CITY OF MILWAUKEE
DEFERRED COMPENSATION PLAN

Milwaukee, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2025 and 2024

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CITY OF MILWAUKEE DEFERRED COMPENSATION PLAN

TABLE OF CONTENTS
As of and for the Years Ended December 31, 2025 and 2024

Independent Auditors' Report	1 - 2
Required Supplementary Information	
Management's Discussion and Analysis	3 - 5
Financial Statements	
Statements of Fiduciary Net Position	6
Statements of Changes in Fiduciary Net Position	7
Notes to Financial Statements	8 - 20

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Independent Auditors' Report

To the Deferred Compensation Board of the
City of Milwaukee Deferred Compensation Plan

Opinion

We have audited the accompanying financial statements of fiduciary net position of the City of Milwaukee Deferred Compensation Plan (the Plan), as of December 31, 2025 and 2024, the statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan'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 fiduciary net position of the Plan as of December 31, 2025 and 2024, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Plan's ability to continue as a going concern for at least one year following the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan’s transactions that are presented and disclosed in the financial statements are in conformity with the Plan’s provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Plan'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 Plan'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.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Milwaukee, Wisconsin
UPDATE DATE

CITY OF MILWAUKEE DEFERRED COMPENSATION PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2025

This discussion and analysis of the City of Milwaukee Deferred Compensation Plan (the Plan) financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2025, 2024 and 2023. It is presented as required supplementary information to the financial statements.

Overview of Financial Statements

The Statements of Fiduciary Net Position provide the financial position of the Plan at December 31, 2025, including comparative amounts for the year ended December 31, 2024.

The Statements of Changes in Fiduciary Net Position summarize the Plan's financial activities that occurred during the years ended December 31, 2025 and 2024.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the basic financial statements.

The analysis below focuses on Fiduciary Net Position (Table 1) and Changes in Fiduciary Net Position (Table 2).

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Table 1
Fiduciary Net Position

	2025	2024	2023
FIDUCIARY NET POSITION	$ 1,385,140,604	$ 1,245,164,282	$ 1,118,935,433

Table 2
Changes in Fiduciary Net Position

	2025	2024	2023
ADDITIONS TO NET POSITION	$ 238,785,109	$ 204,423,727	$ 182,502,601
DEDUCTIONS FROM NET POSITION	98,808,787	78,194,878	80,446,759
NET INCREASE	$ 139,976,322	$ 126,228,849	$ 102,055,842

Financial Analysis of the Plan

The Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position report general information about the Plan's asset size over time. Numerous factors impact the asset size of the Plan including participation rates, employee saving rates, economic conditions, and governmental legislation and policy, particularly that which directly or indirectly impacts employee compensation and/or benefits. Therefore, while the Plan's net position shows trends in Plan asset size, it is not a direct reflection of the financial strength of the Plan absent an analysis of the underlying reasons for changes in Plan asset size.

2025 Financial Highlights

- Total fiduciary net position increased by $139,976,322 during 2025 from $1,245,164,282 at December 31, 2024 to $1,385,140,604 at December 31, 2025. The increase is due to several factors, including favorable market results throughout 2025 and increased contributions, partially offset by higher benefits paid to participants.

- Participant contributions, including rollovers, increased from $45,382,243 for the year ended December 31, 2024 to $47,761,692 for the year ended December 31, 2025. The increase is due to higher participant contributions, offset by decreased rollover contributions.

- The Plan's 2025 participant rollover contributions, totaling approximately $4.3 million, come from plan-to-plan transfers from IRA, 401(k), 403(b), 401(a) and 457 plans.

- Benefits paid to participants increased from $77,025,824 for the year ended December 31, 2024 to $97,572,321 for the year ended December 31, 2025. Distributions tend to fluctuate from year to year depending upon participant elections, retirement dates and market fluctuations. There were roughly 346 more distributions in 2025. In 2025, 296 participants rolled approximately $54.2 million out of the Plan, compared with 248 participants who rolled approximately $36.6 million out of the Plan in 2024.

