Year” refer to a year in which a tax is placed on the tax duplicate, and to a “Collection Year” refer to a year in which a tax is collected.

Tax Valuation

The following table shows the recent tax valuations of property subject to ad valorem taxes levied by the City:

Collection Year	Real(a)	Public Utility(b)	Total Tax Valuation
2022(c)	\$248,068,520	\$5,626,790	\$253,695,310
2023	252,086,690	6,065,720	258,152,410
2024	259,220,150	7,947,900	267,168,050
2025(d)	331,883,850	8,625,520	340,509,370
2026	333,267,057	8,970,942	342,237,999

(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

(b) Tangible personal property of all public utilities and real property of railroads.

(c) Reflects triennial adjustment.

(d) Reflects sexennial reappraisal.

Source: County Auditor.

Taxes collected on “Real” property in one calendar year (i.e., a Collection Year) are levied in the preceding calendar year (i.e., a Tax Year) on tax values as of January 1 of that preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year

are levied in the preceding calendar year on tax values determined as of December 31 of the second year preceding the Collection Year.

Based on County Auditor records of tax values for Collection Year 2026, the largest City ad valorem property tax payers are:

Name of Taxpayer	Nature of Business	Tax Value
Mimi Land Company LLC	Commercial agriculture	\$ 5,327,750
Sawmill Creek LLC	Hotel and convention center	5,327,330
Ardagh Metal Beverage USA Inc.	Manufacturing	3,877,980
Ohio Edison Company	Electric utility	3,847,284
Huron Corporate Park LLC	Medical distributor	2,396,680
American Transmission Systems Inc.	Electric utility	2,071,203
1920 Cleveland Road West LLC	Nursing facility	1,728,990
AMP Transmission LLC	Electric utility	1,662,070
NM HMN LLC	Manufacturing and light assembly	1,558,480
Columbia Gas of Ohio Inc.	Gas utility	1,393,365
KRD Huron LLC	Rental services	1,213,450
KRE Sandpiper LLC	Rental services	1,123,940
East Cleveland Road LLC	Private school/sports academy	1,113,510
Hajtino Holdings LLC	Rental services	1,051,530
Joseph D. Hammerschmidt Company	Real estate	965,740
Total		\$34,659,302
Percentage of Total Tax Value		10.13%

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Auditor adjusted the true value of taxable real property to reflect the current fair market values. These adjustments were first reflected in the Tax Year 2024 (Collection Year 2025) and in the ad valorem taxes distributed to the City in 2025 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially between reappraisals to reflect true values. The County Auditor completed such a triennial adjustment in Collection Year 2022.

The “tax valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value (CAUV). Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its tax valuation.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of tax valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to pay debt charges on general obligation

debt. None of the City's tax levies are affected by these credits. These credits are discussed further following **Tax Table A**.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the City are listed below. The "(__%)" figure is that approximate percentage of a recent tax valuation of the overlapping entity that is located within the City.

- The County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial). (10.19%)
- Township of Huron (limited functions allocated to townships by Ohio law). (53.98%)
- Huron City School District (K-12 educational responsibilities). (59.79%)
- EHOVE Joint Vocational Center (vocational education program). (6.26%)
- Erie County Metropolitan Park District (park and recreation areas). (10.19%)
- Erie-Lorain County Health District. (9.49%)
- Erie-Ottawa Mental Health District. (5.19%)
- Huron Public Library District (public library). (59.79%)

Source: OMAC.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Of these entities, the County, the township, the Career Center and the school district may, as may the City, levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills) described under **City Debt and Other Long-Term Obligations – Indirect Debt and Unvoted Property Tax Limitations**.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of tax valuation.

The following are the rates at which the City and overlapping taxing subdivisions have in recent years levied ad valorem property taxes in that area of the City having the highest overlapping tax rate.

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TAX TABLE A Overlapping Tax Rates

Collection Year	City	Huron City School District	Huron Township	Library	Career Center	County and Others(a)	Total
2022	4.90	72.26	0.40	1.50	4.45	8.60	92.11
2023	4.90	72.04	0.40	1.50	4.45	9.10	92.39
2024	4.90	71.77	0.40	1.50	4.45	9.10	92.12
2025	4.90	69.82	0.40	1.50	6.47	6.92(b)	90.01
2026	4.90	69.50	0.40	1.50	6.65	6.35(b)	89.30

(a) Includes levies for General Fund, Health District, MetroParks, Alcohol Drug Addiction Mental Health Services, Mental Health/ Developmentally Disabled and Senior Services for all years except Collection Years 2025 and 2026. See footnote (b).

(b) The County did not levy its 2.30-mill general fund inside millage for Collection Years 2025 and 2026.

Source: County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the tax valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 to limit in part the effect of increasing property values on the growth of those property taxes.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount (e.g., emergency and substitute levies) or an amount to pay debt charges, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate on the basis of which real property taxes are in fact collected. As an example, the total overlapping tax rate for Collection Year 2026 of 89.30 mills within the City (in the portion overlapping Huron City School District) is reduced by reduction factors of 0.552141 for residential/agricultural property and 0.443955 for all other real property, which results in “effective tax rates” of 39.991614 mills for residential and agricultural property and 49.652046 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property). Those reductions have been eliminated for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for Tax Year 2013. Further, the 10% credit is being phased out, and the 2.5% credit increased, each beginning in Tax Year 2026. See **Non-Business and Owner-Occupancy Credits**.

The following are the rates at which the City levied property taxes for the general categories of purposes for recent years, both inside and outside the ten-mill limitation.

TAX TABLE B
City Tax Rates

Inside the Limitation

Collection Year	Operating
2022	1.90
2023	1.90
2024	1.90
2025	1.90
2026	1.90

Voted

Collection Year	Total, All Operating(a)
2022	3.00
2023	3.00
2024	3.00
2025	3.00
2026	3.00

(a) For fire protection.

Beginning in Tax Year 2026, county budget commissions are required, in September of the year of a county's sexennial reappraisal or triennial update, to adjust the rate of each inside millage levy so as to generally limit any increase in the levy's revenue to the cumulative inflation rate calculated over the three preceding years, i.e., since the last reappraisal or update. To measure inflation, increases in the levy's collections are to be measured against increases in the Gross Domestic Product (GDP) deflator, a national measurement of inflation in the prices of all goods and services published by the Bureau of Economic Analysis of the US Department of Commerce, as calculated by the Ohio Department of Taxation. The calculation will exclude revenue increases attributable to new improvements or expiration of existing tax reductions. This change will first be applicable to the City in Tax Year 2027 (Collection Year 2028).

See the discussion of the ten-mill limitation, and the priority of claim for debt service on unvoted general obligation debt, under **City Debt and Other Long-Term Obligations – Indirect Debt and Unvoted Property Tax Limitations**.

The following table presents certain information concerning the City's one voted property tax levy (excluding levies for voted bond issues, for which there are none):

Voter Authorized	Millage Rate		Purpose	Last Collection Year
	Levied for Collection Year 2026			
	Res./Agr.	All Other		
3.00	1.773720	2.260323	Fire	Continuing

The City Council has taken the necessary steps to submit to the City’s voters, at an election to be held on May 5, 2026, the question of a new 1.50-mill tax levy for fire protection and EMS, for a continuing period of time. If approved, the 1.50-mill tax levy would commence in Tax Year 2026 (Collection Year 2027).

Collections

The following are the amounts billed and collected for City ad valorem property taxes on real and public utility property for recent Collection Years.

Collection Year	Collection Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2021	\$1,037,556	\$1,012,461	97.58%	\$26,906	\$31,249
2022	1,119,220	1,085,418	96.98	35,382	38,368
2023	1,097,128	1,082,696	98.68	17,583	33,708
2024	1,134,432	1,107,776	97.65	31,069	39,187
2025	1,285,909	1,252,819	97.50	35,401	38,658

Source: County Auditor.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Included in the “Current Billed”, “Current Collected” and “Current % Collected” figures above are payments made from State revenue sources under three Statewide real property tax relief programs – the Non-Business Credit, the Owner-Occupancy Credit and the Homestead Exemption.

Homestead Exemption

A Homestead Exemption provides a property tax credit for the residence, or “homestead,” of certain qualifying individuals, e.g., a homeowner who is either (i) 65 years of age or older, (ii) permanently and totally disabled or (iii) certain surviving spouses of an individual who previously received the exemption, who meet certain income guidelines. In addition, there is an enhanced credit for military veterans who are totally disabled or spouses of first responders killed in the line of duty, without regard to income guidelines. For Collection Year 2026, the Homestead Exemption exempts \$28,000 of the homestead’s market value from taxation (\$56,000 for the enhanced exemption), thereby reducing the property owner’s ad valorem property tax liability. Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead Exemption granted. The State assistance reflected in the City’s tax collections for Collection Year 2025 related to the Homestead Exemption was \$20,009. Counties are authorized to offer a property tax exemption that would “piggyback” on the existing Homestead Exemption. The exemption would be available to the same homeowners who meet the means test for the existing exemption, and offer the same benefit amount, as the State Homestead Exemption described above, but with no reimbursements to local governments. The County has implemented this “piggyback” exemption. It is estimated that this County “piggy-back” exemption will result in \$19,790 of lost revenues to the City.

Non-Business and Owner-Occupancy Credits

The Non-Business Credit (formerly the “10% Rollback”) and the Owner-Occupancy Credit (formerly the “2.5% Rollback”) apply to all non-business properties, and reduces each

property owner's ad valorem property tax liability as to "qualifying levies" by 10% and, if the property is owner-occupied and the owner does not claim any other property as a primary residence, an additional 2.5%, respectively. Payments to taxing subdivisions have been made in amounts approximately equal to the Non-Business Credit and Owner-Occupancy Credit granted. The State assistance reflected in the City's tax collections for Collection Year 2025 related to the Non-Business Credit and Owner-Occupancy Credit was \$122,186. Counties are authorized to offer a credit for owner-occupied homes that would "piggyback" on the existing Owner-Occupancy Credit. The locally authorized credit can equal up to 2.5% of the amount of taxes to be levied by qualifying levies on the property or home, but with no reimbursements to local governments. The County has implemented this "piggy-back" credit. It is estimated that this County "piggy-back" exemption will result in \$16,500 of lost revenues to the City.

The Non-Business Credit and Owner-Occupancy Credit and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for Tax Year 2013 (all other levies being "qualifying levies"). See **Tax Rates**.

Further, The Non-Business Credit is being phased out, beginning with Tax Year 2026, in accordance with the following schedule: reduced to (i) 7.5% in Tax Year 2026, (ii) 5.0% in Tax Year 2027, (iii) 2.5% in Tax Year 2028 and (iv) 0% in Tax Year 2029 and thereafter. The Owner-Occupancy Credit is being increased, beginning with Tax Year 2026, in accordance with the following schedule: increased to (i) 5.70% in Tax Year 2026, (ii) 8.92% in Tax Year 2027, (iii) 12.15% in Tax Year 2028 and (iv) 15.38% in Tax Year 2029 and thereafter.

Special Assessments

The City conducts annual programs for the provision of street lighting for its streets, alleys and other public ways. A portion of the cost of these programs is paid by the City from general funds; the remaining portion is financed by the levy each year of special assessments upon the benefited properties. Notes may be issued in anticipation of those special assessments to fund these programs. If issued, these notes generally have a maturity of one year or less and are payable solely from those special assessments. The notes are not general obligations of the City. By statute, no property tax may be pledged or used for their payment.

Owners of benefiting properties may commence a street improvement project by filing a petition with City Council requesting the improvement. Alternatively, Council, with a three-quarter majority, may by resolution declare the necessity for such an improvement. The special assessment proceedings provide for notice to property owners and an opportunity for property owners to object to the special assessments. At the commencement of construction of the improvement, bond anticipation notes may be issued to pay the property owners' portion of the project cost. Following completion of the work and determination of final costs, the special assessments are levied by Council against the benefiting property. Special assessments not paid within 30 days are certified to the County Auditor for collection over a period of time (usually 10 to 20 years for most projects). Special assessments are billed by the County Auditor and collected by the County Treasurer along with and at the same time as real property taxes. The real property taxes levied on any property against which special assessments have been levied are not to be paid unless those special assessments are also paid.

If bond anticipation notes are issued to pay the property owner's portion of the project cost as described above, bonds may be issued in anticipation of the collection of the special assessments to refund (together with any cash payments of special assessments) those notes. The special assessments certified for collection bear the same interest as the bonds. Under State law, those bonds are to be paid from the anticipated special assessments, but they are also general obligations of the City, payable from ad valorem property taxes to the extent not paid from those special

assessments. See **City Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations, Indirect Debt and Unvoted Property Tax Limitations** and **Debt Tables A and B**. The City has never been required to levy an ad valorem property tax for debt charges on bonds issued in anticipation of the collection of special assessments because special assessments have been collected as required and sufficient balances have been available in the Bond Retirement Fund to cover any temporary shortfall.

The following are the amounts billed and collected for City special assessments for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2021	\$194,095	\$188,005	96.86%	\$ 6,588	\$ 8,086
2022	217,633	207,776	95.47	10,643	12,454
2023	232,265	221,625	95.42	10,640	11,707
2024	209,925	204,738	97.53	5,740	9,960
2025	256,705	247,980	96.60	8,969	10,469

Source: County Auditor.

Delinquencies

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor's office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the "delinquent land duplicate"). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor's delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien "in the same way mortgage liens are enforced," that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the

delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the City, remains obligated to pay the debt charges on those notes or bonds from the available revenues. See **City Debt and Other Long-Term Obligations – Security and Sources of Payment**.

Of the 4,114 nonexempt parcels in the City for Collection Year 2025, the number of delinquent parcels was 200, against two of which foreclosure proceedings were commenced.

There was no one taxpayer that accounted for more than 5% of any of the delinquencies shown in the table above Collection Year 2025.

Considerations Regarding Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of the Bonds. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Bonds, will not have a materially adverse effect on the market value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the City and Bond Counsel express no opinion.

Specifically, on May 9, 2025, the Ohio Attorney General's Office certified, and on May 14, 2025, the Ohio Ballot Board voted to certify a petition title and summary of a proposed amendment to the Ohio Constitution from Citizens for Property Tax Reform, "Abolishment of Taxes on Real Property", proposing to add a new Section 14 to Article XII of the Ohio Constitution abolishing taxes on real property. The proposed amendment is limited to the abolishment of real property taxes and does not address any implications of that. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election (approximately 413,000). Those signatures must come from voters in at least 44 of Ohio's 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. If sufficient signatures are verified by the Ohio Secretary of State's Office at least 65 days before the election, the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition. At soonest, the proposed amendment could appear on the ballot at the November 3, 2026 election; however, there can be no assurance when or if the proposed amendment would be on the ballot.

Additionally, the 2025 State Budget Act contained provisions limiting a variety of levy options for school districts after January 1, 2026. These included replacement levies, fixed-sum ("emergency") levies, substitute levies and renewals with an increase. The Governor vetoed this provision, but, on July 21, 2025, the Ohio House of Representatives, and on September 30, 2025, the Ohio Senate, voted to override the veto. As a result, the vetoed statutory changes became law on or about January 1, 2026. Among others, a practical effect of those provisions was that school districts (see **Tax Rates**) with emergency levies, substitute levies or combined school district income tax and fixed-sum property tax levies with a limited term were no longer able to renew those levies after January 1, 2026; however, see discussion below regarding House Bill 129's restoration of the authority to renew certain of these levies under certain circumstances.

The 2025 State Budget Act also included a number of other property tax related measures which were also vetoed by the Governor. It is unclear if the General Assembly intends to vote to override any of those vetoes. If the vetoes are overridden and the provisions become

law, it is possible that they could have a material impact on the City. Many of the provisions and concepts that were the subject of the Governor’s vetoes are now contained in other enacted legislation, described below.

On December 19, 2025, the Governor signed into law (effective March 20, 2026) bills relating to various aspects of ad valorem property tax reform related to school districts as well as the following:

- House Bill 186, which among provisions related to school district levies, also phases out the Non-Business Credit and increases the Owner-Occupancy Credit. See **Non-Business and Owner-Occupancy Credits**.
- House Bill 309, which, generally, enhances the authority of county budget commissions to reduce voter-approved levies if deemed unnecessary or excessive, after a public hearing. See **Financial Matters – Budgeting, Property Tax Levy and Appropriation Procedures**.
- House Bill 335, which, generally, caps property tax growth related to inside millage to inflation. See **Tax Rates**.

MUNICIPAL INCOME TAX

Ohio law authorizes a city or village to levy a municipal income tax on both business income and employee wages and salaries at a rate of up to 1% without voter authorization. An income tax rate in excess of 1% requires approval by the voters. The City, pursuant to Council action, currently levies the tax at the rate of 1%. This tax on business income and individuals’ salaries and wages is collected and administered by the Regional Income Tax Agency (RITA) on behalf of the City. For taxable years beginning on or after January 1, 2018, taxpayers subject to a municipal net profit tax may elect to file one municipal net profit tax return that covers its total municipal net profit tax liability to all municipal corporations through the Ohio Business Gateway for processing by the Ohio Department of Taxation. The Ohio Department of Taxation will provide all administrative functions for those centrally-filed returns and will distribute payments to the appropriate municipalities, as well as address audits and appeals. The State will charge a processing fee to municipalities for taxpayers electing a centralized filing. Residents are permitted, as a credit against their City income tax liability, up to a maximum of 100% of the tax paid as municipal income tax on the same income in another municipal corporation.

The City’s income tax is in effect for a continuing period of time. It could be reduced or terminated by action of the Council (unless restricted by a Charter provision) or by vote of the electors initiated by petition of 10% of the number of electors of the City who voted for governor at the next preceding election, following initiated ordinance procedures. Under current law, the Council could (unless restricted by a Charter provision) reimpose a 1% tax without authorization by the electors.

Per Codified Ordinance of the City, funds collected through the income tax are dedicated to the following purposes: (i) defray costs of collecting the taxes levied by the City, (ii) payment of all necessary bond or note payments due (within that year) for which income tax revenues have been pledged, (iii) not less than seven percent (7%) of the remainder after (i) and (ii) have been funded enumerated towards capital expenditures, and (iv) any remaining balance to be used by any purpose determined by ordinance of the Council.

