Dallas County Hospital District
401(a) Supplemental Savings Plan
403(b) Supplemental Savings Plan
457(b) Supplemental Savings Plan
401(a) Mandatory Savings Plan

Independent Auditor's Report and Combined Financial Statements

December 31, 2025 and 2024

Dallas County Hospital District
401(a) Supplemental Savings Plan
403(b) Supplemental Savings Plan
457(b) Supplemental Savings Plan
401(a) Mandatory Savings Plan
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Dallas County Hospital District
401(a) Supplemental Savings Plan
403(b) Supplemental Savings Plan
457(b) Supplemental Savings Plan
401(a) Mandatory Savings Plan
Management's Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024

Our discussion and analysis of the Dallas County Hospital District 401(a) Supplemental Savings Plan, Dallas County Hospital District 403(b) Supplemental Savings Plan, Dallas County Hospital District 457(b) Supplemental Savings Plan, and Dallas County Hospital District 401(a) Mandatory Savings Plan (collectively, Plans) combined financial statements provides an overview and analysis of the financial activities of the Plans for the years ended December 31, 2025 and 2024. December 31, 2023 balances are included for comparative purposes.

Financial Highlights (Dollars in Thousands)

- The Plans' total net position increased by $288,636 in 2025, and the Plans' total net position increased by $223,514 and increased by $214,578 in 2024 and 2023, respectively.
- The Plans' total net investment gain for 2025 was $238,521, an increase of $58,169 from 2024. The Plans' total net investment gain for 2024 was $180,352, an increase of $11,240 from 2023.
- The Plans' employer contributions were $49,359 in 2025, an increase of $4,468 from 2024. The Plans' employer contributions were $44,891 in 2024, an increase of $8,174 from 2023. Employer contributions increased in 2025 largely due to increased employee participation and the required funding match. Total employee contributions, including rollovers, were $109,068 in 2025, an increase of $12,102 from 2024. Total employee contributions, including rollovers, were $96,966 in 2024, an increase of $20,411 from 2023.
- Total interest on notes receivable from participants for 2025 was $1,751, an increase of $193 from 2024. Total interest on notes receivable from participants for 2024 was $1,558, an increase of $549 from 2023.
- Total benefit payments were $110,227 in 2025, an increase of $7,665 from 2024. Total benefit payments were $102,562 in 2024, an increase of $12,465 from 2023. The increase in 2025 is an increase in the amount of payments from the Plans. Total administrative expenses were $1,453 in 2025, an increase of $112 from 2024. Total administrative expenses were $1,341 in 2024, an increase of $143 from 2023.

Overview of the Combined Financial Statements

The combined statements of fiduciary net position present information on all of the Plans' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the combined Plans is improving or deteriorating.

The combined statements of changes in fiduciary net position present information on the Plans' net asset changes during the most recent calendar years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Notes to the Combined Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the combined financial statements.

Financial Analysis (Dollars in Thousands)

The Plans' assets include investments reported at fair value and contract value as of December 31, 2025 and 2024. These assets are held in trust for pension benefits. Charles Schwab Trust Company (Schwab) serves as the trustee for the Plans.

During 2025, 10 of the Plans' 18 investment fund options gained value. Two of the fund options lost value due to sales of shares occurring throughout the year. The Plans also added five new fund options, while one fund matured in the year 2025.

During 2024, 13 of the 14 Plans' investment fund options gained value. 13 funds overperformed their respective benchmarks for the year, while one matured in the year 2024.

Total net appreciation in fair value of investments for 2025 was $190,091 compared to appreciation of $141,961 and $163,666 in 2024 and 2023, respectively. Total dividend income increased by $10,039 to $48,430 in 2025 and increased by $10,465 to $38,391 in 2024.