- Administrative expenses increased by $67,412 during 2025 from $1,169,054 for the year ended December 31, 2024 to $1,236,466 for the year ended December 31, 2025. The increase is largely due to an increase in plan participation and additional utilization of advisory services provided by VOYA Retirement Advisors (VRA).

2024 Financial Highlights

- Total fiduciary net position increased by $126,228,849 during 2024 from $1,118,935,433 at December 31, 2023 to $1,245,164,282 at December 31, 2024. The increase is due to a number of factors, including favorable market results throughout 2024, increased contributions and lower benefits paid to participants.

- Participant contributions, including rollovers, increased from $43,006,776 for the year ended December 31, 2023 to $45,382,243 for the year ended December 31, 2024. The increase is due to higher participant contributions, offset by decreased rollover contributions.

- The Plan's 2024 participant rollover contributions, totaling approximately $4.8 million, come from plan-to-plan transfers from IRA, 401(k), 403(b), 401(a) and 457 plans.

- Benefits paid to participants decreased from $79,337,883 for the year ended December 31, 2023 to $77,025,824 for the year ended December 31, 2024. Distributions tend to fluctuate from year to year depending upon participant elections, retirement dates and market fluctuations. There were roughly 172 less distributions in 2024.

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- Administrative expenses increased by $60,178 during 2024 from $1,108,876 for the year ended December 31, 2023 to $1,169,054 for the year ended December 31, 2024. The increase is largely due to an increase in plan participation and additional utilization of advisory services provided by VOYA Retirement Advisors (VRA).

Financial Contact

The Plan financial statements are designed to present users with a general overview of the Plan's finances and to demonstrate the trustee's accountability. If you have questions about the report or need additional financial information, contact the Plan's Executive Director at 414-286-5541.

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CITY OF MILWAUKEE DEFERRED COMPENSATION PLAN

STATEMENTS OF FIDUCIARY NET POSITION

As of December 31, 2025 and 2024

	2025	2024
ASSETS		
Investments	$ 1,367,615,282	$ 1,227,668,629
Notes receivable from participants	15,508,795	15,325,861
Cash and cash equivalents	2,821,100	2,656,114
TOTAL ASSETS	1,385,945,177	1,245,650,604
LIABILITIES		
Accrued expenses	804,573	486,322
FIDUCIARY NET POSITION	$ 1,385,140,604	$ 1,245,164,282

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The accompanying notes are an integral part of the financial statements

CITY OF MILWAUKEE DEFERRED COMPENSATION PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Years Ended December 31, 2025 and 2024

	2025	2024
ADDITIONS		
Additions to net position attributed to		
Investment income		
Net appreciation in fair value of investments	$ 190,019,840	$ 158,137,388
Interest and dividends	1,003,577	904,096
Total investment income	191,023,417	159,041,484
Contributions		
Participant	43,505,458	40,552,503
Rollovers	4,256,234	4,829,740
Total contributions	47,761,692	45,382,243
Total Additions	238,785,109	204,423,727
DEDUCTIONS		
Deductions from net position attributed to		
Benefits paid to participants	97,572,321	77,025,824
Administrative expenses	1,236,466	1,169,054
Total Deductions	98,808,787	78,194,878
Net Increase	139,976,322	126,228,849
FIDUCIARY NET POSITION - Beginning of Year	1,245,164,282	1,118,935,433
NET FIDUCIARY POSITION - END OF YEAR	$ 1,385,140,604	$ 1,245,164,282

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The accompanying notes are an integral part of the financial statements

CITY OF MILWAUKEE DEFERRED COMPENSATION PLAN

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2025 and 2024

NOTE 1 – Description of the Plan

The following description of the City of Milwaukee Deferred Compensation Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

The Plan was created by Section 5.50 of the Milwaukee City Charter and the Plan opened to employees on January 1, 1976. The Plan operates pursuant to City Ordinance 320-17, a Master Agreement adopted by the City of Milwaukee (the City), as amended and/or restated from time to time, as well as Administrative Rules, Operating Procedures, and an Investment Policy Statement.