Annual income tax receipts (all at 1.0%) have been and for 2026 are estimated to be as shown in the following table:

Year	Receipts	Accumulated Delinquency
2021	\$3,328,340	\$161,664
2022	3,871,570	76,044
2023	4,121,073	50,552
2024	3,916,716	33,380
2025	4,150,358	33,917
2026(est.)	4,178,869	41,998

Residents are not currently permitted a credit against their City income tax liability.

One employer, Ardagh Metal Beverage USA Inc., contributed, via corporate and withheld income taxes, more than 5% of the City income taxes received in 2025.

Certain of the income subject to the City income tax is also subject to the State income tax.

Effective January 1, 2022, Ohio’s 20-day rule – requiring employers to withhold municipal income taxes for the municipality in which an employee has worked for more than 20 days during the calendar year – was reinstated to the form in which it existed prior to COVID-19 era modifications (see **COVID-19 Pandemic**). If an employee has worked in a municipality 20 days or less during a calendar year, an employer is not required to withhold municipal income taxes for that municipality for that calendar year. An employee can only be considered working in one municipality per calendar day.

STATE LOCAL GOVERNMENT FUNDS

Statutory state-level local government assistance funds, comprised of designated State revenues, are another source of revenue to the General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. City receipts from those funds were and for 2026 are estimated to be as shown in the following table.

Year	Receipts
2021	\$135,639
2022	142,783
2023	146,205
2024	139,175
2025	198,185
2026(est.)	188,507

The amounts of and formula for distribution of these funds have been and may be revised from time to time.

CITY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt such as the Bonds, and applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the City.

As used in the discussions that follow, the term “BANs” refers to notes issued in anticipation of the issuance of general obligation bonds.

As further described below, the Bonds are:

- unvoted general obligations of the City, subject to the indirect debt and related property tax limitation (the ten-mill limitation tax limitation)
- subject to both the 5½% and 10½% direct debt limitations except those portions that are “exempted debt” (discussed below).

The City is not, and to the knowledge of current City officials has not ever been, in default in the payment of debt service on any of the bonds or notes on which the City is obligor. The City, however, makes no representation as to the existence of a condition of default resulting from a default by any private entity under any financing documents relating to revenue bonds.

Security for General Obligation Debt; Bonds and BANs

The following describes the security for City general obligation debt: bonds and bond anticipation notes (“BANs”).

Voted Bonds. The basic security for voted City general obligation bonds is the authorization by the electors for the City to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the City. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities). The City has no voted general obligation bonds outstanding.

Unvoted Bonds. The basic security for unvoted City general obligation bonds is the City’s ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities. See the discussion under **City Debt and Other Long-Term Obligations – Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the City and all overlapping taxing subdivisions.

The City has \$15,580,000* of unvoted general obligation bonds outstanding.

BANs. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes (the maximum maturity for

* Preliminary, subject to change.

special assessment BANs is five years). Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

The City has no outstanding BANs.

Statutory Direct Debt Limitations

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax valuation, applicable to all municipal corporations, including the City.

- The net principal amount of both voted and unvoted debt of the City, excluding “exempt debt” (discussed below), may not exceed 10½% of the total tax valuation of all property in the City as listed and assessed for taxation.
- The net principal amount of unvoted debt of the City, excluding exempt debt, may not exceed 5½% of that valuation, as discussed below.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The City’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) is also restricted by the indirect debt limitation discussed under **City Debt and Other Long-Term Obligations – Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt (including the Bonds) that the City may issue is exempt from the direct debt limitations (exempt debt). Exempt debt includes, among others, the following categories.

- General obligation debt:
 - That is “self-supporting” debt (*i.e.*, nontax revenues from the facility or category of facilities are sufficient to pay operating and maintenance expenses and related debt charges and other requirements) issued for facilities for city utility systems, airports, railroads, mass transit systems, parking, health care, solid waste, urban development, recreation, sports, convention, auditorium, museum, trade show and other public attractions, facilities for natural resource exploration, development, recovery, use or sale and correctional, detention and related rehabilitation facilities.
 - To the extent debt charges are expected to be paid from tax increment financing payments in lieu of taxes pledged to the payment of those debt charges (subject to certain limitations).
 - For highway improvements if the municipality has covenanted to pay debt charges and financing costs from distributions of motor vehicle license and fuel taxes.
 - Issued in anticipation of the levy or collection of special assessments.
 - To pay final judgments or court-approved settlements.

- Securities for water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay to the City amounts equal to debt charges on those securities.
- Unvoted general obligation bonds to the extent that debt charges will be met from lawfully available municipal income taxes, to be applied to those debt charges pursuant to ordinance covenants.
- Revenue debt and mortgage revenue bonds to finance municipal utilities.
- Notes anticipating the collection of current revenues or the proceeds of a specific tax levy.
- Notes issued for certain energy conservation improvements or certain emergency purposes.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.
- Voted debt for urban redevelopment purposes not in excess of 2% of the City's tax valuation.
- Securities issued to make a single payment on certain accrued liability to the statewide Police and Fire Pension Fund.
- Securities issued for municipal educational and cultural facilities.
- Debt issued for the acquisition of property for public use in excess of that needed for a public improvement.
- Special obligation debt payable from nontax revenues.

BANs issued in anticipation of exempt bonds also are exempt debt.

The City may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

In the calculation of debt subject to the direct debt limitations, the amount in a city's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the Bond Retirement Fund, and based on outstanding debt and the current tax valuation, the City's voted and unvoted nonexempt debt capacities are:

Limitation		Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
10½%	=	\$35,934,989	\$2,110,000
5½%	=	\$18,823,089	\$2,110,000
			\$33,824,989
			\$16,713,089

This is further detailed in **Debt Table A**.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt may be issued by the City if authorized by a vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued) and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt charges in any year is 10 mills or less per \$1.00 of tax valuation. This indirect debt limitation, the product of what is commonly referred to as the “ten-mill limitation,” is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by *all* overlapping taxing subdivisions without a vote of the electors. The 10 mills are allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the City. Of the 10 mills, 7.70 is currently being levied by the combination of the City and taxing subdivisions overlapping the City. The current allocation of the 10 mills (sometimes referred to as the “inside millage”) is as follows: 1.90 City, 2.30 County, 0.40 Huron Township and 5.40 Huron City School District. That allocation has remained constant for at least the last five years. See **Tax Table A** regarding discussion of the County not levying its 2.30 mills for Collection Years 2025 and 2026.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision’s unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of the City, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on City unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the indirect limitation since they are not general obligations of the City, and the full faith and credit and property taxing power of the City is not pledged for their payment.

The indirect limitation applies to all outstanding unvoted general obligation debt even if debt charges on some of it is expected to be paid in fact from municipal income taxes, special assessments, utility revenues or other sources.

The estimated highest requirement for debt charges in any year for all City debt subject to the ten-mill limitation is estimated to be \$1,469,019.18*. That debt includes unvoted general

* Preliminary, subject to change.

obligation bonds outstanding. The payment of those annual debt charges would require a levy of an estimated 4.2924* mills based on current tax valuation. Of this maximum annual requirement, \$1,137,669.18* is expected by the City to be paid from sources other than ad valorem taxes (see **Debt Table C**).

The total millage theoretically required by the City and the County (the only overlapping taxing subdivisions that have issued unvoted debt) for debt charges on their outstanding unvoted general obligation debt (including the Bonds) is estimated to be 4.4408* mills for Fiscal Year 2027, the year of the highest potential debt charge requirements. There thus remain 5.5592* mills within the ten-mill limitation that have yet to be allocated to debt charges and that are available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Debt Outstanding

The Debt Tables attached provide information concerning the City's outstanding debt represented by bonds and notes, City and overlapping subdivisions general obligation debt allocations and projected debt charges on the City's general obligation debt, including the Bonds. See **Debt Tables**.

The following table shows the principal amount of City general obligation debt (bonds and notes) outstanding as of December 31 in the years shown.

Year	Exempt	Total, all Unvoted
2021	\$6,390,000	\$ 9,680,000
2022	5,885,000	8,830,000
2023	7,470,000	10,105,000
2024	9,105,000	11,470,000
2025	11,135,000	13,245,000

Bond Retirement Fund

The Bond Retirement Funds are the funds from which the City pays debt charges on both the general obligation debt, and into which moneys required to be applied to those payments are deposited. The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements and projected for the current Fiscal Year.

Year	Receipts	Disbursements	December 31 Balance
2021	\$ 867,411	\$ 886,715	\$94,228
2022	866,526	877,505	83,249
2023	822,023	820,624	84,648
2024	851,651	920,727	15,572
2025	903,520	856,745	62,348
2026(a)	1,038,777	1,061,955	39,170

(a) Projected.

* Preliminary, subject to change.

Future Financings

Over the next 12 months, the City may issue approximately \$2 million of additional general obligation debt, to be paid primarily by payments in lieu of taxes, for S. Main Street improvements. The City is also seeking grants or low interest loans through the State of Ohio that would lower the anticipated borrowing amounts for these projects. The City is currently undertaking a new water tower construction project and expects to enter into a 30-year, \$3 million loan agreement with the Ohio Water Development Authority (OWDA). The loan will be repaid primarily from the Water Fund.

The City currently has no other plans to undertake or participate in any new major capital improvement projects for which it plans to borrow additional money or enter into long-term financial undertakings, or to issue any current revenue or tax anticipation notes.

Long-Term Financial Obligations Other Than Bonds and Notes

The City has entered into loan agreements with the OWDA for its Water System and Sewer System, for other public improvements and for certain economic development projects. These loan agreements are summarized in the following table:

Project Purpose	Outstanding Amount as of December 31, 2025	Annual Principal & Interest Payment	Final Payment Year
Water Line – Oklahoma	\$ 437,711	\$ 39,997	2038
WTP Improvements HAB	717,433	44,840	2041
Water Line – Berlin Rd.	678,894	46,036	2042
WTP Tube Settler Improvements	2,363,711	85,953	2053
S. Main Street Waterline	2,310,601	186,138	2044

The City has entered into four loan agreements with the Ohio Public Works Commission. The City entered into a loan agreement in 2019 that had a balance due as of December 31, 2025 of \$139,989. The City will make annual payments of \$5,833, with final payment in Fiscal Year 2049. The City entered into a second loan agreement in 2020 that had a balance due as of December 31, 2025 of \$121,841. The City will make annual payments of \$8,123, with a final payment in Fiscal Year 2040. The City entered into a third loan agreement in 2023 that had a balance due as of December 31, 2025 of \$360,623. The City will make annual payments of \$13,114, with a final payment in Fiscal Year 2053. The City entered into a fourth loan agreement in 2024 that had a balance due as of December 31, 2025 of \$105,196. The City will make annual payments of \$5,260, with a final payment in Fiscal Year 2054.

The City has entered into lease agreements for capital equipment and vehicles. In addition, the City also entered into a lease agreement during Fiscal Year 2025 for police cruisers. The annual lease payment is \$45,153 with a final payment in Fiscal Year 2027. The City takes ownership of the vehicles after the final lease payment is made.

The City has no other long-term financial obligations, other than the bonds described above, the retirement obligations and liability described under **The City – Retirement Expenses** and

the compensated absences described in the Notes to the Fiscal Year 2024 Financial Statements included in **Appendix C**.

COVID-19 PANDEMIC

The spread of the strain of coronavirus commonly known as COVID-19 (COVID-19 or the Pandemic) began altering the behavior of businesses and people early in Fiscal Year 2020 in a manner that had negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses.

As the initial effects of the Pandemic became known, the City actively monitored its revenue collections and implemented certain mitigation and expense reduction measures. As a part of its response to the Pandemic, the federal government provided assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other legislation to assist states in addressing the adverse impacts of COVID-19.

The amounts of the reductions (and any offsets) in any local tax sources, additional grant assistance received as well as both Pandemic-related expenses and any operational cost savings experienced by the City in Fiscal Year 2021, are all taken into account in the information provided in this Official Statement. See, e.g., **Municipal Income Tax, State Local Government Assistance Funds** and **Appendix A**.

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CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent holders or Beneficial Owners of the Bonds.

This Official Statement has been prepared and delivered by the City and signed for and on behalf of the City by its officials identified below.

CITY OF HURON, OHIO

By: _____
City Manager

Director of Finance

DEBT TABLE A

Principal Amounts of Outstanding General Obligation (GO) Debt; Leeway for Additional Debt Within Direct Debt Limitations*

A.	Total debt including the Bonds:		\$15,580,000*
B.	Exempt debt:		
	Category	Outstanding Principal Amount	
	Income Tax	\$9,920,000*	
	Electric	3,550,000	
	Total exempt debt:		\$13,470,000*
C.	Total nonexempt debt [A minus B]:		\$ 2,110,000
D.	5½% of tax valuation (unvoted nonexempt debt limitation):		\$18,823,089
E.	Total nonexempt limited tax bonds and notes outstanding:		
	Bonds	\$2,110,000	
	Notes	0	\$ 2,110,000
F.	Debt leeway within 5½% unvoted debt limitation [D minus E]:		\$16,713,089 ^(a)
G.	10½% of tax valuation (voted and unvoted debt limitation):		\$35,934,989
H.	Total nonexempt bonds and notes outstanding:		
	Bonds	\$2,110,000	
	Notes	0	\$ 2,110,000
I.	Debt leeway within 10½% debt limitation [G minus H]:		\$33,824,989 ^(a)

(a) Debt leeway in this table determined without considering money in the Bond Retirement Fund.

* Preliminary, subject to change.

DEBT TABLE B

Various City and Overlapping GO Debt Allocations (Principal Amounts)

	Amount	Per Capita(a)	% of City's Current Tax Valuation(b)
City Nonexempt GO Debt	\$ 2,110,000	\$ 312.27	0.62%
Total City GO Debt (exempt and nonexempt)	15,580,000*	2,305.76	4.55
Highest Total Overlapping GO Debt(c)	29,048,413*	4,299.01	8.49

(a) Based on 2024 City population of 6,757.

(b) The City's total tax valuation is \$342,237,999.

(c) Includes, in addition to "Total City GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of May 7, 2026) resulting in the calculation of highest total overlapping debt based on percent of tax valuation of territory of the subdivisions located within the City (% figures are resulting percent of total debt of subdivisions allocated to the City in this manner), as follows:

\$ 342,758 County (10.19%); and
\$13,125,655 Career Center (6.26%).

Source of tax valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC**

** Ohio Municipal Advisory Council (OMAC) compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Annual Information Filing to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

* Preliminary, subject to change.

DEBT TABLE C

Projected Debt Charges Requirements on City GO Debt

Year	Debt Charges on		Total*	Portion of Total Anticipated to be Paid from		
	The Bonds*	Outstanding Bonds		Limited Ad Valorem Taxes	Electric System Revenues	Income Tax Revenues*
2026	\$162,890.43	\$1,306,128.75	\$1,469,019.18	\$331,350.00	\$320,687.50	\$816,981.68
2027	162,953.00	1,257,818.75	1,420,771.75	327,875.00	318,387.50	774,509.25
2028	160,901.00	1,252,143.75	1,413,044.75	324,250.00	315,737.50	773,057.25
2029	163,840.00	1,248,768.75	1,412,608.75	320,475.00	312,737.50	779,396.25
2030	161,626.50	1,246,056.25	1,407,682.75	326,512.50	309,387.50	771,782.75
2031	164,375.00	1,162,343.75	1,326,718.75	242,100.00	305,687.50	778,931.25
2032	161,925.00	1,150,093.75	1,312,018.75	240,500.00	296,637.50	774,881.25
2033	164,405.00	1,062,381.25	1,226,786.25	148,750.00	292,587.50	785,448.75
2034	161,727.50	1,207,431.25	1,369,158.75	144,375.00	290,187.50	934,596.25
2035	163,577.50	1,059,181.25	1,222,758.75	0.00	292,537.50	930,221.25
2036	160,112.50	1,054,106.25	1,214,218.75	0.00	284,387.50	929,831.25
2037	161,482.50	1,047,647.50	1,209,130.00	0.00	281,147.50	927,982.50
2038	162,515.00	1,049,795.00	1,212,310.00	0.00	282,532.50	929,777.50
2039	163,255.00	845,457.50	1,008,712.50	0.00	278,407.50	730,305.00
2040	163,692.50	531,977.50	695,670.00	0.00	273,677.50	421,992.50
2041	163,817.50	460,955.00	624,772.50	0.00	203,680.00	421,092.50
2042	163,620.00	470,880.00	634,500.00	0.00	205,155.00	429,345.00
2043	163,230.00	469,205.00	632,435.00	0.00	206,080.00	426,355.00
2044	162,430.00	206,280.00	368,710.00	0.00	206,280.00	162,430.00
2045	161,355.00	205,920.00	367,275.00	0.00	205,920.00	161,355.00

* Assumes the Bonds have estimated interest rates ranging from 2.28% to 4.10% per year; subject to change, based on actual sale.

DEBT TABLE D**Outstanding Bonds****General Obligation Bonds**

The following general obligation debt is reflected in **Debt Tables A, B and C.**

Issue	Bonds		Original Principal Amount	Outstanding Principal Amount
	Date of Issuance	Final Maturity		
Various Purpose Improvement Bonds, Series 2015	07/21/2015	2030	\$1,385,000	\$ 360,000
Various Purpose Improvement Bonds, Series 2018	01/22/2018	2034	\$3,360,000	\$1,750,000
Street Improvement Bonds, Series 2019	07/31/2019	2032	\$4,600,000	\$3,525,000
Taxable Electric System Bonds, Series 2021	03/30/2021	2040	\$1,500,000	\$1,100,000
Street Improvement Bonds, Series 2021	11/10/2021	2026	\$ 250,000	\$ 50,000
Various Purpose Improvement Bonds, Series 2023	09/06/2023	2043	\$2,100,000	\$2,080,000
Street Improvement Bonds, Series 2024	06/25/2024	2039	\$2,150,000	\$1,930,000
Taxable Electric System Improvement Bonds, Series 2025	04/30/2025	2045	\$2,450,000	\$2,450,000
The Bonds*	05/07/2026	2045	\$2,335,000	\$2,335,000

Special Obligation Nontax Revenue Bonds

Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount
Special Obligation Nontax Revenue Bonds, Series 2023	09/06/2023	09/01/2053	\$2,315,000	\$2,310,000

* Preliminary, subject to change.

