

CITY OF HILLIARD
FRANKLIN COUNTY
REGULAR AUDIT
JANUARY 1, 2025 – DECEMBER 31, 2025



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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Members of Council
City of Hilliard
3800 Municipal Way
Hilliard, Ohio 43026

We have reviewed the *Independent Auditor's Report* of the City of Hilliard, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2025 through December 31, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Hilliard is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 14, 2026

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**CITY OF HILLIARD
FRANKLIN COUNTY**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Hilliard
Franklin County
3800 Municipal Way
Hilliard, Ohio 43026

To 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2026. Our report includes a reference to other auditors who audited the financial statements of the Hilliard Development Corporation, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 opinions 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*.

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.

Wilson, Shuman & Son, Inc.

Newark, Ohio
June 24, 2026



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Dan Ralley, Acting City Manager



**CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING DECEMBER 31, 2025**



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City of Hilliard, Ohio
Franklin County, Ohio

Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

Issued by:
Department of Finance

Jennifer Kahle
Director

Greg A. Tantari
Deputy Director



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INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Issued by the Department of Finance



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2025



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City of Hilliard
Franklin County, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2025

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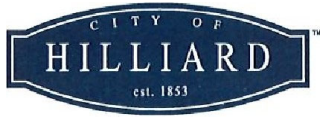
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Finance Department

June 24, 2026

To The Council and The Citizens of the City of Hilliard, Ohio

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Hilliard (the City) for the year ended December 31, 2025. This ACFR is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Wilson, Shannon & Snow, Inc. has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2025. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City is in the western half of Franklin County in portions of Norwich, Washington and Brown Townships. It is approximately ten miles northwest of downtown Columbus, the capital of the State of Ohio. The City encompasses an area of approximately 13 square miles. Rail service is provided by CSX and private air service is available five miles to the north and south by Don Scott Field and Bolton Field, respectively. The City is 20 miles from Port Columbus International Airport and has direct access to interstate highways 1-70 and 1-270 via three major interchanges. The City is situated 833 feet above sea level and experiences mean temperatures of 72 degrees during the summer and 30 degrees during the winter. The Hilliard area was settled in the early 1800s and was incorporated as a village in 1869. The Village of Hilliard remained primarily agricultural in character until the 1950s, when residential growth boomed. By December 12, 1960, the population had reached 5,000 and the Village of Hilliard became a City. The Mid-Ohio Regional Planning Commission estimates the population for the City to be 38,832 for 2025.

The City is serviced by the Hilliard City School District, which is an independent political subdivision not under the control or supervision of the City in any respect. The geographic boundaries of the School District are much larger than the City, encompassing some 60 square miles, and portions of several other municipalities (including the City of Columbus) as well as unincorporated areas of Franklin County. The School District estimates that 40 percent of its students reside in the City.

The City operates under a Charter first adopted by the voters in 1963 and most recently changed by voter approval November 5, 2020 effective January 1, 2020. The City charter lays out guidelines for city officials, businesses and residents. The city charter is revisited every 10 years by a review commission that evaluates the charter relative to current events and recommends any potential revisions. This approach ensures a balance between stability and flexibility.

Beginning Jan. 1, 2020, the City of Hilliard began operating under a Council/City Manager form of government.

City Council is composed of seven council members; each elected to a staggered four-year term. City Council members represent all residents living with Hilliard city boundaries. As Hilliard's legislative body, City Council sets policy, establishes goals, and oversees the municipal government's annual budget.

A City Manager is hired by City Council to oversee the departments and to manage the day-to-day operations of the city. The City Manager reports directly to City Council and implements the City's operating and capital budgets (as approved by City Council.) City Council directs the City Manager to enter into contracts and perform certain actions on the City's behalf.

City Council establishes various policies by enacting legislation. The City Manager implements those policies as directed by Council. As defined by the City of Hilliard's Charter, the City Manager oversees all departments and divisions of the municipal government, including hiring and firing of City employees.

The City's leadership team reports directly to the City Manager and includes directors for the following departments: Public Safety (Police), Finance and Taxation, Community Development (including Planning, Engineering, Transportation and Mobility, and Building Standards), Operations, Recreation and Parks, Economic Development, Human Resources, Community Relations, Law, and Information Technology.

The Director of Finance is the Chief Fiscal and Accounting Officer of the City. The responsibilities of this office include preparation and management of the capital and operating budgets and debt and treasury programs of the City.

The reporting entity is comprised of the primary government. The primary government consists of all the funds and departments which provide various services including police, recreation and parks, engineering, water services, sewer services, street maintenance and repair, zoning, municipal court, income tax collection and support services (i.e. payroll processing and accounts payable).

Component units are organizations for which the City 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 organizations 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 their budget, the issuance of their debt or the levying of their taxes. Currently, the City does not have any component units.

The City's charter requires the City Manager to submit to Council on or before October 15th of each year an operating budget for the following year. Council sets the date and place of a public hearing on the budget and gives notice of the meeting time and place in a newspaper of general circulation at least five days prior to the hearing date. The budget is on file with the City Clerk and available for inspection prior to the hearing date. Council adopts the budget either as submitted or amended after the public hearing but no later than January 31. This budget serves as an appropriation ordinance and is filed with the Franklin County Auditor's office.

This annual budget serves as the foundation for the City of Hilliard's financial planning and control. The 2025 budget was prepared by fund and department and object level. Department heads may transfer resources within the object as they see fit. The budget was approved by Council as required by the City's Charter.

Local Economy and Long-term Financial Planning

The City of Hilliard is part of the Columbus Region, home to a population of 2.3 million, and a potential workforce of 1.2 million. The Columbus Region is a dynamic 11-county metropolitan area in the midst of unprecedented economic growth. With one of the youngest and most-educated populations in the country—the median age is 35.9 and 36% of residents 25+ holds a bachelor's degree or higher. The Region offers a steady pipeline of young talent with one of the highest populations of millennials in the nation.

The Columbus metro ranks first among large Midwest metro areas for population and job growth since 2010 and is among the fastest growing metros in the country. Intel, Honda and Anduril have all recently announced their commitment to the Columbus Region. Our region and community will serve as a magnet for the attraction of top talent and this development will add significant job creation opportunities.

The City of Hilliard had an annual average unemployment rate at the end of 2025 of 3.7 percent while the Columbus Region and State of Ohio had annual average unemployment rates of 4.3 percent 4.6 percent respectively according to the Ohio Labor Market Information site for the Ohio Department of Jobs and Family Services. The City's ability to provide opportunities for expansion of its residential, commercial, and industrial tax base is greatly influenced by its aggressive development strategy, excellent school system, recreational programs, police department, city services, and probably, most importantly, the annual five-year Capital Improvement Program. The Capital Improvement Program provides the City with the framework to upgrade the infrastructure to make it possible to handle a growing and prosperous city. The Capital Improvement Program is a comprehensive five-year plan that is updated every year to prioritize projects and provide improvements to everything from streets and sewer and waterlines to ball fields, traffic signals, and the municipal complex.

Relevant financial policies

Income tax remains the primary source of revenue for the City and supports the five-year Capital Improvement Program. Income tax revenue is divided among the General Fund, Street Improvement Municipal Tax Special Revenue Fund, and Capital Improvement Municipal Tax Capital Projects Fund. The Street Improvement Municipal Tax Special Revenue Fund and the Capital Improvement Municipal Tax Capital Projects Fund provide funding for the City's capital needs by paying debt service or cash funding projects. The City issues debt for capital projects only.

The City uses historical revenue and expenditure trends in the budget process and provides monthly revenue and expenditure reports, income tax collections and projections reports and detailed quarterly reviews that include budget to actual year-to-date information to Council.

During 2014, Council adopted a General Fund balance policy that targets the fund reserve to be twenty five percent of annual operating expenditures on a budget basis.

The City adheres to the Uniform Depository Act of the State of Ohio to determine eligible investments for City funds. The City further limits investments to maturities of a maximum of five years. Cash flow forecasting and the use of short-term investments, such as repurchase agreements and the State Treasurer's Asset Reserve account (STAR Ohio), allow the City to earn interest in all funds.

Major Initiatives

Development

Hilliard completed construction of the municipal fiber optic network called HiFiO in 2025. The purpose of the project was to advance our economic development efforts, improve city operations and lay the groundwork to embrace smart infrastructure. HiFiO is carrier-neutral which allows the city and its stakeholders to shop their services to small and mid-size internet service providers which can lead to improved bandwidth and lower costs. HiFiO is being leveraged to attract and retain businesses, increase investment in research and development and allow startup companies to utilize city assets to demonstrate new technology. HiFiO was also constructed to every school building in the Hilliard City School District. The City will begin to receive a share of revenue from service providers that use the network.

Hilliard's focus on technology-based projects has led to several successes through its launch of City Lab. The Hilliard facility is a high-tech ecosystem with a network of start-ups that are supported by other Hilliard-based professional businesses (think lawyers, accountants, engineers and marketers) sharing, selling and even bartering services. Throw in 3-D printers, circuit boards, a clean-room and other equipment funded in part through City innovation grants and shared by tenants, and companies have the opportunity to prove their concepts with low risks involved.

While the lab is citywide, ten start-up companies located in Converge Technologies, a commercialization incubator for high-tech start-ups, works closely with the City of Hilliard, going as far as to co-brand their building with Hilliard City Lab. Converge Technologies selected Hilliard for its manufacturing and prototyping incubator designed to rapidly turn new technologies into thriving businesses. Hilliard has attracted several technology companies through this initiative and has awarded 47 Innovation Grants to commercialize new ideas. To date, the \$1.2 million invested by Hilliard under this program has attracted more than \$88 million in private investment and the creation and retention of 1,261 jobs, supporting more than \$2.8 million in annual income tax.

Local real estate developer Equity commenced construction of TruePointe. This \$200 million development includes more than 330 residential units, 200,000 square feet of Class A office space and 30,000 square feet of retail and restaurant space. Brick House Blue, the new corporate headquarters for Advanced Drainage System and Tempo are now open. Home2, Drunch, Qahwah, Teriyaki Madness, Old Scratch, Smoked Lick, Culinary Collectives are expected to be completed in Q3 2026.

With the demand for industrial and commercial sites is at an all-time high. Several transformational lab, production and research and development projects are in the pipeline. Construction is nearly complete on four significant economic development projects. The financial investment committed by the developers for these four projects totals \$69.2 million, plus the retention of 355 jobs within the City of Hilliard. Already Hilliard secured the retention of Eco Plumbers, one of the City's largest employers and Goyette which will establish its second headquarters and fabrication facility. These sites also attracted Synchrony Pharmacy, Command Alkon, Venturi Space and Meristem, representing more than 200 new high-wage jobs in the City.

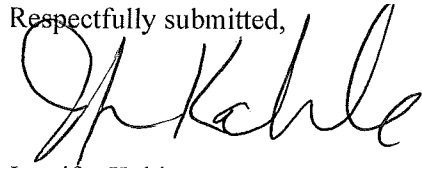
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hilliard, Ohio for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2024. This was the thirty-third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

We wish to convey our appreciation to the City Administration and to the City Council for their support and for providing the necessary funds to prepare and publish this report.

The entire Finance Department played a part in preparing this report; they worked with extreme dedication to the project.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Kahle", written over a horizontal line.

Jennifer Kahle
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hilliard
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

City of Hilliard, Ohio*Principal Officials**December 31, 2025*Elected Officials

Name	Title	Term Expires	Service
Les Carrier	Council	12/31/2025	12
Peggy Hale	Council	12/31/2025	4
Greg Betts	Council	12/31/2027	2
Tina Cottone	President of Council	12/31/2027	4
Andy Teater	Vice President	12/31/2025	8
Emily Cole	Council	12/31/2027	2
Cynthia Vermillion	Council	12/31/2027	6

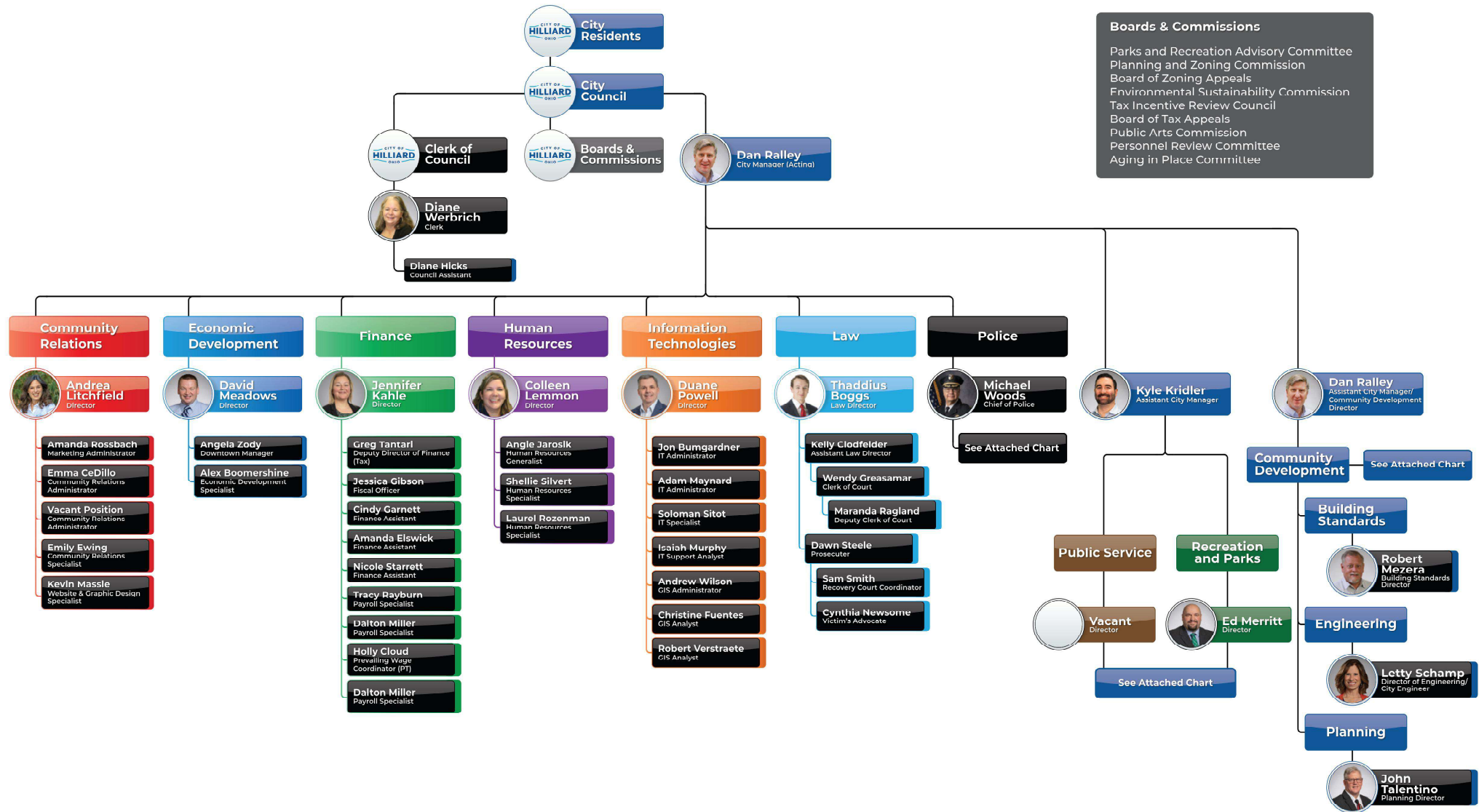
Appointed Officials

Name	Title	Term Expires	Service
Michelle Crandall	City Manager	Contract	5
Dan Ralley	Community Development Director	Indefinite	4
Jennifer Kahle	Director of Finance	Indefinite	2
Frost Brown Todd LLC	Director of Law	Indefinite	6
Ed Merritt	Director of Recreation and Parks	Indefinite	7
David Meadows	Director of Economic Development	Indefinite	8
Colleen Lemmon	Chief People Officer/HR Director	Indefinite	3
Duane Powell	Director of Information Technology	Indefinite	6
Vacant	Director of Community Relations	Indefinite	
Vacant	Operations Director	Indefinite	
Kyle Kridler	Assistant City Manager	Indefinite	1
John Talentino	Planning Director	Indefinite	24
Ellette Schamp	Transportation/Mobility Director	Indefinite	27
Vacant	Building Standards Director	Indefinite	
Michael Woods	Police Chief	Indefinite	3
Diane Werbrich	Clerk of Council	Indefinite	4

City Address:

City of Hilliard
3800 Municipal Way
Hilliard, OH 43026

Organizational Chart (Departments/Divisions)





FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING 2025



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INDEPENDENT AUDITOR'S REPORT

City of Hilliard
Franklin County
3800 Municipal Way
Hilliard, Ohio 43026

To the City Council:

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, Ohio (the City), as of and for the year ended December 31, 2025, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hilliard, Franklin County, Ohio as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, TIF, and Recreation and Parks funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Hilliard Development Corporation, which represents the discretely presented component unit as of December 31, 2025, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Hilliard Development Corporation are based solely on the report of other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

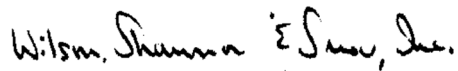
Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do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

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

City of Hilliard
Franklin County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 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.



Newark, Ohio
June 24, 2026

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

The management's discussion and analysis of the City of Hilliard (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2025. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements, transmittal letter and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$297.1 million (net position), an increase of \$17.8 million in comparison with the prior year.
- General revenues accounted for approximately \$74.5 million. Program specific revenues accounted for approximately \$33.6 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$106.2 million, an approximately \$19.1 million decrease in comparison with the prior year.
- During 2025, the City completed The Well, a new 105,000-square-foot recreation and wellness facility offering aquatic, fitness, gymnasium, and community space amenities.

The Annual Comprehensive Financial Report

This annual report consists of a transmittal letter, series of financial statements, notes to these statements and statistical section. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows/outflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

These two statements report the City's net position and changes in that position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's tax base and the condition of capital assets.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the General Fund, TIF Fund, Recreation and Parks Fund, and Capital Improvement Municipal Tax Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Fund

The City maintains one type of proprietary fund. The Internal Service Fund is used to report medical, dental, and vision activities that provide services to the City's other funds and departments; therefore, it has been included in the governmental activities in the government-wide financial statements.

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

Fiduciary Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At the end of the current year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. Capital assets include buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, and infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

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City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

The table below provides a comparative summary of the City's net position at December 31, 2025 and December 31, 2024.

	Governmental Activities		
	2025	2024	Change
Assets			
Current & Other Assets	\$ 148,922,949	\$ 164,210,043	\$ (15,287,094)
Net OPEB Asset	1,346,505	528,085	818,420
Capital Assets, Net	350,773,966	319,081,758	31,692,208
<i>Total Assets</i>	<u>501,043,420</u>	<u>483,819,886</u>	<u>17,223,534</u>
Deferred Outflows of Resources			
Deferred Charges	251,588	383,689	(132,101)
Pension & OPEB	8,409,387	12,621,148	(4,211,761)
<i>Total Deferred Outflows of Resources</i>	<u>8,660,975</u>	<u>13,004,837</u>	<u>(4,343,862)</u>
Liabilities			
Current & Other Liabilities	24,433,045	21,094,465	3,338,580
Long-Term Liabilities:			
Due Within One Year	18,429,001	19,026,650	(597,649)
Due In More Than One Year:			
Net Pension Liability	34,191,147	36,631,830	(2,440,683)
Net OPEB Liability	1,337,767	1,640,971	(303,204)
Other Amounts	118,517,222	124,355,887	(5,838,665)
<i>Total Liabilities</i>	<u>196,908,182</u>	<u>202,749,803</u>	<u>(5,841,621)</u>
Deferred Inflows of Resources			
Property Taxes	2,627,294	2,582,995	44,299
Payments in Lieu of Taxes	9,634,960	8,790,000	844,960
Pension & OPEB	3,461,901	3,418,477	43,424
<i>Total Deferred Inflows of Resources</i>	<u>15,724,155</u>	<u>14,791,472</u>	<u>932,683</u>
Net Position			
Net Investment in Capital Assets	229,113,293	217,652,520	11,460,773
Restricted	38,143,662	38,735,584	(591,922)
Unrestricted	29,815,103	22,895,344	6,919,759
<i>Total Net Position</i>	<u>\$ 297,072,058</u>	<u>\$ 279,283,448</u>	<u>\$ 17,788,610</u>

Current and other liabilities increased primarily due to higher contracts and retainage payables related to capital projects substantially completed in late 2025.

There was a change in net pension/OPEB accruals for the City. These fluctuations are due to changes in the actuarial liabilities at the pension plan level that are passed through to the City's financial statements.

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

Statement of Activities

The table below provides a comparative analysis of changes in net position for 2025 and 2024:

	Governmental Activities		
	2025	2024	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$ 16,678,799	\$ 16,494,752	\$ 184,047
Operating Grants	5,876,133	8,631,821	(2,755,688)
Capital Grants	11,062,327	4,342,030	6,720,297
<i>Total Program Revenues</i>	<u>33,617,259</u>	<u>29,468,603</u>	<u>4,148,656</u>
General Revenues			
Property Taxes	3,353,748	3,230,336	123,412
Income Taxes	56,663,474	54,417,382	2,246,092
Grants & Entitlements	9,146,379	9,385,175	(238,796)
Other	5,335,744	4,331,104	1,004,640
<i>Total General Revenues</i>	<u>74,499,345</u>	<u>71,363,997</u>	<u>3,135,348</u>
<i>Total Revenues</i>	<u>108,116,604</u>	<u>100,832,600</u>	<u>7,284,004</u>
Program Expenses			
General Government	21,041,492	22,102,156	(1,060,664)
Security of Persons and Property	16,064,721	15,226,735	837,986
Public Health	523,555	550,571	(27,016)
Leisure Time Activities	12,046,896	11,614,554	432,342
Community and Economic Development	2,841,124	3,199,739	(358,615)
Basic Utility Service	10,198,410	10,879,614	(681,204)
Transportation	22,509,022	18,600,748	3,908,274
Interest Expense	5,102,774	4,031,546	1,071,228
<i>Total Expenses</i>	<u>90,327,994</u>	<u>86,205,663</u>	<u>4,122,331</u>
<i>Change in Net Position</i>	<u>17,788,610</u>	<u>14,626,937</u>	<u>3,161,673</u>
<i>Net Position Beginning of Year</i>	<u>279,283,448</u>	<u>264,656,511</u>	<u>14,626,937</u>
<i>Net Position End of Year</i>	<u>\$ 297,072,058</u>	<u>\$ 279,283,448</u>	<u>\$ 17,788,610</u>

Operating grants decreased significantly during the year, primarily due to timing differences between the receipt of grant funding and the related reimbursable expenditures.

Capital grants increased significantly during the year, primarily due to increased construction activity related to capital projects.

Other general revenues increased during the year, primarily due to higher investment earnings resulting from improved returns and overall cash balances.

Transportation expenses increased during the year primarily due to higher repair and maintenance expenditures related to infrastructure. Interest expense increased during the year primarily due to changes in outstanding debt balances, interest rates, and the timing of related issuances compared to the prior year.

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2025 and December 31, 2024 for all major governmental funds.

	Fund Balance 12/31/2025	Fund Balance 12/31/2024	Increase/ (Decrease)
General	\$ 48,644,588	\$ 40,561,818	\$ 8,082,770
TIF	5,806,580	4,096,564	1,710,016
Recreation and Parks	5,386,587	37,760,702	(32,374,115)
Capital Improvement Municipal Tax	29,565,801	29,201,746	364,055

The General Fund is the chief operating fund of the City. At year-end, fund balance in the General Fund increased significantly compared to prior year due to an increase in income tax revenue, which is primarily the result of various factors, but can primarily be attributed to economic growth. In addition, there was an increase in property tax revenue that was caused by an increase in the City's property tax valuation.

The Tax Increment Financing (TIF) Fund was established to account for payments in lieu of taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners' properties. At year-end, fund balance in the TIF Fund increased compared to prior year. This was primarily due to a decrease in capital project-related expenses.

The Recreation and Parks Fund was established to account for a portion of the City's income tax collections to be used for capital and operation expenses related to the City's parks and recreation, including expenses related to the design, construction, maintenance, and operations of a new community center. At year-end, fund balance in the Recreation and Parks Fund decreased significantly in comparison with the prior year, primarily due to the City spending down bond proceeds received in a prior year for the construction of the new community center.