Contributions

Under the Plan provisions, eligible employees may contribute to the Plan through payroll deductions. Eligible employees are individuals who perform services for the City as an employee. In accordance with Section 457 of the Internal Revenue Code (IRC), the Plan limits the amount of an individual's annual contributions to an amount not to exceed the lesser of $23,500 and $23,000 for 2025 and 2024, respectively, or 100% of the individual's gross annual salary, or if appropriate, adjusted gross salary. Individuals aged 50 or over may make a "catch-up" contribution effective for tax years after December 31, 2003. Additional catch-up contributions are permitted for eligible participants within three years of retirement and, beginning in 2025, certain participants ages 60 through 63, as permitted under applicable IRS rules. Amounts contributed by employees are deferred for federal and state income tax purposes until benefits are paid to the employees. An employee's interest in his/her account is fully vested at all times. The City does not make any contributions to the Plan.

Beginning October 1, 2016, an annual account elections and enrollment period will occur in the October time frame, and eligible employees not contributing or contributing less than 3% of pay will be default enrolled at 3% on a pre-tax basis if no action is taken at that time. For new hires, the effective date shall be no less than thirty days after the earlier of (a) the new hire's new employee orientation; or (b) the mailing of an enrollment packet. Default enrollment and contributions do not apply to active unionized police and fire employees.

Participant Accounts

Under provisions of the Small Business Job Protection Act of 1996 (SBJPA), which became effective for plan years beginning after December 31,1996, assets of IRC Section 457 plans must be held in a trust, custodial account, or annuity contract for the exclusive benefit of employees and beneficiaries. At December 31, 2025 and 2024, the Plan met the requirements of the SBJPA.

The Plan is governed by the City of Milwaukee Deferred Compensation Board (the Board) and is administered by a third party. The Board is also the trustee of the Plan.

Each participant's account is credited with the participant's salary contributions, rollover contributions and earnings (net of administrative expenses). The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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NOTE 1 - Description of the Plan (cont.)

Participants may direct the investment of their account balances and have the following investment options to choose from:

- Stable Value account, which invests primarily in fixed income securities and investment contracts.
- Variable earnings investment accounts consisting of various underlying mutual funds, common stocks and bond investments that have different investment risks and return objectives:
  - Actively Managed Income Account
  - Passively Managed U.S. Equity Account
  - Actively Managed Equity Account
  - Passively Managed International Equity Account
  - Target Date Income
  - Target Date 2025
  - Target Date 2030
  - Target Date 2035
  - Target Date 2040
  - Target Date 2045
  - Target Date 2050
  - Target Date 2055
  - Target Date 2060
  - Target Date 2065
- Self-directed option – Personal Choice Retirement Accounts (PCRA) offered by Charles Schwab & Co., Inc. (Schwab):
  - Participants with a minimum account balance of $100,000 in total Plan assets may elect to self-direct up to 75% of their account balance through a PCRA account. The PCRA account investments primarily consist of common stocks, mutual funds, and bonds.

Some of the Plan's investments are still held in a group annuity contract underwritten by American United Life Insurance Company (AUL), which is not available for new deferrals.

The Plan's assets are held in custody under a contract with Northern Trust Company, which provides global custodial services to the Plan.

Vesting

Participants are immediately vested in their salary reduction and rollover contributions plus earnings thereon.

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NOTE 1 - Description of the Plan (cont.)

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loan terms are not to exceed five years for a general-purpose loan or up to fifteen years for the purchase of a principal residence. Principal and interest payments received on a participant's outstanding loan balance are allocated to the participant's account pro-rata according to current designated investment elections. The loans are secured by the remaining balance in the participant's account and bear interest at prime rate at the first day of the calendar quarter in which the loan was initiated, plus 1%. Participants are limited to having one general purpose loan outstanding and one principal residence loan outstanding at a given time.