APPENDIX A

Comparative Cash-Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2021 through 2025 and Budgeted Fiscal Year 2026(a)

	2021	2022	2023	2024	2025	Budgeted 2026
BEGINNING BALANCE	\$ 1,254,258	\$1,732,830	\$1,701,387	\$1,973,878	\$2,035,047	\$1,674,196
RECEIPTS						
Local Taxes	\$ 713,881	\$ 828,146	\$ 804,086	\$1,037,426	\$ 980,795	\$1,012,573
Income Taxes (Gross)	3,328,340	3,871,570	4,121,073	4,097,026	4,256,777	4,401,556
Charges for Services	5,701	12,220	13,876	51,558	182,525	121,000
Licenses, Permits and Fees	504,090	391,872	318,791	273,792	279,988	262,000
Interest Earnings	42,186	59,168	293,788	380,653	361,327	400,000
Other Sources	590,010	583,900	660,217	534,910	370,453	424,719
TOTAL RECEIPTS	\$5,184,208	\$5,746,876	\$6,211,831	\$6,375,364	\$6,431,865	\$6,621,848
EXPENDITURES						
Security of Persons and Property	\$1,341,251	\$1,478,243	\$1,596,432	\$1,747,158	\$1,957,794	\$2,054,019
Basic Utilities	0	0	0	0	0	0
General Government	1,638,289	1,795,064	1,782,908	2,007,612	2,038,585	2,586,177
Transfers Out	1,726,096	2,505,012	2,560,000	2,559,425	2,796,338	1,899,955
TOTAL EXPENDITURES	\$4,705,636	\$5,778,319	\$5,939,340	\$6,314,195	\$6,792,717	\$6,540,152
ENDING BALANCE	\$1,732,830	\$1,701,387	\$1,973,878	\$2,035,047	\$1,674,196	\$1,755,892

(a) See COVID-19 Pandemic.

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APPENDIX B-1

All-Funds Summary 2024 (Cash Basis)

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund	\$ 1,973,878	\$ 6,375,364	\$ 6,314,195	\$ 2,035,048
Special Warrants	4,492	2,575	1,081	5,987
Garbage, Recycling, Yard Waste	146,687	1,042,075	1,099,778	88,983
Property Maintenance	8,706	155,469	60,047	104,129
Parks and Recreation	359,012	634,380	614,436	378,957
Boat Basin	328,542	408,893	336,474	400,961
Huron Park Foundation	27,095	303	1,797	25,601
Street Maintenance	319,831	781,761	700,106	401,486
State Highway	11,896	39,337	47,854	3,379
Special Fire Levy	727,916	2,868,291	2,845,882	750,326
Street Lighting	320,111	197,687	166,815	350,982
Court Computer Fund	110,256	12,647	9,995	112,908
Court Capital Project	231,362	12,010	2,199	241,173
Indigent Alcohol Tr.	176,044	5,767	0	181,811
Enforcement/Education	16,424	2,843	3,536	15,731
Police Resource Officer	6,648	84,638	83,414	7,871
Indigent Driver Inter.	90,815	4,165	0	94,980
K9 Fund	0	40,100	0	40,100
Marine Patrol Grant	5,402	46,055	35,941	15,516
ARPA	238,052	0	64,870	173,182
Opioid Settlement Fund	14,353	24,250	0	38,603
Mandatory Fine Trust	54	0	0	54
Contraband Forfeiture	10,209	1,108	2,312	9,005
Probation Fund	10,450	38,830	42,067	7,213
Fire Pension Fund	17,531	319,740	316,949	20,323
Police Pension Fund	32,005	240,607	209,520	63,093
Economic Development	125,918	1,364	49,355	77,928
Employee Benefit Ret.	170,427	105,500	83,945	191,982
Employee Benefit Ret.	117,212	5,000	15,908	106,304
G.O. Bond Retirement	84,649	851,652	920,727	15,573
Capital Improvement	689,133	3,399,972	2,780,792	1,308,313
Capital Equip Reserve	426,366	445,000	229,235	642,131
Rye Beach T.I.F.	49,991	35,916	30,282	55,624
Sawmill Creek Improvement T.I.F.(a)	0	158,658	158,658	0
Sawmill Creek Public Infra. T.I.F.(a)	462,369	394,025	828,468	27,926
Water Bond Ret.	153,124	100,130	218,104	35,150
Water Capital	893,203	1,909,205	2,793,850	8,558
Water Fund	1,667,896	3,080,810	2,813,713	1,934,993
Storm Water Fund	82,219	87,617	47,067	122,769
Electric Debt Retirement	0	0	0	0
Electric Capital	0	0	0	0
Electric Fund	276,675	5,419,977	4,620,824	1,075,829
Comm. Infrastructure Fee	422,711	0	184	422,527
Computer Repair & M	101,107	48,000	48,338	100,769
Health Care	492,511	1,697,128	1,374,448	815,191
Credit Memo Fund	7,047	(1,398)	0	5,650
Developers Deposit Fund	25,223	6,000	6,329	24,894
Huron Area Joint Rec. District	0	453,242	453,242	0
State Patrol	23,491	8,550	8,257	23,784
Damaged Structure Fund	22,578	0	22,578	0
Huron Rescue Squad	63,089	10,633	9,076	64,646
Unclaimed Moneys	27,776	1,599	1,068	28,307
Total	\$11,572,486	\$31,557,476	\$30,473,717	\$12,656,245

(a) The beginning balances of Sawmill Creek Improvement TIF Fund and the Sawmill Creek Public Infrastructure TIF Fund were \$459,592 and \$2,778, respectively, in 2024, but prior year adjustments of \$459,592 from the Sawmill Creek Improvement TIF Fund to the Sawmill Creek Public Infrastructure TIF Fund were made to readjust funds to accurately record debt service payments from the prior year. The beginning balances in this table reflect the balance after the prior year adjustments.

APPENDIX B-2

All-Funds Summary 2025 (Cash Basis)

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund	\$ 2,035,048	\$ 6,431,865	\$ 6,792,717	\$ 1,674,196
Special Warrants	5,987	2,040	1,594	6,433
Garbage, Recycling, Yard Waste	88,983	1,010,203	920,868	178,319
Property Maintenance	104,129	56,481	45,758	114,852
Parks and Recreation	378,957	642,877	702,900	318,935
Boat Basin	400,961	212,057	260,843	352,175
Huron Park Foundation	25,601	140	0	25,741
Street Maintenance	401,486	779,450	777,318	403,618
State Highway	3,379	53,963	53,847	3,496
Special Fire Levy	750,326	3,428,886	3,166,783	1,012,430
Street Lighting	350,982	244,759	179,513	416,228
Court Computer Fund	112,908	13,655	14,860	111,703
Court Capital Project	241,173	12,648	2,945	250,876
Indigent Alcohol Tr.	181,811	4,087	0	185,898
Enforcement/Education	15,731	1,796	3,466	14,061
Police Resource Officer	7,871	85,973	87,365	6,480
Indigent Driver Inter.	94,980	3,445	0	98,425
K9 Fund	40,100	16,796	1,708	55,188
Marine Patrol Grant	15,516	43,246	38,435	20,327
ARPA	173,182	0	168,032	5,150
Opioid Settlement Fund	38,603	14,359	0	52,962
Mandatory Fine Trust	54	0	0	54
Contraband Forfeiture	9,005	149	660	8,494
Probation Fund	7,213	49,640	46,163	10,690
Fire Pension Fund	20,323	353,742	364,615	9,450
Police Pension Fund	63,093	321,609	274,786	109,915
Economic Development	77,928	1,314	46,775	32,467
Employee Benefit Ret.	191,982	79,500	77,592	193,890
Employee Benefit Ret.	106,304	5,000	16,453	94,851
G.O. Bond Retirement	15,573	903,520	856,745	62,349
Capital Improvement	1,308,313	959,711	1,215,057	1,052,967
Capital Equip Reserve	642,131	692,970	571,804	763,297
Rye Beach T.I.F.	55,624	29,429	265	84,788
Sawmill Creek Improvement T.I.F.	0	165,893	165,893	0
Sawmill Creek Public Infra. T.I.F.	27,926	284,108	235,650	76,384
Conagra TIF	0	25,000	229	24,771
Water Bond Ret.	35,150	450,000	403,595	81,555
Water Capital	8,558	1,374,312	368,198	1,014,672
Water Fund	1,934,993	3,220,133	3,107,945	2,047,181
Storm Water Fund	122,769	87,384	74,158	135,995
Electric Debt Retirement	0	400,147	200,101	200,046
Electric Capital	0	2,615,290	1,503,658	1,111,632
Electric Fund	1,075,829	6,193,750	7,220,641	48,937
Comm. Infrastructure Fee	422,527	0	297,197	125,330
Computer Repair & M	100,769	45,000	44,150	101,619
Health Care	815,191	1,770,249	1,859,071	726,369
Credit Memo Fund	5,650	1,699	0	7,349
Developers Deposit Fund	24,894	1,400	5,148	21,146
Huron Area Joint Rec. District	0	465,413	465,413	0
State Patrol	23,784	7,324	8,074	23,034
Damaged Structure Fund	0	21,348	0	21,348
Huron Rescue Squad	64,646	18,388	8,665	74,368
Unclaimed Moneys	28,307	20	0	28,327
Total	\$12,656,245	\$33,602,170	\$32,657,652	\$13,600,768

APPENDIX C

Basic Financial Statements from the City's Financial Report for Fiscal Year 2024 (Audited)

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INDEPENDENT AUDITOR'S REPORT

City of Huron
Erie County
417 Main Street
Huron, Ohio 44839

To the Members of the City Council:

Report on the Audit of the Financial Statements

Opinion

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 Huron, Erie County, Ohio (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 of Huron, Erie County, Ohio as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and the Fire Levy funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. We did not modify our opinion regarding this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

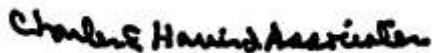
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit assets/liabilities and pension and other post-employment benefit contributions 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2026, on our consideration of the City's internal control over financial reporting and 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.



Charles E. Harris & Associates, Inc.

February 19, 2026

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City of Huron
Erie County, Ohio
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 8,860,667	\$ 3,589,006	\$ 12,449,673
Accounts Receivable	456,582	2,425,399	2,881,981
Intergovernmental Receivable	559,584	187,145	746,729
Property and Other Local Taxes Receivable	1,166,095	-	1,166,095
Income Taxes Receivable	1,172,859	-	1,172,859
Payments in Lieu of Taxes Receivable	485,915	-	485,915
Prepaid Items	72,924	59,749	132,673
Materials and Supplies Inventory	11,482	120,908	132,390
Net OPEB Asset	70,101	55,079	125,180
Non-Depreciable Capital Assets	12,726,038	3,270,099	15,996,137
Depreciable Capital Assets, net	20,119,776	13,363,106	33,482,882
<i>Total Assets</i>	<u>45,702,023</u>	<u>23,070,491</u>	<u>68,772,514</u>
Deferred Outflows of Resources			
Pension	2,929,415	661,908	3,591,323
OPEB	393,097	47,390	440,487
<i>Total Deferred Outflows of Resources</i>	<u>3,322,512</u>	<u>709,298</u>	<u>4,031,810</u>
Liabilities			
Accounts Payable	57,822	781,621	839,443
Accrued Wages and Benefits	114,483	33,256	147,739
Contracts Payable	311,930	37,230	349,160
Due to Other Governments	76,300	19,003	95,303
Undistributed Monies	28,308	-	28,308
Unearned Revenue	173,182	-	173,182
Long-Term Liabilities:			
Due Within One Year	674,492	282,263	956,755
Due In More Than One Year:			
Net Pension Liability	10,193,516	1,668,928	11,862,444
Net OPEB Liability	609,824	-	609,824
Other Amounts Due in More Than One Year	13,131,695	6,687,242	19,818,937
<i>Total Liabilities</i>	<u>25,371,552</u>	<u>9,509,543</u>	<u>34,881,095</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	1,130,219	-	1,130,219
Payments in Lieu of Taxes	485,915	-	485,915
Pension	579,746	-	579,746
OPEB	598,246	38,486	636,732
<i>Total Deferred Inflows of Resources</i>	<u>2,794,126</u>	<u>38,486</u>	<u>2,832,612</u>
Net Position			
Net Investment in Capital Assets	19,140,124	9,704,804	28,844,928
Restricted for:			
Capital Outlay	1,439,830	-	1,439,830
Transportation	1,014,740	-	1,014,740
Security of Persons and Property	1,273,144	-	1,273,144
Leisure Time Activities	369,351	-	369,351
Other Purposes	882,956	55,079	938,035
Unrestricted (Deficit)	(3,261,288)	4,471,877	1,210,589
<i>Total Net Position</i>	<u>\$ 20,858,857</u>	<u>\$ 14,231,760</u>	<u>\$ 35,090,617</u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Activities
For the Year Ended December 31, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 2,328,523	\$ 365,690	\$ 89,120	\$ 141,863	\$ (1,731,850)	\$ -	\$ (1,731,850)
Security of Persons and Property	5,486,727	2,211,832	299,962	-	(2,974,933)	-	(2,974,933)
Leisure Time Activities	1,053,463	830,046	-	200,000	(23,417)	-	(23,417)
Economic Development and Assistance	5,469	-	-	-	(5,469)	-	(5,469)
Refuse	996,270	1,314	940,850	-	(54,106)	-	(54,106)
Transportation	1,104,514	103,437	708,603	-	(292,474)	-	(292,474)
Interest Expense	452,706	-	-	-	(452,706)	-	(452,706)
<i>Total Governmental Activities</i>	<u>11,427,672</u>	<u>3,512,319</u>	<u>2,038,535</u>	<u>341,863</u>	<u>(5,534,955)</u>	<u>-</u>	<u>(5,534,955)</u>
Business-Type Activities							
Water	2,650,342	3,174,393	-	187,145	-	711,196	711,196
Electric	4,774,706	5,775,477	-	-	-	1,000,771	1,000,771
<i>Total Business-Type Activities</i>	<u>7,425,048</u>	<u>8,949,870</u>	<u>-</u>	<u>187,145</u>	<u>-</u>	<u>1,711,967</u>	<u>1,711,967</u>
<i>Total</i>	<u>\$ 18,852,720</u>	<u>\$ 12,462,189</u>	<u>\$ 2,038,535</u>	<u>\$ 529,008</u>	<u>(5,534,955)</u>	<u>1,711,967</u>	<u>(3,822,988)</u>

General Revenues			
Property Taxes Levied for:			
General Purposes		353,549	- 353,549
Police and Fire		713,884	- 713,884
Income Taxes Levied for:			
General Purposes		2,952,276	- 2,952,276
Debt Service		825,000	- 825,000
Capital Improvements		224,983	- 224,983
Grants and Entitlements not Restricted to Specific Programs		263,375	- 263,375
Payments in Lieu of Taxes		485,916	- 485,916
Other Taxes		471,183	- 471,183
Investment Earnings		412,689	- 412,689
Miscellaneous		482,236	23,335 505,571
<i>Total General Revenues</i>		<u>7,185,091</u>	<u>23,335 7,208,426</u>
<i>Change in Net Position</i>		1,650,136	1,735,302 3,385,438
<i>Net Position Beginning of Year, as previously presented</i>		<u>18,711,777</u>	<u>12,496,458 31,208,235</u>
<i>Change in Accounting Principle:</i>			
<i>Accounting principle (GASB 101)</i>		496,944	- 496,944
<i>Net Position Beginning of Year, as adjusted</i>		<u>19,208,721</u>	<u>12,496,458 31,705,179</u>
<i>Net Position End of Year</i>		<u>\$ 20,858,857</u>	<u>\$ 14,231,760 35,090,617</u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Balance Sheet
Governmental Funds
December 31, 2024

	General	Fire Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 2,103,435	\$ 750,322	\$ 1,308,312	\$ 3,782,638	\$ 7,944,707
Accounts Receivable	116,722	271,873	25,000	42,987	456,582
Intergovernmental Receivable	124,575	34,549	122,966	277,494	559,584
Property and Other Local Taxes Receivable	398,776	605,470	-	161,849	1,166,095
Income Taxes Receivable	1,172,859	-	-	-	1,172,859
Payments in Lieu of Taxes Receivable	-	-	-	485,915	485,915
Interfund Receivable	140,000	-	-	-	140,000
Advances to Other Funds	100,000	-	-	-	100,000
Prepaid Items	37,552	22,192	-	13,180	72,924
Materials and Supplies Inventory	-	-	-	11,482	11,482
Total Assets	\$ 4,193,919	\$ 1,684,406	\$ 1,456,278	\$ 4,775,545	\$ 12,110,148
Liabilities					
Accounts Payable	\$ 10,794	\$ 4,113	\$ -	\$ 29,521	\$ 44,428
Accrued Wages and Benefits	59,830	37,723	-	16,930	114,483
Contracts Payable	-	-	311,930	-	311,930
Due to Other Governments	36,885	27,945	-	11,470	76,300
Interfund Payable	-	-	-	140,000	140,000
Advances from Other Funds	-	-	100,000	-	100,000
Undistributed Monies	28,308	-	-	-	28,308
Unearned Revenue	-	-	-	173,182	173,182
Total Liabilities	135,817	69,781	411,930	371,103	988,631
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	385,777	587,236	-	157,206	1,130,219
Payments in Lieu of Taxes	-	-	-	485,915	485,915
Unavailable Revenue	586,951	196,336	107,716	179,524	1,070,527
Total Deferred Inflows of Resources	972,728	783,572	107,716	822,645	2,686,661
Fund Balances					
Nonspendable	87,552	22,192	-	24,662	134,406
Restricted	-	808,861	936,632	2,342,979	4,088,472
Committed	188,040	-	-	1,250,027	1,438,067
Assigned	693,066	-	-	-	693,066
Unassigned	2,116,716	-	-	(35,871)	2,080,845
Total Fund Balance	3,085,374	831,053	936,632	3,581,797	8,434,856
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,193,919	\$ 1,684,406	\$ 1,456,278	\$ 4,775,545	\$ 12,110,148