The Capital Improvement Municipal Tax Fund was established to account for 25 percent of the City's income tax collections and impact fees which are used for various capital improvements. At year-end, fund balance in the Capital Improvement Municipal Tax Fund remained comparable to prior year due to on-going construction throughout the year.

City of Hilliard
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2025
(Unaudited)

Budgeting Highlights - General Fund

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, cash disbursements and encumbrances. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council as provided for in the City's charter.

The most significant fund for which budgetary information is presented is the General Fund. The actual revenues and other financing sources came in higher than the original and final budgeted amounts due to income tax revenue and investment earnings coming in higher than budgeted.

Actual expenditures and other financing uses came in lower than the final budgeted amounts. The variance is evenly divided between budget categories and reflects the effects of the administration's expense control measures. The final budgeted appropriations were greater than the original budgeted amounts. This variance is mainly due to including estimated transfers to other funds.

Capital Assets

At the end of 2025, the City's investment in land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, and construction in progress increased compared to the prior year. This increase reflects capital additions exceeding disposals and depreciation expense. During the year, the City completed construction on several projects, including the new community center.

See Note 9 in the notes to the financial statements for more detail on the City's capital assets.

Debt Administration

At the end of 2025, the City's long-term debt outstanding decreased in comparison with the prior year. This decrease represents the amount in which the principal reduction payments and premium amortization exceeded issuance of bond anticipation notes.

See Note 10 in the notes to the financial statements for more detail on the City's long-term obligations.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jennifer Kahle, Director of Finance, City of Hilliard, 3800 Municipal Way, Hilliard, Ohio 43026.

City of Hilliard
Franklin County, Ohio
Statement of Net Position
December 31, 2025

	Primary Government	Component Unit
	Governmental	Hilliard
	Activities	Development
		Corporation
Assets		
Equity in Pooled Cash and Investments	\$ 107,968,502	\$ 474,166
Cash and Cash Equivalents with Escrow Agents	459,575	-
Property and Other Local Taxes Receivable	2,801,721	-
Payments in Lieu of Taxes Receivable	9,634,960	-
Municipal Income Taxes Receivable	12,665,171	-
Accounts Receivable	634,978	-
Due from Other Governments	2,608,837	46,943
Due from Component Unit	12,149,205	-
Prepaid Items	-	272
Assets Held for Resale	-	12,771,039
Net OPEB Asset	1,346,505	-
Non-Depreciable Capital Assets	15,335,277	-
Depreciable Capital Assets, net	335,438,689	-
<i>Total Assets</i>	<u>501,043,420</u>	<u>13,292,420</u>
Deferred Outflows of Resources		
Deferred Charges on Refunding	251,588	-
Pension	7,861,597	-
OPEB	547,790	-
<i>Total Deferred Outflows of Resources</i>	<u>8,660,975</u>	<u>-</u>
Liabilities		
Accounts Payable	1,246,870	6,250
Income Tax Refund Payable	4,780,984	-
Accrued Wages and Benefits	239,666	-
Due to Other Governments	350,179	12,149,205
Claims Payable	304,371	-
Unearned Revenue	8,018,503	-
Contracts Payable	5,773,271	-
Retainage Payable	3,719,201	-
Long-Term Liabilities:		
Due Within One Year	18,429,001	-
Due In More Than One Year:		
Net Pension Liability	34,191,147	-
Net OPEB Liability	1,337,767	-
Other Amounts Due in More Than One Year	118,517,222	-
<i>Total Liabilities</i>	<u>196,908,182</u>	<u>12,155,455</u>
Deferred Inflows of Resources		
Property and Other Local Taxes	2,627,294	-
Payments in Lieu of Taxes	9,634,960	-
Pension	1,787,570	-
OPEB	1,674,331	-
<i>Total Deferred Inflows of Resources</i>	<u>15,724,155</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	229,113,293	-
Restricted for:		
Capital Outlay	17,399,179	-
Streets and Transportation	12,317,724	-
Parks and Recreation	6,444,424	-
OPEB Asset	1,346,505	-
Other Purposes	635,830	-
Unrestricted	29,815,103	1,136,965
<i>Total Net Position</i>	<u>\$ 297,072,058</u>	<u>\$ 1,136,965</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Activities
For the Year Ended December 31, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Hilliard Development Corporation
Governmental Activities						
General Government	\$ 21,041,492	\$ 3,964,063	\$ 60,445	\$ -	\$ (17,016,984)	\$ -
Security of Persons and Property	16,064,721	1,918,021	-	-	(14,146,700)	-
Public Health	523,555	165,171	-	-	(358,384)	-
Leisure Time Activities	12,046,896	3,456,390	2,446,509	4,535,959	(1,608,038)	-
Community and Economic Development	2,841,124	3,623,901	-	-	782,777	-
Basic Utility Service	10,198,410	3,551,253	-	4,385,823	(2,261,334)	-
Transportation	22,509,022	-	3,369,179	2,140,545	(16,999,298)	-
Interest Expense	5,102,774	-	-	-	(5,102,774)	-
<i>Total Governmental Activities</i>	<u>90,327,994</u>	<u>16,678,799</u>	<u>5,876,133</u>	<u>11,062,327</u>	<u>(56,710,735)</u>	<u>-</u>
Component Unit						
Hilliard Development Corporation	487,575	-	389,485	-	-	(98,090)
<i>Total</i>	<u>\$ 90,815,569</u>	<u>\$ 16,678,799</u>	<u>\$ 6,265,618</u>	<u>\$ 11,062,327</u>	<u>(56,710,735)</u>	<u>(98,090)</u>
General Revenues						
Property Taxes Levied for:						
General Purposes					3,353,748	-
Income Taxes Levied for:						
General Purposes					29,465,006	-
Capital Outlay					11,332,695	-
Parks & Recreation					11,332,695	-
Transportation					4,533,078	-
Payments in Lieu of Taxes					9,146,379	-
Grants and Entitlements not Restricted to Specific Programs					1,304,937	-
Investment Earnings					3,788,822	-
Miscellaneous					241,985	28,722
<i>Total General Revenues</i>					<u>74,499,345</u>	<u>28,722</u>
<i>Change in Net Position</i>					17,788,610	(69,368)
<i>Net Position Beginning of Year</i>					279,283,448	1,206,333
<i>Net Position End of Year</i>					<u>\$ 297,072,058</u>	<u>\$ 1,136,965</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Balance Sheet
Governmental Funds
December 31, 2025

	General	TIF	Recreation and Parks Fund	Capital Improvement Municipal Tax	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 47,074,945	\$ 5,806,580	\$ 13,732,394	\$ 24,729,391	\$ 16,334,331	\$ 107,677,641
Cash and Cash Equivalents with Escrow Agents	-	-	459,575	-	-	459,575
Property and Other Local Taxes Receivable	2,801,721	-	-	-	-	2,801,721
Payments in Lieu of Taxes Receivable	-	9,634,960	-	-	-	9,634,960
Income Taxes Receivable	6,585,889	-	2,533,034	2,533,034	1,013,214	12,665,171
Accounts Receivable	249,811	-	17,824	-	367,343	634,978
Due from Other Governments	589,273	47,679	-	-	1,971,885	2,608,837
Due from Component Unit	-	-	-	12,149,205	-	12,149,205
<i>Total Assets</i>	<u>\$ 57,301,639</u>	<u>\$ 15,489,219</u>	<u>\$ 16,742,827</u>	<u>\$ 39,411,630</u>	<u>\$ 19,686,773</u>	<u>\$ 148,632,088</u>
Liabilities						
Accounts Payable	\$ 567,460	\$ -	\$ 126,636	\$ 70,282	\$ 482,492	\$ 1,246,870
Income Tax Refund Payable	2,486,112	-	956,197	956,197	382,478	4,780,984
Accrued Wages and Benefits	162,475	-	48,211	-	28,980	239,666
Due to Other Governments	236,695	-	56,512	-	56,972	350,179
Contracts Payable	14,028	-	5,759,243	-	-	5,773,271
Retainage Payable	-	-	3,654,646	64,555	-	3,719,201
Unearned Revenue	-	-	-	8,000,000	18,503	8,018,503
<i>Total Liabilities</i>	<u>3,466,770</u>	<u>-</u>	<u>10,601,445</u>	<u>9,091,034</u>	<u>969,425</u>	<u>24,128,674</u>
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	2,627,294	-	-	-	-	2,627,294
Payments in Lieu of Taxes	-	9,634,960	-	-	-	9,634,960
Unavailable Revenue	2,562,987	47,679	754,795	754,795	1,946,748	6,067,004
<i>Total Deferred Inflows of Resources</i>	<u>5,190,281</u>	<u>9,682,639</u>	<u>754,795</u>	<u>754,795</u>	<u>1,946,748</u>	<u>18,329,258</u>
Fund Balances						
Restricted	-	5,806,580	5,386,587	29,565,801	5,572,059	46,331,027
Committed	-	-	-	-	11,198,541	11,198,541
Assigned	4,829,766	-	-	-	-	4,829,766
Unassigned	43,814,822	-	-	-	-	43,814,822
<i>Total Fund Balance</i>	<u>48,644,588</u>	<u>5,806,580</u>	<u>5,386,587</u>	<u>29,565,801</u>	<u>16,770,600</u>	<u>106,174,156</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 57,301,639</u>	<u>\$ 15,489,219</u>	<u>\$ 16,742,827</u>	<u>\$ 39,411,630</u>	<u>\$ 19,686,773</u>	<u>\$ 148,632,088</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2025

Total Governmental Fund Balances		\$ 106,174,156
<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.		350,773,966
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Income Tax	\$ 3,773,975	
Delinquent Property Tax	51,730	
Intergovernmental	1,991,273	
Accounts	<u>250,026</u>	6,067,004
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		(13,510)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		251,588
The net pension liability and net OPEB liability/asset are not due and payable in the current period, therefore, the liabilities and related deferred inflows/outflows of resources are not reported in governmental funds.		
Net OPEB Asset	1,346,505	
Deferred Outflows - Pension	7,861,597	
Deferred Outflows - OPEB	547,790	
Net Pension Liability	(34,191,147)	
Net OPEB Liability	(1,337,767)	
Deferred Inflows - Pension	(1,787,570)	
Deferred Inflows - OPEB	<u>(1,674,331)</u>	(29,234,923)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General and Special Obligation Bonds	(99,645,000)	
OPWC Loans	(5,475,445)	
Loans Payable	(4,815,737)	
Unamortized Bond Premiums	(11,330,328)	
Bond Anticipation Notes	(13,000,000)	
Compensated Absences	<u>(2,679,713)</u>	(136,946,223)
<i>Net Position of Governmental Activities</i>		<u>\$ 297,072,058</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	TIF	Recreation and Parks Fund	Capital Improvement Municipal Tax	Other Governmental Funds	Total Governmental Funds
Revenues						
Property and Other Taxes	\$ 3,353,023	\$ -	\$ -	\$ -	\$ -	\$ 3,353,023
Municipal Income Taxes	29,748,843	-	11,441,862	11,441,862	4,576,745	57,209,312
Payments in Lieu of Taxes	-	9,146,379	-	-	-	9,146,379
Charges for Services	5,759,442	-	3,233,648	-	3,771,595	12,764,685
Licenses and Permits	3,461,613	-	-	-	2,400	3,464,013
Fines and Forfeitures	141,923	-	-	-	165,227	307,150
Intergovernmental	1,275,059	94,741	5,169,303	2,140,545	3,199,922	11,879,570
Investment Earnings	3,788,822	-	1,659,448	-	109,323	5,557,593
Miscellaneous	165,222	-	100	-	29,433	194,755
<i>Total Revenues</i>	<u>47,693,947</u>	<u>9,241,120</u>	<u>21,504,361</u>	<u>13,582,407</u>	<u>11,854,645</u>	<u>103,876,480</u>
Expenditures						
Current:						
General Government	16,601,936	2,863,184	-	3,692,415	264,667	23,422,202
Security of Persons and Property	13,727,430	-	-	771,161	22,267	14,520,858
Public Health	523,555	-	-	-	-	523,555
Leisure Time Activities	198,150	-	49,457,242	115,000	200,450	49,970,842
Community and Economic Development	2,730,665	-	-	-	-	2,730,665
Basic Utility Service	400,220	-	-	1,546,885	3,465,051	5,412,156
Transportation	446,451	3,887,870	-	4,345,729	6,134,873	14,814,923
Capital Outlay	-	-	-	20,000	148,433	168,433
Debt Service:						
Principal Retirement	-	278,000	895,000	17,219,341	424,400	18,816,741
Interest and Fiscal Charges	-	22,000	3,526,234	2,084,041	65,600	5,697,875
<i>Total Expenditures</i>	<u>34,628,407</u>	<u>7,051,054</u>	<u>53,878,476</u>	<u>29,794,572</u>	<u>10,725,741</u>	<u>136,078,250</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>13,065,540</u>	<u>2,190,066</u>	<u>(32,374,115)</u>	<u>(16,212,165)</u>	<u>1,128,904</u>	<u>(32,201,770)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	17,230	-	-	30,000	-	47,230
Issuance of of Bond Anticipation Notes	-	-	-	13,000,000	-	13,000,000
Premium on Debt Issued	-	-	-	66,170	-	66,170
Transfers In	-	-	-	3,480,050	2,000,000	5,480,050
Transfers Out	(5,000,000)	(480,050)	-	-	-	(5,480,050)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,982,770)</u>	<u>(480,050)</u>	<u>-</u>	<u>16,576,220</u>	<u>2,000,000</u>	<u>13,113,400</u>
<i>Net Change in Fund Balances</i>	<u>8,082,770</u>	<u>1,710,016</u>	<u>(32,374,115)</u>	<u>364,055</u>	<u>3,128,904</u>	<u>(19,088,370)</u>
<i>Fund Balances Beginning of Year</i>	<u>40,561,818</u>	<u>4,096,564</u>	<u>37,760,702</u>	<u>29,201,746</u>	<u>13,641,696</u>	<u>125,262,526</u>
<i>Fund Balances End of Year</i>	<u>\$48,644,588</u>	<u>\$ 5,806,580</u>	<u>\$ 5,386,587</u>	<u>\$ 29,565,801</u>	<u>\$ 16,770,600</u>	<u>\$ 106,174,156</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin 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, 2025*

Net Change in Fund Balances - Total Governmental Funds	\$ (19,088,370)
<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	\$ 48,641,790
Current Year Depreciation	<u>(16,913,992)</u>
	31,727,798
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.	
	(35,590)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Income Tax	(545,838)
Property Tax	725
Intergovernmental	209,233
Accounts	<u>142,951</u>
	(192,929)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General and Special Obligation Bonds	4,925,000
OPWC Loans	379,592
Loans Payable	512,149
Long-Term Bond Anticipation Notes	<u>13,000,000</u>
	18,816,741
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.	
Bond Anticipation Notes	(13,000,000)
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.	
Amortization of Premium on Bonds	661,032
Amortization of Refunding Loss	<u>(132,101)</u>
	528,931
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	2,989,403
OPEB	<u>38,206</u>
	3,027,609
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	(3,985,348)
OPEB	<u>264,861</u>
	(3,720,487)
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.	
	(233,634)
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>(41,459)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 17,788,610</u></u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin 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, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property and Other Taxes	\$ 2,506,000	\$ 2,506,000	\$ 2,780,396	\$ 274,396
Municipal Income Taxes	26,000,000	26,000,000	29,535,956	3,535,956
Charges for Services	4,628,500	4,628,500	4,082,646	(545,854)
Licenses and Permits	1,291,700	1,291,700	1,577,817	286,117
Fines and Forfeitures	125,000	125,000	141,923	16,923
Intergovernmental	945,000	945,000	1,083,669	138,669
Investment Earnings	1,750,000	1,750,000	3,788,822	2,038,822
Miscellaneous	176,800	176,800	169,584	(7,216)
<i>Total Revenues</i>	<u>37,423,000</u>	<u>37,423,000</u>	<u>43,160,813</u>	<u>5,737,813</u>
Expenditures				
Current:				
General Government	20,033,612	20,033,612	18,411,172	1,622,440
Security of Persons and Property	15,890,549	16,011,852	15,030,606	981,246
Public Health	430,484	430,484	430,402	82
Leisure Time Activities	259,424	259,424	204,538	54,886
Community Environment	2,268,766	2,268,766	1,911,336	357,430
Transportation	725,914	725,914	651,695	74,219
<i>Total Expenditures</i>	<u>39,608,749</u>	<u>39,730,052</u>	<u>36,639,749</u>	<u>3,090,303</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,185,749)</u>	<u>(2,307,052)</u>	<u>6,521,064</u>	<u>8,828,116</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	1,000	17,230	16,230
Transfers Out	-	(5,717,384)	(5,717,384)	-
<i>Total Other Financing Sources (Uses)</i>	<u>1,000</u>	<u>(5,716,384)</u>	<u>(5,700,154)</u>	<u>16,230</u>
<i>Net Change in Fund Balance</i>	<u>(2,184,749)</u>	<u>(8,023,436)</u>	<u>820,910</u>	<u>8,844,346</u>
<i>Fund Balance Beginning of Year</i>	<u>31,685,862</u>	<u>31,685,862</u>	<u>31,685,862</u>	<u>-</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>4,116,341</u>	<u>4,116,341</u>	<u>4,116,341</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 33,617,454</u>	<u>\$ 27,778,767</u>	<u>\$ 36,623,113</u>	<u>\$ 8,844,346</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Payments in Lieu of Taxes	\$ 8,790,000	\$ 8,790,000	\$ 9,146,379	\$ 356,379
Intergovernmental	95,000	95,000	94,741	(259)
<i>Total Revenues</i>	<u>8,885,000</u>	<u>8,885,000</u>	<u>9,241,120</u>	<u>356,120</u>
Expenditures				
Current:				
General Government	451,695	4,175,945	3,833,344	342,601
Transportation	1,336,656	6,620,751	6,620,751	-
Debt Service:				
Principal Retirement	278,000	278,000	278,000	-
Interest and Fiscal Charges	22,000	22,000	22,000	-
<i>Total Expenditures</i>	<u>2,088,351</u>	<u>11,096,696</u>	<u>10,754,095</u>	<u>342,601</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,796,649</u>	<u>(2,211,696)</u>	<u>(1,512,975)</u>	<u>698,721</u>
Other Financing Sources (Uses)				
Transfers Out	(480,051)	(480,051)	(480,051)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(480,051)</u>	<u>(480,051)</u>	<u>(480,051)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	6,316,598	(2,691,747)	(1,993,026)	698,721
<i>Fund Balance Beginning of Year</i>	<u>4,096,563</u>	<u>4,096,563</u>	<u>4,096,563</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>1,788,346</u>	<u>1,788,346</u>	<u>1,788,346</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 12,201,507</u>	<u>\$ 3,193,162</u>	<u>\$ 3,891,883</u>	<u>\$ 698,721</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (non-GAAP Basis) and Actual
Recreation and Parks Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Municipal Income Taxes	\$ 10,000,000	\$ 10,000,000	\$ 11,359,983	\$ 1,359,983
Charges for Services	1,622,000	1,622,000	3,215,824	1,593,824
Intergovernmental	-	-	4,535,959	4,535,959
Investment Earnings	1,000,000	1,000,000	1,659,448	659,448
Miscellaneous	500	500	100	(400)
<i>Total Revenues</i>	<u>12,622,500</u>	<u>12,622,500</u>	<u>20,771,314</u>	<u>8,148,814</u>
Expenditures				
Current:				
General Government	55,000	55,000	55,000	-
Leisure Time Activities	60,903,056	61,004,430	50,946,746	10,057,684
Transportation	30,311	30,311	-	30,311
Debt Service:				
Principal Retirement	895,000	895,000	895,000	-
Interest and Fiscal Charges	3,725,000	3,725,000	3,526,234	198,766
<i>Total Expenditures</i>	<u>65,608,367</u>	<u>65,709,741</u>	<u>55,422,980</u>	<u>10,286,761</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(52,985,867)</u>	<u>(53,087,241)</u>	<u>(34,651,666)</u>	<u>18,435,575</u>
Other Financing Sources				
Proceeds of Bonds	15,000,000	15,000,000	-	(15,000,000)
<i>Total Other Financing Sources</i>	<u>15,000,000</u>	<u>15,000,000</u>	<u>-</u>	<u>(15,000,000)</u>
<i>Net Change in Fund Balance</i>	<u>(37,985,867)</u>	<u>(38,087,241)</u>	<u>(34,651,666)</u>	<u>3,435,575</u>
<i>Fund Balance Beginning of Year</i>	<u>20,274,938</u>	<u>20,274,938</u>	<u>20,274,938</u>	<u>-</u>
Prior Year Encumbrances Appropriated	19,035,185	19,035,185	19,035,185	-
<i>Fund Balance End of Year</i>	<u>\$ 1,324,256</u>	<u>\$ 1,222,882</u>	<u>\$ 4,658,457</u>	<u>\$ 3,435,575</u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2025

	Governmental Activities
	Internal Service Fund
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 290,861
Liabilities	
<i>Current Liabilities:</i>	
Claims Payable	304,371
Net Position	
Unrestricted	(13,510)
Total Net Position	\$ (13,510)

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	\$ 2,972,902
Operating Expenses	
Claims	3,206,536
<i>Change in Net Position/Operating Loss</i>	(233,634)
<i>Net Position Beginning of Year</i>	220,124
<i>Net Position End of Year</i>	\$ (13,510)

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2025

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 2,972,902
Cash Payments for Claims	(2,989,665)
<i>Net Cash Used for Operating Activities</i>	<u>(16,763)</u>
<i>Net Decrease in Equity in Pooled Cash and Investments</i>	(16,763)
<i>Equity in Pooled Cash and Investments Beginning of Year</i>	<u>307,624</u>
<i>Equity in Pooled Cash and Investments End of Year</i>	<u><u>\$ 290,861</u></u>
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (233,634)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Increase in Claims Payable	<u>216,871</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>\$ (16,763)</u></u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Investments	\$ 373,335
Cash and Cash Equivalents in Segregated Accounts	<u>34,955</u>
<i>Total Assets</i>	<u>408,290</u>
Liabilities	
Due to Other Governments	<u>34,955</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>373,335</u>
<i>Total Net Position</i>	<u><u>\$ 373,335</u></u>

See accompanying notes to the basic financial statements.

City of Hilliard
Franklin County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2025

	<u>Custodial</u>
Additions	
Fines & Forfeitures for Other Governments	\$ 208,461
Custodial Receipts	<u>297,262</u>
<i>Total Additions</i>	<u>505,723</u>
 Deductions	
Custodial Payments	17,927
Fines & Forfeitures Distributions to Other Governments	208,461
Miscellaneous	<u>243,711</u>
<i>Total Deductions</i>	<u>470,099</u>
 <i>Change in Net Position</i>	 35,624
 <i>Net Position Beginning of Year</i>	 <u>337,711</u>
 <i>Net Position End of Year</i>	 <u><u>\$ 373,335</u></u>

See accompanying notes to the basic financial statements.



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City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

NOTE 1 – REPORTING ENTITY

The City of Hilliard (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own Charter. The Charter was adopted January 1, 1963, and was changed by voter approval on November 5, 2020. Beginning January 1, 2020, the City began operating under a Council/City Manager form of government.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments which comprise the legal entity of the City. The City provides various services including police protection, parks and recreation, planning, zoning, engineering, street maintenance, snow removal, refuse collection, and other governmental services. Water and sewer services are provided by the City of Columbus, although the City of Hilliard maintains the water and sewer lines. Norwich Township provides fire protection.

Component units are legally separate organizations for which the City 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 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 that are fiscally dependent on the City in that the City approves the organization's budget, the levying of its taxes or the issuance of its debt.

Discretely Presented Component Unit The component unit column in the basic financial statements identifies the financial data of the City's component unit: the Hilliard Development Corporation. This organization is presented in Note 20 to the basic financial statements. It is reported separately to emphasize that it is legally separate from the City.

Hilliard Development Corporation (Corporation) - The Corporation serves as an agency of the City for industrial, commercial, distribution and redevelopment for the City and carrying out such plan. Hilliard City Council shall elect Directors. The Corporation is fiscally dependent on the City. Based on this relationship, the Corporation is a component unit of the City. Separately issued financial statements can be obtained from the Hilliard Development Corporation; 3800 Municipal Way; Hilliard, Ohio 43026.

The City of Hilliard Mayor's Court has been included in the City's financial statements as a custodial fund. The Mayor is an elected City official who has a fiduciary responsibility for the collection and distribution of court fees and fines.