Table 1:

	2025	2024	2023
ASSETS			
Investments	$ 1,865,592	$ 1,580,701	$ 1,365,531
Cash	163	5,969	97
Receivables			
Employer contributions	1,993	-	-
Participant contributions	4,269	-	-
Notes receivable from participants	23,559	20,270	17,798
Total Receivables	29,821	20,270	17,798
Combined Fiduciary Net Position	$ 1,895,576	$ 1,606,940	$ 1,383,426

Table 2:

	2025	2024	2023
Additions			
Contributions			
Employer contributions	$ 49,359	$ 44,891	$ 36,717
Employee contributions	104,562	91,362	73,497
Other	4,506	5,604	3,058
Total Contributions	158,427	141,857	113,272
Interest on Participant Loans	1,751	1,558	1,009
Income on Investments	238,521	180,352	191,592
Total Additions	398,699	323,767	305,873
Deductions			
Benefit payments	110,227	102,562	90,097
Administrative expenses	1,453	1,341	1,198
Total Deductions	111,680	103,903	91,295
Net Increase in Fiduciary Net Position	287,019	219,864	214,578
Transfer From Retirement Income Plan	1,617	3,650	-
Combined Fiduciary Net Position, Beginning of Year	1,606,940	1,383,426	1,168,848
Combined Fiduciary Net Position, End of Year	$ 1,895,576	$ 1,606,940	$ 1,383,426

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Independent Auditor's Report

Board of Managers
Dallas County Hospital District
Dallas, Texas

Opinion

We have audited the combined financial statements of Dallas County Hospital District 401(a) Supplemental Savings Plan, Dallas County Hospital District 403(b) Supplemental Savings Plan, Dallas County Hospital District 457(b) Supplemental Savings Plan, and Dallas County Hospital District 401(a) Mandatory Savings Plan (collectively, Plans), which comprise the combined statements of fiduciary net position as of December 31, 2025 and 2024, and the related combined statements of changes in fiduciary net position for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the fiduciary net position of the Plans as of December 31, 2025 and 2024, and the changes in their 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Plans 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 the combined 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 Plans' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Auditor's Responsibilities for the Audits of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 combined 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 combined 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 combined 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 Plans' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plans' 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 on pages 1 through 3 be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with GAAS. These limited procedures 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 audits 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.

Forvis Mazars, LLP

Dallas, Texas
November 10, 2026

Dallas County Hospital District
401(a) Supplemental Savings Plan
403(b) Supplemental Savings Plan
457(b) Supplemental Savings Plan
401(a) Mandatory Savings Plan
Combined Statements of Fiduciary Net Position
December 31, 2025 and 2024
(in Thousands)

	2025	2024
ASSETS		
Participant-Directed Investments		
Mutual funds, at fair value	$ 1,687,519	$ 1,414,075
Investment in insurance company separate account, at contract value	178,073	166,626
Total Participant-Directed Investments	1,865,592	1,580,701
Cash	163	5,969
Receivables		
Employer contributions	1,993	-
Participant contributions	4,269	-
Notes receivable from participants	23,559	20,270
Total Receivables	29,821	20,270
Combined Fiduciary Net Position	$ 1,895,576	$ 1,606,940

Dallas County Hospital District
401(a) Supplemental Savings Plan
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Combined Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2025 and 2024
(in Thousands)

	2025	2024
Additions		
Contributions		
Employer contributions	$ 49,359	$ 44,891
Employee contributions	104,562	91,362
Rollovers	4,506	5,604
Total Contributions	158,427	141,857
Interest Income From Participant Loans	1,751	1,558
Investment Income		
Net appreciation in value of assets	190,091	141,961
Dividend income	48,430	38,391
Total Investment Income	238,521	180,352
Total Additions	398,699	323,767
Deductions		
Benefits paid to participants	110,227	102,562
Administrative expenses	1,453	1,341
Total Deductions	111,680	103,903
Net Increase in Fiduciary Net Position	287,019	219,864
Transfer From Retirement Income Plan	1,617	3,650
Combined Fiduciary Net Position, Beginning of Year	1,606,940	1,383,426
Combined Fiduciary Net Position, End of Year	$ 1,895,576	$ 1,606,940

Note 1. Description of the Plans

General

The following brief description of Dallas County Hospital District (District) 401(a) Supplemental Savings Plan (401(a) Plan), Dallas County Hospital District 403(b) Supplemental Savings Plan (403(b) Plan), Dallas County Hospital District 457(b) Supplemental Savings Plan (457(b) Plan), and Dallas County Hospital District 401(a) Mandatory Savings Plan (401(a) MSP Plan) (collectively, Plans) provides only general information. Participants should refer to the respective plan documents for a more complete description of the Plans' provisions.

The Plans are defined contribution plans covering substantially all employees of the District. Employees may enroll in the Plans at any time.

The Plans operate under four separate plan documents: the 403(b) Plan, which provides for pretax employee contributions under Section 403(b) of the Internal Revenue Code (IRC), the 401(a) Plan, which provides for after-tax employee contributions under Section 401(a) of the IRC, the 457(b) Plan, which provides increased pretax employee contributions under Section 457(b) of the IRC, and the 401(a) MSP Plan, which provides for contributions under Section 401(a) of the IRC as well as a social security program replacement plan.

There were 21,200 and 20,458 participants in the Plans as of December 31, 2025 and 2024, respectively. All participants are considered general employees.

Plan Administration

The Plans are administered by the board of managers of the District. The board of managers has exclusive responsibility for the general administration of the plan and trust and has all powers necessary to accomplish that purpose. Among other duties, the board of managers interprets the Plans and reviews, monitors, and replaces the investment options available to plan participants in accordance with the Plans' investment policy.

The Plans' assets are held in trust by Charles Schwab Trust Company, and the Plans' record-keeping is performed by Milliman, Inc.

Contributions

All full-time regular employees (excluding leased employees or full-time contractors) are eligible to participate upon hire and enroll into the Plans and may choose to contribute from 1% to 75% of their base salary, either pretax, after-tax, or on a combined basis, as defined by the Plans. Full-time and part-time employees are required to contribute 6.2% and 7.5%, respectively, of their eligible compensation each pay period to the 401(a) MSP Plan as a replacement for Social Security for those hiring or changing employment status after December 12, 2023.

Upon completing one year of service, the District matches full-time employee contributions up to 6.0% of a participant's eligible compensation for the 401(a) Plan, 403(b) Plan, and 457(b) Plan. Starting on full-time employment, the District matches full-time employee contributions up to 6.2% for the 401(a) MSP Plan. Part-time employee contributions are not matched by the District.

Both District and employee contributions are invested in accordance with the participant's investment elections. Participants who have attained age 50 before the end of the plan year are eligible for catch-up contributions. Contributions are subject to certain limitations.

Investment Options

All contributions are invested in various mutual funds or the MetLife Stable Value Fund (Stable Value Fund), an insurance company separate account, as directed by participants in the Plans.

Participant Accounts

Each participant's account is credited with the employee's contribution, the District's contribution, and an allocation of the Plans' earnings (losses) and forfeitures of terminated participants' nonvested accounts and is charged with an allocation of administrative expenses. Allocations of the Plans' earnings (losses) are based on participant account balances. Administrative expenses are assessed a flat monthly fee on each open account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting

Participants are immediately vested in their employee contributions plus actual earnings thereon. Vesting in the District's contribution portion of their accounts is based on years of service. After two years of credited service, participants vest 20% per year over five years or 100% after six years for the 401(a) Plan, 403(b) Plan, and 457(b) Plan. After five years of credited service, participants vest 100% for the 401(a) MSP Plan. Participants become 100% vested after the age of 65, upon becoming fully and permanently disabled, or upon death.

Notes Receivable From Participants

Employees may request a loan from their pretax or after-tax accounts up to the lesser of $50 or 50% of their account balances in the 401(a) Plan, 403(b) Plan, and 457(b) Plan. Note terms range from 1 to 5 years, except for loans for the purchase of a principal residence, which is up to 20 years. The notes are secured by the balance in the participant's respective account and bear interest at the prime rate +1%. Notes receivable are stated at their unpaid principal balance plus any accrued but unpaid interest. Principal and interest are paid ratably through biweekly payroll deductions for active employees.

Employees may have only one loan outstanding at a time. Loans are not permitted in the 401(a) MSP Plan.

Payment of Benefits

Distributions under the 401(a) Plan, 403(b) Plan, and 457(b) Plan are made as lump-sum payments for the vested portion of the participant's account upon satisfaction of a qualifying event, as stipulated by the plan documents, and are recorded when paid. The Plans also provide for hardship distributions.

Forfeitures

Should a participant terminate their employment prior to achieving 100% vesting in District contributions, the unvested portion is forfeited and can be used by the District to reduce matching contributions or to pay administrative expenses. Administrative expenses paid by the Plans are related to distribution and loan transactions. During the years ended December 31, 2025 and 2024, forfeitures of $2,491 and $1,782, respectively, were used to reduce the matching contributions that were required from the District. Accumulated forfeitures of $1,775 and $141 as of December 31, 2025 and 2024, respectively, are included in the fiduciary net position of the Plans.

Basis of Financial Reporting

The combined financial statements are presented in accordance with the generally accepted accounting principles established by the Governmental Accounting Standards Board, which designates the accounting principles and financial reporting standards applicable to state and local governmental units. The Plans maintain a fiduciary fund to account for their operations and use the accrual basis of accounting in preparing their combined financial statements.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

Investments held by defined contribution plans are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the combined fiduciary net position of the defined contribution plans attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plans.

Use of Estimates

The preparation of combined 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 net assets, changes in net assets, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments in mutual funds are stated at fair value based on published prices. The investment in the insurance company product, Stable Value Fund, is stated at contract value as determined by Metropolitan Life Insurance Company (MetLife), based on deposits made, plus interest earned, less withdrawals and expenses. Contract values of the MetLife separate account investment were $178,073 and $166,626 at December 31, 2025 and 2024, respectively. Purchases and sales of securities and related gains/losses are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

For the Stable Value Fund, MetLife guarantees principal and accrued interest, based on credited interest rates, for participant balances as long as the contract remains active. Interest is credited to the contract at interest rates that reflect the performance of the underlying portfolio. The average yield for the separate investment account related to the Stable Value Fund was 6.80% and 2.30% for 2025 and 2024, respectively. The crediting interest rate under the insurance contract was 2.85% and 2.83% at December 31, 2025 and 2024, respectively.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan documents.

Payment of Benefits

Benefit payments are recorded when paid.

Administrative Expenses

Administrative expenses may be paid by the District or the Plans, at the District's discretion.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs), and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

Note 3. Investments

The following investments were held by the Plans at December 31:

	Fund Name	Ticker ID	2025	2024
	Other Mutual Funds			
	AB Discovery Value Z	ABSZX	$ 44,428	$ 46,551
	American Funds EuroPacific Growth R6	RERGX	71,360	56,597
	Metropolitan West Total Return Bond	MWTSX	79,195	70,576
	RBC SMID Cap Growth FD I	TMCIX	52,995	60,184
	Schwab S&P 500 Index	SWPPX	-	452,995
	Fidelity U.S. Bond Index	FXNAX	3,811	-
*	Fidelity 500 Index	FXAIX	526,260	-
	Fidelity Extended Market Index	FSMAX	5,098	-
	Fidelity Global ex US Index	FSGGX	5,756	-
	Total Other Mutual Funds at Fair Value		788,903	686,903
	Target Date Mutual Funds			
*	BlackRock LifePath Index Retirement K	LIRKX	127,635	122,480
*	BlackRock LifePath Index 2030 K	LINKX	107,838	95,721
*	BlackRock LifePath Index 2035 K	LIJKX	134,182	113,224
*	BlackRock LifePath Index 2040 K	LIKKX	140,046	111,847
*	BlackRock LifePath Index 2045 K	LIHKX	125,255	96,180
*	BlackRock LifePath Index 2050 K	LIPKX	109,984	82,378
	BlackRock LifePath Index 2055 K	LIVKX	84,062	61,077
	BlackRock LifePath Index 2060 K	LIZKX	57,722	44,265
	BlackRock LifePath Index 2065 K	LIWKX	11,892	-
	Total Target Date Mutual Funds at Fair Value		898,616	727,172
*	**MetLife Stable Value Fund at Contract Value**	METPK	178,073	166,626
	Total Investments		$ 1,865,592	$ 1,580,701

*Denotes investments that are greater than or equal to 5% of the Plans' net position at December 31, 2025, as applicable.

Note 4. Disclosures About Fair Value of Plan Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2025				
Mutual funds	$ 1,687,519	$ 1,687,519	$ -	$ -
Total investments, at fair value	$ 1,687,519	$ 1,687,519	$ -	$ -
2024				
Mutual funds	$ 1,414,075	$ 1,414,075	$ -	$ -
Total investments, at fair value	$ 1,414,075	$ 1,414,075	$ -	$ -

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the combined statements of fiduciary net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2025 and 2024. The Plans had no liabilities measured at fair value on a recurring basis. In addition, the Plans had no assets or liabilities measured at fair value on a nonrecurring basis.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Plans held no Level 2 or Level 3 securities measured at fair value at December 31, 2025 and 2024.

Note 5. Investment Contract With Insurance Company

The Plans have entered into a fully benefit-responsive investment contract with MetLife. MetLife maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issue is contractually obligated to repay the principal and a specified interest rate guaranteed to the Plans.

The guaranteed investment contract is fully benefit responsive; therefore, contract value is the relevant measurement. Contract value, as reported to the Plans by MetLife, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against the contract value for credit risk of the contract issue or otherwise.

Certain events limit the ability of the Plans to transact at contract value with the issue. Such events include the following: 1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), 2) changes to the Plans' prohibition on competing investment options or deletion of equity wash provisions, 3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plans, or 4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe the occurrence of any such value event, which would limit the Plans' ability to transact at contract value with participants, is probable.

The guaranteed investment contract does not permit MetLife to terminate the agreement prior to the scheduled maturity date.

Note 6. Related-Party Transactions

Related-party transactions include those with fiduciaries or employees of the Plans, any person who provides services to the Plans, an employer whose employees are covered by the Plans, an employee organization whose members are covered by the Plans, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

The Plans paid $1,453 and $1,341 of record-keeping fees to Milliman, Inc. during 2025 and 2024, respectively.

The District provides certain administrative services at no cost to the Plans.

Note 7. Risks and Uncertainties

The Plans invest in various investment securities, including mutual funds and an insurance company contract. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least 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 combined statements of fiduciary net position.

Note 8. Tax Status

The 403(b) and 457(b) plans have not requested or obtained a determination letter, as the Internal Revenue Service does not currently provide that service for these plan types. However, management believes that the current 403(b) and 457(b) plans are designed and being operated in compliance with the applicable requirements of the IRC and not subject to tax.

The 401(a) and 401(a) MSP plans operate under a nonstandardized adoption agreement in connection with a prototype retirement plan and trust/custodial document sponsored by Milliman, Inc. These prototype plan documents have been filed with the appropriate agency. The plans have not obtained or requested a determination letter. However, the plan administrator and the plans' tax counsel believe that the plans are currently designed and being operated in compliance with the applicable requirements of the IRC and that the plans were qualified and the related trust was tax-exempt as of the financial statement date.

Note 9. Plan Termination

Although it has not expressed any intent to do so, the District has the right under the Plans to discontinue its contributions at any time and to terminate the Plans. In the event of the Plans' termination, participants will become fully vested in their accounts.

Note 10. Subsequent Events

Subsequent events have been evaluated through November 10, 2026, which is the date the combined financial statements were available to be issued.