Payment of Benefits

Employees participating in the Plan may withdraw the value of their accounts upon termination of employment from the City because of financial hardship (if approved by the City of Milwaukee Deferred Compensation Board), or in order to satisfy minimum distribution requirements of the IRC. Normal retirement age under the Plan is age 70, unless the participant has designated an alternative Normal Retirement Date, as defined in the plan document. A participant's alternative Normal Retirement Age may not be earlier than the earliest date that the participant will become eligible to retire and receive unreduced benefits under the Employes' Retirement System, the Policemen's Annuity and Benefit Fund or the Fireman's Annuity and Benefit Fund, whichever is applicable to the participant.

Participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

Distributions to participants are recorded at the time withdrawals are made from participant accounts.

Administrative Expenses

Investment management fees, service fees (i.e., loan fees), and other administrative fees are paid directly by the Plan participants. Loan and other special service fees are charged directly to participant accounts. Administrative fees include the costs of legal counsel, fiduciary insurance, staff salaries and benefits, consultants, third-party plan administration, custodial banking, audit, as well as travel, professional association, and office expenses. Investment and administrative expenses are reflected daily in the net appreciation (depreciation) of the investment's fair value.

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NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Variable earning investments and PCRAs are presented at fair values based on published quotations or Net Asset Value (NAV) based on the fair values of the underlying mutual funds, stocks, and bonds. Purchases and sales of investments are recorded by the recordkeeper on the date the trade is ordered by the money manager and/or on the date that participant elections are made.

The Stable Value account investment is presented at contract value, which approximates fair value. Contract value represents contributions received plus interest earned to date, less applicable charges and amounts withdrawn. The interest rate credited to the account is based on the overall rate of return for the entire portfolio. The interest rate was 3.23% and 3.12% as of December 31, 2025 and 2024, respectively. The assets held in the group annuity contract are actuarially valued as reported by AUL.

Interest income is recorded as earned on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as investments held during the year.

Variable earning investment and PCRA income consists of dividends, interest and realized and unrealized gains and losses attributable to the mutual funds, stocks, and bonds. Earnings are accrued to individual participants' accounts on a daily basis, based upon the investment performance of the specific options selected.

Fees incurred by the Plan for the investment manager services are included in net appreciation (depreciation) in the fair value of investments as they are paid through revenue sharing, rather than a direct payment.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are recorded as administrative expenses and are expensed when they are incurred. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2025 and 2024. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

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NOTE 2 - Summary of Significant Accounting Policies (cont.)

Cash and Cash Equivalents

The Plan defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

Payment of Benefits

Benefits are recorded when paid.

Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Government Accounting Standards Board (GASB) pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are probable, and management can reasonably estimate the amounts.

Risks and Uncertainties

The Plan invests in various investment securities. These securities are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain values of investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the financial statements. Since all investments are participant directed, all risks exist at the participant level. Each individual within the Plan has the ability to liquidate their positions and has responsibility for managing their exposure to fair value loss.

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NOTE 3 - Investments

Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the plan has the ability to access.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy of the asset or liability is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes to the methodologies during the years ended December 31, 2025 and 2024.

Equities: Valued at quoted market prices for identical assets in active markets.

Equity funds: Valued at market prices for similar assets in active markets.

Fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

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NOTE 3 - Investments (cont.)

Personal choice retirement accounts: The Plan's investments held in participant-directed brokerage accounts may include mutual funds, common stock, bonds, cash, money market funds, unit investment trusts and options. The fair values of mutual funds and money market funds are based on the quoted NAVs of the shares held by the Plan at year end. The fair values of common stock and unit investment trusts are based on quoted market prices. Cash is reported at carrying value which approximates fair value. The fair value of bonds for which quoted market prices are not available are valued based on yields currently available on comparable securities of issues with similar credit ratings. The fair value of options is based on cost; no value is given until options are exercised.