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Related and Jointly Governed Organizations

Hilliard Arts Council Corporation - The Hilliard Arts Council Corporation (the Corporation) is a separately created nonprofit (501(c)(3)) organization. The Corporation is governed by an eleven-member Board of Trustees appointed as follows: four members appointed by the Hilliard City Council, one member appointed by the Hilliard Area Chamber of Commerce, one member appointed by the Hilliard Recreation and Parks Director, one member appointed by the Hilliard City School District, and four members appointed by the Mayor of the City of Hilliard. The Trustees adopt their own budget, hire and fire their own staff, authorize expenditures, and do not rely on the City to finance deficits. The City cannot influence the Corporation's operations, nor does the Corporation represent a potential financial benefit or burden to the City.

Norwich Township - The City and Norwich Township entered into a Joint Construction and Management Agreement which provides for the renovation, construction, management and use of a combined fire and police facility. Renovation was completed in December of 2008 and the City moved to the new facility in early 2009. The facility houses Township administration offices, City of Hilliard Mayor's Court, City of Hilliard Police Department, City of Hilliard Communications and Norwich Township Fire Department. In addition to the joint agreement, the City provides police services to the unincorporated areas of the Township through a separate agreement and dispatching services for the fire department under a separate agreement. The Township provides fire protection and emergency medical services to the incorporated and unincorporated areas of the Township.

Central Ohio Interoperable Radio System - The Central Ohio Interoperable Radio System (COIRS) is a jointly governed organization between the City of Dublin, City of Worthington and Delaware County (the "members"). The intent of the COIRS is for the members to share in providing the financial resources and infrastructure needed to operate a digital 800MHZ public safety radio system used for dispatching emergency response and law enforcement services across the member jurisdictions. The COIRS is contracted by a Governing Board consisting of the County Administrator and the city managers for each city, or their representative. Each member's ability to influence the operations of COIRS is limited to its representation on the Governing Board. Appropriations are adopted by the Governing Board who exercised control over the operation and maintenance of COIRS. Each member initially contributed radio system infrastructure assets, and annually, are assessed a required contribution based on its utilization of the system and related operating costs. The City of Dublin serves as the fiscal agent. Financial information may be obtained from the City of Dublin, 5200 Emerald Parkway, Dublin, Ohio 43017.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

City of Hilliard
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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. Interfund services provided and used are not eliminated in the process of consolidation. The statements usually distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities; however, the City has no activities which are reported as business-type.

The Statement of Net Position presents the financial condition of the governmental 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. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the 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 revenues 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 governmental program 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds utilized by the City: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions of the City typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and governmental fund deferred inflows of resources and liabilities is reported as fund balance.

The following are the City's major governmental funds:

General Fund – This fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund’s balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Tax Increment Financing (TIF) Fund – This fund is used to account for payments in lieu of taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners’ property.

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Recreation and Parks Fund – This fund accounts for a portion of the City’s income tax collections to be used for capital and operation expenses related to the City’s parks and recreation, including expenses related to the design, construction, maintenance, and operations of a new community center. It also accounts for transfers in from other funds and debt proceeds.

Capital Improvement Municipal Tax Fund – This fund is used to account for 25 percent of the City’s income tax collections and impact fees which are used for various capital improvements.

The other governmental funds of the City account for grants and other resources whose use is restricted or committed for a particular purpose.

Proprietary Fund – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City’s proprietary fund is an internal service fund:

Internal Service Fund – The internal service fund accounts 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 City’s internal service fund accounts for the payment of all City employees’ medical, dental, and vision claims.

Custodial Funds - Custodial funds of the City are used to report fiduciary activities that are not required to be reported in a trust fund. The City currently does not have trust funds. The City’s custodial funds account for various fees charged by the City and remitted to other government agencies and for deposits held pending compliance with established requirements. The City has the following fiduciary funds: Public Art Fund, Fundraising Fund, and Mayor’s Court Fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, 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 (e.g., revenues) and decreases (e.g., 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, 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 sources (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.

All proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City’s finances meets the cash flow needs of its proprietary activities.

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Fiduciary funds are accounted for on a flow of economic resources measurement focus and present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - 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 the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “Available” means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, municipal income taxes, and payments in lieu of taxes, grants, entitlements, shared revenues, and donations. On the accrual basis, revenue from property taxes and payments in lieu of taxes are recognized in the year for which the taxes are levied (See Note 7). Revenue from municipal income taxes is recognized in the year in which the income is earned (See Note 8). Revenue from grants, entitlements, shared revenues, and donations is recognized in the 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 the modified accrual basis, revenue from non-exchange 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: municipal income taxes, charges for services, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, permissive tax, and local government assistance), and grants.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension, and other postemployment benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 13 and 14.

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In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue, pension, and OPEB. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2025, but which were levied to finance year 2026 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide Statement of Net Position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, grants and entitlements, and other revenues. These amounts are deferred and recognized as an inflow 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 (See Notes 13 and 14).

Expenses/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 governmental funds.

Unearned Revenue

Unearned revenue recorded represents resources that have been received, but not yet earned as of fiscal year-end. Unearned revenue in the current year represents strategic investment grants received but not spent in the current year.

Budgetary Process

All funds, other than custodial funds and the Escrow Fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts set forth in the budgetary statements and schedules as final budgeted amounts represent estimates from the amended certificate in force at the time final appropriations were passed by Council.

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The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

Cash and Cash Equivalents

To improve cash management, cash received by the City, except cash held by a fiscal or escrow agent and cash held in a segregated account, is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements. Cash and cash equivalents that are held separately for Mayor’s Court and not held in the City treasury are recorded on the financial statements as “Cash and Cash Equivalents in Segregated Accounts.” Cash and cash equivalents held in trust for interest payments related to the Series 2024 Income Tax Special Obligation Bonds are recorded as “Cash and Cash Equivalents with Escrow Agents”.

Investments with an original maturity of three months or less at the time they are purchased by the City and investments of the City’s cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

STAR Ohio (the State Treasury Asset Reserve of 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, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. 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 an NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant’s accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Following Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year was \$3,788,822 which included \$2,567,475 assigned from other City funds.

Capital Assets

The City’s only capital assets are general capital assets and contributions of capital assets from developers. General capital assets usually result from expenditures in 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.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and deletions during the year. Donated capital assets are recorded at their acquisition value on the date received.

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The City maintains a capitalization threshold of one thousand dollars, except for infrastructure which was updated in 2025 to a threshold of one million dollars. 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 expensed.

All capital assets except for land, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-40 years
Improvements Other Than Buildings	15-30 years
Machinery and Equipment	5-20 years
Furniture and Fixtures	7-20 years
Vehicles	5-20 years
Infrastructure	10-60 years

The City's infrastructure consists of curbs, streets, bridges, traffic signals, sidewalks, water lines, sewer lines, storm sewers, and streetlights.

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 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.

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 on 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 and compensated absences 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 fiscal year. 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.

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Bond Premium

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

Debt issuance costs are expensed when incurred.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure is reported in the year in which services are consumed. The City did not report prepaid items at the end of the current year.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/asset, deferred outflows and deferred inflows of resources related 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.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable The 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 loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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).

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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 The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) 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, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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 Amounts in the assigned fund balance classification are 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. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by policies of City Council or a City official delegated by that authority by resolution or by State Statute. State statute authorizes the City Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned 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.

Minimum Fund Balance Policy - On December 16, 2013, the City adopted an ordinance establishing a reserve fund to maintain a target fund balance of 25% of the City's annual budgeted expenditures in the General Fund for that budget year. This amount is intended to minimize volatility in providing City programs, projects, and levels of service to its citizens. Use of funds must be authorized by passage of an ordinance by City Council and be replenished no later than December 31 of the following year.

City of Hilliard
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Estimates

The preparation of the 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.

Contributed Capital

Contributions of capital arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as program revenue in the statement of activities.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. For the City, these revenues are charges for services for employees' health claims. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

Extraordinary and Special Items

Extraordinary items or transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City administration and are either unusual in nature or infrequent in occurrence. No such transactions occurred during the calendar year.

Net Position

Net position represents the difference of assets and deferred outflow of resources, less liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use 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 resources are available.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual, are presented for the general and major special revenue funds to provide a meaningful comparison of actual results with the budget.

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

City of Hilliard
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2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance (GAAP basis).
4. Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis.

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget are as follows:

	General Fund	TIF	Recreation & Parks
GAAP Basis	\$ 8,082,770	\$ 1,710,016	\$ (32,374,115)
Net Adjustment for Revenue Accruals	(686,034)	-	(733,047)
Net Adjustment for Expenditure Accruals	(826,417)	(3,703,042)	7,988,996
Funds Budgeted Elsewhere	(1,150,357)	-	-
Adjustment for Encumbrances	(4,599,052)	-	(9,533,500)
Budget Basis	<u>\$ 820,910</u>	<u>\$ (1,993,026)</u>	<u>\$ (34,651,666)</u>

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City 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 Council 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 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written 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 2 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; and with certain limitations including a requirement for maturity within a ten year from the date of settlement, bonds and other obligations of a political subdivision of the State of Ohio, if training requirements have been met;
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. Certain banker's acceptance and commercial paper notes for a period not to extend one hundred eighty and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one period;
8. Time certificates of deposits or savings or deposit accounts including, but not limited to, passbook accounts.

The City may also invest any monies not required to be used for a period of six months or more in (1) Bonds of the State of Ohio; (2) Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest or coupons; and, (3) Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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Deposits - Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$23,608,459 of the City's bank balance of \$24,143,998 was exposed to custodial credit risk because it was uninsured and collateralized. The City's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2025, 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	\$ 26,796,949	\$ 26,796,949	\$ -	\$ -	31.41%
AAAm	Money Market	630,069	630,069	-	-	0.74%
	Fair Value:					
AA	Private Expt Fdg Corp	1,189,657	-	1,189,657	-	1.39%
AA	Tennessee Valley Authority	1,956,698	-	805,656	1,151,042	2.29%
AA	FAMC	782,768	782,768	-	-	0.92%
AA	FFCB	15,839,415	1,136,650	6,720,269	7,982,496	18.56%
AA	FHLB	7,889,354	3,838,132	3,024,542	1,026,680	9.25%
AA	FNMA	1,226,430	299,340	927,090	-	1.44%
AA	US Treasury Note	25,821,006	3,654,943	10,453,779	12,201,209	30.26%
NR	Negotiable Certificates of Deposit	2,647,184	248,502	1,662,456	736,226	3.10%
NR	Commercial Paper	539,953	539,953	-	-	0.64%
	Total Investments	\$ 85,319,483	\$ 37,927,306	\$ 24,783,449	\$ 23,097,653	100.00%

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.

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The above table identifies the City's recurring fair value measurements as of December 31, 2025. The City's fair value investments are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk – The City's investment policy requires that an investment mature within two years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. The City's policy states that all investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated.

Credit Risk – Under normal circumstances, the government money market fund invests at least 80 percent of its assets in U.S. Government securities, repurchase agreements collateralized by these securities, and shares of money market investment companies that invest exclusively in these securities. The City's investment policy limits investments to those authorized by State statute.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio is 28 days at December 31, 2025.

NOTE 5 – INTERFUND TRANSFERS

A schedule of interfund transfers during the year is as follows:

	Transfer Out	Transfer In
General Fund	\$ 5,000,000	\$ -
TIF Fund	480,050	-
Capital Improvement Municipal Tax Fund	-	3,480,050
Other Governmental Funds	-	2,000,000
Total	<u>\$ 5,480,050</u>	<u>\$ 5,480,050</u>

Transfers are used to move revenues from one fund that statute or budget requires to collect them to the fund that statute or budget required to expend them. During 2025, the City transferred funds from the General Fund to the Capital Improvement Municipal Tax Fund and the nonmajor Street Improvement Municipal Tax Fund to finance various capital projects. During 2025, the City transferred funds from the TIF fund to the Capital Improvement Municipal Tax Fund for capital projects.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2025, consisted of property and other local taxes, payments in lieu of taxes, municipal income taxes, accounts, and intergovernmental receivables arising from grants, entitlements, shared revenues and due from component unit. Receivables have been separately identified on the face of the basic financial statements. All receivables are considered fully collectible.

City of Hilliard
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

OneOhio Opioid Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlements have been reached with other distributors. Distributions are reflected as fines and forfeitures revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

Due from Component Unit

During 2025, the City had a receivable for due from component unit of \$12,149,205. This receivable represents the land held for resale by the component unit, Hilliard Development Corporation. See Note 20 for more information on the component unit.

NOTE 7 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2025 for real and public utility property taxes represents collections of the 2024 taxes. 2025 real property taxes were levied after October 1, 2025, on the assessed value as of January 1, 2025, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2025 real property taxes are collected in and intended to finance 2026.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2025 public utility property taxes which became a lien December 31, 2024, are levied after October 1, 2025, and are collected in 2026 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2025 was \$1.60 per \$1,000 of assessed value. The tax year 2024 assessed values of real and tangible personal property upon which 2025 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 1,754,888,240
Public Utility Property	59,610,270
Totals	<u>\$ 1,814,498,510</u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Hilliard. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31 of the current year, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been included in deferred inflows of resources, since the current taxes were not levied to finance current operations and the outstanding delinquencies were unavailable. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is reported as deferred inflows of resources since the current taxes were levied to finance a future period.

City of Hilliard
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

NOTE 8 – MUNICIPAL INCOME TAXES

The City levies a municipal income tax of 2.5 percent on all salaries, wages, commissions, other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

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 taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are distributed to the General Fund, Capital Improvement Municipal Tax Fund, Recreation and Parks Fund, and other governmental funds as required by City Administrative Code.

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the current year was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$ 13,614,688	\$ -	\$ -	\$ 13,614,688
Construction in Progress	72,727,806	44,266,351	(115,273,568)	1,720,589
Total Nondepreciable Assets	86,342,494	44,266,351	(115,273,568)	15,335,277
Depreciable Capital Assets				
Buildings	15,418,449	91,703,532	-	107,121,981
Improvements other than Buildings	20,097,269	1,047,957	-	21,145,226
Machinery and Equipment	9,021,817	1,281,788	(4,394)	10,299,211
Furniture and Fixtures	1,665,263	553,230	-	2,218,493
Vehicles	3,775,638	847,595	(163,956)	4,459,277
Infrastructure	506,600,654	24,214,905	-	530,815,559
Total Depreciable Assets	556,579,090	119,649,007	(168,350)	676,059,747
Less Accumulated Depreciation				
Buildings	(7,996,751)	(2,292,588)	-	(10,289,339)
Improvements other than Buildings	(9,663,265)	(754,361)	-	(10,417,626)
Machinery and Equipment	(6,498,469)	(531,411)	3,076	(7,026,804)
Furniture and Fixtures	(810,592)	(98,475)	-	(909,067)
Vehicles	(2,726,754)	(480,409)	129,684	(3,077,479)
Infrastructure	(296,143,995)	(12,756,748)	-	(308,900,743)
Total Accumulated Depreciation	(323,839,826)	(16,913,992)	132,760	(340,621,058)
Depreciable Capital Assets, Net of Accumulated Depreciation	232,739,264	102,735,015	(35,590)	335,438,689
Total Capital Assets, Net	\$ 319,081,758	\$ 147,001,366	\$ (115,309,158)	\$ 350,773,966

City of Hilliard
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Depreciation expense was charged to the governmental functions as follows:

General government	\$ 287,100
Security of persons and property	971,312
Leisure time activities	2,292,588
Community environment	335,989
Basic utility services	6,399,654
Transportation	<u>6,627,349</u>
Total depreciation expense	<u><u>\$ 16,913,992</u></u>

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City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

NOTE 10 – LONG TERM LIABILITIES

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities of the governmental activities for the current year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>General Obligation Bonds:</i>					
2012 Various Purpose					
2.0-5.0% \$11,085,000	\$ 840,000	\$ -	\$ (840,000)	\$ -	\$ -
2014 Refunding					
2.0-4.0% \$5,160,000	1,640,000	-	(525,000)	1,115,000	545,000
2015 Various Purpose and Refunding					
4.0% \$8,745,000	6,120,000	-	(1,070,000)	5,050,000	1,120,000
2016A Various Purpose and Refunding					
2.0-4.0% \$8,205,000	2,380,000	-	(280,000)	2,100,000	290,000
2016B Various Purpose					
2.0-4.0% \$3,855,000	2,650,000	-	(175,000)	2,475,000	185,000
2017 Various Purpose					
2.0-4.0% \$4,655,000	3,160,000	-	(210,000)	2,950,000	220,000
2019A Various Purpose					
3.0-5.0% \$8,570,000	6,910,000	-	(385,000)	6,525,000	400,000
2019B Various Purpose					
3.75% \$585,000	585,000	-	-	585,000	-
2020 Various Purpose Refunding					
3.0% \$7,605,000	5,580,000	-	(545,000)	5,035,000	570,000
Total General Obligation Bonds	29,865,000	-	(4,030,000)	25,835,000	3,330,000
<i>Special Obligation Bonds:</i>					
2022 Income Tax Special Obligation Bonds					
5.0% \$85,000,000	74,705,000	-	(895,000)	73,810,000	940,000
Total Special Obligation Bonds	74,705,000	-	(895,000)	73,810,000	940,000
Total Bonds	104,570,000	-	(4,925,000)	99,645,000	4,270,000
<i>Bond Anticipation Notes:</i>					
2024 Land Acquisition Bond Anticipation Notes					
5.5% \$13,000,000	13,000,000	-	(13,000,000)	-	-
2025 Land Acquisition Bond Anticipation Notes					
4.9% \$13,000,000	-	13,000,000	-	13,000,000	13,000,000
Total Bond Anticipation Notes Bonds	13,000,000	13,000,000	(13,000,000)	13,000,000	13,000,000
<i>Loans from Direct Borrowings:</i>					
Franklin County Infrastructure Bank Loan					
1.85% \$1,250,000	788,340	-	(137,461)	650,879	140,015
Safety Building Loan					
4.5% \$6,168,684	4,015,225	-	(211,346)	3,803,879	220,963
2012 OPWC Loan \$2,730,423	1,529,037	-	(109,217)	1,419,820	109,217
2017 OPWC Loan \$5,407,500	4,326,000	-	(270,375)	4,055,625	270,375
Street Sweeper Loan					
6.5% \$246,151	100,493	-	(49,457)	51,036	51,036
Ford F-150 Loan					
9.24% \$252,127	201,087	-	(43,679)	157,408	47,808
Motorola Radios Loan					
5.65% \$356,592	222,741	-	(70,206)	152,535	74,172
Total Loans from Direct Borrowings	11,182,923	-	(891,741)	10,291,182	913,586
<i>Other Long-Term Obligations:</i>					
Unamortized Bond Premiums	11,991,360	-	(661,032)	11,330,328	-
Net Pension Liability	36,631,830	-	(2,440,683)	34,191,147	-
Net OPEB Liability	1,640,971	-	(303,204)	1,337,767	-
Compensated Absences *	2,638,524	41,189	-	2,679,713	245,415
Total Long Term Liabilities	\$ 181,655,608	\$ 13,041,189	\$ (22,221,660)	\$ 172,475,137	\$ 18,429,001

* The change in compensated absences liability is presented as a net change

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OPWC loans - The City has entered into two debt financing arrangements through the Ohio Public Works Commission (OPWC). The 2012 OPWC loan is to fund the Hilliard Triangle improvement. The \$2,730,423 loan is a zero-interest, 25-year loan.

In 2017, the City was approved to receive \$5,407,500 in a zero-interest, 20-year loan from OPWC for Scioto Darby and Leppert road improvements.

The OPWC loans will be paid from the Capital Improvement Municipal Tax Capital Projects Fund.

In the event of default, as defined by each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or direct Franklin County to pay the amount of any default from the funds which would otherwise be appropriated to the City from the County's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

General Obligation bonds - Generally, all voted and unvoted general obligation bonds issued will be paid through the Street Improvement Municipal Tax, Water and Sewer Revenue, TIF Special Revenue Funds, and the Capital Improvements Municipal Tax Capital Projects Fund.

In 2020 the City issued \$7,605,000 in general obligation various purpose bonds to current refund the 2011 general obligation various purpose bonds and pay for the Series 2020 various purpose road improvement notes. The refunding resulted in a decrease of debt service payments of \$740,000 and an economic gain of \$689,371.

General obligation bonds are backed by the full faith and credit of the City.

Special Obligation bonds – The bonds are unvoted special obligations secured by pledged revenues and will be paid through the Recreation and Parks Fund.

In 2022 the City issued \$85,000,000 in income tax special obligation bonds for the purpose of acquiring, constructing, improving, furnishing, and equipping a recreation and wellness campus for fitness, recreation, and group activities for seniors, families, youth, and others. The bonds carry an interest rate of 5.00 percent and will retire on December 1, 2058.

The City has pledged future income taxes to repay the \$85 million income tax special obligation bonds issued. The bonds are payable solely from the income taxes. Current year principal and interest payments, as a percentage of revenues, were 52 percent. Total principal and interest remaining on the bonds is \$152,177,900, payable through December 2058. For the current year, income tax revenue was \$11,441,862 and principal and interest paid were \$4,492,892.

Bond Anticipation Notes – On January 23, 2025, the City issued \$13,000,000 in General Obligation Bond Anticipation Notes for the purpose of purchasing land. The bond anticipation notes carry an interest rate of 5.5 percent and will mature on January 19, 2026. Subsequent to year-end, the City refinanced the bond anticipation notes for an additional year.

City of Hilliard
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Franklin County Infrastructure Bank Loan: On June 30, 2021, the City entered into a loan agreement with the Board of Commissioners of Franklin County, Ohio for \$1,250,000 for the purpose of financing the construction of an approximately 25 mile, 100 GB fiber network. The loan was entered for a ten-year period with final maturity at June 1, 2030. Payments of principal and interest are recorded as disbursements of the Capital Improvement Municipal Tax Capital Projects Fund.

The City has pledged future revenues to repay the Franklin County Bank Loan with interest from the Capital Improvement Municipal Tax fund. The debt is payable solely from revenues and is payable through 2030. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which was 1.85 percent.

Safety Building Loan - On June 25, 2007, the City entered into an agreement with the Board of Trustees of Norwich Township (the “Township”) for the joint construction and management of a public safety building. The building was constructed and is owned and managed by the township. Initially, the Township paid the entire cost of the building construction. The City entered into a 30-year agreement with the township under which the City will pay its allocated portion of the construction cost which totaled \$6,417,386. The agreement began upon completion of the building and the first payment was made on June 1, 2009. Payments of principal and interest are recorded as disbursements of the Capital Improvements Municipal Tax Capital Projects Fund.

Per the agreement, the building is considered the collateral for the debt payments. In the event of default, the Township may exercise the following rights and remedies:

1. The Township can immediately re-enter and take possession of the building.
2. All rights of the City and all duties of the Township shall immediately cease and terminate.
3. The Township may possess and enjoy the building as though the agreement had never been made, without prejudice, however, to any and all rights of action against the City the Township may have to the debt payments, damages, or breach of covenant.
4. The Township can re-let the building as it determines for and on behalf of the City for the highest rental reasonably obtainable in judgment of the Township (this is not considered as a surrender or acceptance back of the building or termination of the agreement).
5. The Township can recover from the City any deficiency between the amount of the debt payments and all other charges payable under the agreement plus any expenses in connection with reletting, redecorating, repairs, alterations, brokerage commissions, and attorney fees.
6. If the Township makes any repairs or carries insurance, the City may be required to immediately pay the Township for the expenses plus any accrued interest at the rate of 4.5 percent.

Street Sweeper Loan: On March 16, 2022, the City entered into a loan with Republic First National for the purchase of a street sweeper. The loan has an interest rate of 6.5 percent and will be repaid in full in 2026. The loan is paid from the City’s Capital Improvement Municipal Tax Capital Projects Fund.

Per the agreement with Republic First National, the City pledged the street sweeper purchased as collateral for the debt. In the event of default, Republic First National shall have all rights and remedies under law. Also, in the event of default, Republic First National may exercise the following rights and remedies:

1. Republic First National may require the City to pay all the payments outstanding in the year of default.
2. Republic First National may enter the premises of the City to take repossession of the street sweeper.

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Ford F-250 Loan: On November 1, 2023, the City entered into a loan with Ally Bank for the purchase of four Ford trucks. The loan has an interest rate of 9.24 percent and will be repaid in full in 2028. The loan is paid from the City's Capital Improvement Municipal Tax Capital Projects Fund.