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024

Total Governmental Fund Balances		\$ 8,434,856
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		32,845,814
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 10,806	
Income Tax	490,843	
Intergovernmental	412,509	
Charges for Services	<u>156,369</u>	1,070,527
An internal service fund is used by management to charge the costs of insurance to individual funds.		
The assets, liabilities, deferred outflows/inflows of resources of the internal service fund are included in governmental activities in the statement of net position.		902,566
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	70,101	
Deferred Outflows - Pension	2,929,415	
Deferred Outflows - OPEB	393,097	
Net Pension Liability	(10,193,516)	
Net OPEB Liability	(609,824)	
Deferred Inflows - Pension	(579,746)	
Deferred Inflows - OPEB	<u>(598,246)</u>	(8,588,719)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(12,505,000)	
OPWC Loans	(757,062)	
Unamortized Bond Premium	(137,249)	
Lease Purchase	(131,698)	
Compensated Absences	<u>(275,178)</u>	(13,806,187)
<i>Net Position of Governmental Activities</i>		<u><u>\$ 20,858,857</u></u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General	Fire Levy	Capital Improvement	Sawmill Creek Improvement TIF	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$ 352,496	\$ 587,362	\$ -	\$ -	\$ 125,913	\$ 1,065,771
Income Taxes	3,081,534	-	224,983	-	825,000	4,131,517
Other Taxes	471,183	-	-	-	-	471,183
Payments in Lieu of Taxes	-	-	-	-	485,916	485,916
Special Assessments	-	-	-	-	1,151,400	1,151,400
Charges for Services	12,011	1,837,492	-	-	1,039,130	2,888,633
Licenses and Permits	267,541	-	-	-	-	267,541
Fines and Forfeitures	233,526	-	-	-	74,713	308,239
Intergovernmental	247,535	59,751	24,876	-	1,066,557	1,398,719
Investment Income	412,689	3,454	-	-	5,981	422,124
Miscellaneous	229,190	24,570	25,000	-	32,727	311,487
Total Revenues	5,307,705	2,512,629	274,859	-	4,807,337	12,902,530
Expenditures						
Current:						
General Government	1,988,687	-	125,503	-	255,827	2,370,017
Security of Persons and Property	1,763,110	2,723,601	-	-	552,825	5,039,536
Leisure Time Activities	102,719	-	-	-	797,117	899,836
Economic Development Assistance	-	-	-	-	5,636	5,636
Refuse	-	-	-	-	996,270	996,270
Transportation	6,741	-	-	-	742,979	749,720
Capital Outlay	-	15,557	2,579,508	-	403,369	2,998,434
Debt Service:						
Principal Retirement	30,094	-	-	-	717,752	747,846
Interest and Fiscal Charges	-	-	137,656	-	544,648	682,304
Total Expenditures	3,891,351	2,739,158	2,842,667	-	5,016,423	14,489,599
Excess of Revenues Over (Under) Expenditures	1,416,354	(226,529)	(2,567,808)	-	(209,086)	(1,587,069)
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	-	170,750	-	-	-	170,750
Issuance of General Obligation Bonds	-	-	2,150,000	-	-	2,150,000
Issuance of OPWC Loans	-	-	95,285	-	-	95,285
Premium on Debt Issued	-	-	136,351	-	9,829	146,180
Transfers In	-	200,000	375,017	-	779,425	1,354,442
Transfers Out	(1,204,442)	(100,000)	-	-	(50,000)	(1,354,442)
Total Other Financing Sources (Uses)	(1,204,442)	270,750	2,756,653	-	739,254	2,562,215
Net Change in Fund Balances	211,912	44,221	188,845	-	530,168	975,146
Fund Balances Beginning of Year, as previously presented	2,873,462	786,832	747,787	42,528	3,009,101	7,459,710
Change within Financial Reporting Entity:						
Major to Nonmajor Fund	-	-	-	(42,528)	42,528	-
Fund Balances Beginning of Year, as adjusted	2,873,462	786,832	747,787	-	3,051,629	7,459,710
Fund Balances End of Year	\$ 3,085,374	\$ 831,053	\$ 936,632	\$ -	\$ 3,581,797	\$ 8,434,856

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	975,146
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 as depreciation expense.		
Capital Asset Additions	\$ 3,097,423	
Current Year Depreciation	<u>(856,528)</u>	2,240,895
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(22,625)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	1,662	
Income Tax	(129,258)	
Intergovernmental	115,155	
Charges for Services	47,906	
Special Assessments	<u>(30,936)</u>	4,529
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	655,000	
OPWC Loans	27,069	
Lease Purchase	<u>65,777</u>	747,846
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
General Obligation Bonds	(2,150,000)	
General Obligation Bond Premium	(146,181)	
OPWC Loans	<u>(95,285)</u>	(2,391,466)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	67,680	
Amortization of Premium on Bonds	<u>161,918</u>	229,598
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	707,493	
OPEB	<u>11,932</u>	719,425
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,092,226)	
OPEB	<u>(8,270)</u>	(1,100,496)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		258,271
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.		
Compensated Absences		<u>(10,987)</u>
Change in Net Position of Governmental Activities	\$	<u>1,650,136</u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	344,646	325,014	354,441	29,427
Income Taxes	3,918,076	4,057,242	4,029,428	(27,814)
Other Local Taxes	457,150	440,000	470,142	30,142
Charges for Services	11,679	12,200	12,011	(189)
Licenses and Permits	266,225	323,500	273,791	(49,709)
Fines and Forfeitures	224,569	265,000	230,951	(34,049)
Intergovernmental	271,700	233,178	279,422	46,244
Investment Income	370,134	486,000	380,653	(105,347)
Miscellaneous	189,151	233,051	194,527	(38,524)
Total Revenues	6,053,330	6,375,185	6,225,366	(149,819)
Expenditures				
Current:				
General Government	2,224,222	2,171,474	2,003,706	167,768
Security of Persons and Property	1,931,041	1,926,261	1,820,842	105,419
Leisure Time Activities	136,741	129,741	108,179	21,562
Debt Service:				
Principal Retirement	30,094	30,094	30,094	-
Total Expenditures	4,322,098	4,257,570	3,962,821	294,749
Excess of Revenues Over (Under) Expenditures	1,731,232	2,117,615	2,262,545	144,930
Other Financing Sources (Uses)				
Advances In	145,855	150,000	150,000	-
Advances Out	(100,000)	(100,000)	(100,000)	-
Transfers Out	(2,200,200)	(2,459,425)	(2,459,425)	-
Total Other Financing Sources (Uses)	(2,154,345)	(2,409,425)	(2,409,425)	-
Net Change in Fund Balance	(423,113)	(291,810)	(146,880)	144,930
Fund Balances Beginning of Year, as previously presented	1,849,458	1,849,458	1,849,458	-
Change within Financial Reporting Entity:				
Presentation of General Fund Budget	(32,268)	(32,268)	(32,268)	-
Fund Balances Beginning of Year, as adjusted	1,817,190	1,817,190	1,817,190	-
Prior Year Encumbrances Appropriated	156,689	156,689	156,689	-
Fund Balance End of Year	\$ 1,550,766	\$ 1,682,069	\$ 1,826,999	\$ 144,930

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	540,346	532,023	593,782	61,759
Charges for Services	1,652,559	1,732,543	1,815,983	83,440
Intergovernmental	54,374	70,000	59,751	(10,249)
Investment Income	3,143	-	3,454	3,454
Miscellaneous	22,359	75,600	24,570	(51,030)
Total Revenues	<u>2,272,781</u>	<u>2,410,166</u>	<u>2,497,540</u>	<u>87,374</u>
Expenditures				
Current:				
Security of Persons and Property	<u>2,436,369</u>	<u>2,673,969</u>	<u>2,627,829</u>	<u>46,140</u>
Excess of Revenues Over (Under) Expenditures	<u>(163,588)</u>	<u>(263,803)</u>	<u>(130,289)</u>	<u>133,514</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	155,384	-	170,750	170,750
Transfers In	182,002	200,000	200,000	-
Transfers Out	<u>(394,000)</u>	<u>(394,000)</u>	<u>(394,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(56,614)</u>	<u>(194,000)</u>	<u>(23,250)</u>	<u>170,750</u>
Net Change in Fund Balance	<u>(220,202)</u>	<u>(457,803)</u>	<u>(153,539)</u>	<u>304,264</u>
Fund Balance Beginning of Year	<u>704,968</u>	<u>704,968</u>	<u>704,968</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>22,948</u>	<u>22,948</u>	<u>22,948</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 507,714</u>	<u>\$ 270,113</u>	<u>\$ 574,377</u>	<u>\$ 304,264</u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2024

	Enterprise Funds			Governmental Activities
	Water	Electric	Total	Internal Service
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,090,653	\$ 1,498,353	\$ 3,589,006	\$ 915,960
Accounts Receivable	718,928	1,706,471	2,425,399	-
Intergovernmental Receivable	187,145	-	187,145	-
Prepaid Items	35,930	23,819	59,749	-
Materials and Supplies Inventory	120,908	-	120,908	-
<i>Total Current Assets</i>	<u>3,153,564</u>	<u>3,228,643</u>	<u>6,382,207</u>	<u>915,960</u>
<i>Non-Current Assets:</i>				
Net OPEB Asset	47,568	7,511	55,079	-
Non-Depreciable Capital Assets	3,052,228	217,871	3,270,099	-
Depreciable Capital Assets, Net	11,363,790	1,999,316	13,363,106	-
<i>Total Non-Current Assets</i>	<u>14,463,586</u>	<u>2,224,698</u>	<u>16,688,284</u>	<u>-</u>
<i>Total Assets</i>	<u>17,617,150</u>	<u>5,453,341</u>	<u>23,070,491</u>	<u>915,960</u>
Deferred Outflows of Resources				
Pension	499,249	162,659	661,908	-
OPEB	40,944	6,446	47,390	-
<i>Total Deferred Outflows of Resources</i>	<u>540,193</u>	<u>169,105</u>	<u>709,298</u>	<u>-</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	11,359	770,262	781,621	13,394
Accrued Wages and Benefits	28,232	5,024	33,256	-
Contracts Payable	37,230	-	37,230	-
Due to Other Governments	16,252	2,751	19,003	-
Compensated Absences Payable	5,222	1,228	6,450	-
OWDA Loans Payable	195,813	-	195,813	-
Revenue Bonds Payable	-	80,000	80,000	-
<i>Total Current Liabilities</i>	<u>294,108</u>	<u>859,265</u>	<u>1,153,373</u>	<u>13,394</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	58,202	13,682	71,884	-
OWDA Loans Payable - Net of Current Portion	5,515,358	-	5,515,358	-
Revenue Bonds Payable - Net of Current Portion	-	1,100,000	1,100,000	-
Net Pension Liability	1,441,347	227,581	1,668,928	-
<i>Total Long-Term Liabilities</i>	<u>7,014,907</u>	<u>1,341,263</u>	<u>8,356,170</u>	<u>-</u>
<i>Total Liabilities</i>	<u>7,309,015</u>	<u>2,200,528</u>	<u>9,509,543</u>	<u>13,394</u>
Deferred Inflows of Resources				
OPEB	29,600	8,886	38,486	-
<i>Total Deferred Inflows of Resources</i>	<u>29,600</u>	<u>8,886</u>	<u>38,486</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	8,667,617	1,037,187	9,704,804	-
Restricted for:				
Other Purposes	47,568	7,511	55,079	-
Unrestricted	2,103,543	2,368,334	4,471,877	902,566
<i>Total Net Position</i>	<u>\$ 10,818,728</u>	<u>\$ 3,413,032</u>	<u>\$ 14,231,760</u>	<u>\$ 902,566</u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Enterprise Funds			Governmental Activities
	Water	Electric	Total	Internal Service
Operating Revenues				
Charges for Services	\$ 3,174,393	\$ 5,775,477	\$ 8,949,870	\$ 1,745,128
Other	20,935	2,400	23,335	-
<i>Total Operating Revenues</i>	<u>3,195,328</u>	<u>5,777,877</u>	<u>8,973,205</u>	<u>1,745,128</u>
Operating Expenses				
Personal Services	1,028,172	209,287	1,237,459	-
Fringe Benefits	491,095	68,114	559,209	88,878
Contractual Services	429,573	128,775	558,348	1,397,979
Purchased Power	-	4,284,636	4,284,636	-
Materials and Supplies	252,093	-	252,093	-
Depreciation	438,132	47,361	485,493	-
<i>Total Operating Expenses</i>	<u>2,639,065</u>	<u>4,738,173</u>	<u>7,377,238</u>	<u>1,486,857</u>
<i>Operating Income (Loss)</i>	<u>556,263</u>	<u>1,039,704</u>	<u>1,595,967</u>	<u>258,271</u>
Non-Operating Revenues (Expenses)				
Interest	(11,277)	(36,533)	(47,810)	-
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(11,277)</u>	<u>(36,533)</u>	<u>(47,810)</u>	<u>-</u>
<i>Income (Loss) Before Capital Contributions,</i>	<u>544,986</u>	<u>1,003,171</u>	<u>1,548,157</u>	<u>258,271</u>
Capital Contributions	187,145	-	187,145	-
<i>Change in Net Position</i>	<u>732,131</u>	<u>1,003,171</u>	<u>1,735,302</u>	<u>258,271</u>
<i>Net Position Beginning of Year</i>	<u>10,086,597</u>	<u>2,409,861</u>	<u>12,496,458</u>	<u>644,295</u>
<i>Net Position End of Year</i>	<u>\$ 10,818,728</u>	<u>\$ 3,413,032</u>	<u>\$ 14,231,760</u>	<u>\$ 902,566</u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Enterprise Funds			Governmental Activities
	Water	Electric	Total	Internal Service
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 3,059,502	\$ 5,417,577	\$ 8,477,079	\$ 1,745,128
Cash Received from Other Operating Receipts	20,935	2,400	23,335	-
Cash Payments to Suppliers for Goods and Services	(278,898)	-	(278,898)	-
Cash Payments to Employees for Services and Benefits	(1,463,169)	(232,360)	(1,695,529)	(88,878)
Cash Payments for Contractual Services	(425,938)	(144,702)	(570,640)	(1,333,908)
Cash Payments for Purchased Power	-	(4,123,628)	(4,123,628)	-
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>912,432</u>	<u>919,287</u>	<u>1,831,719</u>	<u>322,342</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds of Loans	1,317,608	-	1,317,608	-
Acquisition of Capital Assets	(2,759,780)	-	(2,759,780)	-
Principal Payments on Debt	(195,235)	(80,000)	(275,235)	-
Interest Payments on Debt	(22,854)	(40,320)	(63,174)	-
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(1,660,261)</u>	<u>(120,320)</u>	<u>(1,780,581)</u>	<u>-</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(747,829)	798,967	51,138	322,342
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,838,482</u>	<u>699,386</u>	<u>3,537,868</u>	<u>593,618</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 2,090,653</u>	<u>\$ 1,498,353</u>	<u>\$ 3,589,006</u>	<u>\$ 915,960</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ 556,263	\$ 1,039,704	\$ 1,595,967	\$ 258,271
Adjustments:				
Depreciation	438,132	47,361	485,493	-
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	(115,803)	(357,900)	(473,703)	-
Prepaid Items	18,357	(1,006)	17,351	96,147
Materials and Supplies Inventory	(24,072)	-	(24,072)	-
Special Assessments	912	-	912	-
Net OPEB Asset	(47,568)	(7,511)	(55,079)	-
Deferred Outflows - Pension/OPEB	216,110	(153,670)	62,440	-
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	(18,122)	146,087	127,965	(32,076)
Accrued Wages	8,391	1,504	9,895	-
Due to Other Governments	15,964	2,701	18,665	-
Pension Obligation Payable	(2,712)	(491)	(3,203)	-
Compensated Absences Payable	(52,639)	(2,291)	(54,930)	-
Deferred Inflows - Pension/OPEB	19,428	8,678	28,106	-
Net Pension Liability	(69,369)	196,750	127,381	-
Net OPEB Liability	<u>(30,840)</u>	<u>(629)</u>	<u>(31,469)</u>	<u>-</u>
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 912,432</u>	<u>\$ 919,287</u>	<u>\$ 1,831,719</u>	<u>\$ 322,342</u>

Noncash Capital Financing Activities:

The City purchased \$37,230 and \$45,933 of capital assets on account for the water fund in 2024 and 2023, respectively.

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Custodial
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 23,784
Cash and Cash Equivalents in Segregated Accounts	15,751
<i>Total Assets</i>	<u>39,535</u>
Liabilities	
Due to Other Governments	15,751
Undistributed Monies	23,784
<i>Total Liabilities</i>	<u>39,535</u>
Net Position	
<i>Total Net Position</i>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	<u>Custodial</u>
Additions	
Amounts Received as Fiscal Agent	123,367
Fines & Forfeitures for Other Governments	<u>395,389</u>
<i>Total Additions</i>	<u>518,756</u>
 Deductions	
Distributions from Municipal Court to Other Governments	386,839
Distributions as Fiscal Agent	123,367
Distributions to Other Governments	<u>8,550</u>
<i>Total Deductions</i>	<u>518,756</u>
 <i>Change in Net Position</i>	 -
 <i>Net Position Beginning of Year</i>	 <u>-</u>
 <i>Net Position End of Year</i>	 <u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

City of Huron
Erie County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standard Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the City’s accounting policies are described below.