Group annuity: Group annuity contracts are reported at contract value equal to the accumulated cash contributions and interest less any withdrawals, which approximates fair value. The annuity is not available for sale or transfer on any securities exchange. The fair value of the annuity was determined by discounting the related cash flows on current yields of similar instruments with comparable durations and taking into consideration the creditworthiness of the issuer.

Common collective trust funds: The collective trust fund is valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

The plan sponsor is responsible for the determination of fair value. Accordingly, they perform periodic analysis of the prices received from the pricing services used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, the plan sponsor has not historically adjusted the prices obtained from the pricing services. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTE 3 - Investments (cont.)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2025 and 2024:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Equities	$ 50,722,890	$ -	-	$ 50,722,890
Equity funds	-	968,701,840	-	968,701,840
Fixed Income	-	94,662,009	-	94,662,009
PCRA's	48,999,132	5,472,076	-	54,471,208
Group annuity	-	-	957,114	957,114
Total assets in the fair value hierarchy	$ 99,722,022	$ 1,068,835,925	$ 957,114	1,169,515,061
Investments measured at net asset value (a)				198,100,221
Total investments				$ 1,367,615,282

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Equities	$ 48,847,122	$ -	-	$ 48,847,122
Equity funds	-	838,269,189	-	838,269,189
Fixed Income	-	86,839,377	-	86,839,377
PCRA's	49,127,911	5,440,690	-	54,568,601
Group annuity	-	-	950,252	950,252
Total assets in the fair value hierarchy	$ 97,975,033	$ 930,549,256	$ 950,252	1,029,474,541
Investments measured at net asset value (a)				198,194,088
Total investments				$ 1,227,668,629

(a) In accordance with GASB 72, *Fair Value Measurement and Application*, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Fiduciary Net Position.

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NOTE 3 - Investments (cont.)

The following table summarizes investments for which fair value is measured using NAV per share practical expedient as of December 31, 2025 and 2024, respectively. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	December 31, 2025			
Stable Value Account	$ 198,100,221	N/A	Daily	N/A
	December 31, 2024			
Stable Value Account	$ 198,194,088	N/A	Daily	N/A

The following table summarizes the fair value of investments, except as identified otherwise, held by the Plan at December 31, 2025 and 2024:

	2025	2024
Fixed earnings investment		
Stable Value Account, at contract value	$ 198,100,221	$ 198,194,088
Variable earnings investments		
Actively Managed Income Account	94,662,009	86,839,377
Passively Managed U.S. Equity Account	417,314,364	374,966,326
Actively Managed Equity Account	235,162,520	199,132,682
Passively Managed International Equity Account	95,313,375	72,882,001
Target date investments		
Target Date Income	56,693,150	56,714,312
Target Date 2025	34,498,417	32,953,607
Target Date 2030	44,856,998	43,712,029
Target Date 2035	40,177,407	32,099,482
Target Date 2040	32,150,221	26,022,227
Target Date 2045	23,980,230	19,738,327
Target Date 2050	16,788,906	12,697,032
Target Date 2055	15,333,339	11,577,094
Target Date 2060	6,681,568	4,551,322
Target Date 2065	474,235	69,870

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NOTE 3 - Investments (cont.)

	2025	2024
Self-directed option		
PCRAs - Charles Schwab	54,471,208	54,568,601
Group Annuity contract		
AUL	957,114	950,252
Total investments	$ 1,367,615,282	$ 1,227,668,629

The following individual underlying investments exceeded 5% of the Plan Fiduciary Net Position at December 31, 2025 and 2024:

	Investment Type	2025	2024
Russell 3000 Index Fund	Equity funds	$ 417,314,364	$ 374,966,326
Stable Value Account	Measured at NAV	198,100,221	198,194,088
S&P 500 Index Fund	Equity funds	109,690,321	93,085,607
International Equity Fund	Equity funds	95,313,375	72,882,001

The Plan conforms to the reporting requirements of *Governmental Accounting Standards Board Statement No. 40*. As of December 31, 2025, the Plan had the following investments and maturities in its fixed earnings investment and certain mutual funds which include investments in bonds.

	Fair Value	Weighted Average Maturity (Years)	Credit Quality
Fixed earnings investment			
Stable Value Account, at contract value	$ 198,100,221	3.31	AA
Variable earnings investments			
Baird Core Fixed Income	67,587,781	7.88	AA-
Brandywine Global Fixed Income	11,965,421	11.75	AA
Reams Opportunistic Fixed Income	15,108,807	5.78	AA-

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NOTE 3 - Investments (cont.)

As of December 31, 2024, the Plan had the following investments and maturities in its fixed earnings investment and certain mutual funds which include investments in bonds.

	Fair Value	Weighted Average Maturity (Years)	Credit Quality
Fixed earnings investment			
Stable Value Account, at contract value	$ 198,194,088	3.41	AA
Variable earnings investments			
Baird Core Fixed Income	62,216,428	8.14	AA
Brandywine Global Fixed Income	10,963,398	17.71	AA
Reams Opportunistic Fixed Income	13,659,551	7.05	AA

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates could adversely affect the fair value of the investment. The Plan may have investments in foreign investments that are issued outside of the United States of America. As of December 31, 2025 and 2024, the Plan's exposure to foreign currency risk, expressed in U.S. Dollars, is in the following table.

December 31, 2025

Foreign Currency	Equities	Total Fair Market Value
Brazilian real	$ 261,932	$ 261,932
British pound sterling	4,830,490	4,830,490
Canadian dollar	1,007,794	1,007,794
Euro	8,934,937	8,934,937
Hong Kong dollar	1,430,540	1,430,540
Hungarian forint	1,223,483	1,223,483
Indonesian rupiah	2,882,516	2,882,516
Japanese yen	1,517,693	1,517,693
Mexican peso	663,308	663,308
South Korean won	343,852	343,852
Swiss franc	684,003	684,003
Totals	$ 23,780,548	$ 23,780,548

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NOTE 3 - Investments (cont.)

December 31, 2024

Foreign Currency	Equities	Total Fair Market Value
Brazilian real	$ 961,199	$ 961,199
British pound sterling	8,888,793	8,888,793
Canadian dollar	1,228,298	1,228,298
Chilean peso	237,128	237,128
Danish krone	1,456,143	1,456,143
Euro	9,933,582	9,933,582
Hong Kong dollar	1,940,222	1,940,222
Hungarian forint	326,977	326,977
Indonesian rupiah	156,918	156,918
Japanese yen	2,591,265	2,591,265
Mexican peso	637,358	637,358
South Korean won	431,147	431,147
Swiss franc	1,284,964	1,284,964
Totals	$ 30,073,994	$ 30,073,994

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Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Plan's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not the Plan's name.

All deposits of the Plan are held on behalf of the Plan by the investment custodian in accordance with the formal deposit policy for custodial credit risk and are not exposed to custodial credit risk as defined by *Governmental Accounting Standards Board Statement No. 40.*

NOTE 4 - Related Parties

All members of the Deferred Compensation Board are participants in the Plan; however, no fees are paid to these participants.

NOTE 5 - Plan Termination

The City reserves the right to terminate the Plan at any time, and such termination shall act as a termination to all participants. Upon termination of the Plan, the City reserves the right to make distributions to participants at such time and in such manner the City may deem advisable.

NOTE 6 - Tax Status

The Plan is reviewed by legal counsel to ensure conformity with Section 457 of the IRC. Accordingly, any amount of compensation deferred under the Plan and any income attributable to the amounts so deferred shall be included in the gross income of the participant only for the taxable year in which such compensation or other income is paid or otherwise made available to the participant or other beneficiary.

The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Plan and recognize a liability if the Plan has taken an uncertain position that more likely that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - Subsequent Events

The Plan has evaluated subsequent events through July X, 2026, which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. Management believes that no material events have occurred that would require disclosure.

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