Per the agreement with Ally Bank, the City pledged the trucks purchased as collateral for the debt. In the event of default, Ally Bank shall have all rights and remedies under law. Also, in the event of default, Ally Bank may exercise the following rights and remedies:

1. Ally Bank may require the City to pay all the payments outstanding in the year of default.
2. At the expense of the City, Ally Bank may enter the premises of the City to either take repossession of the trucks or require the City to return the trucks.
3. At the expense of the City, Ally Bank may sell or lease the trucks.

Motorola Radios Loan: On March 1, 2023, the City entered into a loan with Motorola Solutions for the purchase of portable radios. The loan has an interest rate of 5.65 percent and will be repaid in full in 2027. The loan is paid from the City's Capital Improvement Municipal Tax Capital Projects Fund.

Per the agreement with Motorola Solutions, the City pledged the equipment purchased as collateral for the debt. In the event of default, Motorola Solutions shall have all rights and remedies under law. Also, in the event of default, Motorola Solutions may exercise the following rights and remedies:

1. Motorola Solutions may require the City to pay all the payments outstanding in the year of default.
2. At the expense of the City, Motorola Solutions may enter the premises of the City to either take repossession of the equipment or require the City to return the equipment.
3. At the expense of the City, Motorola Solutions may sell the equipment.

Net pension/OPEB liability - There is no repayment schedules for the net pension liability and net OPEB liability; however, pension and OPEB contributions are primarily made from the General fund. For additional information related to the net pension liability and net OPEB liability see Notes 13 and 14.

Future Debt Service Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2025 are as follows:

	General Obligation Bonds		Special Obligation Bonds		Loans from Direct Borrowings		Bond Anticipation Notes	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,330,000	\$ 932,738	\$ 940,000	\$ 3,671,700	\$ 913,586	\$ 203,826	\$ 13,000,000	\$ 631,990
2027	3,460,000	801,238	970,000	3,643,700	883,918	180,830	-	-
2028	2,685,000	664,488	1,015,000	3,595,000	823,665	158,291	-	-
2029	2,425,000	567,487	1,065,000	3,544,250	780,082	140,601	-	-
2030	1,885,000	481,137	1,120,000	3,491,000	718,615	126,360	-	-
2031-2035	7,890,000	1,563,185	6,495,000	16,557,250	3,409,558	436,802	-	-
2036-2040	4,160,000	334,977	8,295,000	14,762,500	2,761,758	86,805	-	-
2041-2045	-	-	10,590,000	12,470,500	-	-	-	-
2046-2050	-	-	13,515,000	9,544,500	-	-	-	-
2051-2055	-	-	17,245,000	5,811,250	-	-	-	-
2056-2059	-	-	12,560,000	1,276,250	-	-	-	-
Total	\$ 25,835,000	\$ 5,345,250	\$ 73,810,000	\$ 78,367,900	\$ 10,291,182	\$ 1,333,515	\$ 13,000,000	\$ 631,990

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NOTE 11 – OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation - City employees earn vacation leave at varying rates based upon length of service. Vacation can accumulate to a maximum of 400 hours. When an employee terminates employment, he/she is paid for 100 percent of their unused vacation leave. City employees can also earn compensatory time. Compensatory time is paid at one and one-half times an employee's regular rate. Employees with time remaining upon termination of their employment will be paid for any unused compensatory time.

Accumulated Unpaid Sick Leave - City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death or retirement, an employee (or his/her estate) is paid 50 percent of accumulated sick leave up to a maximum payment of 500 hours.

Deferred Compensation - City employees may participate in Mass Mutual, ING or Ohio Public Employees Deferred Compensation Plans. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency. The City does not contribute to the plan.

NOTE 12 – RISK MANAGEMENT

Property and Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City contracted with several different insurance providers for property, liability, and automobile insurance during the year.

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in the level of coverage from the prior year.

Health Insurance

The City maintains a self-funded health insurance program with claims processed by Central Benefits on behalf of the City. The Insurance Trust Fund (an internal service fund) was created in 1989 to account for and finance the health insurance program.

All funds of the City from which employee salaries are paid participate in the health insurance programs and make payments to the Insurance Trust Fund based on the amounts needed to make claim payments. The claims liability reported in the Insurance Trust Fund at December 31, 2025, is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Management Omnibus*, which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates were calculated by using actual claims reports for several months following the balance sheet date. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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Changes in the Insurance Trust Fund's claims liability amount for 2024 and 2025 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2024	\$ 83,900	\$ 3,181,544	\$ 3,177,944	\$ 87,500
2025	87,500	3,206,536	2,989,665	304,371

NOTE 13 – DEFINED BENEFIT PENSION PLANS

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

Net Pension/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.

Ohio Revised Code limits the City's obligation for this 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 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 due to other governments on both the accrual and modified accrual bases of accounting.

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The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

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 two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, and the member-directed plan is a defined contribution plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in both plans, law enforcement and public safety divisions exist only within the traditional pension plan.

The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

Members of the combined plan division earn a formula benefit similar to, but at a factor less than, the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, combined plan division member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members in this division may also elect to annuitize their defined contribution account balances.

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 pension plan (applicable combined plan division requirements are separately identified) 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 Pension Plan Formula: (Excluding Combined Plan Division) 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 Pension Plan Formula: (Excluding Combined Plan Division) 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 Pension Plan Formula: (Excluding Combined Plan Division) 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Division Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Division Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Division Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional pension plan state and local members (excluding the combined plan division) 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.

Combined plan division members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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 traditional pension plan 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. Members retiring under the combined plan division receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. 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.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan division members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan division consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan division members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts.

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Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	Traditional Pension Plan State and Local Divisions	
	Excluding	
	Combined Plan	Combined Plan
	Division	Division
2025 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %
2025 Actual Contribution Rates		
Employer:		
Pension	14.0 %	12.0 %
Post-employment Health Care Benefits	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan division are not used to fund the defined benefit retirement allowance.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll. For 2025, the City's contractually required contribution was \$1,537,586 for the traditional plan (including combined plan division). Of this amount, \$169,145 is reported as an due to other governments.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police 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. That 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.

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.

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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 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 are 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 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>
2025 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2025 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee	<u>12.25 %</u>

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,451,817 for 2025. Of this amount, \$177,559 is reported as an 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, 2024, 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, 2024, and was determined by rolling forward the total pension liability as of January 1, 2024, to December 31, 2024. 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:

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.055103%	0.2166205%	
Prior Measurement Period	0.056981%	0.2247502%	
Change in Proportion	<u>-0.001878%</u>	<u>-0.0081297%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 13,508,797	\$ 20,682,350	\$ 34,191,147
Pension Expense	\$ 1,469,578	\$ 2,515,770	\$ 3,985,348

Effective January 1, 2024, the combined plan was consolidated with the traditional plan. The proportionate share percentage and net pension liability for the prior period reflects the City's share of contributions to the traditional plan only. The current year proportionate share and net pension liability reflects the consolidated traditional plan inclusive of the combined plan.

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, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	\$ 1,593,630	\$ 1,001,839	\$ 2,595,469
Differences between Expected and Actual Experience	258,469	877,456	1,135,925
Changes of Assumptions	-	815,896	815,896
Changes in Proportionate Share and Differences in Contributions	-	324,904	324,904
City Contributions Subsequent to the Measurement Date	1,537,586	1,451,817	2,989,403
Total Deferred Outflows of Resources	<u>\$ 3,389,685</u>	<u>\$ 4,471,912</u>	<u>\$ 7,861,597</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 104,586	\$ 104,586
Changes of Assumptions	-	234,407	234,407
Changes in Proportionate Share and Differences in Contributions	242,363	1,206,214	1,448,577
Total Deferred Inflows of Resources	<u>\$ 242,363</u>	<u>\$ 1,545,207</u>	<u>\$ 1,787,570</u>

\$2,989,403 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, 2026. 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
2026	\$ 765,856	\$ 795,292	\$ 1,561,148
2027	1,658,974	1,272,147	2,931,121
2028	(614,865)	(459,854)	(1,074,719)
2029	(200,229)	(102,034)	(302,263)
2030	-	(25,871)	(25,871)
Thereafter	-	(4,792)	(4,792)
Total	<u>\$ 1,609,736</u>	<u>\$ 1,474,888</u>	<u>\$ 3,084,624</u>

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.

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, 2024, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

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	OPERS Traditional Plan
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)	2.9 percent, simple for calendar year 2025 then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

For the prior year, the actuarial assumptions for the Combined Legacy Plan included future salary increases (including inflation) of 2.75 percent to 8.25 percent, including wage inflation.

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. 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.

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

During 2024, 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, including 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 8.8 percent for 2024.

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 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 real rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized below:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.42%
Domestic Equities	21.00	5.70
Real Estate	13.00	4.17
Private Equity	15.00	8.40
International Equities	20.00	6.10
Risk Parity	2.00	4.40
Other investments	5.00	2.54
Total	100.00%	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional pension plan. 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 for the traditional pension plan, combined plan and member-directed plan 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 6.90 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.90 percent) or one-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	\$ 22,099,609	\$ 13,508,797	\$ 6,369,907

Actuarial Assumptions – OP&F

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 retirement 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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Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.16 years at December 31, 2024.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2024, 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

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.

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.

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.

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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2024, are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	3.80 %
Non-US Equity	12.40	4.60
Private Markets	10.00	5.60
Core Fixed Income *	25.00	2.60
High Yield Fixed Income	7.00	4.30
Private Credit	5.00	6.70
U.S. Inflation Linked Bonds*	15.00	2.40
Midstream Energy Infrastructure	5.00	5.20
Real Assets	8.00	6.10
Gold	5.00	3.20
Private Real Estate	12.00	5.30
Commodities	2.00	2.50
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 measurement year 2024, 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 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 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment 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. 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's Proportionate Share of the Net Pension Liability	\$ 27,695,600	\$ 20,682,350	\$ 14,849,685

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NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 13 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 two separate pension plans: the traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to fund health care for the Traditional Pension and Member-Directed plans. 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.

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 enrolled in the Traditional Pension Plan 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.

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.

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Retirees who do not 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 on or prior to December 1, 2014, with at least 10 years of qualifying health care service credit will continue to be eligible for the OPERS health care program. Members with a retirement date after December 1, 2014, but 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.

Beginning January 1, 2014, qualifying contributing service credit for health care will be accumulated only if the member's eligible salary is at least \$1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than \$1,000. Credit earned prior to January 2014 will not be affected by this requirement.

Recipients of disability benefits prior to January 1, 2014, have continued access to the health care program while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same manner as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in the OPERS health care program. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances are determined using a percentage based on years of service and the age when the individual is first eligible for the HRA, multiplied by the base allowance as determined by the Board.

The base allowance was \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to \$400 per month in January 2025. 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. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

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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.

Participants in the Member-Directed Plan have a portion of the employer contribution credited to an individual retiree medical account. Interest accrues based on the investment performance of the stable value fund, not to exceed 4 percent. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20 percent for each year of participation until the member is fully vested at the end of five years. Members establishing accounts on or after July 1, 2015, vest over 15 years at a rate of 10 percent each year starting with the sixth year of participation.

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 for the traditional pension plan (except for the combined division).

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2025, 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 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan (excluding the Combined Plan Division). Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan Division which has continued through 2025. 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 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2025, the City's contractually required contribution was \$0 for the traditional plan, exclusive of the combined plan.

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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 stipend model for health care.

A stipend funded by OP&F via the Health Care Stabilization Fund (HCSF) is available to eligible members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. This stipend model allows eligible members the option of choosing an appropriate health care plan on the insurance exchange. Implementation of the stipend model has helped OP&F meet the funding goal of a 15-year future solvency projection in the HCSF.

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 2025, 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.

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The City's contractually required contribution to OP&F was \$38,206 for 2025. Of this amount, \$4,553 is reported as due to other governments.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024, 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, 2024, and was determined by rolling forward the total OPEB liability as of January 1, 2024, to December 31, 2024. 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	0.057439%	0.216621%	
Prior Measurement Period	0.058512%	0.224750%	
Change in Proportion	<u>-0.001073%</u>	<u>-0.008130%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ (1,346,505)	\$ 1,337,767	
OPEB Expense	(448,952)	184,091	(264,861)

At December 31, 2025, 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	\$ 27,726	\$ 54,481	\$ 82,207
Differences between Expected and			
Actual Experience	-	60,078	60,078
Changes of Assumptions	-	281,984	281,984
Changes in Proportionate Share and			
Differences in Contributions	7,591	77,724	85,315
City Contributions Subsequent			
to the Measurement Date	<u>-</u>	<u>38,206</u>	<u>38,206</u>
Total Deferred Outflows of Resources	<u>\$ 35,317</u>	<u>\$ 512,473</u>	<u>\$ 547,790</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 65,537	\$ 272,956	\$ 338,493
Changes of Assumptions	194,289	946,723	1,141,012
Changes in Proportionate Share and			
Differences in Contributions	<u>3,199</u>	<u>191,627</u>	<u>194,826</u>
Total Deferred Inflows of Resources	<u>\$ 263,025</u>	<u>\$ 1,411,306</u>	<u>\$ 1,674,331</u>

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\$38,206 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 2026. 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
2026	\$ (136,923)	\$ (119,015)	\$ (255,938)
2027	128,667	(95,944)	32,723
2028	(162,289)	(190,165)	(352,454)
2029	(57,163)	(206,938)	(264,101)
2030	-	(220,661)	(220,661)
Thereafter	-	(104,316)	(104,316)
Total	<u>\$ (227,708)</u>	<u>\$ (937,039)</u>	<u>\$ (1,164,747)</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	6.00 percent
Prior Year Single Discount Rate	5.70 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.08 percent
Prior Year Municipal Bond Rate	3.77 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2039
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. 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 2024, 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 the Traditional Pension Plan, Combined Plan Division, Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution 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, and 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 10.0 percent for 2024.

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, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.37%
Domestic Equities	26.00	5.70
Real Estate Investment Trust	5.00	5.00
International Equities	26.00	6.10
Risk Parity	3.00	4.40
Other investments	3.00	2.50
Total	100.00%	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate A single discount rate of 6.0 percent was used to measure the total OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70 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).

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This single discount rate was based on the actuarially determined contribution rates of 6.00. The projection of cash flows used to determine 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 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

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 calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (668,590)	\$ (1,346,505)	\$ (1,912,144)

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 (asset). The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability (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 2025 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)	\$ (1,367,048)	\$ (1,346,505)	\$ (1,323,395)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2024, is based on the results of an actuarial valuation date of January 1, 2024, 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 retirement 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 calculating the total OPEB liability in the latest actuarial valuation 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	4.69 percent
Prior measurement rate	4.07 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2039

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.

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.

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.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class.

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The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected 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 %	3.80 %
Non-US Equity	12.40	4.60
Private Markets	10.00	5.60
Core Fixed Income *	25.00	2.60
High Yield Fixed Income	7.00	4.30
Private Credit	5.00	6.70
U.S. Inflation Linked Bonds*	15.00	2.40
Midstream Energy Infrastructure	5.00	5.20
Real Assets	8.00	6.10
Gold	5.00	3.20
Private Real Estate	12.00	5.30
Commodities	2.00	2.50
Total	125.00 %	
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 2024, the total OPEB liability was calculated using the discount rate of 4.69 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2038, and the Municipal Bond Index Rate of 4.04 percent was applied to periods on and after December 31, 2038, resulting in a discount rate of 4.69 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. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.69 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 (3.69 percent), or one percentage point higher (5.69 percent), than the current rate:

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	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 1,661,056	\$ 1,337,767	\$ 1,063,891

NOTE 15 – CONTRACTUAL AND OTHER COMMITMENTS

Contractual Commitments

As of December 31, 2025, the City had contractual purchase commitments as follows:

Vendor	Contract Amount	Amount Expensed	Balance 12/31/2025
Complete General Construction	\$ 145,455	\$ 99,660	\$ 45,795
Decker Construction Company	1,288,803	1,102,122	186,681
DLZ Ohio, Inc.	1,608,350	1,422,663	185,687
Good Home Maintenance, Inc.	234,000	65,959	168,041
Miller Bros Construction Inc.	14,734,660	10,876,822	3,857,838
Prime AE Group of America, Inc.	643,426	197,516	445,910
Ruscilli Construction Co.	70,958,907	51,934,847	19,024,060
Strawser Paving Co.	6,864,749	4,719,440	2,145,309
Evan, Mechwart, Hambleton	400,000	156,508	243,492
J & J Schlaegel, Inc.	183,346	-	183,346
	<u>\$97,061,696</u>	<u>\$70,575,538</u>	<u>\$26,486,158</u>

Other Commitments

As of December 31, 2025, the City had outstanding encumbrances in the governmental funds as follows:

Fund	Amount
General	\$ 4,586,641
TIF	1,914,691
Capital Improvement Municipal Tax	9,455,732
Nonmajor Governmental	3,461,154
	<u>\$ 19,418,218</u>

NOTE 16 – CONTINGENCIES

Grants - For the year ended December 31, 2025, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

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

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

NOTE 17 – FUND BALANCE

Fund balance can be 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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	TIF	Recreation and Parks	Capital Improvement Municipal	Other Governmental Funds	Total
Restricted for:						
Infrastructure Improvements	\$ -	\$ 5,806,580	\$ -	\$ -	\$ 4,789,876	\$ 10,596,456
Public Safety Programs	-	-	-	-	429,383	429,383
Parks and Recreation	-	-	5,386,587	-	-	5,386,587
Capital Outlay	-	-	-	29,565,801	-	29,565,801
Other	-	-	-	-	275,940	275,940
Public Health	-	-	-	-	65,134	65,134
Justice	-	-	-	-	11,726	11,726
Total Restricted	-	5,806,580	5,386,587	29,565,801	5,572,059	46,331,027
Committed for:						
Utility Operations	-	-	-	-	3,556,800	3,556,800
Park Maintenance	-	-	-	-	843,737	843,737
Infrastructure Improvements	-	-	-	-	6,798,004	6,798,004
Total Committed	-	-	-	-	11,198,541	11,198,541
Assigned for:						
General Government	3,339,658	-	-	-	-	3,339,658
Public Safety - Coroner	680,265	-	-	-	-	680,265
Public Health	39,640	-	-	-	-	39,640
Human Services	10,118	-	-	-	-	10,118
Community Environment	191,825	-	-	-	-	191,825
Basic Utility Services	27,762	-	-	-	-	27,762
Transportation	170,357	-	-	-	-	170,357
Community Environment	338,496	-	-	-	-	338,496
Public Safety	31,645	-	-	-	-	31,645
Total Assigned	4,829,766	-	-	-	-	4,829,766
Unassigned	43,814,822	-	-	-	-	43,814,822
Total Fund Balance	\$ 48,644,588	\$ 5,806,580	\$ 5,386,587	\$ 29,565,801	\$ 16,770,600	\$ 106,174,156

NOTE 18 – ASSET RETIREMENT OBLIGATIONS

Sewerage System

Ohio Revised Code (ORC) Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval, including the retirement or abandonment of certain sewer-related assets. Through this permitting process, the City would be responsible to address any public safety issues associated with retiring or abandoning these sewer-related assets. In accordance with ORC Section 6111.44, and applicable accounting standards, the City believes an asset retirement obligation (ARO) to be present, however, while the City is aware of the public safety concerns that would need to be addressed, the cost to address these concerns is not reasonably estimable at this time and therefore an ARO is not recognized in the City's financial statements.

City of Hilliard
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Underground Storage Tanks

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code (OAC) Section 1301-7-9 and require a City classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination.

In accordance with OAC Section 1301-7-9, and applicable accounting standards, the City believes an asset retirement obligation (ARO) to be present, however, while the City is familiar with the requirements, the cost to satisfy these requirements is not reasonably estimable at this time and therefore an ARO is not recognized in the City’s financial statements.

NOTE 19 – SUBSEQUENT EVENT

On January 20, 2026, the City issued \$13,000,000 in General Obligation Bond Anticipation Notes for the purpose of refinancing the existing bond anticipation note. The bond anticipation notes carry an interest rate of 4.862 percent and will mature on January 21, 2027.

NOTE 20 – HILLIARD DEVELOPMENT CORPORATION

Description of the Entity

The Hilliard Development Corporation of Franklin County, Ohio, (the “Corporation”) is a not-for-profit corporation created on January 2, 2015 pursuant to Chapters 1702 and 1724 of the Ohio Revised Code to serve as an agency of the City of Hilliard, Ohio for industrial, commercial, distribution and research development (and redevelopment) for the City of Hilliard and carrying out such plan.

The sole class of members of the Corporation shall be the individual serving as Directors of the Corporation (the “Director”). The authority of the Corporation shall be exercised by its Board of Directors. The number of Directors shall be fixed at seven (7), no fewer than three of whom shall be members of the Hilliard City Council or appointed officials or employees of the City of Hilliard. Hilliard City Council shall elect Directors. Directors, other than City Directors, serve two-year terms and may be reelected without limitation. City Directors serve terms of one year and may be reelected without limitation. Any Director may be removed from office, with or without cause, by vote of the City Council. At December 31, 2025, there were seven Directors serving on the Board of Directors of the Corporation.

The Corporation’s management believes the financial statements included in this report represent all of the activities over which the Corporation is financially accountable.

Summary of Significant Accounting Policies

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

The Corporation's significant accounting policies are described below.

Basis of Accounting

The basic financial statements of the Corporation have been prepared on the accrual basis of accounting in conformity with GAAP and accordingly reflect all significant receivables, payables, and other liabilities.

Receivables

The Corporation recognizes revenue for amounts due, but not received, as of year-end. The Corporation's receivables represent monies due from the City of Hilliard for November and December 2025 hotel/motel tax not received until January and February 2026.

Federal Income Tax

The Hilliard Development Corporation is exempt from federal income tax under section 501(C)(6) of the Internal Revenue Code.

Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

Land Held for Resale

According to GASB No. 72, land held for resale is recorded at cost at the date of acquisition or at estimated fair value at date of gift, if donated, not to exceed net realizable value.

Cash

At year-end, the bank balance was \$474,529. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2025, all of the Corporation's bank balance was covered by the National Credit Union Share Insurance Fund. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

Contribution Revenue

During 2025, the Corporation recognized \$375,432 in contributions from the City of Hilliard which equals 50% of the 6% City of Hilliard hotel/motel excise tax levied and collected pursuant to Ohio Revised Code Section 5739.08(A). The contribution of hotel/motel excise taxes are to be provided by the City of Hilliard to the Corporation on a monthly basis with payment due within thirty days of such tax funds being deposited by the City of Hilliard.

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

Land Held for Resale

The Corporation had the following land held for resale:

<u>Property</u>	<u>Balance 12/31/2025</u>
4840 Davidson Road	\$ 10,766,019
4199 Parkway Lane	662,239
4850 Davidson Road	322,142
4056 Main Street	<u>1,020,639</u>
Total	<u>\$ 12,771,039</u>

4840 Davidson Road

In 2023, the Corporation incurred earnest deposit and ancillary costs for the purchase of property located at 4840 Davidson Road for economic development purposes. On February 13, 2024, the Corporation purchased the property for \$10,588,286. Financing for the purchase was obtained from a contribution from the City of Hilliard (the “City”). During 2024, the City issued short-term notes in the amount of the \$10,619,205 (the “Repayment Amount”) and transferred the proceeds to the Corporation on March 7, 2024, to finance the purchase. On April 22, 2024, the City and the Corporation entered into a User Agreement whereby, upon sale of the property, or a portion thereof, the Corporation will reimburse the City from any funds received not to exceed the Repayment Amount. Any funds in excess of the Repayment Amount received from the sale of the property, or a portion thereof, will be maintained by the Corporation. If the sale of the property, or a portion thereof, fails to fully reimburse the City for the Repayment Amount, the Corporation is not responsible for any further reimbursement. Should the Corporation take no action to sell the property within 24 months of the effective date of the User Agreement, the Corporation will transfer the property to the City, unless an extension is agreed to in writing between the parties. At December 31, 2025, the Corporation has reported the Repayment Amount (\$10,619,205) as “Due to the City of Hilliard” on the Corporation’s financial statements. At December 31, 2025, the Corporation has reported “Land Held for Resale” in the amount of \$10,766,019, which includes the property’s purchase price paid (\$10,588,286) plus \$177,733 in earnest deposit and ancillary costs incurred between 2023 and 2025 to ready the property for resale.