A. Reporting Entity

The City of Huron (the “City”) is a home rule municipal corporation, established under the laws of the State of Ohio and operated under its own charter. The City operates under a part-time council and full-time City Manager form of government. The Mayor and Council are elected.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The City provides various services including police protection, firefighting and prevention, health, parks and recreation, street maintenance, planning and zoning, water services, municipal court and general administrative services. The operation of each of these activities is directly controlled by the Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the City, as the primary government, is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City doesn’t have any component units.

The City is associated with organizations which are described as a jointly governed organizations and a public entity risk pool. These organizations include the Huron Area Joint Recreation District, the Regional Income Tax Agency (RITA), and the Public Entities Pool of Ohio (PEP). These organizations are presented in Notes 12 and 13 to the basic financial statements.

B. Basis of Presentation

The City’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

City of Huron
Erie County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business- type activities.

The statement of net position presents the financial condition of the governmental and business- type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenue, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

C. Fund Accounting

The City is organized and operated on the basis of funds. The operation of each fund is accounted for within a set of self-balancing accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are classified into three categories: governmental, proprietary, and fiduciary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The following are the City’s major governmental funds:

General Fund - This fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

City of Huron
Erie County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Fire Levy Fund - This fund is used to account for financial resources to be used for Fire department.

Capital Improvement Fund - This fund is used for the purpose of improving, constructing, maintaining and purchasing those items necessary to enhance the operation of the City.

Proprietary Funds – Proprietary funds are used to account for the City’s ongoing organizations and activities which are similar to those found in the private sector. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this approach, the focus is upon the determination of net income, financial position and cash flows. Proprietary funds are classified either enterprise or internal service:

Enterprise Funds The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The water and electric funds are the City’s major proprietary funds. These funds account for the revenues and expenses of the City owned water system and electricity provided by the City to an industrial park.

Internal Service Funds The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The health care fund accounts for certain employee benefits. The computer repair fund accounts for the computer repairs of the City.

Fiduciary Funds – Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is spilt into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City has no trust funds. The City’s custodial funds account for highway patrol, the Huron Area Joint Recreation and municipal court collections that are distributed to various local governments.

D. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities, deferred outflows of resources and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the resources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

City of Huron
Erie County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increase (i.e., revenues) and decrease (i.e., expenses) in net total assets. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. The statement of cash flows provides information about the City finances and meets the cash flow needs of its proprietary activities. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

Revenue – Exchange and Nonexchange Transaction – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year end.

Nonexchange transactions are transactions in which the City receives value without directly giving equal value in return, including income taxes, estate taxes, motel-hotel taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from the nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

Deferred Outflows/Inflows of Resources

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

City of Huron
Erie County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

For the City, deferred outflows of resources are reported on the government-wide statement of net position, for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

In addition to liabilities, the statements of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance year 2025 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, franchise taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position.

Expense/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that the appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are required to be budgeted and appropriated. The legal level of budgetary control is at the object level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

Tax Budget – During the first Council meeting in July, the Mayor presents the annual operating budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources – The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget

City of Huron
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For the Year Ended December 31, 2024

then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during 2024.

Appropriations – A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and object level for all funds. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within each fund may be modified during the year by an ordinance of Council. During the year, several supplemental appropriation measures were passed. The budget figures which appear in the statement of budgetary comparisons represent the first and final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not re-appropriated.

Encumbrances – As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the legal level of control.

G. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

During 2024, the City invested in negotiable certificate of deposits and the State Treasury Asset Reserve of Ohio (STAR Ohio).

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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For 2024, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

For purpose of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an original maturity of more than three months that were not purchased from the pool are reported as investments.

H. Materials and Supplies Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. In cases where information supporting original costs was not practicably determinable, estimated historical costs were developed. For certain capital assets, the estimates were calculated by indexing estimated current costs back to the estimated year of acquisition. Donated capital assets are recorded at their acquisition values as of the date received. The City's infrastructure, was phased in, and consists of roads, guardrails, bridges, water lines, sewer lines and storm water drainage. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is also capitalized. The City maintains a capitalization threshold of \$5,000.

All reported capital assets are depreciated except for land and construction in progress. Depreciation of water lines, equipment, and vehicles in the proprietary fund type is computed using the straight-line method over an estimated useful life. Improvements to proprietary fund type capital assets are depreciated over the remaining useful lives of the related proprietary fund type capital assets. The estimated useful lives are as follows:

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	Governmental Activities	Business-Type Activities
<u>Description</u>	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Buildings and improvements	10-20 years	10-20 years
Equipment, furniture and vehicles	5-10 years	5-10 years
Land improvements	10-20 years	10-20 years
Infrastructure	40 years	40 years

J. Pension and other postemployment benefits (OPEB)

For purposes of measuring the net pension/OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

The current accounting standard requires Cities to report their proportionate share of the net pension/OPEB liability or asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and postemployment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. Under the new standards, the net pension/OPEB liability or asset equals the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. The unfunded portion of this benefit of exchange is a liability of the City. However, the City is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension/OPEB benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension/OPEB liability. The City has no control over the changes in the benefits, contributions rates, and return on investments affecting the balance of the liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension/OPEB liability or asset is satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

K. Compensated Absences

The City recognizes a liability for compensated absences for the leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment under the last-in-first-out flow assumption. The liability for compensated absences is reported

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as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and the net pension/OPEB liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, lease purchases and long-term loans are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

During the normal course of operations, the City has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in the governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the City are treated similarly when involving other funds of the City.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/interfund payable" for the current portion of interfund loans or advances to/from other funds for the noncurrent portion of interfund loans. These amounts are eliminated in the Statement of Net Position, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances".

Long-term advances between funds, as reported in the governmental fund financial statements, are often offset by a nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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Nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance classification is intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council. In addition, the Director of Finance is authorized to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the water, electric, and employee health benefits program. Operating expenses are necessary costs incurred to provide the goods and services that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

City of Huron
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Notes to the Basic Financial Statements
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P. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment of capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

R. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the in the year in which it was consumed.

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City of Huron
Erie County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP) and Actual presented for the general fund and fire levy fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute.

The major differences between the budget basis and the GAAP are:

- Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- Encumbrances are treated as expenditures/expenses for all funds (budget) rather than an assigned fund balance for governmental fund types (GAAP).
- The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

The following table summarizes the adjustments necessary to reconcile the GAAP basis financial statements to the budgetary basis financial statements for the general, and fire levy funds.

	<u>General Fund</u>	<u>Fire Levy Fund</u>
GAAP Basis	\$ 211,912	\$ 44,221
Net Adjustment for Revenue Accruals	1,110,836	(15,089)
Net Adjustment for Expenditure Accruals	(1,265,387)	(6,726)
Funds Budgeted Elsewhere *	3,800	-
Adjustment for Encumbrances	<u>(208,041)</u>	<u>(175,945)</u>
Budget Basis	<u>\$ (146,880)</u>	<u>\$ (153,539)</u>

* As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes special warrants, employee benefit reserve, developer deposits, fire damaged structure, and the unclaimed monies funds.

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Notes to the Basic Financial Statements
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NOTE 3 – FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Fire Levy	Capital Improvement	Nonmajor Governmental Funds	Total
Nonspendable for:					
Prepays	\$ 37,552	\$ 22,192	\$ -	\$ 13,180	\$ 72,924
Inventory	-	-	-	11,482	11,482
Long Term Interfund Loans	50,000	-	-	-	50,000
Total Nonspendable	87,552	22,192	-	24,662	134,406
Restricted for:					
Streets and Highways	-	-	-	829,462	829,462
Economic Development	-	-	-	150,378	150,378
Recreation	-	-	-	392,752	392,752
Fire and EMS Services	-	808,861	-	86,259	895,120
Capital Improvements	-	-	936,632	-	936,632
Marine Patrol	-	-	-	15,515	15,515
Debt Service Payments	-	-	-	15,573	15,573
Court Activities	-	-	-	566,391	566,391
Police Services	-	-	-	248,046	248,046
Opioid Settlement	-	-	-	38,603	38,603
Total Restricted	-	808,861	936,632	2,342,979	4,088,472
Committed for:					
Recreation	-	-	-	396,679	396,679
Capital Improvements	-	-	-	642,132	642,132
Stormwater System	-	-	-	211,216	211,216
Employee Retirements	188,040	-	-	-	188,040
Total Committed	188,040	-	-	1,250,027	1,438,067
Assigned for:					
Encumbrances	220,574	-	-	-	220,574
Subsequent year Appropriations	472,492	-	-	-	472,492
Total Assigned	693,066	-	-	-	693,066
Unassigned (Deficit)	2,116,716	-	-	(35,871)	2,080,845
Total Fund Balance	\$ 3,085,374	\$ 831,053	\$ 936,632	\$ 3,581,797	\$ 8,434,856

NOTE 4 – DEPOSITS AND INVESTMENTS

Monies held by the City are classified by State Statute into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the City has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of

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deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. U.S. Treasury notes, bills, bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency services shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase and reverse repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio.
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
6. The State Treasurer's investment pool (STAR Ohio)
7. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed two hundred seventy days; and
8. Bankers' acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial Credit Risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to

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secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be one hundred two percent or lower if permitted by the Treasurer of State.

A. Undeposited Cash

At year-end, the City had \$2,185 in undeposited cash on hand which is included as part of “equity in pooled cash and cash equivalents.”

B. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned. As of December 31, the City’s entire uninsured bank balance was protected with pledged collateral.

C. Investments

As of December 31, the City had the following investments:

S&P Global Ratings	Investment Type	Measurement Value	Investment Maturities			Percent of Total
			12 Months or Less	12 to 36 Months	More Than 36 Months	
	Net Asset Value (NAV):					
AAAm	STAR Ohio	\$ 6,066,205	\$ 6,066,205	\$ -	\$ -	67%
	Fair Value:					
Aaa	US Treasury Bills	1,143,823	1,143,823	-	-	13%
AA+	US Treasury Notes	659,504	30,083	629,421	-	7%
N/A	Negotiable Certificates of Deposit	1,153,901	535,115	618,786	-	13%
	Total Investments	<u>\$ 9,023,433</u>	<u>\$ 7,775,226</u>	<u>\$ 1,248,207</u>	<u>\$ -</u>	<u>100%</u>

(1) All negotiable CDs were fully insured by FDIC and their credit ratings were not available.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the City’s recurring fair value measurement as of December 31, 2024. As previously discussed, Star Ohio is reported at its net asset value. All other investments of the City are valued using Level 2 inputs using valuations techniques that incorporate market data for similar investments, broker quotes and inactive transactions prices.

All of the City’s negotiable certificates of deposit are registered securities and covered in full by FDIC insurance. The City’s policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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Credit Risk – The City’s investment policy limits its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investment in STAR Ohio has an AAAM credit rating from S&P. At December 31, 2024, the weighted average maturity of investments with Star Ohio was 27 days. The City’s investments negotiable certificates of deposit were not rated or the ratings were unavailable.

Concentration of credit risk is the possibility of loss attributed to the magnitude of the City’s investment in a single issuer. Total CDs were greater than 5% of all investments, but less than 5% for any single issuer. Investments are in fully insured negotiable CDs making up 100% of all investments. The City’s policy places no limit on the amount that may be invested in any one issuer.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue of \$412,689 was credited to the general fund during 2024, which includes \$385,858 assigned from other City funds.

NOTE 5 – TAXES

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2024 for real and public utility property taxes represents collections of the 2023 taxes. Property tax payments received during 2024 for tangible personal property (other than public utility property) is for 2024 taxes.

2024 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2024 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected with real property taxes.

The Erie County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Huron. The Erie County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2024 was \$4.9 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 259,038,920
Public Utilities - Real	181,230
Public Utilities - Personal	7,947,900
Total Assessed Value	<u><u>\$ 267,168,050</u></u>

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B. Income Taxes

The City levies a municipal income tax of one percent on substantially all income earned within the City; in addition, residents are required to pay tax on income earned outside of the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual tax payers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used for the purpose of general municipal operations, maintenance, new equipment, extension, and enlargement of municipal services and facilities and capital improvements of the City. In 2024, the proceeds were allocated to the general, general obligation bond retirement and capital improvement funds.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2024 consisted of taxes, accounts (billing for user charged services), and due from other governments (intergovernmental). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes.

NOTE 7 – CAPITAL ASSETS

Governmental Activities A summary of the governmental activities' capital asset activity as of December 31, 2024 are as follows:

	Balance 1/1/2024	Additions	Disposals	Balance 12/31/2024
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 7,703,464	\$ -	\$ -	\$ 7,703,464
Land use rights	49,687	-	-	49,687
Construction in Progress	7,699,808	3,103,693	(5,830,614)	4,972,887
<i>Total Capital Assets, Not Being Depreciated</i>	15,452,959	3,103,693	(5,830,614)	12,726,038
<i>Capital Assets, Being Depreciated:</i>				
Land improvements	6,848,791	572,129	-	7,420,920
Buildings and Improvements	3,784,860	-	-	3,784,860
Equipment and Furniture	2,667,063	99,119	(30,167)	2,736,015
Vehicles	3,903,616	66,438	-	3,970,054
Infrastructure	8,969,257	5,086,658	-	14,055,915
<i>Total Capital Assets, Being Depreciated</i>	26,173,587	5,824,344	(30,167)	31,967,764
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(4,111,844)	(209,140)	-	(4,320,984)
Buildings and Improvements	(1,893,282)	(80,095)	-	(1,973,377)
Equipment and Furniture	(1,445,032)	(104,858)	7,542	(1,542,348)
Vehicles	(2,325,997)	(232,183)	-	(2,558,180)
Infrastructure	(1,222,847)	(230,252)	-	(1,453,099)
<i>Total Accumulated Depreciation</i>	(10,999,002)	(856,528)	7,542	(11,847,988)
<i>Total Capital Assets Being Depreciated, Net</i>	15,174,585	4,967,816	(22,625)	20,119,776
<i>Total Governmental Activities Capital Assets, Net</i>	<u>\$ 30,627,544</u>	<u>\$ 8,071,509</u>	<u>\$ (5,853,239)</u>	<u>\$ 32,845,814</u>

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Depreciation Expense Depreciation expense charged to governmental functions for the year ending December 31, 2024 is as follows:

	Amount
General Government	\$ 88,775
Leisure Time Services	145,222
Security of Persons and Property	236,474
Transportation	<u>386,057</u>
Total Governmental Activities Depreciation Expense	<u>\$ 856,528</u>

Business-Type Activities A summary of the business-type activities' capital assets as of December 31, 2024 are as follows:

	Balance 1/1/2024	Additions	Disposals	Balance 12/31/2024
Business-type Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 100,380	\$ -	\$ -	\$ 100,380
Construction in Progress	<u>418,642</u>	<u>2,751,077</u>	<u>-</u>	<u>3,169,719</u>
<i>Total Capital Assets, Not Being Depreciated</i>	<u>519,022</u>	<u>2,751,077</u>	<u>-</u>	<u>3,270,099</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	106,714	-	-	106,714
Buildings and Improvements	6,261,915	-	-	6,261,915
Equipment and Furniture	2,580,715	-	-	2,580,715
Vehicles	382,086	-	-	382,086
Infrastructure				
Water	8,035,721	-	-	8,035,721
Electric	<u>2,295,282</u>	<u>-</u>	<u>-</u>	<u>2,295,282</u>
<i>Total Capital Assets, Being Depreciated</i>	<u>19,662,433</u>	<u>-</u>	<u>-</u>	<u>19,662,433</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(102,997)	(420)	-	(103,417)
Buildings and Improvements	(1,612,517)	(130,057)	-	(1,742,574)
Equipment and Furniture	(723,931)	(90,612)	-	(814,543)
Vehicles	(308,216)	(11,740)	-	(319,956)
Infrastructure				
Water	(2,817,568)	(205,303)	-	(3,022,871)
Electric	<u>(248,605)</u>	<u>(47,361)</u>	<u>-</u>	<u>(295,966)</u>
<i>Total Accumulated Depreciation</i>	<u>(5,813,834)</u>	<u>(485,493)</u>	<u>-</u>	<u>(6,299,327)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>13,848,599</u>	<u>(485,493)</u>	<u>-</u>	<u>13,363,106</u>
<i>Total Governmental Activities Capital Assets, Net</i>	<u>\$ 14,367,621</u>	<u>\$ 2,265,584</u>	<u>\$ -</u>	<u>\$ 16,633,205</u>

The electric fund's depreciation expense is all reported within infrastructure. The remaining depreciation is reported within the water fund.

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NOTE 8 – COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Vacation leave is earned at rates that vary depending upon length of service and standard workweek. Vacation accumulation is limited to a maximum of one hundred sixty days. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 1.25 workdays with pay for each month of completed service. Sick leave is paid upon retirement based on accumulated hours with the restriction of a maximum of 480 hours or 1,750 for those employees grandfathered in before the new limit.

NOTE 9 – LONG-TERM OBLIGATIONS

Governmental Activities A summary of the governmental activities' debt and other long-term obligations as of December 31, 2024 are as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
2015 Various Purpose Bonds	\$ 540,000	\$ -	\$ (115,000)	\$ 425,000	\$ 65,000
2018 Various Purpose Bonds	2,135,000	-	(195,000)	1,940,000	190,000
2019 Street Improvement Bonds	3,920,000	-	(195,000)	3,725,000	200,000
2024 Street Improvement Bonds	-	2,150,000	(140,000)	2,010,000	80,000
2023 Sawmill Creek Improvement Bonds	2,100,000	-	(10,000)	2,090,000	15,000
2023 Sawmill Creek Development Bonds	2,315,000	-	-	2,315,000	-
Total General Obligation Bonds	11,010,000	2,150,000	(655,000)	12,505,000	550,000
<i>OPWC Loans from Direct Borrowings:</i>					
Sawmill Parkway Improvement, 0%	15,170	95,285	-	110,455	5,260
Berline Waterline, 0%	386,850	-	(13,114)	373,736	13,114
Fabens Park - Adams Avenue, 0%	148,739	-	(5,833)	142,906	5,833
2018 Paving Program, 0%	138,087	-	(8,122)	129,965	8,123
Total OPWC Loans from Direct Borrowings	688,846	95,285	(27,069)	757,062	32,330
<i>Other Long Term Obligations:</i>					
Net Pension Liability	10,986,293	-	(792,777)	10,193,516	-
Net OPEB Liability	667,309	-	(57,485)	609,824	-
Compensated Absences*	264,191	10,987	-	275,178	22,656
Premium on General Obligation Bonds	152,986	146,181	(161,918)	137,249	-
Lease Purchase	197,475	-	(65,777)	131,698	69,506
Total Other Long Term Obligations	12,268,254	157,168	(1,077,957)	11,347,465	92,162
Total Governmental Activities Obligations	\$23,967,100	\$2,402,453	\$(1,760,026)	\$24,609,527	\$ 674,492

* The change in compensated absences above is a net change for the year.