4199 Parkway Lane

In 2023, the Corporation incurred earnest deposit and ancillary costs for the purchase property located at 4199 Parkway Lane for economic development purposes. On February 13, 2024, the Corporation purchased the property for \$1,170,708. Financing for the purchase was obtained from a contribution from the City. During 2024, the City issued short-term notes in the amount of the \$1,200,000 (the “Repayment Amount”) and transferred the proceeds to the Corporation on February 13, 2024, to finance the purchase. On February 13, 2024, the City and the Corporation entered into a User Agreement whereby, upon sale of the property, or a portion thereof, the Corporation will reimburse the City from any funds received not to exceed the Repayment Amount. Any funds in excess of the Repayment Amount received from the sale of the property, or a portion thereof, will be maintained by the Corporation. If the sale of the property, or a portion thereof, fails to fully reimburse the City for the Repayment Amount, the Corporation is not responsible for any further reimbursement. Should the Corporation take no action to sell the property within 24 months of the effective date of the User Agreement, the Corporation will transfer the property to the City, unless an extension is agreed to in writing between the parties. At December 31, 2025, the Corporation has reported the Repayment Amount (\$1,200,000) as “Due to the City of Hilliard” on the Corporation’s financial statements.

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

On March 14, 2024, the Corporation entered into an Agreement for the Exchange of Real Estate (the “Agreement”) with JPMorgan Chase Bank (the “Bank”) to transfer 0.84 acres of land owned by the Corporation located at 4199 Parkway Lane with a carrying value of \$556,906 in exchange for property owned by the Bank located at 4056 Main Street with a fair value of \$1,000,000 (see below). At December 31, 2025, the Corporation has reported “Land Held for Resale” in the amount of \$662,339, which includes the property’s purchase price paid (\$1,170,708) plus \$48,437 in earnest deposit and ancillary costs incurred between 2023 and 2025 to ready the property for resale, less the portion of the property transferred to the Bank in accordance with the Agreement (\$556,906).

4850 Davidson Road

During 2024, the Corporation purchased property located at 4850 Davidson Road for economic development purposes. On November 21, 2024, the Corporation purchased the property for \$311,525. Financing for the purchase was obtained from a \$330,000 contribution (“Repayment Amount”) from the City which occurred on November 13, 2024. On September 30, 2024, the City and the Corporation entered into a User Agreement whereby, upon sale of the property, or a portion thereof, the Corporation will reimburse the City from any funds received not to exceed the Repayment Amount. Any funds in excess of the Repayment Amount received from the sale of the property, or a portion thereof, will be maintained by the Corporation. If the sale of the property, or a portion thereof, fails to fully reimburse the City for the Repayment Amount, the Corporation is not responsible for any further reimbursement. Should the Corporation take no action to sell the property within 24 months of the effective date of the User Agreement, the Corporation will transfer the property to the City, unless an extension is agreed to in writing between the parties. At December 31, 2025, the Corporation has reported the Repayment Amount (\$330,000) as “Due to the City of Hilliard” on the Corporation’s financial statements. At December 31, 2025, the Corporation has reported “Land Held for Resale” in the amount of \$322,142, which includes the property’s purchase price paid (\$311,525) plus \$10,617 in earnest deposit and ancillary costs incurred 2024 to ready the property for resale.

4056 Main Street

On March 14, 2024, the Corporation entered into an Agreement for the Exchange of Real Estate (the “Agreement”) with JPMorgan Chase Bank (the “Bank”) to exchange 0.84 acres of land owned by the Corporation located at 4199 Parkway Lane with a carrying value of \$556,906 for property owned by the Bank located at 4056 Main Street with a fair value of \$1,000,000. At December 31, 2025, the Corporation has reported “Land Held for Resale” in the amount of \$1,020,639, which includes the fair value of the property received in the exchange (\$1,000,000) plus \$20,639 in ancillary costs incurred in 2024 and 2025 to ready the property for resale.

The Corporation had the following contribution activity related to land held for resale and amounts due to City of Hilliard at year-end:

Property	Land Held for Resale Contributions from the City 2025	Amounts Due to the City at 12/31/2025
4840 Davidson Road	\$ 10,619,205	\$ 10,619,205
4199 Parkway Lane	1,200,000	1,200,000
4850 Davidson Road	330,000	330,000
Total	<u>\$ 12,149,205</u>	<u>\$ 12,149,205</u>

City of Hilliard
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2025

NOTE 21 – TAX ABATEMENTS

The City uses income tax abatement agreements with local businesses under the Jobs Creation Tax Incentive program, structured in accordance with Ohio Revised Code Section 718.15. Under the Program, the City may grant income tax incentives on local payroll withholding taxes paid to the City for the purpose of attracting or retaining business within its jurisdiction.

For the year ended December 31, 2025 the City abated income taxes for the following businesses:

<u>Business</u>	<u>Abataed Amount 2025</u>
Advanced Drainage Systems, Inc.	\$ 73,152
Vadata, Inc.	270,851
Forsee Power, Inc.	7,856
RDP Foodservice, LTD	49,658
	<u>\$ 401,516</u>

NOTE 22 – ACCOUNTABLILITY AND COMPLIANCE

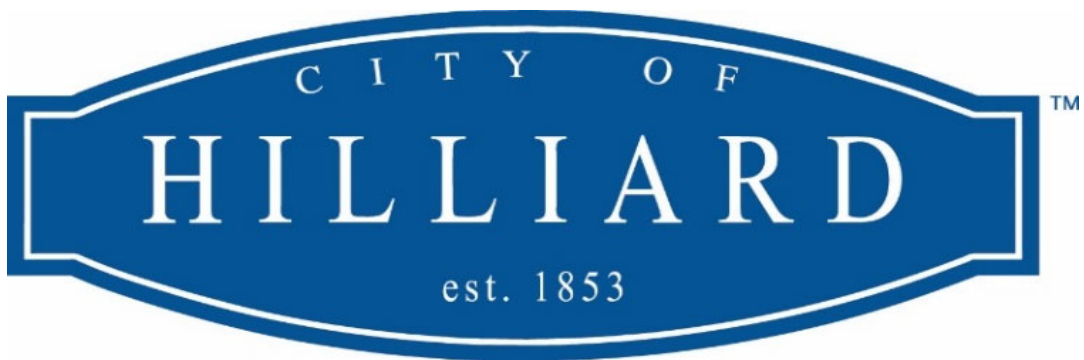
Change in Accounting Principles

For the year ended December 31, 2025, the City has implemented GASB Statement No. 102, *Certain Risk Disclosures*.

GASB Statement No. 102 provides users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints as concentrations and constraints may limit a government's ability to acquire resources or control spending. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the City.

Deficit Fund Balance/Net Position

Fund balances/Net Position at December 31, 2025 include a deficit of \$13,510 in the Internal Service Fund. The General fund is liable for fund deficits and provides transfers when cash is required, not when accruals occur. The deficit resulted from adjustments for accrued liabilities.



REQUIRED SUPPLEMENTARY INFORMATION

City of Hilliard
Franklin County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Years

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<i>Ohio Public Employees' Retirement System (OPERS)</i>					
2025	0.055103%	\$ 13,508,797	\$ 9,627,979	140.31%	80.99%
2024	0.056981%	14,917,859	9,388,486	158.90%	79.01%
2023	0.057334%	16,936,489	8,889,929	190.51%	75.74%
2022	0.059480%	5,175,001	8,634,564	59.93%	92.62%
2021	0.050791%	7,521,041	7,151,500	105.17%	86.88%
2020	0.055598%	10,989,322	8,150,121	134.84%	82.17%
2019	0.054399%	14,898,783	7,427,050	200.60%	74.70%
2018	0.050476%	7,918,774	6,663,515	118.84%	84.66%
2017	0.047571%	10,802,655	6,203,208	174.15%	77.25%
2016	0.047377%	8,206,216	5,895,875	139.19%	81.08%
<i>Ohio Police and Fire Pension Fund (OP&F)</i>					
2025	0.2166205%	\$ 20,682,350	\$ 7,585,892	272.64%	65.26%
2024	0.2247502%	21,713,971	7,102,128	305.74%	63.63%
2023	0.2214890%	21,040,248	6,692,631	314.38%	62.90%
2022	0.2415560%	15,090,997	6,110,651	246.96%	75.03%
2021	0.2362760%	16,107,174	6,361,251	253.21%	70.65%
2020	0.2277350%	15,341,466	6,034,857	254.21%	69.89%
2019	0.2299380%	18,769,017	5,790,363	324.14%	63.07%
2018	0.2121700%	13,021,807	5,180,279	251.37%	70.91%
2017	0.2068970%	13,104,630	4,974,232	263.45%	68.36%
2016	0.2155740%	13,868,027	4,856,900	285.53%	66.77%

The amounts presented for each year were determined as of the measurement date, which is the prior year.
See accompanying notes to the required supplementary information.

City of Hilliard
Franklin County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
Last Nine Years (1)

Year	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
<i>Ohio Public Employees' Retirement System (OPERS)</i>					
2025	0.057439%	\$ (1,346,505)	\$ 9,627,979	-13.99%	121.51%
2024	0.058512%	(528,085)	9,388,486	-5.62%	107.76%
2023	0.057083%	359,919	8,889,929	4.05%	94.79%
2022	0.057970%	(1,815,709)	8,634,564	-21.03%	128.23%
2021	0.049083%	(874,453)	7,151,500	-12.23%	115.57%
2020	0.053898%	7,444,714	8,150,121	91.34%	47.80%
2019	0.052140%	6,797,825	7,427,050	91.53%	46.33%
2018	0.048480%	5,264,532	6,663,515	79.01%	54.14%
2017	0.046464%	4,692,977	6,203,208	75.65%	54.05%
<i>Ohio Police and Fire Pension Fund (OP&F)</i>					
2025	0.216621%	\$ 1,337,767	\$ 7,585,892	17.63%	56.05%
2024	0.224750%	1,640,971	7,102,128	23.11%	51.89%
2023	0.221489%	1,577,008	6,692,631	23.56%	52.59%
2022	0.241556%	2,647,657	6,110,651	43.33%	46.86%
2021	0.236276%	2,503,387	6,361,251	39.35%	45.42%
2020	0.227735%	2,249,508	6,034,857	37.28%	47.08%
2019	0.229938%	2,093,938	5,790,363	36.16%	46.57%
2018	0.212170%	12,021,233	5,180,279	232.06%	14.13%
2017	0.206897%	9,820,922	4,974,232	197.44%	18.96%

The amounts presented for each year were determined as of the measurement date, which is the prior year.

(1) Information prior to 2017 is not available.

See accompanying notes to the required supplementary information.

City of Hilliard
Franklin County, Ohio
Required Supplementary Information
Schedule of City Contributions
Last Ten Years

Year	Contractually Required Contribution - Pension (1)	Contractually Required Contribution - OPEB (1)	City's Covered Payroll	Pension Contributions as a Percentage of Covered Payroll	OPEB Contributions as a Percentage of Covered Payroll
<i>Ohio Public Employees' Retirement System (OPERS)</i>					
2025	\$ 1,537,586	\$ -	\$ 10,982,757	14.00%	0.00%
2024	1,347,917	\$ -	9,627,979	14.00%	0.00%
2023	1,314,388	-	9,388,486	14.00%	0.00%
2022	1,244,590	-	8,889,929	14.00%	0.00%
2021	1,208,839	-	8,634,564	14.00%	0.00%
2020	1,001,210	-	7,151,500	14.00%	0.00%
2019	1,141,017	-	8,150,121	14.00%	0.00%
2018	1,039,787	-	7,427,050	14.00%	0.00%
2017	866,257	68,314	6,663,515	13.00%	1.00%
2016	744,385	124,064	6,203,208	12.00%	2.00%
<i>Ohio Police and Fire Pension Fund (OP&F)</i>					
2025	\$ 1,457,421	\$ 38,206	\$ 7,670,636	19.00%	0.50%
2024	1,441,320	37,929	7,585,892	19.00%	0.50%
2023	1,349,404	35,511	7,102,128	19.00%	0.50%
2022	1,271,600	33,463	6,692,631	19.00%	0.50%
2021	1,161,024	30,553	6,110,651	19.00%	0.50%
2020	1,208,638	31,806	6,361,251	19.00%	0.50%
2019	1,146,623	30,174	6,034,857	19.00%	0.50%
2018	1,100,169	28,952	5,790,363	19.00%	0.50%
2017	984,253	25,813	5,180,279	19.00%	0.50%
2016	945,104	24,871	4,974,232	19.00%	0.50%

(1) The contributions in relation to the contractually required contributions are equal to the contractually required contributions, resulting in zero contribution deficiency/excess.
See accompanying notes to the required supplementary information.

City of Hilliard
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2025

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

No changes to the assumptions below since 2022. Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75%	3.25%	2.75%	2.75%
Future Salary Increases, including wage inflation	2.75% to 10.75%	3.25% to 10.75%	3.25% to 10.75%	4.25% to 10.05%
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3.00%, simple	3.00%, simple	3.00%, simple	3.00%, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.90%	7.20%	7.50%	8.00%
Actuarial Cost Method	Individual	Individual	Individual	Individual
	Entry Age	Entry Age	Entry Age	Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, retirees are as follows:

2025	2.90%, simple through 2025, then 2.05%, simple
2024	2.30%, simple through 2024, then 2.05%, simple
2022	3.00%, simple through 2022, then 2.05%, simple
2021	0.50%, simple through 2021, then 2.15%, simple
2020	1.40%, simple through 2020, then 2.15%, simple
2017-2019	3.00%, simple through 2018, then 2.15%, simple
2016 and prior	3.00%, simple through 2018, then 2.80%, simple

Changes in Benefit Terms – OPERS

There were no significant changes in benefit terms.

Changes in Assumptions – OP&F

For 2022, the single discount rate changed from 8.00 percent to 7.50 percent.

For 2018, the single discount rate changed from 8.25 percent to 8.00 percent.

Changes in Benefit Terms – OP&F

There were no significant changes in benefit terms.

City of Hilliard
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2025

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

<u>Assumption</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Wage Inflation	2.75%	2.75%	2.75%	2.75%	3.25%	3.25%	3.25%	3.25%
Single Discount Rate	6.00%	5.70%	5.22%	6.00%	6.00%	3.16%	3.96%	3.85%
Municipal Bond Rate	4.08%	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
Health Care Cost Trend Rate	5.50%	5.50%	5.50%	5.50%	8.50%	10.50%	10.00%	7.50%

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Assumptions – OP&F

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

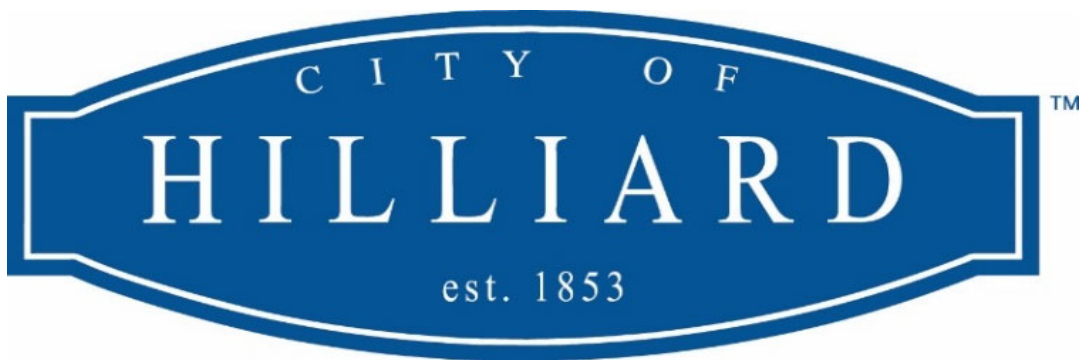
<u>Assumption</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Blended Discount Rate	4.69%	4.07%	4.27%	2.84%	2.96%	3.56%	4.66%	3.24%
Municipal Bond Rate	4.04%	3.38%	3.65%	2.05%	2.12%	2.75%	4.13%	3.16%

Changes in Benefit Terms – OP&F

Beginning January 1, 2019 OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.



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SUPPLEMENTARY INFORMATION



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City of Hilliard
Franklin County, Ohio
Major Fund Descriptions

The **General Fund** is the operating fund and is used to account for all financial resources except for 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.

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue Funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds:

The **Construction Inspection Fund** accounts for the construction inspection fees paid by developers. Expenditures are payments to the inspectors.

The **Police Benevolent Fund** accounts for various donations and fees received by the City for police-related programs that include Safety Town, DARE, and Police K-9.

With the implementation of GASB Statement No. 84, a fund no longer meets the definition to be reported as a Custodial Fund and has been included with the General Fund in the governmental fund financial statements. GASB Statement No. 84 was implemented in 2020.

The **Escrow Fund** accounts for the collection and disbursement of charges for plumbing and electrical inspections provided by the City of Columbus, Franklin County Board of Health, and electrical contractors. This fund also accounts for the collection and remittance of sewer capacity charges and public service department deposits. This fund is not budgeted by the City and therefore a budgetary schedule is not provided.

Major Special Revenue Funds:

The **Tax Increment Financing Fund** accounts for real estate taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners' property.

The **Recreation and Parks Fund** accounts for a portion of the City's income tax collections to be used for capital and operation expenses related to the City's parks and recreation, including expenses related to the design, construction, maintenance, and operations of a new community center. In 2024, 52 percent of the income tax collections were deposited into the fund.

Major Capital Project Fund:

The **Capital Improvement Municipal Tax Fund** accounts for 25 percent of the City's income tax collections and impact fees which are used for various capital improvements.

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Major Funds - General Fund
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and other taxes	\$ 2,506,000	\$ 2,780,396	\$ 274,396
Municipal income taxes	26,000,000	29,535,956	3,535,956
Charges for services	4,628,500	4,082,646	(545,854)
Licenses and permits	1,291,700	1,577,817	286,117
Fines and forfeitures	125,000	141,923	16,923
Intergovernmental	945,000	1,083,669	138,669
Investment earnings	1,750,000	3,788,822	2,038,822
Miscellaneous	176,800	169,584	(7,216)
Total Revenues	37,423,000	43,160,813	5,737,813
Expenditures:			
Current:			
<u>General Government</u>			
Mayor:			
Personal Services	374,958	347,051	27,907
Contractual Services	123,600	108,400	15,200
Materials and Supplies	6,009	4,493	1,516
Total Mayor	504,567	459,944	44,623
City Council:			
Personal Services	573,397	476,517	96,880
Contractual Services	30,805	7,095	23,710
Materials and Supplies	293,687	260,976	32,711
Total City Council	897,889	744,588	153,301
Clerk of Courts:			
Personal Services	18,765	12,955	5,810
Contractual Services	2,278	1,472	806
Materials and Supplies	2,940	2,345	595
Total Clerk of Courts:	23,983	16,772	7,211
Law:			
Personal Services	837,615	726,382	111,233
Contractual Services	533,925	452,934	80,991
Materials and Supplies	20,353	15,404	4,949
Total Law	1,391,893	1,194,720	197,173
Finance:			
Personal Services	1,124,001	1,048,545	75,456
Contractual Services	80,008	79,924	84
Materials and Supplies	39,480	31,961	7,519
Other Expenditures	113,000	110,091	2,909
Total Finance	1,243,489	1,160,430	83,059
Economic Development:			
Personal Services	447,705	416,807	30,898
Contractual Services	156,000	149,185	6,815
Materials and Supplies	120,422	104,147	16,275
Total Economic Development	724,127	670,139	53,988
Human Resources:			
Personal Services	589,163	505,407	83,756
Contractual Services	257,673	206,547	51,126
Materials and Supplies	61,947	44,673	17,274
Total Human Resources	908,783	756,627	152,156
Public Building and Land:			
Personal Services	385,318	321,107	64,211
Contractual Services	3,591,243	3,168,540	422,703
Materials and Supplies	77,730	58,193	19,537
Utilities	682,669	666,722	15,947
Total Public Building and Land	4,351,642	3,893,455	458,187

(continued)

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Major Funds - General Fund
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Information Technology:			
Personal Services	\$ 1,186,190	\$ 1,094,083	\$ 92,107
Contractual Services	1,876,184	1,800,983	75,201
Materials and Supplies	31,354	21,837	9,517
Total Information Technology	3,093,728	2,916,903	176,825
Communications:			
Personal Services	839,205	710,354	128,851
Contractual Services	169,600	150,953	18,647
Materials and Supplies	259,422	268,044	(8,622)
Total Communications	1,268,227	1,129,351	138,876
Boards and Commissions:			
Materials and Supplies	17,901	9,401	8,500
Total Boards and Commissions	17,901	9,401	8,500
General Administration:			
Personal Services	37,690	15,313	22,377
Contractual Services	2,020,965	1,987,389	33,576
Materials and Supplies	72,753	72,715	38
Other Expenditures	2,977,657	2,952,227	25,430
Total General Administration	2,131,408	2,075,417	55,991
Total General Government	20,033,612	18,411,172	1,622,440
<u>Security of Persons and Property:</u>			
Police:			
Personal Services	13,882,961	13,078,001	804,960
Contractual Services	1,783,361	1,661,140	122,221
Materials and Supplies	345,230	291,465	53,765
Other Expenditures	300	-	300
Total Police	16,011,552	15,030,606	980,946
Total Security of Persons and Property	16,011,852	15,030,606	981,246
<u>Public Health:</u>			
County Public Health:			
Contractual Services	430,484	430,402	82
Total County Public Health	430,484	430,402	82
Total Public Health	430,484	430,402	82
<u>Leisure Time Activities</u>			
Community Services			
Personal Services	218,142	202,075	16,067
Materials and Supplies	41,282	2,463	38,819
Total Community Services	259,424	204,538	54,886
Total Leisure Time Activities	259,424	204,538	54,886
<u>Community Environment:</u>			
Service/Engineer:			
Personal Services	827,803	691,620	136,183
Contractual Services	140,334	110,667	29,667
Materials and Supplies	15,210	13,790	1,420
Total Service/Engineer	983,347	816,077	167,270
Building Inspection:			
Personal Services	586,917	483,701	103,216
Materials and Supplies	10,584	7,096	3,488
Total Building Inspection	597,501	490,797	106,704

(continued)

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Major Funds - General Fund
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Planning:			
Personal Services	\$ 658,918	\$ 583,162	\$ 75,756
Contractual Services	15,200	9,000	6,200
Materials and Supplies	11,300	9,800	1,500
Other Expenditures	2,500	2,500	-
Total Planning	687,918	604,462	83,456
Total Community Environment	2,268,766	1,911,336	357,430
<u>Transportation</u>			
Mobility:			
Personal Services	211,039	193,256	17,783
Contractual Services	502,201	447,776	54,425
Materials and Supplies	12,674	10,663	2,011
Total Mobility	725,914	651,695	74,219
Total Transportation	725,914	651,695	74,219
Total Expenditures	39,730,052	36,639,749	3,090,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,307,052)	6,521,064	8,828,116
Other Financing Sources (Uses):			
Sale of Capital Assets	1,000	17,230	16,230
Transfers Out	(5,717,384)	(5,717,384)	-
Total Other Financing Sources (Uses)	(5,716,384)	(5,700,154)	16,230
Net Change in Fund Balances	(8,023,436)	820,910	8,844,346
Fund Balance, Beginning of Year	31,685,862	31,685,862	-
Prior Year Encumbrances Appropriated	4,116,341	4,116,341	-
Fund Balance, End of Year	\$ 27,778,767	\$ 36,623,113	\$ 8,844,346

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Major Funds - Recreation and Parks Fund
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Municipal income taxes	\$ 10,000,000	\$ 11,359,983	\$ 1,359,983
Charges for services	1,622,000	3,215,824	1,593,824
Intergovernmental	-	4,535,959	4,535,959
Investment earnings	1,000,000	1,659,448	659,448
Miscellaneous	500	100	(400)
Total Revenues	12,622,500	20,771,314	8,148,814
Expenditures:			
Current:			
Leisure Time Activities:			
Personal Services	7,369,517	5,865,593	1,503,924
Contractual Services	1,407,732	1,218,641	189,091
Materials and Supplies	864,244	780,384	83,860
Utilities	1,002,400	1,002,398	2
Other Expenditures	49,637,037	41,368,291	8,268,746
Capital Outlay	723,500	711,439	12,061
Total Leisure Time Activities	61,004,430	50,946,746	10,057,684
General Government:			
Other Expenditures	55,000	55,000	-
Total General Government	55,000	55,000	-
Transportation:			
Capital Outlay	30,311	-	30,311
Total Transportation	30,311	-	30,311
Debt Service:			
Principal retirement	895,000	895,000	-
Interest and fiscal charges	3,725,000	3,526,234	198,766
Total Debt Service	4,620,000	4,421,234	198,766
Total Expenditures	65,709,741	55,422,980	10,286,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,087,241)	(34,651,666)	18,435,575
Other Financing Sources:			
Proceeds of bonds	15,000,000	-	(15,000,000)
Total Other Financing Sources	15,000,000	-	(15,000,000)
Net Change in Fund Balances	(38,087,241)	(34,651,666)	3,435,575
Fund Balance, Beginning of Year	20,274,938	20,274,938	-
Prior Year Encumbrances Appropriated	19,035,185	19,035,185	-
Fund Balance, End of Year	\$ 1,222,882	\$ 4,658,457	\$ 3,435,575

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Major Funds - TIF Fund
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Payments in lieu of taxes	\$ 8,790,000	\$ 9,146,379	\$ 356,379
Intergovernmental	95,000	94,741	(259)
Total Revenues	<u>8,885,000</u>	<u>9,241,120</u>	<u>356,120</u>
Expenditures:			
Current:			
General Government:			
Other Expenditures	4,175,945	3,833,344	342,601
Total General Government	<u>4,175,945</u>	<u>3,833,344</u>	<u>342,601</u>
Transportation:			
Other Expenditures	6,620,751	6,620,751	-
Total Transportation	<u>6,620,751</u>	<u>6,620,751</u>	<u>-</u>
Debt Service:			
Principal retirement	278,000	278,000	-
Interest and fiscal charges	22,000	22,000	-
Total Debt Service	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Expenditures	<u>11,096,696</u>	<u>10,754,095</u>	<u>342,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,211,696)	(1,512,975)	698,721
Other Financing Uses:			
Transfers Out	(480,051)	(480,051)	-
Total Other Financing Uses	<u>(480,051)</u>	<u>(480,051)</u>	<u>-</u>
Net Change in Fund Balances	(2,691,747)	(1,993,026)	698,721
Fund Balance, Beginning of Year	4,096,563	4,096,563	-
Prior Year Encumbrances Appropriated	1,788,346	1,788,346	-
Fund Balance, End of Year	<u>\$ 3,193,162</u>	<u>\$ 3,891,883</u>	<u>\$ 698,721</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Construction Inspection Fund (1)
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 800,000	\$ 791,850	\$ (8,150)
Miscellaneous	55,000	1,856	(53,144)
Total Revenues	855,000	793,706	(61,294)
Expenditures:			
Current:			
Community Environment:			
Personal Services	605,899	457,655	148,244
Contractual Services	671,425	641,566	29,859
Materials and Supplies	5,070	892	4,178
Total Expenditures	1,282,394	1,100,113	182,281
Net Change in Fund Balances	(427,394)	(306,407)	120,987
Fund Balance, Beginning of Year	339,569	339,569	-
Prior Year Encumbrances Appropriated	189,456	189,456	-
Fund Balance, End of Year	\$ 101,631	\$ 222,618	\$ 120,987

(1) For GAAP reporting, this fund is combined with the General Fund.

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Police Benevolent Fund (1)
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 25,000	\$ 50	\$ (24,950)
Miscellaneous	6,000	870	(5,130)
Total Revenues	<u>31,000</u>	<u>920</u>	<u>(30,080)</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Contractual Services	10,360	60	10,300
Materials and Supplies	14,655	13,888	767
Total Expenditures	<u>25,015</u>	<u>13,948</u>	<u>11,067</u>
Net Change in Fund Balances	5,985	(13,028)	(19,013)
Fund Balance, Beginning of Year	36,928	36,928	-
Prior Year Encumbrances Appropriated	2,415	2,415	-
Fund Balance, End of Year	<u>\$ 45,328</u>	<u>\$ 26,315</u>	<u>\$ (19,013)</u>

(1) For GAAP reporting, this fund is combined with the General Fund.

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Major Funds - Capital Improvement Municipal Tax Fund
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Municipal income taxes	\$ 10,000,000	\$ 11,359,983	\$ 1,359,983
Licenses and permits	50,000	-	(50,000)
Intergovernmental	800,000	2,140,545	1,340,545
Total Revenues	10,850,000	13,500,528	2,650,528
Expenditures:			
Current:			
General Government:			
Contractual Services	500,799	467,064	33,735
Other Expenditures	774,000	774,000	-
Capital Outlay	5,126,198	4,457,316	668,882
Total General Government	6,400,997	5,698,380	702,617
Security of Persons and Property:			
Capital Outlay	910,701	791,038	119,663
Total Security of Persons and Property	910,701	791,038	119,663
Leisure Time Activities:			
Capital Outlay	370,591	305,248	65,343
Total Leisure Time Activities	370,591	305,248	65,343
Basic Utility Services:			
Contractual Services	300,000	191,700	108,300
Capital Outlay	6,002,826	5,082,778	920,048
Total Basic Utility Services	6,302,826	5,274,478	1,028,348
Transportation:			
Contractual Services	254,571	254,571	-
Capital Outlay	9,443,712	8,107,997	1,335,715
Total Transportation	9,698,283	8,362,568	1,335,715
Debt Service:			
Principal retirement	17,219,346	17,219,346	-
Interest and fiscal charges	2,156,819	2,084,041	72,778
Total Debt Service	19,376,165	19,303,387	72,778
Total Expenditures	43,059,563	39,735,099	3,324,464
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,209,563)	(26,234,571)	5,974,992
Other Financing Sources:			
Sale of capital assets	100,000	30,000	(70,000)
Issuance of notes	13,000,000	13,000,000	-
Premium on issuance of notes	-	66,170	66,170
Transfers in	7,000,000	3,480,050	(3,519,950)
Total Other Financing Sources	20,100,000	16,576,220	(3,523,780)
Net Change in Fund Balances	(12,109,563)	(9,658,351)	2,451,212
Fund Balance, Beginning of Year	17,172,836	17,172,836	-
Prior Year Encumbrances Appropriated	7,624,337	7,624,337	-
Fund Balance, End of Year	\$ 12,687,610	\$ 15,138,822	\$ 2,451,212

City of Hilliard
Franklin County, Ohio
Nonmajor Fund Descriptions – Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

The following are descriptions of each Special Revenue Fund:

The **Street Maintenance and Repair Fund** accounts for the portion of the state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

The **County Municipal Motor Vehicle Tax Fund** accounts for funds received from the City's permissive motor vehicle license tax and from the County's permissive motor vehicle license tax restricted for use of maintaining certain roadways within the City.

The **Street Improvement Municipal Tax Fund** accounts for a portion of the City's income tax collections to be used for repair and improvement of streets and highways.

The **Park Maintenance Fund** accounts for public use fees collected on all lots developed in the City and the expenditures for all park maintenance, repair, and upkeep.

The **Police Fund** accounts for financial resources used to educate and treat persons with alcohol-related problems, to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol, to account for mandatory drug fines, and to account for proceeds received from the sale of property received as a result of the Safety Department's participation in drug investigations or confiscated during drug-related arrests.

The **Mayor's Court Computer Fund** accounts for financial resources used to address the needs of defendants with substance abuse disorders who face criminal charges by establishing effective treatment as an alternative to incarceration.

The **Hilliard Recovery Court Fund** accounts for court fees to be used to maintain and upgrade the computer system in the Mayor's Court.

The **OneOhio Opioid Settlement Fund** accounts for revenue and expenditures related to the OneOhio settlement with national opioid distributors.

The **General Government Grants Fund** accounts for revenue and expenditures related to grants received from various sources.

The **Heritage Trail Dog Park Fund** accounts for the receipt and expenditure of donations for the construction of the Heritage Trail Dog Park.

The **American Rescue Plan Act (ARPA) Fund** accounts for a substantial infusion of resources to meet pandemic needs and rebuild a stronger and more equitable economy as the country recovers.

The **Water and Sewer Revenue Fund** is used to account for water and sewer tap fees and water and sewer surcharge revenues collected by the City of Columbus for the City of Hilliard. These revenues are used for upgrading and making minor repairs to water and sewer lines.

City of Hilliard
Franklin County, Ohio
Nonmajor Fund Descriptions – Special Revenue Funds

The **Storm Water Utility Fund** accounts for storm water utility fees which are used to maintain and upgrade the storm water drainage systems.

City of Hilliard
Franklin County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police
Assets					
Equity in Pooled Cash and Cash Investments	\$ 2,148,839	\$ 2,199,744	\$ 6,632,795	\$ 843,637	\$ 417,519
Accounts Receivable	-	-	-	-	-
Due from Other Governments	1,174,998	796,887	-	-	-
Income Taxes Receivable	-	-	1,013,214	-	-
<i>Total Assets</i>	<u>\$ 3,323,837</u>	<u>\$ 2,996,631</u>	<u>\$ 7,646,009</u>	<u>\$ 843,637</u>	<u>\$ 417,519</u>
Liabilities					
Accounts Payable	\$ 149	\$ 3,336	\$ 163,609	\$ -	\$ -
Income Tax Refund Payable	-	-	382,478	-	-
Accrued Wages and Benefits	10,863	-	-	-	-
Due to Other Governments	12,863	-	-	-	-
Unearned Revenue	-	-	-	-	-
<i>Total Liabilities</i>	<u>23,875</u>	<u>3,336</u>	<u>546,087</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable Revenue	783,332	720,049	301,918	-	-
Fund Balances					
Restricted	2,516,630	2,273,246	-	-	417,519
Committed	-	-	6,798,004	843,637	-
<i>Total Fund Balances (Deficit)</i>	<u>2,516,630</u>	<u>2,273,246</u>	<u>6,798,004</u>	<u>843,637</u>	<u>417,519</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,323,837</u>	<u>\$ 2,996,631</u>	<u>\$ 7,646,009</u>	<u>\$ 843,637</u>	<u>\$ 417,519</u> (continued)

City of Hilliard
Franklin County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Mayor's Court Computer	Hilliard Recovery Court	OneOhio Opioid Settlement	General Government Grants	Heritage Trail Dog Park
Assets					
Equity in Pooled Cash and Cash Investments	\$ 11,864	\$ 12,832	\$ 65,134	\$ 294,441	\$ 100
Accounts Receivable	-	-	141,449	-	-
Due from Other Governments	-	-	-	-	-
Income Taxes Receivable	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 11,864</u>	<u>\$ 12,832</u>	<u>\$ 206,583</u>	<u>\$ 294,441</u>	<u>\$ 100</u>
Liabilities					
Accounts Payable	\$ -	\$ 1,106	\$ -	\$ -	\$ -
Income Tax Refund Payable	-	-	-	-	-
Accrued Wages and Benefits	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	18,503	-
<i>Total Liabilities</i>	<u>-</u>	<u>1,106</u>	<u>-</u>	<u>18,503</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable Revenue	-	-	141,449	-	-
Fund Balances					
Restricted	11,864	11,726	65,134	275,938	-
Committed	-	-	-	-	100
<i>Total Fund Balances (Deficit)</i>	<u>11,864</u>	<u>11,726</u>	<u>65,134</u>	<u>275,938</u>	<u>100</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 11,864</u>	<u>\$ 12,832</u>	<u>\$ 206,583</u>	<u>\$ 294,441</u>	<u>\$ 100</u>

(continued)

City of Hilliard
Franklin County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	American Rescue Plan Act	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Investments	\$ 2	\$ 2,186,063	\$ 1,521,361	\$ 16,334,331
Accounts Receivable	-	123,546	102,348	367,343
Due from Other Governments	-	-	-	1,971,885
Income Taxes Receivable	-	-	-	1,013,214
<i>Total Assets</i>	<u>\$ 2</u>	<u>\$ 2,309,609</u>	<u>\$ 1,623,709</u>	<u>\$ 19,686,773</u>
Liabilities				
Accounts Payable	\$ -	\$ 6,429	\$ 307,863	\$ 482,492
Income Tax Refund Payable	-	-	-	382,478
Accrued Wages and Benefits	-	12,078	6,039	28,980
Due to Other Governments	-	22,304	21,805	56,972
Unearned Revenue	-	-	-	18,503
<i>Total Liabilities</i>	<u>-</u>	<u>40,811</u>	<u>335,707</u>	<u>969,425</u>
Deferred Inflows of Resources				
Unavailable Revenue	-	-	-	1,946,748
Fund Balances				
Restricted	2	-	-	5,572,059
Committed	-	2,268,798	1,288,002	11,198,541
<i>Total Fund Balances (Deficit)</i>	<u>2</u>	<u>2,268,798</u>	<u>1,288,002</u>	<u>16,770,600</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 2</u>	<u>\$ 2,309,609</u>	<u>\$ 1,623,709</u>	<u>\$ 19,686,773</u>

City of Hilliard
Franklin County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Street Maintenance and Repair	County Municipal Motor Vehicle Tax	Street Improvement Municipal Tax	Park Maintenance	Police
Revenues					
Income Taxes	\$ -	\$ -	\$ 4,576,745	\$ -	\$ -
Charges for Services	-	-	-	222,742	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	126,955
Intergovernmental	2,448,152	475,369	62,239	-	-
Investment Income	50,449	58,874	-	-	-
Miscellaneous	29,433	-	-	-	-
<i>Total Revenues</i>	<u>2,528,034</u>	<u>534,243</u>	<u>4,638,984</u>	<u>222,742</u>	<u>126,955</u>
Expenditures					
Current:					
General Government	-	-	138,656	-	-
Security of Persons and Property	-	-	-	-	22,267
Leisure Time Activities	-	-	-	107,189	-
Basic Utility Service	-	-	-	-	-
Transportation	1,890,641	263,830	3,980,402	-	-
Capital Outlay	-	-	148,433	-	-
Debt Service					
Principal Retirement	-	-	267,200	-	-
Interest and Fiscal Charges	-	-	32,800	-	-
<i>Total Expenditures</i>	<u>1,890,641</u>	<u>263,830</u>	<u>4,567,491</u>	<u>107,189</u>	<u>22,267</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>637,393</u>	<u>270,413</u>	<u>71,493</u>	<u>115,553</u>	<u>104,688</u>
Other Financing Sources (Uses)					
Transfers In	500,000	-	1,500,000	-	-
<i>Net Change in Fund Balances</i>	1,137,393	270,413	1,571,493	115,553	104,688
<i>Fund Balances Beginning of Year</i>	<u>1,379,237</u>	<u>2,002,833</u>	<u>5,226,511</u>	<u>728,084</u>	<u>312,831</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,516,630</u>	<u>\$ 2,273,246</u>	<u>\$ 6,798,004</u>	<u>\$ 843,637</u>	<u>\$ 417,519</u>

(continued)

City of Hilliard
Franklin County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	Mayor's Court Computer	Hilliard Recovery Court	OneOhio Opioid Settlement	General Government Grants	Heritage Trail Dog Park
Revenues					
Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	14,550	-	23,722	-	-
Intergovernmental	-	60,445	-	99,619	-
Investment Income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total Revenues</i>	<u>14,550</u>	<u>60,445</u>	<u>23,722</u>	<u>99,619</u>	<u>-</u>
Expenditures					
Current:					
General Government	19,978	106,033	-	-	-
Security of Persons and Property	-	-	-	-	-
Leisure Time Activities	-	-	-	39,165	-
Basic Utility Service	-	-	-	-	-
Transportation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<i>Total Expenditures</i>	<u>19,978</u>	<u>106,033</u>	<u>-</u>	<u>39,165</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,428)</u>	<u>(45,588)</u>	<u>23,722</u>	<u>60,454</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
<i>Net Change in Fund Balances</i>	<u>(5,428)</u>	<u>(45,588)</u>	<u>23,722</u>	<u>60,454</u>	<u>-</u>
<i>Fund Balances Beginning of Year</i>	<u>17,292</u>	<u>57,314</u>	<u>41,412</u>	<u>215,484</u>	<u>100</u>
<i>Fund Balances End of Year</i>	<u>\$ 11,864</u>	<u>\$ 11,726</u>	<u>\$ 65,134</u>	<u>\$ 275,938</u>	<u>\$ 100</u>

(continued)

City of Hilliard
Franklin County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

	American Rescue Plan Act	Water and Sewer Revenue	Storm Water Utility	Total Nonmajor Special Revenue Funds
Revenues				
Income Taxes	\$ -	\$ -	\$ -	\$ 4,576,745
Charges for Services	-	2,234,023	1,314,830	3,771,595
Licenses and Permits	-	2,400	-	2,400
Fines and Forfeitures	-	-	-	165,227
Intergovernmental	54,098	-	-	3,199,922
Investment Income	-	-	-	109,323
Miscellaneous	-	-	-	29,433
<i>Total Revenues</i>	<u>54,098</u>	<u>2,236,423</u>	<u>1,314,830</u>	<u>11,854,645</u>
Expenditures				
Current:				
General Government	-	-	-	264,667
Security of Persons and Property	-	-	-	22,267
Leisure Time Activities	54,096	-	-	200,450
Basic Utility Service	-	1,827,656	1,637,395	3,465,051
Transportation	-	-	-	6,134,873
Capital Outlay	-	-	-	148,433
Debt Service				
Principal Retirement	-	157,200	-	424,400
Interest and Fiscal Charges	-	32,800	-	65,600
<i>Total Expenditures</i>	<u>54,096</u>	<u>2,017,656</u>	<u>1,637,395</u>	<u>10,725,741</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2</u>	<u>218,767</u>	<u>(322,565)</u>	<u>1,128,904</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	2,000,000
<i>Net Change in Fund Balances</i>	<u>2</u>	<u>218,767</u>	<u>(322,565)</u>	<u>3,128,904</u>
<i>Fund Balances Beginning of Year</i>	<u>-</u>	<u>2,050,031</u>	<u>1,610,567</u>	<u>13,641,696</u>
<i>Fund Balances End of Year</i>	<u>\$ 2</u>	<u>\$ 2,268,798</u>	<u>\$ 1,288,002</u>	<u>\$ 16,770,600</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Street Maintenance and Repair Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 2,755,000	\$ 2,442,523	\$ (312,477)
Investment earnings	45,000	50,449	5,449
Miscellaneous	25,000	29,433	4,433
Total Revenues	<u>2,825,000</u>	<u>2,522,405</u>	<u>(302,595)</u>
Expenditures:			
Current:			
Transportation:			
Personal Services	1,322,262	1,259,255	63,007
Contractual Services	447,397	399,462	47,935
Materials and Supplies	1,131,034	840,777	290,257
Capital Outlay	1,315,602	681,984	633,618
Total Expenditures	<u>4,216,295</u>	<u>3,181,478</u>	<u>1,034,817</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,391,295)	(659,073)	732,222
Other Financing Sources (Uses):			
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balances	(891,295)	(159,073)	732,222
Fund Balance, Beginning of Year	521,833	521,833	-
Prior Year Encumbrances Appropriated	614,312	614,312	-
Fund Balance, End of Year	<u>\$ 244,850</u>	<u>\$ 977,072</u>	<u>\$ 732,222</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

County Municipal Motor Vehicle Tax Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 450,000	\$ 475,558	\$ 25,558
Investment earnings	50,000	58,874	8,874
Total Revenues	<u>500,000</u>	<u>534,432</u>	<u>34,432</u>
Expenditures:			
Current:			
Transportation:			
Contractual Services	252,594	250,136	2,458
Materials and Supplies	100,218	94,982	5,236
Total Expenditures	<u>352,812</u>	<u>345,118</u>	<u>7,694</u>
Net Change in Fund Balances	147,188	189,314	42,126
Fund Balance, Beginning of Year	1,877,250	1,877,250	-
Prior Year Encumbrances Appropriated	59,262	59,262	-
Fund Balance, End of Year	<u>\$ 2,083,700</u>	<u>\$ 2,125,826</u>	<u>\$ 42,126</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Street Improvement Municipal Tax Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Municipal income taxes	\$ 4,000,000	\$ 4,543,993	\$ 543,993
Intergovernmental	400,000	62,239	(337,761)
Total Revenues	4,400,000	4,606,232	206,232
Expenditures:			
Current:			
General Government:			
Contractual Services	126,090	94,913	31,177
Other Expenditures	309,600	300,658	8,942
Total General Government	435,690	395,571	40,119
Transportation:			
Contractual Services	1,379,479	1,305,322	74,157
Capital Outlay	5,172,292	4,915,473	256,819
Total Transportation	6,551,771	6,220,795	330,976
Debt Service:			
Principal retirement	267,200	267,200	-
Interest and fiscal charges	32,800	32,800	-
Total Debt Service	300,000	300,000	-
Total Expenditures	7,287,461	6,916,366	371,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,887,461)	(2,310,134)	577,327
Other Financing Sources:			
Transfers In	1,500,000	1,500,000	-
Total Other Financing Sources	1,500,000	1,500,000	-
Net Change in Fund Balances	(1,387,461)	(810,134)	577,327
Fund Balance, Beginning of Year	3,939,203	3,939,203	-
Prior Year Encumbrances Appropriated	1,833,544	1,833,544	-
Fund Balance, End of Year	\$ 4,385,286	\$ 4,962,613	\$ 577,327

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Park Maintenance Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 350,000	\$ 222,742	\$ (127,258)
Total Revenues	<u>350,000</u>	<u>222,742</u>	<u>(127,258)</u>
Expenditures:			
Current:			
Leisure Time Activities:			
Contractual Services	20,600	-	20,600
Materials and Supplies	10,300	-	10,300
Capital Outlay	150,850	120,747	30,103
Total Expenditures	<u>181,750</u>	<u>120,747</u>	<u>61,003</u>
Net Change in Fund Balances	168,250	101,995	(66,255)
Fund Balance, Beginning of Year	607,232	607,232	-
Prior Year Encumbrances Appropriated	120,850	120,850	-
Fund Balance, End of Year	<u>\$ 896,332</u>	<u>\$ 830,077</u>	<u>\$ (66,255)</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Police Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ 97,550	\$ 126,955	\$ 29,405
Total Revenues	<u>97,550</u>	<u>126,955</u>	<u>29,405</u>
Expenditures:			
Current:			
Security of Persons and Property:			
Materials and Supplies	40,450	36,617	3,833
Other Expenditures	13	13	-
Total Expenditures	<u>40,463</u>	<u>36,630</u>	<u>3,833</u>
Net Change in Fund Balances	57,087	90,325	33,238
Fund Balance, Beginning of Year	306,368	306,368	-
Prior Year Encumbrances Appropriated	6,464	6,464	-
Fund Balance, End of Year	<u>\$ 369,919</u>	<u>\$ 403,157</u>	<u>\$ 33,238</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

Mayor's Court Computer Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ 30,000	\$ 14,550	\$ (15,450)
Total Revenues	<u>30,000</u>	<u>14,550</u>	<u>(15,450)</u>
Expenditures:			
Current:			
General Government:			
Contractual Services	26,454	19,978	6,476
Materials and Supplies	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>36,454</u>	<u>19,978</u>	<u>16,476</u>
Net Change in Fund Balances	(6,454)	(5,428)	1,026
Fund Balance, Beginning of Year	10,838	10,838	-
Prior Year Encumbrances Appropriated	<u>6,454</u>	<u>6,454</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 10,838</u>	<u>\$ 11,864</u>	<u>\$ 1,026</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Hilliard Recovery Court Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ 5,000	\$ -	\$ (5,000)
Intergovernmental	175,000	60,445	(114,555)
Total Revenues	<u>180,000</u>	<u>60,445</u>	<u>(119,555)</u>
Expenditures:			
Current:			
General Government:			
Personal Services	391	-	391
Contractual Services	91,808	45,515	46,293
Materials and Supplies	128,054	76,700	51,354
Total Expenditures	<u>220,253</u>	<u>122,215</u>	<u>98,038</u>
Net Change in Fund Balances	(40,253)	(61,770)	(21,517)
Fund Balance, Beginning of Year	46,406	46,406	-
Prior Year Encumbrances Appropriated	15,453	15,453	-
Fund Balance, End of Year	<u>\$ 21,606</u>	<u>\$ 89</u>	<u>\$ (21,517)</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

OneOhio Opioid Settlement Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	\$ 25,000	\$ 23,722	\$ (1,278)
Total Revenues	<u>25,000</u>	<u>23,722</u>	<u>(1,278)</u>
Expenditures:			
Current:			
General Government:			
Other Expenditures	450	450	-
Total Expenditures	<u>450</u>	<u>450</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,550	23,272	(1,278)
Net Change in Fund Balances	24,550	23,272	(1,278)
Fund Balance, Beginning of Year	41,412	41,412	-
Fund Balance, End of Year	<u>\$ 65,962</u>	<u>\$ 64,684</u>	<u>\$ (1,278)</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

General Government Grants Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 230,000	\$ 118,122	\$ (111,878)
Total Revenues	<u>230,000</u>	<u>118,122</u>	<u>(111,878)</u>
Expenditures:			
Current:			
Leisure Time Activities:			
Contractual Services	61,588	39,165	22,423
Total Leisure Time Activities	<u>61,588</u>	<u>39,165</u>	<u>22,423</u>
Transportation:			
Contractual Services	76,280	-	76,280
Total Transportation	<u>76,280</u>	<u>-</u>	<u>76,280</u>
Total Expenditures	<u>137,868</u>	<u>39,165</u>	<u>98,703</u>
Net Change in Fund Balances	92,132	78,957	(13,175)
Fund Balance, Beginning of Year	203,896	203,896	-
Prior Year Encumbrances Appropriated	11,588	11,588	-
Fund Balance, End of Year	<u>\$ 307,616</u>	<u>\$ 294,441</u>	<u>\$ (13,175)</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Heritage Trail Dog Park Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Total Revenues	\$ -	\$ -	\$ -
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	100	100	-
Fund Balance, End of Year	\$ 100	\$ 100	\$ -

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

American Rescue Plan Act Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Total Revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Leisure Time Services			
Personal Services	54,096	54,096	-
Total Expenditures	54,096	54,096	-
Net Change in Fund Balances	(54,096)	(54,096)	-
Fund Balance, Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	54,096	54,096	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Water and Sewer Revenue Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 2,435,000	\$ 2,168,420	\$ (266,580)
Licenses and permits	2,000	2,400	400
Miscellaneous	15,000	-	(15,000)
Total Revenues	<u>2,452,000</u>	<u>2,170,820</u>	<u>(281,180)</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	1,778,599	1,527,605	250,994
Contractual Services	274,318	271,717	2,601
Materials and Supplies	153,929	114,726	39,203
Utilities	131,969	131,969	-
Capital Outlay	287,766	185,765	102,001
Total Basic Utility Services	<u>2,626,581</u>	<u>2,231,782</u>	<u>394,799</u>
Debt Service:			
Principal retirement	157,200	157,200	-
Interest and fiscal charges	32,800	32,800	-
Total Debt Service	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Total Expenditures	<u>2,816,581</u>	<u>2,421,782</u>	<u>394,799</u>
Net Change in Fund Balances	(364,581)	(250,962)	113,619
Fund Balance, Beginning of Year	1,728,243	1,728,243	-
Prior Year Encumbrances Appropriated	371,096	371,096	-
Fund Balance, End of Year	<u>\$ 1,734,758</u>	<u>\$ 1,848,377</u>	<u>\$ 113,619</u>

City of Hilliard
Franklin County, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2025

Storm Water Utility Fund

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for services	\$ 1,000,000	\$ 1,272,040	\$ 272,040
Miscellaneous	20,000	-	(20,000)
Total Revenues	<u>1,020,000</u>	<u>1,272,040</u>	<u>252,040</u>
Expenditures:			
Current:			
Basic Utility Services:			
Personal Services	924,782	779,429	145,353
Contractual Services	1,252,687	1,123,797	128,890
Materials and Supplies	69,215	53,115	16,100
Capital Outlay	70,762	25,126	45,636
Total Basic Utility Services	<u>2,317,446</u>	<u>1,981,467</u>	<u>335,979</u>
Net Change in Fund Balances	(1,297,446)	(709,427)	588,019
Fund Balance, Beginning of Year	1,235,323	1,235,323	-
Prior Year Encumbrances Appropriated	346,482	346,482	-
Fund Balance, End of Year	<u>\$ 284,359</u>	<u>\$ 872,378</u>	<u>\$ 588,019</u>

City of Hilliard
Franklin County, Ohio
Nonmajor Fund Descriptions – Fiduciary Funds

The City's custodial funds account for various fees charged by the City and remitted to other government agencies and for deposits held pending compliance with established requirements.