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Business-type Activities A summary of the business-type activities' debt and other long-term obligations as of December 31, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
<i>Revenue Bonds:</i>					
2021 Electric System Improvement, 3.20%	\$ 1,260,000	\$ -	\$ (80,000)	\$ 1,180,000	\$ 80,000
<i>OWDA Loans from Direct Borrowings:</i>					
Huron WTP Tube Settler Improvements, 0.00%	2,535,617	-	(85,953)	2,449,664	85,954
Berlin Road Waterline, 1.35%	751,408	-	(36,013)	715,395	36,501
WTP Sedimentation Basin Improvements, 0.00%	807,113	-	(44,840)	762,273	44,839
Oklahoma Waterline, 2.64%	492,766	-	(27,166)	465,600	27,888
Asset Management Plan, 0.00%	1,894	-	(1,263)	631	631
S. Main Watermain Replacement, 3.48%	-	1,317,608	-	1,317,608	-
Total OWDA Loans from Direct Borrowing	4,588,798	1,317,608	(195,235)	5,711,171	195,813
<i>Other Long Term Obligations:</i>					
Net Pension Liability	1,541,547	127,381	-	1,668,928	-
Net OPEB Liability	31,469	-	(31,469)	-	-
Compensated Absences*	133,264	-	(54,930)	78,334	6,450
Total Other Long Term Obligations	1,706,280	127,381	(86,399)	1,747,262	6,450
Total Business-Type Activities Obligations	\$ 7,555,078	\$ 1,444,989	\$ (361,634)	\$ 8,638,433	\$ 282,263

* The change in compensated absences above is a net change for the year.

During 2023, the City issued two separate bonds for Sawmill Parkway improvements and development, including a land purchase. The \$2.1 million bond is tax exempt and was issued with a net premium of \$31,739. The other bond with a par value of \$2,315,000 is not tax exempt and is amortized to 2053 for the final payment.

2012 Various Purpose Refunding Bonds: During September 2012, the City issued \$3,180,000 in refunding general obligation bonds in order to refund \$3,590,000 of various bonds and a note outstanding. In addition to the proceeds of the new bonds the City paid an additional \$495,676, which was reported as a debt service expenditure in the general obligation bond retirement fund and a reduction of a liability in the water fund. The net proceeds of \$3,163,344 (after payment of \$106,573 in underwriting fees, insurance, and other issuance costs) was deposited into an irrevocable trust with an escrow agent to provide for debt service payments of the bonds refunded. As a result of this issue, the old bonds were called for redemption in December 2012 and subsequently repaid.

The City refunded the old bonds to reduce its total debt service payments over the following 11 years by \$304,225 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$275,232.

In July 2015, the City issued \$1,385,000 in general obligation bonds for the purpose of renovating and improving city hall, constructing a recreational bicycle and walkway path and various other infrastructure improvements.

During 2019 the City issued \$4.6 million in 2019 street improvement bonds. \$2.6 million was used to repay the note issued in 2018 and the remaining portion was used as additional funding for street projects.

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During 2018, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC). The loan is for a street, sidewalk and drainage project. The loan will be repaid in annual installments of \$5,833, maturing in 2049. Principal is paid out of the general obligation bond retirement fund.

During 2019, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC). The loan will be repaid in annual installments of \$8,123, maturing in 2040. Principal is paid out of the general obligation bond retirement fund.

During 2021, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC). The loan will be repaid in annual equal semi-annual payments over thirty years for the road and waterline project. Semi-annual payments of \$13,114 will be made to repay the loan. The first payment was made in 2023.

During 2023 and 2024, a first loan draw was made for an OPWC loan. The loan is to be used on the Sawmill Parkway improvements and was ongoing at the end of the year.

In January 2018, the City issued \$3,360,000 in general obligation bonds for street projects and various other improvements. The bonds have interest rates varying between 2.00 - 3.125 percent and are due on December 1, 2034.

In June 2024, the City issued \$2,150,000 in general obligation bonds for street projects. The bonds have interest rates varying between 4.00 – 14.00 percent and are due on December 1, 2038.

General obligation bonds will be paid from money transferred to the debt service fund as well as user charges from the appropriate enterprise fund. The Ohio Water Development Authority (OWDA) loans will be paid partly with special assessments levied against the benefited property owners, as well as user charges from the appropriate enterprise fund. In the event that a property owner would fail to pay the assessment, payment would be made by the City. There is no repayment schedule for the net pension/OPEB liability; however, employer pension contributions are made from the General Fund, the Street Maintenance, Parks and Recreation, Boat Basin, Special Fire Levy, and the Water and Electric enterprise funds. For additional information related to the net pension/OPEB liability, see Notes 10 and 11 to the basic financial statements.

In prior years, the City entered into contractual agreements for new construction loans from OWDA. Under the terms of these agreements, OWDA reimbursed, advanced or directly paid the construction costs of the approved projects. OWDA will capitalize administrative costs and construction interest and add them to the total amounts of the final loans. A line of credit has been established for various projects. Not all loans were finalized at year end.

The 2017 Oklahoma water line, with a 2.65 percent interest rate, requires principal and interest payments until 2038.

The 2019 asset management and requires principal payments until 2025.

The 2020 OWDA water treatment plant sedimentation basin improvements loan had debt service payments made in 2022 and the loan was finalized in 2023. Payments will continue until 2041.

The 2021 OWDA Huron water treatment plant (WTP) tube settler improvements project and related loan were finalized in 2023. Payments are approximately \$85,953 per year until 2053.

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The 2021 OWDA Berlin Road waterline project and related loan were finalized in 2023. The loan payments began in 2022 and the final amortization for other future payments was determined in 2023. Payments are approximately \$46,036, including interest, per year until 2042.

The 2024 OWDA S Main. Street Waterline Replacement project and related loan was draw on in 2024. Payments have not begun and an amortization schedule is not available as the loan has not closed out.

The City issued \$1,500,000 of 2021 electric system improvement bonds carrying an interest rate of 3.20% and mature in 2040. These bonds resulted from a 2019 electrical substation improvement project.

During 2022, the City entered into a lease purchase agreement of four police vehicles. Governmental activities acquired four vehicles for the police department and these assets were capitalized and reported as additions to capital assets in the amount of \$172,292 and are being depreciated over their estimated useful lives. These capital assets are being depreciated over their estimated useful lives.

During 2023, with three new agreements, the City financed additional governmental assets. The acquisitions were for two police vehicles (\$118,682), bodycams (\$107,005) and tasers (\$66,422). The vehicles were financed over three years and the bodycams and tasers were financed for five years.

Governmental activities principal and interest requirements to retire long-term obligations outstanding at December 31, 2024 are as follows:

Governmental Activities					
Year	General Obligation Bonds		OPWC Loans	Lease Purchase	
	Principal	Interest	Principal	Principal	Interest
2025	\$ 550,000	\$ 553,636	\$ 32,330	\$ 69,506	\$4,140
2026	575,000	525,551	32,329	30,747	-
2027	605,000	499,629	32,329	31,445	-
2028	630,000	471,256	32,329	-	-
2029	660,000	440,534	32,329	-	-
2030-2034	3,240,000	1,911,119	161,645	-	-
2035-2039	3,085,000	1,360,789	161,645	-	-
2040-2044	1,100,000	899,350	129,154	-	-
2045-2049	990,000	586,928	97,075	-	-
2050-2053	1,070,000	192,168	45,898	-	-
	<u>\$ 12,505,000</u>	<u>\$ 7,440,957</u>	<u>\$ 757,062</u>	<u>\$131,698</u>	<u>\$4,140</u>

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Business-type activities principal and interest requirements to retire long-term obligations outstanding at December 31, 2024 are as follows:

Year	Business-Type Activities			
	OWDA Loans		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 195,813	\$ 67,497	\$ 80,000	\$ 37,760
2026	196,418	64,636	75,000	35,200
2027	197,678	61,694	75,000	32,800
2028	198,969	58,665	75,000	30,400
2029	200,284	55,548	75,000	28,000
2030-2034	1,022,187	227,699	375,000	104,000
2035-2039	1,019,373	135,120	355,000	44,960
2040-2044	632,240	46,936	70,000	2,240
2045-2049	429,765	-		
2050-2053	300,836	-		
	<u>\$ 4,393,563</u>	<u>\$ 717,795</u>	<u>\$ 1,180,000</u>	<u>\$ 315,360</u>

The South Main Waterline OWDA loan is not included in the amortization table above because an amortization schedule does not yet exist.

NOTE 10– DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions – between an employer and its employees — of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City’s obligation for the liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of

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the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

State and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2024 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u><u>14.0 %</u></u>
Employee	<u><u>10.0 %</u></u>

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Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll. The City's contractually required contribution was \$347,769 for 2024. Of this amount, \$44,528 is reported as due to other governments.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – Full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage

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increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$512,687 for 2024. Of this amount, \$47,506 is reported as due to other governments.

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

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Period	0.014488%	0.0835225%	
Prior Measurement Period	<u>0.014910%</u>	<u>0.0855184%</u>	
Change in Proportion	<u>-0.000422%</u>	<u>-0.0019959%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 3,793,018	\$ 8,069,426	\$ 11,862,444
Pension Expense	\$ 513,453	\$ 872,997	\$ 1,386,450

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Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ 765,594	\$ 914,436	\$ 1,680,030
Differences between Expected and Actual Experience	61,994	259,053	321,047
Changes of Assumptions	-	509,980	509,980
Changes in Proportionate Share and Differences in Contributions	162,742	57,068	219,810
City Contributions Subsequent to the Measurement Date	347,769	512,687	860,456
Total Deferred Outflows of Resources	\$ 1,338,099	\$ 2,253,224	\$ 3,591,323
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 90,246	\$ 90,246
Changes of Assumptions	-	122,543	122,543
Changes in Proportionate Share and Differences in Contributions	184,470	182,487	366,957
Total Deferred Inflows of Resources	\$ 184,470	\$ 395,276	\$ 579,746

\$860,456 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	\$ 184,525	\$ 384,185	\$ 568,710
2026	241,740	402,799	644,539
2027	488,557	610,429	1,098,986
2028	(109,016)	(64,191)	(173,207)
2029	-	11,686	11,686
Total	\$ 805,806	\$ 1,345,261	\$ 2,151,067

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's

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investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 5,971,229	\$ 3,793,018	\$ 1,981,379

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment

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returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, are presented below.

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

For 2023, the mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted to 96.2 percent for males and 98.70 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2023, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 10,688,556	\$ 8,069,426	\$ 5,891,365

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NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 10 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

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Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least age 55.

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

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When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City had no contractually required contributions for 2024.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The City's contractually required contribution to OP&F was \$11,932 for 2024. Of this amount, \$1,128 is reported as due to other governments.

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Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Period	0.013870%	0.0835225%	
Prior Measurement Period	0.014260%	0.0855184%	
Change in Proportion	<u>-0.000390%</u>	<u>-0.0019959%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ (125,180)	\$ 609,824	\$ 484,644
OPEB Expense	\$ (9,047)	\$ 7,493	\$ (1,554)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual			
Earnings on OPEB Plan Investments	\$ 75,179	\$ 45,031	\$ 120,210
Differences between Expected and			
Actual Experience	-	29,324	29,324
Changes of Assumptions	32,227	209,846	242,073
Changes in Proportionate Share and			
Differences in Contributions	9,791	27,157	36,948
City Contributions Subsequent			
to the Measurement Date	-	11,932	11,932
Total Deferred Outflows of Resources	<u>\$ 117,197</u>	<u>\$ 323,290</u>	<u>\$ 440,487</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 17,817	\$ 112,071	\$ 129,888
Changes of Assumptions	53,811	392,709	446,520
Changes in Proportionate Share and			
Differences in Contributions	6,969	53,355	60,324
Total Deferred Inflows of Resources	<u>\$ 78,597</u>	<u>\$ 558,135</u>	<u>\$ 636,732</u>

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\$11,932 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction/addition of the net OPEB liability (asset) in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	\$ (1,228)	\$ (22,059)	\$ (23,287)
2026	6,693	(25,393)	(18,700)
2027	58,519	(15,995)	42,524
2028	(25,384)	(53,988)	(79,372)
2029	-	(57,791)	(57,791)
Thereafter	-	(71,551)	(71,551)
Total	<u>\$ 38,600</u>	<u>\$ (246,777)</u>	<u>\$ (208,177)</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00%</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine

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this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 68,795	\$ (125,180)	\$ (285,861)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (130,378)	\$ (125,180)	\$ (119,282)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement rate	4.07 percent
Prior measurement rate	4.27 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2038

For 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2023, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset

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class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, for 2023, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.07 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 751,133	\$ 609,824	\$ 490,813

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NOTE 12 – JOINTLY GOVERNED ORGANIZATIONS

The Huron Area Joint Recreation District (the District) is a jointly governed organization between Huron Township, the Huron City School District, and the City of Huron providing parks and recreation services to members. The City appoints three members to the nine-member commission. Each entity's control is limited to its representation on the governing board. The District's continued existence is not dependent on the City's continued participation. The District is not accumulating significant financial resources or experiencing fiscal stress that would cause additional financial benefit or burden on the City. Financial information on the District can be obtained from the City of Huron, 417 Main Street, Huron, Ohio, 44839.

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of the collection of income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council.

NOTE 13 – RISK MANAGEMENT

The City of Huron is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. During 2024, the City contracted with several companies for various types of insurance as follows:

Workers' compensation coverage is provided by the State. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City offers an employer-sponsored health (medical, vision, prescription and dental) insurance policy to employees with a health reimbursement arrangement (HRA) to potentially help offset their deductible portion of the plan. The employee has six months to request reimbursement, from the City's administrator, for HRA-eligible expenses. Any unreimbursed amounts due to employees at year-end are reported as a liability in the internal service fund.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk sharing pool available to Ohio local governments. PEP assumes the risk of loss up to the limits of the City's policy. PEP covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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PEP reported the following summary of assets and liabilities available to pay those liabilities as of December 31:

	2024	2023
Assets	\$ 71,369,906	\$ 67,306,752
Liabilities	(25,425,541)	(23,172,377)
Net Position	<u>\$ 45,944,365</u>	<u>\$ 44,134,375</u>

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

	Contributions to PEP
2023	\$ 106,775
2024	\$ 120,697

Settled claims have not exceeded this coverage in any of the past three years and there has been no significant reduction in insurance coverage from the prior fiscal year.

NOTE 14 - CONTINGENCIES

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2024.

The City is a party to legal proceedings. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 15 – INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2024 consisted of the following:

	Transfer Out	Transfer In
General Fund	\$ 1,204,442	\$ -
Fire Levy Fund	100,000	200,000
Capital Improvement Fund	-	375,017
Nonmajor Governmental Funds	<u>50,000</u>	<u>779,425</u>
Total	<u>\$ 1,354,442</u>	<u>\$ 1,354,442</u>

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Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The above-mentioned transfers from the general fund were used to move unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. More specifically, transfers were made to account for pension contributions, severance payments, capital reserves and debt payments.

NOTE 16 – INTERFUND LOANS

Internal balances at December 31, 2024, consist of interfund receivables and payables, as well as long-term advance to and advance from. Non-major governmental funds owe the general fund \$140,000 in short term loans, interfund receivables/payables.

The City issued a bond and subsequently purchased it to be held as an investment in the general fund. This transaction is treated as a long-term advance in the governmental funds. The advance will be repaid by \$50,000 each year with a final payment in 2026. At December 31, 2024 the capital improvement fund owed the general fund \$100,000 in long term advances.

NOTE 17 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

Implementation of New Accounting Principles

For the year ended December 31, 2024, the City has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the City.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 was incorporated into the financial statements of the City.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. For the City, GASB Statement No. 101 decreased the liability and the cumulative effects of compensated absences related expense(s) on net position as shown on the table below.

City of Huron
Erie County, Ohio
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Restatement of Fund Balance/Net Position

During 2024, the City implemented GASB 101 and as a result long term liabilities due in one year, due in more than one year and unrestricted net position were restated by \$496,944 for the fiscal year ended 12/31/2023. There were several functional expenditures impacted, however none deemed significant. The effect of implementation is shown in the table below. During 2024, the implementation of GASB Statement No. 100 and GASB Statement No. 101 had the following effects on beginning fund balances and net position.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Governmental Funds		Government-Wide
	Sawmill Creek Improvement TIF	Nonmajor	Governmental Activities
December 31, 2024, as previously reported	\$ 42,528	\$ 3,009,101	\$ 18,711,777
Change from nonmajor to major fund	(42,528)	42,528	-
Change in accounting principle (GASB 101)	-	-	496,944
December 31, as adjusted or restated	<u>\$ -</u>	<u>\$ 3,051,629</u>	<u>\$ 19,208,721</u>

During 2024, the City changed how it is presenting its general fund budget to exclude the special warrants and unclaimed monies funds and it had the following effects on beginning fund balances:

	Budget (Non-GAAP Basis) and Actual General Fund
December 31, 2024, as previously reported	\$ 1,849,458
Change within financial reporting entity	(32,268)
December 31, as adjusted or restated	<u>\$ 1,817,190</u>

NOTE 18 – ACCOUNTABILITY

As of year-end 1 nonmajor fund had a deficit balance. The property maintenance fund had a deficit balance of \$35,871. This deficit is largely the result of the recognition of liabilities in accordance with general accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 19 – SUBSEQUENT EVENT

Following the close of the year, the City issued bonds in the amount of \$2,450,000, with a final maturity of 2045. The proceeds from the bonds are to be used for electrical system improvements.

City of Huron
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For the Year Ended December 31, 2024

NOTE 20 – RELATED PARTY TRANSACTION

A City Councilman's spouse owns an apparel business that the City has used for t-shirt screen printing, uniform alterations and has made various purchases of merchandise. The total of these transaction amounted to \$18,702 for 2024.

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

City of Huron
Erie County
417 Main Street
Huron, Ohio 44839

To the Members of the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huron, Erie County, Ohio (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 19, 2026. We noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

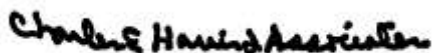
Report on Compliance and Other Matters

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

However, we noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated February 19, 2026.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
February 19, 2026

APPENDIX D

Proposed Text of Opinion of Bond Counsel

We have served as bond counsel to our client the City of Huron, Ohio (the “City”) in connection with the issuance by the City of its \$2,335,000* Street Improvement Bonds, Series 2026 (the “Bonds”), dated the date of this letter, and issued to pay costs of improving a portion of US-6 located in the City by constructing, reconstructing, resurfacing, paving, grading, draining and making other improvements and, in connection therewith, constructing and reconstructing, as necessary, one or more roundabouts, curbs, gutters, sidewalks, concrete aprons, storm sewers, catch basins and related drainage facilities, and replacing or adding signage, lighting and traffic signals, together with all necessary related improvements and appurtenances thereto, all as designated in the plans approved or to be approved by Council.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond of the first maturity and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds constitute valid and binding general obligations of the City, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes, within the ten-mill limitation imposed by law, on all property subject to ad valorem taxes levied by the City.

2. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The Bonds are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code. Interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the City.

In rendering those opinions with respect to the treatment of the interest on the Bonds and the status of the Bonds as qualified tax-exempt obligations under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the City. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross

* Preliminary, subject to change.

income for federal income tax purposes retroactively to their date of issuance and may cause the Bonds not to be qualified tax-exempt obligations.

The rights of the owners of the Bonds and the enforceability of the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX E

Book-Entry System; DTC

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its “Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance” (September 2024). As such, the City believes it to be reliable, but the City takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Bond issue by substituting “Bonds” for “Securities,” “City” for “Issuer” and “Bond Registrar” for “registrar” and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

1. The Depository Trust Company (“DTC”), will act as securities depository for the Bonds. The Bonds 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 (*maturity*) of the Bonds, each in the aggregate principal amount of such (*maturity*), and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. (*This internet site is included for reference only, and the information in this internet site is not incorporated by reference in this Official Statement.*)

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from

DTC of their purchase. 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds 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 Bonds 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; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the 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.

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

8. Redemption proceeds, distributions, and dividends (*debt charges payments*) on the Bonds 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 Bond Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, 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 dividends (*debt charges*) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. (Not Applicable to the Bonds.)

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed (*or otherwise produced*) and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed (*or otherwise produced*) and delivered to DTC. (See also **Revision of Book-Entry System; Replacement Bonds**.)

12. The information (*above*) in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The City and the Bond Registrar have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The City and the Bond Registrar have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The City and the Bond Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Bond proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Bonds, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the City and the Bond Registrar to be the owner or holder of the Bonds.

Beneficial Owners will not receive or have the right to receive physical delivery of Bonds, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the City and the Bond Registrar to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Bonds

The Bond proceedings provide for issuance of fully-registered Bonds (Replacement Bonds) directly to owners of Bonds other than DTC only in the event that DTC (or a successor

securities depository) determines not to continue to act as securities depository for the Bonds. Upon occurrence of this event, the City may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the City does not do so, or is unable to do so, and after the Bond Registrar has made provision for notification of the Beneficial Owners of the Bonds by appropriate notice to DTC, the City and the Bond Registrar will authenticate and deliver Replacement Bonds of any one maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of City action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Bonds will be payable when due without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on Replacement Bonds will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Bond Registrar. Interest on Replacement Bonds will be payable on the interest payment date by the Bond Registrar by transmittal to the registered owner of record on the Bond Register as of the 15th day preceding the interest payment date. Replacement Bonds will be exchangeable for other Replacement Bonds of authorized denominations, and transferable, at the designated corporate trust office of the Bond Registrar without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Bonds is not required to be made: (i) between the 15th day preceding the mailing of notice of redemption of Replacement Bonds and the date of that mailing, or (ii) of a particular Replacement Bond selected for redemption (in whole or part).

APPENDIX F

Proposed Form of Continuing Disclosure Agreement

\$2,335,000*
City of Huron, Ohio
General Obligation (Limited Tax)
Street Improvement Bonds, Series 2026

This CONTINUING DISCLOSURE AGREEMENT, dated April __, 2026 (the “Agreement”), is made, signed and delivered by the **CITY OF HURON, OHIO** (the “City”), a municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Ohio and its Charter, for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the City’s \$2,335,000* Street Improvement Bonds, Series 2026 (the “Bonds”), authorized by Ordinance No. 2026-4, passed by the City Council of the City on March 10, 2026 (the “Bond Ordinance”).

RECITAL

The City, by passage of the Bond Ordinance, has determined to issue the Bonds to provide funds for City purposes, and [_____]. (the “Participating Underwriter”), has agreed to provide those funds to the City by purchasing the Bonds. As a condition to the purchase of the Bonds from the City and the sale of Bonds to Holders and Beneficial Owners, the Participating Underwriter is required to reasonably determine that the City has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Bonds, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Bond Ordinance, the City covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. Purpose of Continuing Disclosure Agreement. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the Rule).

Section 2. Definitions. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to “Sections” shall mean sections of this Agreement.

“Annual Filing” means any Annual Information Filing provided by the City pursuant to, and as described in, Sections 3 and 4.

“Audited Financial Statements” means the audited basic financial statements of the City, prepared in conformity with generally accepted accounting principles.

* Preliminary, subject to change.

“Beneficial Owner” means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 2027, and, as to the Audited Financial Statements, when and if available, starting with the Audited Financial Statements for Fiscal Year 2025.

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

“Fiscal Year” means the 12-month period beginning on January 1 of each year or such other 12-month period as the City shall adopt as its fiscal year.

“Holder” means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Ordinance.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the City is the only Obligated Person for the Bonds.

“Official Statement” means the Official Statement for the Bonds dated [____], 2026.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Specified Events” means any of the events with respect to the Bonds as set forth in Section 5(a).

“State” means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The City shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual

Filing shall be submitted in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the City may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the City is unable to provide to the MSRB an Annual Filing by the Filing Date, the City shall, in a timely manner, send a notice to the MSRB in an electronic format through EMMA, or as otherwise prescribed by the MSRB.

Section 4. Content of Annual Filing. The City's Annual Filing shall contain or include by reference the following:

(a) Financial information and operating data of the type included in the Official Statement under the captions: **Ad Valorem Property Taxes – Collections, – Special Assessments** and – **Delinquencies**, together with information as to aggregate assessed valuation of the City and overlapping and City tax rates; **Municipal Income Tax; State Local Government Funds; City Debt and Other Long-Term Obligations**, including **Debt Tables**, as applicable; and **Appendices A and B-2 and C**.

(b) The Audited Financial Statements of the City utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the City to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including annual informational statements of the City or official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting Specified Events.

(a) The City shall provide to the MSRB, in an electronic format through EMMA, or as otherwise prescribed by the MSRB, and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;

- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; ^(a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; ^(a)
- (5) Substitution of credit or liquidity providers, or their failure to perform; ^(a)
- (6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (*i.e.*, the Bonds), or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers; ^(b)
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material; ^(c)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; *Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.*
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

- (a) *The City has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers for the Bonds.*
- (b) *[Any scheduled redemption of Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.]*
- (c) *Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section 5(a) (2), (6, as applicable), (7), (8, as applicable), (10), (13), (14) and (15), the City acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Amendments. The City reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the City or type of business conducted by the City. Any such amendment or waiver shall not be effective unless this Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the City shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the City that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Bonds then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the City shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the City chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. Remedy for Breach. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of this Agreement by the City shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under this Agreement in a court in Erie County, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the City to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the City to comply with this Agreement shall first provide at least 30 days' prior written notice to the City of the City's failure, giving reasonable detail of such failure, following which notice the City shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Bond Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 9. Appropriation. The performance by the City of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the City would be required to incur to perform those obligations. The City shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 10. Termination. The obligations of the City under this Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the City remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the City to provide the information and notices of the events described above shall terminate, if and when the City no longer remains such an Obligated Person. If any person, other than the City, becomes an Obligated Person relating to the Bonds, the City shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 11. Dissemination Agent. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the City, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Filings and notices of Specified Events and other events including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Participating Underwriter, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Bonds shall be deemed to have accepted this Agreement made in accordance with the Rule.

CITY OF HURON, OHIO

By: _____

Title: Director of Finance

**CERTIFICATE OF FISCAL OFFICER –
CONTINUING DISCLOSURE AGREEMENT**

As fiscal officer of the City of Huron, Ohio, I certify that the amount required to meet the obligation of the City under the Agreement made by the City in accordance with the Rule, as set forth in the Bond Ordinance and the attached Continuing Disclosure Agreement, during Fiscal Year 2026 has been lawfully appropriated by the City for such purpose and is in the City treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This Certificate is given in compliance with Section 5705.41 and 5705.44 of the Revised Code.

Dated: _____, 2026

Director of Finance
City of Huron, Ohio

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APPENDIX G
OFFICIAL NOTICE OF SALE

\$2,335,000*
City of Huron, Ohio
Street Improvement Bonds, Series 2026

Notice is given that the above-captioned bonds (the Bonds) are being offered for sale in accordance with this Official Notice of Sale. The City of Huron, Ohio (the City), will accept electronic bids, as described below, for the purchase of all, but not less than all, of the principal amount of the Bonds until 11:00 a.m., Ohio time, on Thursday, April 23, 2026. No other form of bid or provider of electronic bidding services will be accepted or used.

INITIAL DISCLOSURE; OFFICIAL STATEMENT

This Official Notice of Sale is not intended as a disclosure document and bidders are required to obtain and carefully review the Preliminary Official Statement relating to the Bonds dated April 15, 2026 (the Preliminary Official Statement), before submitting a bid. The inclusion of this Official Notice of Sale as an Appendix to the Preliminary Official Statement is for purposes of convenience only. Copies of the Preliminary Official Statement, “deemed final” by the City as of its date for purposes of, and except for certain omissions as permitted by, SEC Rule 15c2-12 (the Rule), may be obtained in electronic format at www.newissuehome.i-deal.com or www.i-dealprospectus.com/public.

Following the award of the Bonds, the Director of Finance (the Fiscal Officer), in cooperation with the successful bidder, will complete the Official Statement to indicate the principal amounts and dates of maturity, serial bonds and term bonds (if any), mandatory sinking fund redemption requirements (if any), offering prices or yields and CUSIP numbers (the accuracy of which the City will not take responsibility for), and interest rates, and the identity of the successful bidder, and provide any other information required for a final Official Statement for the purposes of the successful bidder’s compliance with SEC Rule 15c2-12(b)(3) and (4). The successful bidder will, within seven business days after the date of award, be furnished with up to 50 copies of the final Official Statement for purposes of the successful bidder’s compliance with the SEC Rule and will be authorized by the City to reproduce and circulate at the successful bidder’s expense additional copies of the Preliminary Official Statement (until the final Official Statement is available) and final Official Statement for use by the successful bidder in its marketing efforts and in providing copies thereof to its customers. The City contemplates that the final Official Statement, among other changes, will not include this Official Notice of Sale. At the delivery of the Bonds, the successful bidder will be furnished with a certificate, signed by the City officials who sign the Official Statement, relating to the accuracy and completeness of the Preliminary Official Statement and final Official Statement.

CONTINUING DISCLOSURE

The City is the only “obligated person” under the Rule. In order to assist bidders in complying with the Rule, the City will undertake to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain events, if material. Such information and notices of material events will be filed with the Municipal Securities Rulemaking Board (MSRB). A summary of such undertaking is contained in the Preliminary Official Statement. A copy of the undertaking is attached to the Preliminary Official Statement as **Appendix F** and will be included in the transcript of proceedings relating to the issuance of the Bonds.

* Preliminary, subject to change; see **Bidding Procedures – Potential for Change in Principal Amount of Bonds**.

AUTHORITY AND PURPOSE OF THE BONDS

The Bonds will be issued pursuant to Chapter 133 of the Revised Code, the City's Charter, Ordinance No. 2026-4, passed by the Council on March 10, 2026, and a Certificate of Award provided for by that Ordinance.

The Bonds are being issued for the purpose of paying costs of improving a portion of US-6 located in the City by constructing, reconstructing, resurfacing, paving, grading, draining and making other improvements and, in connection therewith, constructing and reconstructing, as necessary, one or more roundabouts, curbs, gutters, sidewalks, concrete aprons, storm sewers, catch basins and related drainage facilities, and replacing or adding signage, lighting and traffic signals, together with all necessary related improvements and appurtenances thereto.

SECURITY AND SOURCE OF PAYMENT

The Bonds will be unvoted general obligation debt of the City payable from the sources described, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. The basic security for payment of the Bonds is the requirement that the City levy ad valorem property taxes, within the ten-mill limitation imposed by law, to pay debt charges on the Bonds.

ELECTRONIC BIDDING PROCEDURES

Electronic bids must be submitted via BiDCOMP/Parity and in accordance with the provisions of this Official Notice of Sale. No other form of electronic bid or provider of electronic bidding services will be accepted. For purposes of the electronic bidding process, the time as maintained by BiDCOMP/Parity shall constitute the official time with respect to all bids submitted electronically. To the extent any instructions or directions set forth in BiDCOMP/Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees that (i) it is solely responsible for all arrangements with BiDCOMP/Parity, (ii) BiDCOMP/Parity is not acting as the agent of the City and (iii) the City is not responsible for ensuring or verifying bidder compliance with any of the procedures of BiDCOMP/Parity. The City assumes no responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by the bidder through BiDCOMP/Parity. Each bidder shall be solely responsible for making necessary arrangements to access the BiDCOMP/Parity system for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. The City shall not (i) have any duty or obligation to provide or assure such access to BiDCOMP/Parity to any bidder or (ii) be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, BiDCOMP/Parity.

Prospective bidders who intend to submit their bid electronically must be contracted customers of Ipreo's BiDCOMP/Parity system. If a bidder does not have a contract with Ipreo, call (212) 849-5021. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, binding and enforceable contract for the purchase of the Bonds. By contracting with Ipreo, a prospective bidder is not obligated to submit a bid in connection with the sale.

Potential for Change in Principal Amount of Bonds

As described above under **Authority and Purpose of the Bonds**, the Bonds are being issued for the purpose of paying costs of improving a portion of US-6 located in the City by constructing, reconstructing, resurfacing, paving, grading, draining and making other improvements and, in connection therewith, constructing and reconstructing, as necessary, one or more roundabouts, curbs, gutters, sidewalks, concrete aprons, storm sewers, catch basins and related drainage facilities, and replacing or adding signage, lighting and traffic signals, together with all necessary related improvements and appurtenances thereto. The City may find it necessary to adjust the aggregate principal payment schedule of the issue as described below.

After the winning bidder has been determined, the City reserves the right, in its sole discretion, to change the maturity schedule set forth below under **Form, Maturity and Payment of Bonds** by increasing or decreasing the principal amount of Bonds of any maturity as may be necessary, in its judgment, to provide most effectively and efficiently for the purposes for which the Bonds are being issued. In that event, no change will be made which will change the principal amount of the Bonds by more than 10%; provided, however, if such adjustments are made, the purchase price for each maturity (as a percent of each principal amount) paid by the successful bidder shall be exactly the same as shown on the successful bid.

Should the City deem a change in the principal amount of the Bonds to be necessary, the winning bidder will be notified of the change by 2:00 p.m., Ohio time, on the date bids are taken. The dollar amount bid by the successful bidder will then be adjusted to reflect the actual principal amount of Bonds to be issued. Any change to the bid price will reflect adjustments to the dollar amount of original issue premium/discount and underwriter's discount, as applicable and appropriate. There will be no change to the underwriter's discount on a "per bond" basis. A change in the principal amount of Bonds within the parameters described above will not permit the winning bidder to withdraw or change its bid.

ALL-OR-NONE BIDS ONLY

Bidders may bid only to purchase all Bond maturities. A bid that does not offer to purchase all of the Bonds will not be considered. Each bid must specify an annual rate of interest for each maturity of the Bonds and a dollar purchase price for the entire issue of the Bonds.

GOOD FAITH DEPOSIT

A good faith deposit is **not** required.

INTEREST RATES

The Bonds will bear interest (computed on the basis of a 360-day year consisting of 12 30-day months) payable on June 1 and December 1 of each year (the Interest Payment Dates), commencing December 1, 2026. Bids shall specify the rate or rates of interest (multiples of 1/8 or 1/20 or 1/100 of 1%) that the Bonds are to bear.

FORM, MATURITY AND PAYMENT OF BONDS*

The Bonds shall be issued in fully registered form in the denominations of \$5,000 or any whole multiple thereof; shall be dated the date of issuance (May 7, 2026); will bear interest from their dated date, payable on June 1 and December 1 of each year, commencing December 1, 2026, and shall mature on December 1 in the years 2026 through 2045) in the following principal amounts:

Year	Principal Amount
2026	\$120,000
2027	90,000
2028	90,000
2029	95,000
2030	95,000
2031	100,000
2032	100,000
2033	105,000
2034	105,000
2035	110,000
2036	110,000
2037	115,000
2038	120,000
2039	125,000
2040	130,000
2041	135,000
2042	140,000
2043	145,000
2044	150,000
2045	155,000

TERM BONDS OPTIONS

Any bidder may, at its option, specify that particular maturities of the Bonds for which the same rate of interest is specified in its bid shall be issued as term bonds subject to mandatory sinking fund redemption by the City in consecutive years immediately preceding the maturity thereof (a Term Bond). In the event that the successful bidder specifies that any maturity of the Bonds shall be issued as a Term Bond, that Term Bond shall be subject to mandatory sinking fund redemption on December 1, in each applicable year, in the principal amount for such year as set forth above under **Form, Maturity and Payment of Bonds**, at a redemption price equal to the principal amount to be redeemed, plus interest accrued thereon to the redemption date, without premium.

OPTIONAL REDEMPTION PROVISIONS

The Bonds maturing on or after December 1, 2031, are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of \$5,000), on any date on or after December 1, 2030, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

* See **Bidding Procedures – Potential for Change in Principal Amount of Bonds** in this Official Notice of Sale.

BASIS OF AWARD

Bidders must specify a **purchase price of not less than the par amount of \$2,335,000 plus a portion of the (net) original issue premium in the amount of at least the underwriter's discount.** Purchasers must also pay accrued interest, if any, computed on a 30/360-day basis, from the date of the Bonds to their date of delivery.

The Bonds will be awarded by the Fiscal Officer to the best bidder whose bid produces the lowest overall true interest cost (TIC) for the City.

TIC for the Bonds (expressed as an annual interest rate) will be that annual interest rate equal to twice the discount rate, compounded semiannually, that when applied to the aggregate semiannual debt service payment (interest, or principal and interest, as due) for the Bonds will cause the sum of those discounted semiannual payments to equal the aggregate bid price (exclusive of accrued interest). Semiannual debt service payments begin on December 1, 2026. The TIC shall be calculated from the proposed dated date of the Bonds (May 7, 2026) and shall be based upon the aggregate principal amount of Bonds and maturities thereof set forth above in this Official Notice of Sale, and the interest rates for the Bonds and bid price submitted in accordance with this Official Notice of Sale. If two or more bids offer the same TIC, the Bonds will be awarded to the bidder whose bid was first received.

Any informality or failure to conform to the instructions contained in this Official Notice of Sale may be waived by the Fiscal Officer, and the Fiscal Officer may reject any or all of the bids submitted. All determinations and the award by the Fiscal Officer shall be final.

RATING

The Bonds have been rated "Aa2" by Moody's Investors Service. No application for a rating has been made by the City to any other rating service.

BOND REGISTRAR/PAYING AGENT

The Paying Agent and Registrar for the Bonds will be Argent Institutional Trust Company.

BOOK-ENTRY ONLY SYSTEM

The Bonds will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (DTC) under DTC's Book-Entry Only system of registration. Purchasers of interests in the Bonds (the Beneficial Owners) will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry-only. As long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, payments of principal and interest will be made directly to such registered owner which in turn will remit, according to DTC's rules and regulations, such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

CUSIP NUMBERS AND DTC ELIGIBILITY

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with its agreement to purchase the Bonds. It shall be the responsibility of the successful bidder to timely obtain and pay for the assignment of such CUSIP numbers. The

successful bidder will be responsible for the costs of obtaining such CUSIP numbers, as described below under **Costs of Issuance**.

It is anticipated that the Bonds will be issued in book-entry only form and eligible for custodial deposit with The Depository Trust Company (DTC); however, it will be the responsibility of the successful bidder to obtain such eligibility. Failure of the successful bidder to obtain DTC eligibility shall not constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with its agreement to purchase the Bonds.

ESTABLISHMENT OF ISSUE PRICE

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on the issuance date of the Bonds 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 as **Exhibit A**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Squire Patton Boggs (US) LLP (“Bond Counsel”). All actions to be taken by the City under this Official 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 Official 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 anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Each entity making a bid pursuant to this Official Notice of Sale, represents to the City, Bond Counsel and the Municipal Advisor that it has an established industry reputation for underwriting new issuances of municipal bonds.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. **As described in more detail in the following paragraphs, if the competitive sale requirements are not satisfied, all bids shall be cancelled and deemed withdrawn, UNLESS the prospective winning bidder affirmatively confirms its bid and agrees to comply with the hold-the-offering-price rule, in the manner described below. The prospective winning bidder must provide that confirmation to the City no later than ninety (90) minutes after receiving notification that the competitive sale requirements were not satisfied. Such confirmation may be provided orally, but must be promptly confirmed in writing.**

If the prospective winning bidder does not provide its confirmation within the required time period, the prospective winning bidder's bid shall be cancelled and deemed to be withdrawn. The City thereupon may award the Bonds to another bidder, provided that the new prospective winning bidder confirms its bid and agrees to comply with the hold-the-offering-price rule, or the City may cancel the sale of the Bonds, as set forth in this Official Notice of Sale.

Bidders should prepare their bids on the assumption that the City will determine the issue price of the Bonds either based on the reasonably expected initial offering price to the public or by application of the 10% test. No bidder will be required to comply with the hold-the-offering-price rule in connection with the initial sale of the Bonds to the public unless the bidder has confirmed its bid and agreed to comply with the hold-the-offering-price rule, as described below.

Paragraphs (c) through (g) below shall apply only in the event that the competitive sale requirements are not satisfied.

(c) Except as otherwise set forth in *Schedule A* to **Exhibit A**, the City will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. The winning bidder (the “Underwriter”) shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds (*i.e.*, the “*sale date*”). For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(d) If **Exhibit A** includes *Schedule A*, the Underwriter confirms that it has offered the Bonds to the public on or before the sale date at the offering price or prices (the “*initial offering price*”), or at the corresponding yield or yields, set forth in *Schedule A*, except as otherwise set forth therein. Such *Schedule A*, should it exist, also sets forth, as of the date of the award, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “*hold-the-offering-price rule*”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity 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 Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when the Underwriter has sold 10% of a maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The Underwriter confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Underwriter 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 third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity allocated to it have been sold to the public, (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter, (C) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (D) to acknowledge that, unless otherwise advised by an underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by an underwriter, dealer or broker-dealer is a sale to the public; and (ii) any agreement among underwriters or any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each broker-dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until it is notified by the underwriter or dealer that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity allocated to it 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 underwriter or dealer and as set forth in the related pricing wires.

(f) The City acknowledges that, in making the representation set forth in (c) through (e) above, the Underwriter will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the 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 of any broker-dealer that is a party to a third-party 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 Official Notice of Sale. Further, for purposes of this Official Notice of Sale.

- (1) “*public*” means any person other than an underwriter or a related party,
- (2) “*underwriter*” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

- (3) 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) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (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
- (4) “*sale date*” means the date that the Bonds are awarded by the City to the winning bidder.

COSTS OF ISSUANCE

Responsibility for payment of the costs of issuance of the Bonds will be as follows:

Responsibility of the successful bidder: Payment of the fees of CUSIP, DTC, and any other industry assessments pertaining to the Bonds. The successful bidder will be responsible for any legal expenses incurred as a result of legal counsel retained by the successful bidder. The City will not be responsible for such costs and expenses. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the City is not responsible, directly or indirectly, for any of such costs or expenses.

Responsibility of the City: Payment of all other costs of issuance, including the fees and expenses of the Municipal Advisor, Bond Counsel, Bond Registrar, the fees of Moody’s Investors Service, and the Ohio Municipal Advisory Council, the fee for use of the electronic bidding system, and printing costs of the Preliminary Official Statement and final Official Statement.

DELIVERY OF BONDS; LEGAL OPINION

The City will pay the cost of preparing the Bonds. The Bonds will be delivered to DTC or its agent on May 7, 2026, or at such other time and to such other place as may be mutually acceptable to the successful bidder and the City. Payment of the full purchase price, plus accrued interest, shall be made to the City or at its direction on the date of delivery, in Federal Reserve funds of the United States of America, by wire transfer or transfers not later than 10:00 a.m., Ohio time, to a bank account or accounts to be designated by the City, without cost to the City. **By submitting a bid, the bidder acknowledges that the City may request payment of the purchase price in multiple wire transfers.**

The opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the City, will be furnished to the successful bidder at the time of delivery of the Bonds. The text of the proposed form of that opinion is attached as **Appendix D** to the Preliminary Official Statement. See also the Preliminary Official Statement’s discussion of **Legal Matters** and **Tax Matters**.

A complete transcript of proceedings and a certificate (described in the Preliminary Official Statement under **Litigation**) relating to litigation will be delivered by the City when the Bonds are delivered by the City to the successful bidder. The City at that time will also provide to the successful bidder a certificate, signed by the City officials who sign the Official Statement and

addressed to the successful bidder, relating to the accuracy and completeness of the Official Statement and to its being a “final official statement” in the judgment of the City for purposes of SEC Rule 15c2-12(b)(3).

The successful bidder, by submitting its bid, agrees to furnish to the City and Bond Counsel, a certificate in the form attached as **Exhibit A** to this Official Notice of Sale, verifying information as to the bona fide initial offering prices of the Bonds to the public and sales of the Bonds appropriate for determination of the issue price of, and the yield on, the Bonds under the Internal Revenue Code of 1986, as amended, and such other documentation as and at the time requested by Bond Counsel.

LIMITED ROLE OF MUNICIPAL ADVISOR

The City has retained Sudsina & Associates, LLC (the Municipal Advisor), to provide financial advice in connection with the City’s issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

QUESTIONS

Any questions concerning the Bonds should be addressed to the Fiscal Officer, to the City’s Municipal Advisor, Sudsina & Associates, LLC (Mike Sudsina – (216) 215-7753, e-mail MGS@sudsina.com) or the City’s Bond Counsel, Squire Patton Boggs (US) LLP (Catie Romanchek – (216) 479-8393, e-mail catie.romanchek@squirepb.com).

Dated: April 15, 2026

CITY OF HURON, OHIO

By: /s/ Isaac Phillips
Director of Finance
City of Huron, Ohio
417 Main Street
Huron, OH 44839
Telephone: (419) 433-5000 Ext. 1201
Email: isaac.phillips@huronohio.us

EXHIBIT A

UNDERWRITER'S CERTIFICATE

\$2,335,000*

**City of Huron, Ohio
Street Improvement Bonds, Series 2026**

Dated May 7, 2026

UNDERWRITER'S CERTIFICATE

_____, (“[name of underwriter]”), as Underwriter for the bonds identified above (the “Issue”), issued by the City of Huron, Ohio (the “Issuer”), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

[If the competitive sale meets the definition in Regulations § 1.148-1(f)(3) by attracting at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and as reflected in the representations below):

(1) Issue Price.

(A) As of the Sale Date, the reasonably expected initial offering prices of the Issue to the Public by [name of underwriter] are the prices listed in the final Official Statement, dated April 23, 2026, for the Issue (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Issue used by [name of underwriter] in formulating its bid to purchase the Issue. Attached as **Schedule A** is a true and correct copy of the bid provided by [name of underwriter] to purchase the Issue.

(B) [name of underwriter] was not given the opportunity to review other bids prior to submitting its bid.

(C) The bid submitted by [name of underwriter] constituted a firm offer to purchase the Issue.

(D) The aggregate of the Expected Offering Prices of each Maturity is \$_____ (the “Issue Price”).

(E) Definitions.

“Maturity” means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

“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.

* Preliminary, subject to change; see the Official Notice of Sale attached as **Appendix G**.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of the Issue. The Sale Date of the Issue is April 23, 2026.

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue 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 Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).]

[If the competitive sale fails to attract at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and the issue price is determined using the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):

(1) **Issue Price.**

(A) As of the date of this Underwriter’s Certificate (the “Certificate”), for each Maturity of the Issue, the first price at which at least 10% of such Maturity of the Issue was sold to the Public is the respective price listed in the final Official Statement, dated April 23, 2026, for the Issue (the “Sale Price” as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is \$_____ (the “Issue Price”).

(B) **Definitions.**

“Maturity” means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

“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.

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue 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 Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).]

[If the competitive sale fails to attract at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii)):

(1) **Issue Price.**

(A) As of the date of this Underwriter’s Certificate (the “Certificate”), for each Maturity listed on Schedule A as the “General Rule Maturities,” the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A (the “Sale Price” as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, [name of underwriter] offered the Maturities listed on Schedule A as the “Hold-the-Offering-Price Maturities” to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices” as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Issue is attached to this Certificate as Schedule B.

(C) As set forth in the Official Notice of Sale and bid award, [name of underwriter] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$_____ (the “Issue Price”).

(E) Definitions.

“Holding Period” means, for each Hold-the-Offering-Price Maturity of the Issue, 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 (April 23, 2026), or (ii) the date on which [name of underwriter] has sold at least 10% of such Maturity of the Issue to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

“Maturity” means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

“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.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Issue. The Sale Date of the Issue is April 23, 2026.

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue 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 Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).]

[If the competitive sale fails to attract at least three bids from underwriters that have established industry reputations for underwriting new issuances of tax-exempt obligations and the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

(1) **Issue Price.**

(A) On or before the Sale Date, [name of underwriter] offered each Maturity of the Issue to the Public for purchase at the respective initial offering prices listed in the final Official Statement, dated April 23, 2026, for the Issue (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Issue is attached to this Underwriter’s Certificate (the “Certificate”) as Schedule A. The aggregate of the Initial Offering Prices of each Maturity is \$_____ (the “Issue Price”).

(B) As set forth in the Official Notice of Sale and bid award, [name of underwriter] has agreed in writing that, (i) for each Maturity of the Issue, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Issue at a price that is higher than the respective Initial Offering Price for that Maturity of the Issue during the Holding Period.

(C) **Definitions.**

“Holding Period” means, for each Hold-the-Offering-Price Maturity of the Issue, 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 (April 23, 2026), or (ii) the date on which [name of underwriter] has sold at least 10% of such Maturity of the Issue to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

“Maturity” means bonds of the Issue with the same credit and payment terms. Bonds of the Issue with different maturity dates, or bonds of the Issue with the same maturity date but different stated interest rates, are treated as separate Maturities.

“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.

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Issue. The Sale Date of the Issue is April 23, 2026.

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Issue 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 Issue to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Issue to the Public).

All capitalized terms not defined in this Certificate have the meaning set forth in the Issuer’s Tax Compliance Certificate for the Issue (the “Tax Certificate”) or in Attachment A to the Tax Certificate.

(2) **Yield.** The Yield on the Issue is _____%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and semiannual compounding, produces an amount equal

to the Issue Price of the Issue as stated in paragraph (1) [and computed with the adjustments stated in paragraph[s] [(5) and] (6)].

(3) **Weighted Average Maturity.** The weighted average maturity (defined below) of the Issue is _____ years. The weighted average maturity of an issue is equal to the sum of the products of the issue price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the issue price of the entire issue.

(4) **[name of underwriter]'s Discount.** [name of underwriter]'s discount is \$_____, being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by [name of underwriter] to the Issuer for the Issue.

[(5) **Discount Maturities Subject to Mandatory Early Redemption.** No Maturity that is subject to mandatory early redemption has a stated redemption price that exceeds the [Sale Price] **or** [Initial Offering Price] **or** [Expected Offering Price] **or** [Sale Price or Initial Offering Price, as applicable] of such Maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of years to its weighted average maturity date.]

[Or]

[(5) **Discount Maturities Subject to Mandatory Early Redemption.** The stated redemption price at maturity of the Maturities that mature in the year[s] 20__, which Maturities are the only Maturities of the Issue that are subject to mandatory early redemption, exceeds the [Sale Price] **or** [Initial Offering Price] **or** [Expected Offering Price] **or** [Sale Price or Initial Offering Price, as applicable] of such Maturities by more than one-fourth of 1% multiplied by the product of the stated redemption price at maturity and the number of years to the weighted average maturity date of such Maturities. Accordingly, in computing the Yield on the Issue stated in paragraph (2), those Maturities were treated as redeemed on each mandatory early redemption date at their present value rather than at their stated principal amount.]

[(6) **Premium Maturities Subject to Optional Redemption.** No Maturity of the Issue:

- Is subject to optional redemption within five years of the Issuance Date of the Issue.
- That is subject to optional redemption has [a Sale Price] **or** [an Initial Offering Price] **or** [Expected Offering Price] **or** [a Sale Price or an Initial Offering Price, as applicable] that exceeds its stated redemption price at maturity by more than one-fourth of 1% multiplied by the product of its stated redemption price at maturity and the number of complete years to its first optional redemption date.]

[Or]

[(6) **Premium Maturities Subject to Optional Redemption.** The Maturities that mature in the year[s] 20__ are the only Maturities of the Issue that are subject to optional redemption before maturity and have [a Sale Price] **or** [an Initial Offering Price] **or** [Expected Offering Price] **or** [a Sale Price or an Initial Offering Price, as applicable] that exceeds their stated redemption price at maturity by more than one fourth of 1% multiplied by the product of their stated redemption price at maturity and the number of complete years to their first optional redemption date. Accordingly, in computing the Yield on the Issue stated in paragraph (2), each such Maturity was treated as retired on its optional redemption date or at maturity to result in the lowest yield on that Maturity. No Maturity of the Issue is subject to optional redemption within five years of the Issuance Date of the Issue.]

[Or]

[(7) **No Discount or Premium Maturities.** No Maturity was sold at an original issue discount or premium.]

[(6 or 8) **No Stepped Coupon Maturities.** No Maturity bears interest at an increasing interest rate.]

The signer is an officer of [name of underwriter] and duly authorized to execute and deliver this Certificate of [name of underwriter]. The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents [name of underwriter]'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 Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Issue, and by Squire Patton Boggs (US) LLP, as bond counsel, in connection with rendering its opinion that the interest on the Issue is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Issue.

Dated: May 7, 2026

[NAME OF UNDERWRITER]

By:_____

Title:_____

If the competitive sale requirements are met:

**SCHEDULE A
COPY OF [NAME OF UNDERWRITER]'S BID**

(Attached)

If the issue price is determined using a combination of the general rule (actual sales) and hold-the-offering-price rule:

**SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
*(Attached)***

**SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
*(Attached)***

If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

**SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
*(Attached)***

\$2,335,000*
CITY OF HURON, OHIO
GENERAL OBLIGATION (Limited Tax)
STREET IMPROVEMENT BONDS, SERIES 2026



* Preliminary, subject to change.