The **Public Art Fund** accounts for the acquisition of public art by the City, including the selection, acquisition, installation, maintenance, management, conservation, and commissioning of public art.

The **Mayor's Court Fund** accounts for the collection and distribution of court fines and forfeitures.

The **Fundraising Fund** accounts for collections and distributions related to fundraising.

City of Hilliard
Franklin County, OH
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2025

	Public Art Fund	Mayor's Court Fund	Fundraising Fund	Total
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 67,287	\$ -	\$ 306,048	\$ 373,335
Cash and Cash Equivalents in Segregated Accounts	-	34,955	-	34,955
<i>Total Assets</i>	<u>\$ 67,287</u>	<u>\$ 34,955</u>	<u>\$ 306,048</u>	<u>\$ 408,290</u>
Liabilities				
Due to Other Governments	-	34,955	-	34,955
Net Position				
Restricted Net Position for Individuals, Organizations & Other Governments	67,287	-	306,048	373,335
<i>Total Net Position</i>	<u>\$ 67,287</u>	<u>\$ -</u>	<u>\$ 306,048</u>	<u>\$ 373,335</u>

City of Hilliard
Franklin County, OH
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2025

	Public Art Fund	Mayor's Court Fund	Fundraising Fund	Total
Additions				
Fines & Forfeitures for Other Governments	\$ -	\$ 208,461	\$ -	\$ 208,461
Custodial Receipts	-	-	297,262	297,262
<i>Total Additions</i>	<u>-</u>	<u>208,461</u>	<u>297,262</u>	<u>505,723</u>
Deductions				
Benefits	17,927	-	-	17,927
Fines & Forfeitures Distributions to Other Governments	-	208,461	-	208,461
Miscellaneous	-	-	243,711	243,711
<i>Total Deductions</i>	<u>17,927</u>	<u>208,461</u>	<u>243,711</u>	<u>470,099</u>
<i>Change in Net Position</i>	(17,927)	-	53,551	35,624
<i>Net Position Beginning of Year</i>	<u>85,214</u>	<u>-</u>	<u>252,497</u>	<u>337,711</u>
<i>Net Position End of Year</i>	<u>\$ 67,287</u>	<u>\$ -</u>	<u>\$ 306,048</u>	<u>\$ 373,335</u>



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STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF HILLIARD, OHIO
FOR THE YEAR ENDING DECEMBER 31, 2025



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CITY OF HILLIARD, OHIO

STATISTICAL SECTION

The statistical section of the City of Hilliard's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Page

Financial Trends

S-2

These schedules contain trend information to help the reader understand how the City of Grandview Heights's financial performance and well-being have changed over time.

Revenue Capacity

S-7

These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.

Debt Capacity

S-14

These schedules contain information to help the reader assess the afford-ability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

S-18

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

S-20

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Hilliard, Ohio

Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)

	<u>2016</u>	<u>Restated (1) 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities:										
Net investment in capital assets	\$ 185,589,498	\$ 187,490,079	\$ 185,358,515	\$ 186,151,971	\$ 184,436,972	\$ 191,465,711	\$ 182,598,788	\$ 208,956,537	\$ 217,652,520	\$ 229,113,293
Restricted	16,230,358	16,913,151	19,791,069	27,784,019	40,445,382	35,719,042	43,524,058	37,863,093	38,735,584	38,143,662
Unrestricted	<u>4,325,531</u>	<u>(10,162,656)</u>	<u>(15,482,624)</u>	<u>(7,756,460)</u>	<u>(7,106,324)</u>	<u>7,237,310</u>	<u>7,740,133</u>	<u>17,836,881</u>	<u>22,895,344</u>	<u>29,815,103</u>
Total governmental activities net position	<u>\$ 206,145,387</u>	<u>\$ 194,240,574</u>	<u>\$ 189,666,960</u>	<u>\$ 206,179,530</u>	<u>\$ 217,776,030</u>	<u>\$ 234,422,063</u>	<u>\$ 233,862,979</u>	<u>\$ 264,656,511</u>	<u>\$ 279,283,448</u>	<u>\$ 297,072,058</u>

(1) Net Position at December 31, 2017 has been restated for adoption of GASB Statement No. 75.

City of Hilliard, Ohio

Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program revenues:										
Governmental activities										
Charges for services:										
General government	\$ 880,295	\$ 847,633	\$ 1,036,392	\$ 820,258	\$ 1,857,039	\$ 2,112,187	\$ 2,187,216	\$ 3,006,664	\$ 4,331,928	\$ 3,964,063
Security of persons and property	922,948	1,068,701	1,015,084	1,168,877	877,772	1,130,108	1,287,591	1,537,701	1,059,395	1,918,021
Public health	-	-	-	-	-	-	4,322	19,389	40,062	165,171
Leisure time activity	1,309,531	1,152,698	1,137,108	898,527	389,533	1,137,624	1,356,264	1,547,240	1,771,772	3,456,390
Community Environment	3,105,178	3,165,149	3,049,967	2,982,479	2,560,099	3,561,311	3,668,320	3,845,713	3,518,884	3,623,901
Transportation	-	-	-	-	5,411	1,306	-	-	-	-
Basic Utility Services	4,830,460	3,278,450	2,874,739	3,036,734	3,366,039	3,672,004	4,138,882	4,647,910	5,772,711	3,551,253
Operating grants & contributions	2,195,900	2,538,885	1,933,005	2,831,895	5,170,521	4,650,857	4,690,277	9,229,964	8,631,821	5,876,133
Capital grants & contributions	8,713,838	7,242,347	5,758,043	9,200,710	2,479,926	2,193,840	3,593,247	9,847,220	4,342,030	11,062,327
Total governmental activities program revenues	21,958,150	19,293,863	16,804,338	20,939,480	16,706,340	18,459,237	20,926,119	33,681,801	29,468,603	33,617,259
Expenses:										
Governmental activities										
General government	12,247,477	11,597,782	9,598,793	11,057,514	14,769,346	17,793,714	21,100,572	19,474,243	22,102,156	21,041,492
Security of persons and property	10,955,413	10,957,889	13,265,766	3,196,562	14,422,740	12,675,709	13,038,860	16,536,934	15,226,735	16,064,721
Public health	237,546	256,406	261,020	383,820	807,980	424,657	454,383	481,181	550,571	523,555
Leisure time activity	4,442,567	6,421,668	6,432,175	5,304,673	3,147,484	3,476,641	4,778,104	9,215,652	11,614,554	12,046,896
Community Environment	3,856,330	4,365,272	4,324,565	5,185,444	4,299,354	1,336,010	2,079,122	3,030,928	3,199,739	2,841,124
Basic Utility Services	8,242,381	8,563,635	9,165,715	7,691,113	7,704,325	6,374,990	12,105,542	6,679,648	10,879,614	10,198,410
Transportation	8,759,098	11,985,105	14,286,519	13,371,260	12,637,519	10,647,930	15,508,723	12,597,227	18,600,748	22,509,022
Interest Expense	2,094,479	1,875,982	1,999,922	2,154,572	2,192,116	1,864,336	5,537,503	5,344,613	4,031,546	5,102,774
Total governmental activities expenses	50,835,291	56,023,739	59,334,475	48,344,958	59,980,864	54,593,987	74,602,809	73,360,426	86,205,663	90,327,994
 Total net revenue (expense)	 (28,877,141)	 (36,729,876)	 (42,530,137)	 (27,405,478)	 (43,274,524)	 (36,134,750)	 (53,676,690)	 (39,678,625)	 (56,737,060)	 (56,710,735)
General Revenues:										
Governmental activities										
Property Taxes Levied for General Purposes	\$ 1,429,888	\$ 1,526,373	\$ 1,484,966	\$ 1,560,782	\$ 1,572,343	\$ 1,845,135	\$ 2,136,602	\$ 2,754,311	\$ 3,230,336	\$ 3,353,748
Municipal Income Tax Levied for General Purposes	18,445,021	18,729,749	18,295,358	19,747,028	21,430,545	24,643,519	22,365,833	27,671,566	28,297,039	29,465,006
Municipal Income Tax Levied for Capital Outlay	6,967,455	7,297,194	7,033,170	7,326,606	8,248,757	9,478,277	8,604,719	10,642,910	10,883,476	11,332,695
Municipal Income Tax Levied for Parks & Recreation	-	-	-	-	-	1,732,768	8,604,719	10,642,911	10,883,476	11,332,695
Municipal Income Tax Levied for Transportation	2,458,263	3,170,538	2,797,729	2,930,642	3,299,402	3,791,310	3,448,324	4,257,164	4,353,391	4,533,078
Payments in Lieu of Taxes	6,238,064	7,201,942	6,211,070	10,095,391	10,175,566	9,770,113	8,600,300	10,176,781	9,385,175	9,146,379
Grants and entitlements not restricted to specific programs	706,750	731,344	989,732	831,774	970,935	1,506,254	1,487,968	1,021,976	1,154,489	1,304,937
Gain on Sale of Assets	-	-	-	-	7,437,475	22,382	-	-	-	-
Unrestricted Investment Earnings	199,018	332,676	728,040	1,008,576	733,722	(408,374)	(2,417,026)	2,705,504	2,392,726	3,788,822
Miscellaneous	334,063	255,019	416,458	417,249	599,366	399,399	286,167	599,034	783,889	241,985
Total governmental activities	36,778,522	39,244,835	37,956,523	43,918,048	54,468,111	52,780,783	53,117,606	70,472,157	71,363,997	74,499,345
 Total primary government change in net position	 \$ 7,901,381	 \$ 2,514,959	 \$ (4,573,614)	 \$ 16,512,570	 \$ 11,193,587	 \$ 16,646,033	 \$ (559,084)	 \$ 30,793,532	 \$ 14,626,937	 \$ 17,788,610

Source: City financial records.

City of Hilliard, Ohio

Program Revenues by Function/Program
Last Ten Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Funtion / Program:										
Governmental Activities				#						
General Government	\$ 880,295	\$ 1,340,133	\$ 1,036,392	\$ 1,029,141	\$ 3,924,273	\$ 3,001,778	\$ 3,913,326	\$ 3,791,962	\$ 4,511,299	\$ 4,024,508
Security of Persons and Property	1,012,271	1,152,659	1,097,768	1,457,559	1,277,419	1,197,250	1,320,494	1,751,562	1,152,072	1,918,021
Public Health	-	-	-	59,449	60,438	151,206	4,322	19,389	40,062	165,171
Leisure Time Activities	1,493,030	1,154,048	1,137,108	1,038,500	395,361	1,275,862	1,975,856	6,802,463	8,672,607	10,438,858
Community Environment	3,105,178	3,165,149	3,049,967	3,288,134	2,570,207	3,566,808	3,668,320	3,845,713	3,518,884	3,623,901
Basic Utility Services	10,519,988	8,151,546	4,495,498	7,769,175	4,945,831	4,831,620	6,031,776	12,594,833	7,399,263	7,937,076
Transportation	4,947,388	4,330,328	5,987,605	6,297,522	3,532,811	4,434,713	4,012,025	4,875,879	4,174,416	5,509,724
Total Governmental Activities Program Revenues	<u>\$ 21,958,150</u>	<u>\$ 19,293,863</u>	<u>\$ 16,804,338</u>	<u>\$ 20,939,480</u>	<u>\$ 16,706,340</u>	<u>\$ 18,459,237</u>	<u>\$ 20,926,119</u>	<u>\$ 33,681,801</u>	<u>\$ 29,468,603</u>	<u>\$ 33,617,259</u>

#

Source: City financial records.

City of Hilliard, Ohio

Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund:										
Nondisposable	\$ 40,542	\$ 71,894	\$ 81,675	\$ 55,314	\$ 126,900	\$ 99,242	\$ -	\$ -	\$ -	\$ -
Committed	150,297	83,789	464,683	-	-	-	-	-	-	-
Assigned	1,412,497	7,046,953	2,515,773	2,337,093	2,843,460	2,522,545	4,480,379	3,952,760	4,265,456	4,829,766
Unassigned	14,144,814	9,023,648	11,421,542	14,384,131	19,144,690	25,501,041	19,591,624	29,317,930	36,296,362	43,814,822
Total general fund	15,748,150	16,226,284	14,483,673	16,776,538	22,115,050	28,122,828	24,072,003	33,270,690	40,561,818	48,644,588
All other governmental funds:			#							
Nondisposable	-	-	-	23,759	22,930	21,631	-	-	-	-
Restricted	17,168,002	15,310,227	17,820,365	25,211,320	39,532,979	33,610,369	125,266,750	108,587,988	75,085,415	46,331,027
Committed	4,764,514	5,073,581	4,963,391	4,865,296	5,776,873	6,846,434	7,727,258	10,150,544	9,615,293	11,198,541
Unassigned	(637,643)	(199,713)	(188,013)	-	-	-	-	-	-	-
Total all other governmental funds	21,294,873	20,184,095	22,595,743	30,076,616	45,332,782	40,478,434	132,994,008	118,738,532	84,700,708	57,529,568
Total Governmental funds	\$ 37,043,023	\$ 36,410,379	\$ 37,079,416	\$ 46,853,154	\$ 67,447,832	\$ 68,601,262	\$ 157,066,011	\$ 152,009,222	\$ 125,262,526	\$ 106,174,156

Source: City financial records.

City of Hilliard, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Property and other taxes	\$ 1,429,658	\$ 1,528,261	\$ 1,486,272	\$ 1,563,190	\$ 1,573,372	\$ 1,825,990	\$ 2,140,823	\$ 2,753,070	\$ 3,221,685	\$ 3,353,023
Municipal income tax	27,615,153	27,941,266	28,495,230	29,833,908	35,315,922	36,827,631	42,635,107	51,412,853	55,507,110	57,209,312
Payment in lieu of taxes	6,238,064	7,201,942	6,211,070	10,095,391	10,175,566	9,770,113	8,600,300	10,176,781	9,385,175	9,146,379
Charges for services	7,667,567	7,192,206	7,505,612	7,402,925	6,643,617	8,634,959	10,159,015	10,872,382	12,463,419	12,764,685
Licenses and Permits	3,118,344	1,913,121	1,098,603	1,079,394	2,238,024	2,799,427	2,323,950	3,353,929	3,764,795	3,464,013
Fines and Forfeitures	261,398	403,899	322,883	354,641	182,046	174,768	143,576	371,438	269,560	307,150
Intergovernmental	3,471,002	5,401,377	5,052,647	3,558,197	6,153,369	7,170,934	7,750,514	7,004,717	8,544,305	11,879,570
Investment Income	199,018	332,676	676,436	1,050,568	734,897	(408,122)	(1,945,169)	7,027,358	6,147,531	5,557,593
Other	318,819	248,424	619,115	480,183	599,366	399,400	264,971	298,336	775,632	194,755
Total revenues	50,319,023	52,163,172	51,467,868	55,418,397	63,616,179	67,195,100	72,073,087	93,270,864	100,079,212	103,876,480
Expenditures:										
Current:										
General government	14,623,801	10,343,125	8,477,699	10,816,176	15,777,068	21,643,717	22,123,958	19,783,009	24,153,634	23,422,202
Security of persons and property	10,147,638	9,893,769	10,940,277	11,023,538	12,066,011	12,376,405	12,427,671	14,091,944	13,659,302	14,520,858
Public health	237,546	256,406	261,020	383,820	445,984	424,657	454,383	481,181	550,571	523,555
Leisure time activity	6,390,159	7,110,569	5,707,429	7,189,493	3,728,959	5,023,253	6,240,691	26,793,269	57,083,490	49,970,842
Community Environment	3,677,582	3,876,683	3,851,931	4,658,204	6,686,095	2,147,271	2,327,423	2,729,220	2,874,944	2,730,665
Basic Utility Services	4,046,696	3,493,862	3,292,141	2,777,782	3,031,495	4,255,569	8,361,532	5,034,698	5,398,970	5,412,156
Transportation	7,562,237	9,739,304	16,396,168	12,493,598	10,558,348	13,921,065	12,883,720	13,854,080	21,809,671	14,814,923
Capital Outlay	-	-	-	-	-	-	-	-	-	168,433
Debt service:										
Principal retirement	11,506,452	11,026,242	4,555,635	4,769,288	5,162,597	5,422,265	8,302,693	10,610,455	9,333,182	18,816,741
Interest and fiscal charges	2,049,620	2,070,924	2,176,434	2,123,684	2,295,994	2,113,950	4,645,903	5,859,214	5,025,911	5,697,875
Issuance costs	247,705	104,753	-	167,401	-	-	907,156	-	-	-
Total expenditures	60,489,436	57,915,637	55,658,734	56,402,984	59,752,551	67,328,152	78,675,130	99,237,070	139,889,675	136,078,250
Excess (deficiency) of revenues over (under) expenditures	(10,170,413)	(5,752,465)	(4,190,866)	(984,587)	3,863,628	(133,052)	(6,602,043)	(5,966,206)	(39,810,463)	(32,201,770)
Other financing sources (uses):										
Proceeds from Sale of capital assets	298,393	11,152	2,295	200	11,884,757	22,382	21,196	300,698	7,859	47,230
Issuance of General Obligation Bonds	3,855,000	4,655,000	-	1,022,964	7,605,000	-	85,000,000	-	-	-
Issuance of Bond Anticipation Notes	6,500,000	-	-	9,155,000	-	-	-	-	13,000,000	13,000,000
Inception of Financed Purchase	-	-	-	-	-	-	246,151	608,719	-	-
Loans Issued	-	-	4,857,608	-	341,626	1,250,000	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	398	-
Premium on Debt	1,609,604	-	-	603,920	876,550	14,100	9,799,445	-	55,510	66,170
Refunding Bonds Issued	8,205,000	-	-	-	-	-	-	-	-	-
Payment on Refunded Bonds or Notes	(9,130,978)	453,669	-	-	(4,403,555)	-	-	-	-	-
Inception of Lease	109,903	-	-	-	-	-	-	-	-	-
Transfers in	1,880,000	3,500,000	5,600,000	5,066,817	2,604,675	1,139,925	15,703,978	2,810,895	5,000,000	5,480,050
Transfers out	(1,880,000)	(3,500,000)	(5,600,000)	(5,066,817)	(2,604,675)	(1,139,925)	(15,703,978)	(2,810,895)	(5,000,000)	(5,480,050)
Total other financing sources (uses)	11,446,922	5,119,821	4,859,903	10,782,084	16,304,378	1,286,482	95,066,792	909,417	13,063,767	13,113,400
Net change in fund balances	\$ 1,276,509	\$ (632,644)	\$ 669,037	\$ 9,797,497	\$ 20,168,006	\$ 1,153,430	\$ 88,464,749	\$ (5,056,789)	\$ (26,746,696)	\$ (19,088,370)
Debt service as a percentage of noncapital expenditures	27.90%	25.20%	14.10%	15.53%	16.61%	14.71%	18.43%	28.02%	18.24%	28.04%

Source: City financial records.

City of Hilliard, Ohio
Income Tax Revenue by Payer Type (1)
Last Ten Years
(cash basis of accounting)

Year	Individual						Business Accounts		Total
	Withholding	Percentage of Total	Non-withholding	Percentage of Total	Total Individual	Percentage of Total	Business Accounts	Percentage of Total	
2016	19,960,118	72%	2,747,844	10%	22,707,962	82%	5,140,096	18%	27,848,058
2017	20,891,108	71%	2,822,321	10%	23,713,429	81%	5,823,710	19%	29,537,139
2018	21,891,108	75%	2,751,650	9%	24,642,758	84%	4,453,629	16%	29,096,387
2019	22,558,805	78%	2,743,212	10%	25,302,017	88%	3,465,029	12%	28,767,046
2020	22,513,539	73%	2,786,460	9%	25,299,999	82%	5,481,090	18%	30,781,089
2021	23,864,168	60%	3,546,485	9%	27,410,653	68%	12,639,921	32%	40,050,574
2022	34,400,050	74%	4,638,520	10%	39,038,570	84%	7,687,715	16%	46,726,285
2023	36,851,282	72%	6,337,971	12%	43,189,253	85%	7,662,385	15%	50,851,638
2024	39,966,683	75%	5,923,332	11%	45,890,015	86%	7,731,472	14%	53,621,487
2025	40,714,071	72%	6,225,399	11%	46,939,470	83%	9,860,445	17%	56,799,915

Source: City Income Tax Division

(1) Amounts are reported gross and do not take into account tax refunds. The City levies a municipal income tax of 2.0 percent. This rate has been the same for all ten years presented.

City of Hilliard, Ohio
Income Tax Revenue Fund Distribution (1)
 2025 and 2015
 (cash basis of accounting)

Year	General Fund	Capital Improvement Municipal Tax Fund	Street Improvement Municipal Tax Fund	Recreation and Parks Fund	Total	Percentage Increase/ (Decrease)
2016	18,061,105	6,834,152	2,442,267	159	27,337,683	8.03%
2017	18,133,490	6,954,543	2,738,843	163	27,827,039	1.79%
2018	18,647,738	7,174,676	2,869,870	-	28,692,284	3.11%
2019	18,302,567	6,793,028	2,694,269	165	27,790,029	3.15%
2020	19,535,447	7,518,443	2,989,186	-	30,043,076	8.11%
2021	26,013,989	10,005,380	4,002,152	-	40,021,521	33.21%
2022	23,335,332	8,962,897	3,553,360	9,345,257	45,196,846	12.93%
2023	25,771,335	9,905,764	3,964,821	9,918,340	49,560,260	9.65%
2024	27,883,173	10,724,297	4,289,719	10,724,298	53,621,487	8.19%
2025	29,535,956	11,359,983	4,543,993	11,359,983	56,799,915	5.93%

Source: City Income Tax Department

(1) Net of refunds. The City levies a municipal income tax of 2.0 percent. This rate has been the same for all ten years presented.

City of Hilliard, Ohio
Principal Income Taxpayers - Withholding Accounts
2025 and 2016

Range of Withholding Amount	2025		2016	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$500,001 and higher	8	23.40%	3	26.66%
\$300,001 - 500,000	7	7.90%	3	5.70%
\$100,001 - 300,000	44	15.91%	19	16.20%
\$55,001 - 100,000	46	8.41%	26	9.59%
Total		55.62%		58.15%
All Others		44.38%		41.85%
Total Withholding Accounts		100.00%		100.00%

Source: City Income Tax Department

City of Hilliard, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Tax Year	Real Property (1)						Personal Property (2)	Total		Estimated Actual Value of Taxable Property	Direct Tax Rate
	Residential	Agricultural	Commercial	Industrial	Public Utility	Total	Public Utility	Valuation	% Growth		
2016	706,508,020	476,840	159,045,970	57,459,820	99,510	923,590,160	22,083,010	945,673,170	5.85%	2,727,161,069	1.60
2017	769,568,760	748,160	180,804,500	50,425,820	95,820	1,001,643,060	29,546,200	1,031,189,260	9.04%	2,980,022,114	1.60
2018	776,314,380	748,160	187,088,920	52,540,450	93,500	1,016,785,410	41,337,640	1,058,123,050	2.61%	3,070,451,731	1.60
2019	789,481,110	748,160	191,380,070	52,844,290	95,930	1,034,549,560	43,200,910	1,077,750,470	1.85%	3,079,287,057	1.60
2020	966,569,490	507,270	214,893,200	65,217,970	96,720	1,247,284,650	45,016,750	1,292,301,400	19.91%	3,692,289,714	1.60
2021	997,620,290	1,026,670	229,745,900	66,117,470	91,640	1,294,601,970	48,484,050	1,343,086,020	3.93%	3,837,388,629	1.60
2022	1,015,114,300	2,319,850	239,740,120	70,392,920	98,370	1,327,665,560	50,446,540	1,378,112,100	2.61%	3,937,463,143	1.60
2023	1,339,543,800	1,665,050	280,005,610	88,037,870	108,420	1,709,360,750	51,125,310	1,760,486,060	27.75%	5,029,960,171	1.60
2024	1,376,765,000	647,330	292,310,510	85,056,270	109,130	1,754,888,240	59,610,270	1,814,498,510	3.07%	5,184,281,457	1.60
2025	1,437,603,010	775,290	293,874,910	132,353,480	109,130	1,864,715,820	53,672,940	1,918,388,760	5.73%	5,481,110,743	1.60

Source: <http://www.franklincountyauditor.com/fiscal/fran/tax-rate-information/tax-rate>
Franklin County Auditor

- (1) Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal.
- (2) Prior to 2006, the assessed valuation for personal property was based on varying percentages of true value (25 percent was used in the assessed values above). House Bill 66 (the State's biennial budget for fiscal years 2006-2007) phased out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property (which is public utility property) will be eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. At the same time, the bill replaces the revenue lost due to phasing out the tax. In the first five years, local governments are reimbursed fully for the lost revenue (based on 2004 values); in the following seven years, the reimbursements are phased out.

City of Hilliard, Ohio
Direct and Overlapping Property Tax Rates
Last Ten Years
(Per \$1,000 of Assessed Valuation)

<u>Tax Year</u>	<u>City of Hilliard General Fund</u>	<u>Hilliard City School District</u>	<u>Franklin County</u>	<u>Metropolitan Library</u>	<u>Norwich Township</u>	<u>Vocational School</u>	<u>Total</u>
2016	\$ 1.60	\$ 94.35	\$ 18.47	\$ 2.80	\$ 21.62	\$ 1.60	\$ 140.44
2017	1.60	93.75	18.92	2.80	21.62	1.60	140.29
2018	1.60	93.75	18.92	2.80	21.62	1.60	140.29
2019	1.60	93.75	19.12	2.80	21.62	1.60	140.49
2020	1.60	91.90	19.12	2.80	21.62	1.60	138.64
2021	1.60	91.55	19.77	2.80	21.62	1.60	138.94
2022	1.60	91.55	19.77	2.80	25.72	1.60	143.04
2023	1.60	90.95	19.77	4.30	25.72	2.00	144.34
2024	1.60	97.85	20.37	4.30	26.52	1.80	152.44
2025	1.60	97.85	20.37	4.30	26.52	1.80	152.44

Source: Franklin County Auditor

City of Hilliard, Ohio
Principal Property Tax Payers - Real Property
2025 and 2016

Taxpayer	2025			2016		
	Total Assessed Valuation	Rank	Percentage of Total Assessed 147	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Amazon Data Services	\$ 45,032,380	1	2.41%			
Ohio Power Company	39,535,990	2	2.12			
Villages at Britton LTD	24,797,850	3	1.33	\$ 15,855,010	1	1.72%
Hilliard Grand Apartments LLC	13,627,950	4	0.73	8,575,000	3	0.93
Heritage Green Hilliard LLC	13,119,690	5	0.70			
AEP Ohio Transmission Co, Inc.	11,825,650	6	0.63			
Edward Rose Millennial Development	11,552,630	7	0.62			
MCI International INC	11,312,880	8	0.61	9,201,930	2	1.00
Trueman Boulevard LLC	10,908,110	9	0.58			
Britton Parkway Holdings, Inc.	9,543,840	10	0.51			
LSREF3 Bravo Ohio LLC				7,385,000	4	0.80
One Mill Run LP				6,300,010	5	0.68
PPOS 17 LLC				5,105,240	6	0.55
National Retail Properties LP				4,417,020	7	0.48
Crystal Lake Apartments				3,162,320	8	0.34
Vadata, Inc.				3,058,340	9	0.33
Columbia Gas of Ohio, Inc.				2,611,990	10	0.28
Total Top 10 Real Property	191,256,970		10.26%	65,671,860		7.11%
All Others	1,673,458,850		89.74%	857,918,300		92.89%
Total Real Property Assessed Valuation	<u>\$ 1,864,715,820</u>		<u>100.00%</u>	<u>\$ 923,590,160</u>		<u>100.00%</u>

Source: Franklin County Auditor

City of Hilliard, Ohio
Property Tax Levies and Collections (1) (2)
Last Ten Years

Collection Year	Total Tax Levy (1) (2)	Current Tax Collections (1)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections
2016	1,429,422	1,523,391	106.57%	31,900	1,555,291
2017	1,481,320	1,433,243	96.75%	29,816	1,463,059
2018	1,649,903	1,684,742	102.11%	121,610	1,806,352
2019	1,692,997	1,542,639	91.12%	102,571	1,645,210
2020	1,724,400	1,484,416	86.08%	236,354	1,720,770
2021	2,148,938	2,031,720	94.55%	20,725	2,052,445
2022	2,204,979	2,202,867	99.90%	36,115	2,238,982
2023	2,816,778	2,812,562	99.85%	45,578	2,858,140
2024	2,903,198	2,896,523	99.77%	45,055	2,941,578
2025	3,069,422	3,054,075	99.50%	15,347	3,069,422

Source: Franklin County Auditor

(1) State reimbursement of rollback and homestead exemptions are included

(2) Amounts listed include penalties and interest

Note: The county does not identify delinquent collections by the year for which the tax was levied.

City of Hilliard, Ohio
Computation of All Direct and Overlapping Governmental Debt
December 31, 2025

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Hilliard (1)	Amount Applicable to the City of Hilliard
Direct			
City of Hilliard			
Loans Payable	\$ 10,291,182		\$ 10,291,182
General Obligation Bonds	28,318,607		28,318,607
Special Obligation Bonds	82,656,721		82,656,721
Bond Anticipation Notes	<u>13,000,000</u>		<u>13,000,000</u>
Total Direct Debt	<u>134,266,510</u>	<u>100.00%</u>	<u>134,266,510</u>
Overlapping Subdivisions			
Dublin City School District	312,835,000	0.06%	187,701
Franklin County	70,404,615	3.58%	2,520,485
Norwich Township	10,250,000	85.59%	8,772,975
Hilliard City School District	198,520,000	38.62%	76,668,424
Columbus State Community College	160,355,000	3.58%	5,740,709
Solid Waste Authority of Central Ohio	<u>14,745,000</u>	3.41%	<u>502,805</u>
Total Overlapping Debt	<u>767,109,615</u>		<u>94,393,099</u>
Total Direct and Overlapping Debt	<u><u>\$ 901,376,125</u></u>		<u><u>\$ 228,659,609</u></u>

Source: Franklin County Auditor and Fiscal Officers of Subdivision

(1) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

City of Hilliard, Ohio
*Ratio of Net General Obligation Bonded Debt to Estimated
Actual Value and General Obligation Bonded Debt Per Capita
Last Ten Years*

Tax Year	Net Bonded Debt (3)	Estimated Actual Value of Taxable Property (2)	Population (1)	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2016	\$ 53,507,370	\$ 2,727,161,069	29,331	1.96%	\$ 1,824
2017	54,155,568	2,980,022,114	34,631	1.82%	1,564
2018	49,736,479	3,070,451,731	37,063	1.62%	1,342
2019	55,011,206	3,079,287,057	38,106	1.79%	1,444
2020	54,209,153	3,692,289,714	36,411	1.47%	1,489
2021	49,049,973	3,837,388,629	37,094	1.28%	1,322
2022	43,695,792	3,937,463,143	36,892	1.11%	1,184
2023	38,151,612	5,029,960,171	37,377	0.76%	1,021
2024	32,737,432	5,184,281,457	37,303	0.63%	878
2025	28,318,607	5,481,110,743	38,832	0.52%	729

(1) Source: "Population Estimates," published by the Mid Ohio Regional Planning Commission

(2) Source: Franklin County Auditor (shown in thousands)

(3) Includes all general obligation debt financed with general governmental resources less balance available in General Obligation Bond Retirement Fund

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Hilliard, Ohio
Ratios of Outstanding Debt by Type
Governmental Activities
Last Ten Years

Year	Notes Payable	Loans Payable	General Obligation Bonds	Special Obligation Bonds	Loans from Direct Borrowings	Total Outstanding Debt	Population(1)	Personal Income(2)	Debt Per Capita	Percentage of Personal Income
2016	\$ 6,500,000	\$ 8,823,212	\$ 53,507,370		\$ -	\$ 68,830,582	29,331	\$1,399,822	\$ 2,347	4.92%
2017	-	8,311,970	54,155,568	-	-	62,467,538	34,631	1,719,221	1,804	3.63%
2018	-	12,643,943	49,736,479	-	-	62,380,422	37,063	1,896,328	1,683	3.29%
2019	-	12,977,619	54,209,153	-	-	67,186,772	38,106	1,999,689	1,763	3.24%
2020	-	12,696,648	49,049,973	-	-	61,746,621	36,411	1,910,740	1,696	3.31%
2021	-	13,254,383	49,049,973	-	-	62,304,356	37,094	2,086,612	1,680	3.17%
2022	-	12,622,841	43,695,792	92,163,342	-	148,481,975	36,892	2,208,613	4,025	1.67%
2023	-	12,208,715	38,151,612	87,418,525	-	137,778,852	37,377	2,288,519	3,686	1.63%
2024	13,000,000	11,182,923	32,737,432	83,823,928	-	140,744,283	37,303	2,435,028	3,773	1.53%
2025	13,000,000	10,291,182	28,318,607	82,656,721	-	134,266,510	38,832	2,590,289	3,165	1.50%

(1) "Population Estimates," published by the Mid-Ohio Regional Planning Commission

(2) Computation of per capita personal income from MORPC multiplied by population (in thousands)

City of Hilliard, Ohio
Legal Debt Margin Information
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Assessed Valuation	\$ 1,814,498,510	\$ 1,760,486,060	\$ 1,378,112,100	\$ 1,343,086,020	\$ 1,292,301,400	\$ 1,077,750,470	\$ 1,058,123,050	\$ 1,031,189,260	\$ 945,673,170	\$ 893,388,940
Overall debt limitation - 10.5% of assessed valuation	190,522,344	184,851,036	144,701,771	141,024,032	147	113,163,799	111,102,920	108,274,872	99,295,683	93,805,839
Total Indebtedness as of 12/31	99,645,000	104,570,000	112,877,390	122,465,000	44,890,000	49,620,000	50,875,000	45,800,000	49,830,000	55,690,000
Less Exempt Debt:										
Self Supporting										
2005 Various Purpose-Water portion(39%)	-	-	-	-	-	254,555	254,555	-	-	-
Total Self Supporting	-	-	-	-	-	254,555	254,555	-	-	-
Income Tax Supported										
2009 Various Purpose	-	-	-	-	-	-	-	710,000	1,430,000	2,130,000
2011 Various Purpose	-	-	-	-	-	-	4,710,000	5,085,000	5,445,000	5,795,000
2012 Various Purpose	-	840,000	1,635,000	2,730,000	3,780,000	4,785,000	5,760,000	6,685,000	7,585,000	8,460,000
2013 Various Purpose	-	-	1,265,000	2,320,000	3,225,000	4,105,000	4,976,000	5,825,000	6,680,000	7,555,000
2014 Various Purpose	1,115,000	1,640,000	2,145,000	2,635,000	3,110,000	3,570,000	4,020,000	4,460,000	4,890,000	4,940,000
2015 Various Purpose	5,050,000	6,120,000	6,635,000	6,890,000	7,140,000	7,380,000	7,605,000	7,820,000	8,030,000	8,230,000
2016 Various Purpose	4,575,000	5,030,000	5,835,000	6,985,000	8,215,000	9,395,000	10,550,000	10,945,000	11,335,000	11,715,000
2017 Various Purpose	2,950,000	3,160,000	3,365,000	3,560,000	3,745,000	3,925,000	4,100,000	4,270,000	4,435,000	-
2019 Various Purpose	7,110,000	7,495,000	7,275,000	7,625,000	7,955,000	8,270,000	8,855,000	-	-	-
2020 Various Purpose	5,035,000	5,580,000	6,110,000	6,635,000	7,135,000	7,605,000	-	-	-	-
Various Purpose	25,835,000	29,865,000	34,265,000	39,380,000	44,305,000	49,035,000	50,576,000	45,800,000	49,830,000	48,825,000
Special Purpose	73,810,000	78,027,390	78,027,390	82,500,000	-	-	-	-	-	-
Notes	13,000,000	13,000,000	-	-	-	-	-	-	-	6,500,000
Total Income Tax Supported	112,645,000	120,892,390	112,292,390	121,880,000	44,305,000	49,035,000	50,576,000	45,800,000	49,830,000	55,325,000
Amount available in the debt service fund	-	-	-	-	-	-	-	-	-	-
Total Exempt Debt	112,645,000	120,892,390	112,292,390	121,880,000	44,305,000	49,289,555	50,830,555	45,800,000	49,830,000	55,325,000
Net Debt Subject to Limitation	(13,000,000)	(16,322,390)	585,000	585,000	585,000	330,445	44,445	-	-	365,000
Legal debt margin within 10.5% limitation	\$ 203,522,344	\$ 201,173,426	\$ 144,116,771	\$ 140,439,032	\$ (584,853)	\$ 112,833,354	\$ 111,058,475	\$ 108,274,872	\$ 99,295,683	\$ 93,440,839
Percentage of Net Debt to Assessed Value	-0.72%	-0.93%	0.04%	0.04%	0.05%	0.03%	0.00%	0.00%	0.00%	0.04%
Percentage of Legal Debt Limit	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Percentage of Legal Debt Margin	11.22%	11.43%	10.46%	10.46%	10.45%	10.47%	10.50%	10.50%	10.50%	10.46%
Unvoted debt limitation 5.5% of assessed valuation	\$ 99,797,418	\$ 96,826,733	\$ 75,796,166	\$ 73,869,731	\$ 71,076,577	\$ 59,276,276	\$ 58,196,768	\$ 56,715,409	\$ 52,012,024	\$ 49,136,392
Total Indebtedness as of 12/31	99,645,000	104,570,000	112,877,390	122,465,000	44,890,000	49,620,000	50,875,000	45,800,000	49,830,000	55,690,000
Less Total Exempt Debt	112,645,000	120,892,390	112,292,390	121,880,000	44,305,000	49,289,555	50,830,555	45,800,000	49,830,000	55,325,000
Net Debt Subject to Limitation	(13,000,000)	(16,322,390)	585,000	585,000	585,000	330,445	44,445	-	-	365,000
Legal debt margin within 5.5% limitation	112,797,418.05	113,149,123.30	75,211,165.50	73,284,731.10	70,491,577	58,945,831	58,152,323	56,715,409	52,012,024	48,771,392
Percentage of Net Debt to Assessed Value	-0.72%	-0.93%	0.04%	0.04%	0.05%	0.03%	0.00%	0.00%	0.00%	0.04%
Percentage of Legal Debt Limit	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Percentage of Legal Debt Margin	6.22%	6.43%	5.46%	5.46%	5.45%	5.47%	5.50%	5.50%	5.50%	5.46%

Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

City of Hilliard, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Income (5)</u>	<u>School Enrollment (6)</u>	<u>Unemployment Rate Franklin County Area (3)</u>	<u>Total Assessed Property Value (4)</u>
2016	29,331	1,399,822	47,725	16,059	3.4%	945,673,170
2017	34,631	1,719,221	49,644	16,290	3.3%	1,031,189,260
2018	37,063	1,896,328	51,165	16,524	3.2%	1,058,123,050
2019	38,106	1,999,689	52,477	16,642	3.1%	1,077,750,470
2020	36,411	1,910,740	52,477	16,235	4.9%	1,292,301,400
2021	37,094	2,086,612	56,252	16,317	4.5%	1,343,086,020
2022	36,892	2,208,613	59,867	16,394	3.1%	1,378,112,100
2023	37,377	2,288,519	61,228	16,339	3.8%	1,760,486,060
2024	37,303	2,435,028	65,277	16,061	4.8%	1,814,498,510
2025	38,832	2,590,289	66,705	16,514	4.0%	1,918,388,760

Source: (1) "Population Estimates," published by the Mid Ohio Regional Planning Commission
(2) Computation of per capita personal income multiplied by population (in thousands)
(3) Ohio Labor Market Information
(4) Franklin County Auditor
(5) U.S. Department of Commerce, Bureau of Economic Analysis, Columbus MSA. Not available until November, 2021
(6) Hilliard City School District

City of Hilliard, Ohio
Principal Employers
2025 and 2016

Employer	2025			2016		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Hilliard City Schools	2,363	1	9.32%	1,546	2	6.15%
Advanced Drainage Systems	2,246	2	8.86%	170	9	0.68%
Micro Center Inc.	1,350	3	5.33%	336	6	1.34%
Amazon Data Services**	927	4	3.66%			
ISC Contractors LLC	853	5	3.36%			
Honda Dev. Mfg. of America, LLC	524	6	2.07%			
Nationwide Mutual Insurance Co.	503	7	1.98%			
The EcoPlumbers	482	8	1.90%			
City of Hilliard	379	9	1.49%	135	10	0.54%
R. E. Rich Family Holding Corp.	310	10	1.22%	258	7	1.03%
Cello Partnership dba Verizon				1,926	1	7.66%
BMW Financial Services				610	3	2.43%
Sedgwick Claims Mgmt Inc.				402	5	1.60%
Echosphere LLC				541	4	2.15%
Verizon Business Network Services				214	8	0.85%
Total Employees	9,937		39.20%	6,138		24.43%
All Other Employers	15,415		60.80%	19,015		75.57%
Total Employment within the City	<u>25,352</u>		<u>100.00%</u>	<u>25,153</u>		<u>100.00%</u>

*Zoominfo.com

**Buzzfile.com

Source: City Income Tax Department

City of Hilliard, Ohio
City Government Employees by Function/Program
Last Ten Years

	2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	
Function/Program	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	41	41	51	53	41	81	40	79	41	79	41	80	44	88	46	48	46	48	54	57
Security of Persons and Property	49	50	58	58	70	74	76	79	75	77	73	75	75	76	76	77	77	78	76	78
Leisure Time Activities	19	48	16	30	19	40	19	36	20	27	19	41	19	38	23	49	22	61	26	210
Basic Utility Services	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0
Transportation	19	19	24	24	26	26	27	27	27	27	30	30	30	31	31	31	36	38	32	34
<i>Total Number of Employees</i>	<u>129</u>	<u>159</u>	<u>150</u>	<u>166</u>	<u>157</u>	<u>222</u>	<u>163</u>	<u>222</u>	<u>164</u>	<u>211</u>	<u>164</u>	<u>227</u>	<u>169</u>	<u>234</u>	<u>177</u>	<u>206</u>	<u>182</u>	<u>226</u>	<u>188</u>	<u>379</u>

Source: City Payroll Records

Note: Total number of employees does not include seasonal employees.

City of Hilliard, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Government Center	1	1	147	1	1	1	1	1	1	1
Security of Persons and Property:										
Number of Police Stations	1	1	152	1	1	1	1	1	1	1
Number of Fire/EMS Stations*	3	3	3	3	3	3	3	3	3	4
Leisure Time Activities (1):			159							
Number of Parks	26	26	26	26	26	25	26	26	26	26
Park Area (acres)	531	531	531	531	531	462.12	462.12	462.12	462.12	595.12
Number of Playgrounds	10	10	163	10	10	10	10	10	10	10
Number of Swimming Pools	2	2	2	2	2	2	2	2	2	3
Number of Community Centers	1	1	1	1	1	1	1	1	1	1
Number of Senior Centers	1	1	165	1	1	1	1	1	1	1
Basic Utility Services (2):										
Miles of Water Mains	137.7	140.1	140.8	143.9	144.97	145.19	146.43	148.45	149.02	149.98
Miles of Sanitary Sewers	154.4	155.8	156.8	159.2	160.1	160.99	163.4	167.73	168.52	170.42
Miles of Storm Sewers	133.0	134.8	136.1	143.3	145.15	145.75	147.96	149.51	149.61	150.33
Transportation (2)										
Miles of Streets	118.6	120.1	121.3	124.1	124.93	125.17	126.17	127.22	127.76	134.63
Number of Street Lights	1,954	1,955	1,993	2,082	2,130	2,137	2,189	2,199	2,225	2,225
Number of Traffic Signal Systems	36	36	36	0	36	36	34	34	30	30

*Fire Protection provided by Norwich Township
N/A - Information not available

Source: City capital asset records
(1) Provided by City Parks & Rec Dept.
(2) Provided by City Engineering Dept.

City of Hilliard, Ohio
Operating Indicators by Function/Program
Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Active Income Tax Accounts										
Individual	17,816	17,584	17,577	21,406	22,288	23,310	22,611	22,664	23,725	24,949
Business	1,935	1,750	2,138	2,195	3,684	1,899	1,919	2,011	2,196	2,138
Withholding	3,228	3,237	3,397	3,487	2,107	4,117	4,950	5,482	5,953	7,001
Clerk of Courts:										
Traffic Court Cases	1,862	1,915	2,418	2,212	1,270	1,409	1,127	1,160	1,264	1,261
OVI Cases									76	60
Security of Persons and Property:										
Police Calls	40,512	36,478	40,361	43,744	37,479	34,390	34,051	35,496	37,136	38,179
Physical Arrests	785	856	1,023	931	708	819	1,008	911	1,113	1,193
Citations	2,353	2,402	2,874	2,717	1,643	1,807	963	1,483	1,680	1,679
Parking Violations	179	369	344	262	83	24	28	163	132	232
Leisure Time Activities:										
Swimming Pool Revenue	554,069	565,007	838,335	893,909	8,377	750,708	820,759	850,933	861,076	872,727
Community Center Revenue	298,890	218,572	179,141	299,953	99,685	376,250	622,987	560,736	716,856	2,124,001
Senior Center Revenue	84,457	81,497	77,870	80,502	45,602	52,175	98,720	88,254	117,151	114,604

Source: Department annual reports

OHIO AUDITOR OF STATE KEITH FABER



CITY OF HILLIARD

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/24/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov