Virginia
Pooled OPEB Trust Fund

Annual Financial Report

For the Year Ended June 30, 2025

Virginia Pooled OPEB Trust Fund

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For the Year Ended June 30, 2025

Prepared by:

VML/VACO Finance

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Independent Auditor's Report

Board of Trustees
Virginia Pooled OPEB Trust Fund

Opinion

We have audited the accompanying financial statements of the Virginia Pooled OPEB Trust Fund (the Trust), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Trust as of June 30, 2025, and the related changes in its fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS *and Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 Trust'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

GAAP requires that the management's discussion and analysis 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other *Reporting* Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust'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 Trust's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Greensboro, North Carolina
December 12, 2025

This discussion and analysis provides an overview of the financial position and the results of activities of the Virginia Pooled OPEB Trust Fund ("Trust") as of and for the fiscal year ended June 30, 2025. Management offers the following discussion and analysis as a narrative introduction to the basic financial statements, which includes comparative information as of and for the fiscal year ended June 30, 2024, where applicable. This narrative is intended as a supplement and should be read in conjunction with the basic financial statements and accompanying notes.

The Trust was established in 2008 under the Joint Exercise of Powers statute of the Commonwealth of Virginia ("Commonwealth") to invest funds for other postemployment benefits ("OPEB") by founding participants, the County of Fairfax, Virginia and the County of Henrico, Virginia. The Trust operates under the Virginia Pooled OPEB Trust Fund Agreement ("Trust Agreement"), which was adopted by the Board of Trustees on April 11, 2008. The Trust is an Internal Revenue Code Section 115 (IRC §115) governmental trust. Income of the Trust is tax-exempt under IRC §115. The Trust was created to provide political subdivisions of the Commonwealth of Virginia with a vehicle to accumulate and invest contributions for funding OPEB to defray future expenses. It is the only pooled OPEB trust fund offered in Virginia. As of June 30, 2025, the Trust held investments of approximately $2.1 billion making it the largest pooled OPEB trust fund in the United States.

The Trust is jointly sponsored by the Virginia Association of Counties ("VACo") and the Virginia Municipal League ("VML") and operates as the VACo/VML Pooled OPEB Trust Fund. Primary benefits of participation in the Trust include access to institutional investment fund managers offered through two diversified portfolios, the guidance of professional investment staff in conjunction with an investment consultant, economies of scale through pooling, and administrative services. The Trust offers two investment portfolios: the Virginia Pooled OPEB Trust Portfolio I ("Portfolio I") and the Virginia Pooled OPEB Trust Portfolio II ("Portfolio II"). Portfolio I, the default portfolio, has an asset allocation constructed to achieve an expected rate of return of approximately 7.50%. Portfolio II has an alternatively weighted asset allocation to achieve an expected rate of return of approximately 6.00%. Participants may only invest in one portfolio at a time. Although contributions of participating localities are pooled within each Portfolio of the Trust, each Participant receives individualized statements indicating the number of units of the respective portfolio that they hold and the market value of their investment. Individualized reporting allows Participants to monitor the performance of their investment.

The Virginia Local Government Finance Corporation ("VLGFC"), operating as VML/VACo Finance, ("Administrator") provides day-to-day administration of the Trust pursuant to a Memorandum of Agreement.

Overview of the Financial Statements

The components of the financial statements and the required supplementary information are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board ("GASB").

This overview serves as an introduction to the Trust's basic financial statements. The Trust's basic financial statements include the following:

- The *Statement of Fiduciary Net Position* presents the Trust's assets and liabilities. The difference between the assets and liabilities is reported as the net position restricted for pool participants. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Trust is improving or deteriorating.

- The *Statement of Changes in Fiduciary Net Position* presents information showing how the Trust's net position changed during the period. This statement includes additions and deductions that occurred during the fiscal year. Additions include participant contributions and net investment earnings. Deductions include participant withdrawals and administrative expenses.

- The *Notes to Financial Statements* provide additional information that is essential for understanding the financial data provided in the financial statements and are an integral part of the financial statements.

Financial Highlights

- The combined total fiduciary net position held in trust for pool participants was $2,070.7 million at June 30, 2025, representing an increase of $177.9 million, or 9.40%, from the net position as of June 30, 2024. The increase was primarily due to net appreciation in fair value of investments.
- Short term investments at June 30 increased from fiscal year 2024 to fiscal year 2025 by 29.32% from $18.7 million to $24.2 million. Changes in the level of short-term investments are primarily due to the timing of cash flows.
- Contributions from participants during fiscal year ended 2025 totaled $27.0 million, a 10.59% decrease from participant contributions of $30.2 million during fiscal year 2024.
- Investment earnings from interest and dividends increased 15.25% during fiscal year 2025 compared with fiscal year 2024, ending fiscal year 2025 at $30.6 million versus $26.6 million for fiscal year 2024. Conversely, interest receivables decreased during fiscal year 2025 with a year-ending balance of $0.5 million compared to fiscal year 2024 ending balance of $2.4 million.
- Net investment income increased by 4.49% during the fiscal year ended June 30, 2025, compared to the fiscal year ended June 30, 2024. This was the result of year-over-year increases in both components of net investment income, i.e., net appreciation in the fair value of investments of the Trust and investment earnings from interest and dividends (noted above), and a decrease in investment expenses during fiscal year 2025 compared to fiscal year 2024. For the year ended June 30, 2025, net appreciation in fair value of investments was $139.2 million compared to net appreciation of $136.6 million for the fiscal year ended June 30, 2024, representing an increase of $2.6 million, or 1.88%. Investment expenses decreased 12.87% during fiscal year 2025 compared with fiscal year 2024, ending fiscal year 2025 at $3.5 million versus $4.0 million for fiscal year 2024. As discussed below, fiscal year 2025 returns of the portfolios in the Trust were 9.03% for Portfolio I and 8.45% for Portfolio II compared to 9.36% and 7.78%, respectively, for fiscal year 2024.
- Participant withdrawals during fiscal year ended 2025 totaled $14.3 million, a 22.87% decrease from participant withdrawals of $18.5 million during fiscal year 2024.
- Payables (or Total Liabilities) decreased $1.6 million as of June 30, 2025 primarily due to pending withdrawals at June 30, 2024.

Financial Analysis

The Trust's investment objectives are to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and income and, secondarily, principal protection. The Trust is segregated and managed as two distinct portfolios referred to as Portfolio I and Portfolio II. Portfolio I is structured to achieve a compound annualized total expected rate of return over the long term, including current income and capital appreciation, of 7.5%. Portfolio II is structured to achieve a compound annualized total expected rate of return over the long-term of 6.0%.

The comparative financial information for fiscal year 2025 to fiscal year 2024 is as follows:

	2025	2024	Increase (Decrease)	% Change
ASSETS				
Short Term Investments	$ 24,247,727	$ 18,749,482	$ 5,498,245	29.32%
Investments at Fair Value	2,047,142,778	1,874,447,888	172,694,890	9.21%
Receivables	464,354	2,374,824	(1,910,470)	-80.45%
TOTAL ASSETS	2,071,854,859	1,895,572,194	176,282,665	9.30%
LIABILITIES				
Payables	1,131,783	2,716,543	(1,584,760)	-58.34%
TOTAL LIABILITIES	1,131,783	2,716,543	(1,584,760)	-58.34%
NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS	$ 2,070,723,076	$ 1,892,855,651	$ 177,867,425	

	2025	2024	Increase (Decrease)	% Change
ADDITIONS				
Participant Contributions	$ 27,009,343	$ 30,208,788	$ (3,199,445)	-10.59%
Net Investment Income/(Loss)	166,345,968	159,202,757	7,143,211	4.49%
Total Additions	193,355,311	189,411,545	3,943,766	2.08%
DEDUCTIONS				
Participant Withdrawals	14,300,671	18,541,041	(4,240,370)	-22.87%
Administrative and Program Expenses	1,187,216	1,118,478	68,738	6.15%
Total Deductions	15,487,887	19,659,519	(4,171,632)	-21.22%
Change in Net Position	177,867,425	169,752,026	8,115,398	4.78%
Net Position Beginning of Year	1,892,855,651	1,723,103,626	169,752,025	
NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS	$ 2,070,723,076	$ 1,892,855,651	$ 177,867,425	9.40%

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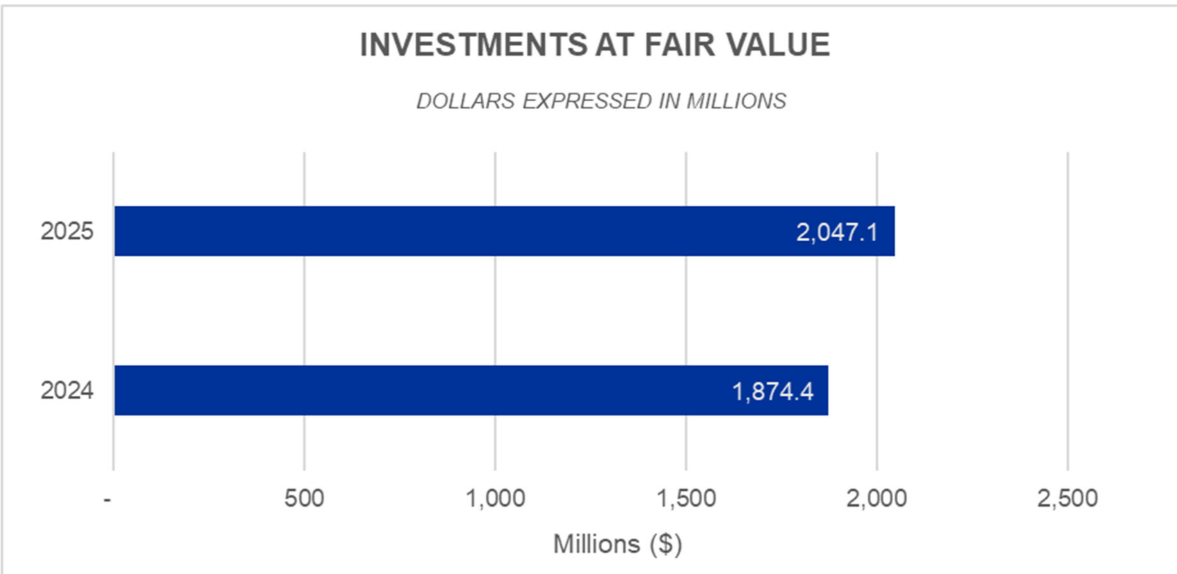
Net Position

The Trust's fiduciary net position is composed primarily of the investments reported at fair value, which saw an increase of 9.21% from fiscal year ended 2024 to fiscal year ended 2025. Net appreciation in fair value of investments in the Trust contributed to increases in investment balances and overall net position. The net appreciation in fair value of investments led to an increase in the change in net position from the prior year, with the current year change at $177.9 million compared to prior year of $169.8 million.

A comparison of the investments at fair value as of June 30 is as below:



Short Term Investments

Short term investments comprise money-market mutual funds, which are considered cash equivalents, and totaled $24.2 million at fiscal year-end 2025 compared with $18.7 million at fiscal year-end 2024. The increase of $5.5 million is attributed to the timing of cash flows.

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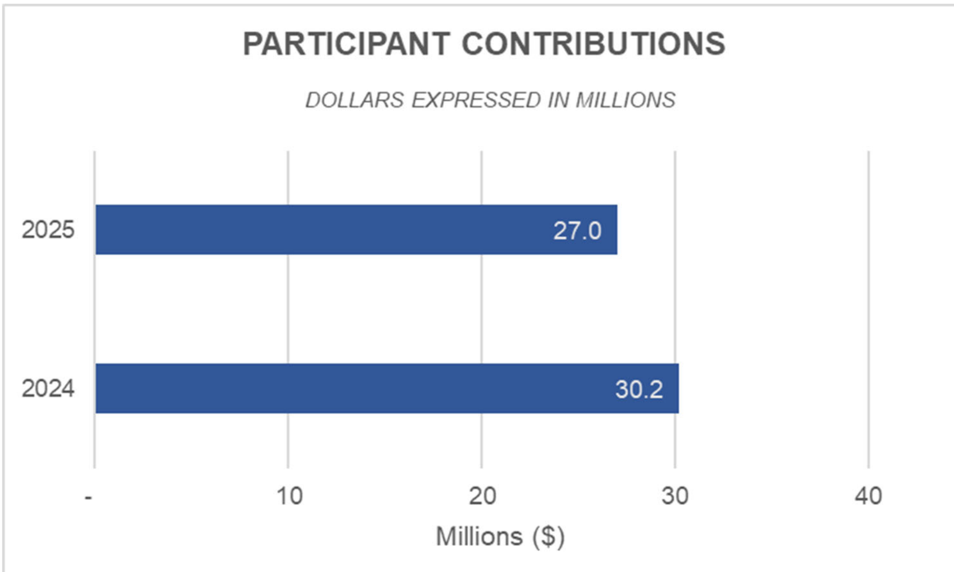
Participation

Participation in the Trust is voluntary. The Trust provides all political subdivisions access to professionally managed investment pools. Participant contributions decreased by 10.59%, from $30.2 million during fiscal year 2024 to $27.0 million during fiscal year 2025.



Contributions from participants are commingled in the participant's selected portfolio and invested to provide funding for future retiree benefits. Each participant owns equity positions in the elected portfolio based on the participant's proportionate share of ownership. Investment income and losses are allocated to the participant accounts monthly. Following the allocation of the investment income or loss, the participant shares in the equity position of each portfolio are valued for the month. The net asset value per share of each investment portfolio fluctuates with market conditions.

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Investment Performance

The investment holdings in each portfolio are classified into one of three categories: fixed income, equities, or real assets. The investment holdings comprise both passive and actively managed funds. The Board of Trustees, in consultation with the Director of Investments and the external investment consultant, establishes the asset allocation of each portfolio. The asset allocation for each portfolio is strategically designed to achieve the targeted long-term rate of return. The target asset allocation takes into consideration asset class returns and volatility, risk tolerance, and liquidity needs. Each investment allocation category is further described below.

The fixed income allocation provides income, stability, preservation of capital, and a partial hedge against periods of prolonged economic contraction or deflation.

The allocation to equities is expected to provide a total return that provides growth of principal to help preserve, and even enhance, the value of the assets over the long term. Equity investments may provide higher long-term returns than fixed income investments and provide some protection against inflation.

The real asset allocation provides diversification and overall portfolio risk reduction through exposure to strategies that have limited correlation to equity and fixed income markets and provides a hedge against inflation over a longer time horizon.

Overall, U.S. equity market performance was dominated by large-cap growth stocks. For the 12 months ended June 30, 2025, the S&P 500 Growth index returned 19.88% versus the broader S&P 500 index return of 15.16%. Performance was also strong in non-U.S. equities with the MSCI EAFE index (developed markets) returning 17.73% for the year ended June 30, 2025, and the MSCI Emerging Markets index generating a return of 15.29%. Fixed income markets were also positive for the year, as the Bloomberg U.S. Aggregate index returned 6.08% for the 12-month period.

Portfolio I

The time-weighted rate of return on investments in Portfolio I during the fiscal year ended June 30, 2025, was 9.03% compared to a return of 9.36% for the fiscal year ended June 30, 2024. Each asset class within Portfolio I turned in a positive one-year return. Strong performance was generated in the U.S. Large-Cap equity portfolio where an overweight position also contributed to overall returns. Portfolio I's private equity managers also provided positive performance, returning 13.29% for the fiscal year. Two of the weaker performing assets classes were the U.S. Small-Cap equity and Long/Short equity portfolios, which returned 1.57% and 1.53%, respectively, for the year ended June 30, 2025.

Portfolio I measures its returns against a custom composite benchmark composed of each asset classes' market index benchmark, weighted by the long-term policy allocations. The investment performance objective of Portfolio I is to exceed the return of the custom benchmark over rolling three-year periods while secondarily preserving participant capital. The total return (net of fees) of Portfolio I for the year ended June 30, 2025, was 9.03% compared to 10.95% for the custom benchmark.

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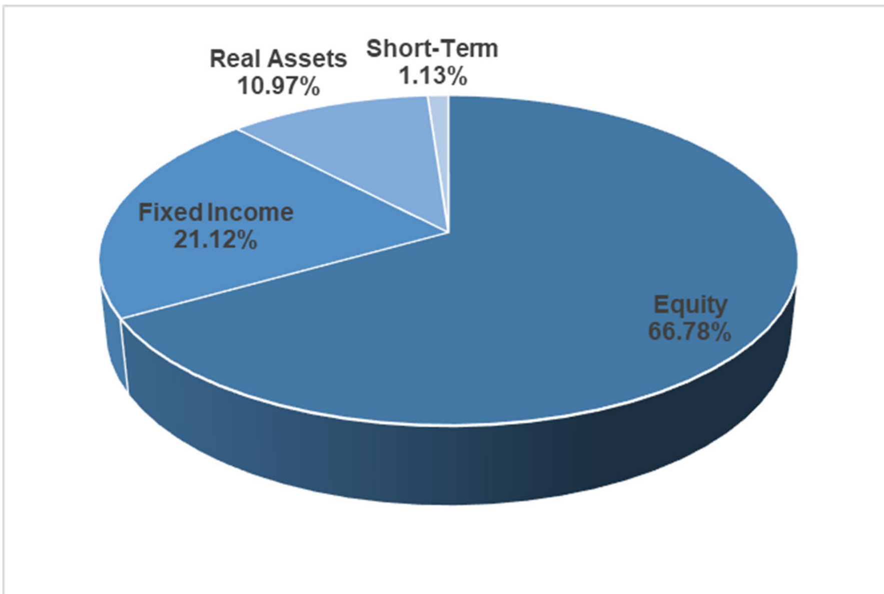
Portfolio I (continued)

Portfolio I is constructed to achieve a compound annualized total expected rate of return over the long term of approximately 7.50%. This objective is achieved by weighting the asset allocation more heavily towards equities and real assets than fixed income. Such an allocation tends to have greater market volatility than a portfolio weighted more heavily towards fixed income.

Below is the asset allocation based on the major asset classes for Portfolio I as of June 30, 2025:



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Portfolio I (continued)

The asset allocation of Portfolio I, based on fair value as of June 30, 2025, was as follows:

Asset Class	Portfolio Amount	Portfolio Allocation
Money Market Mutual Funds	$ 18,504,534	1.12%
Large Cap Equity	349,334,627	21.34%
Small Cap Equity	182,462,996	11.15%
International Developed Equity	196,959,387	12.03%
Emerging Markets Equity	97,278,816	5.94%
Private Equity	160,977,176	9.83%
Long/Short Equity	106,156,341	6.49%
Core Plus Fixed Income	284,526,689	17.38%
Core Fixed Income	-	0.00%
Absolute Return Fixed Income	61,198,536	3.74%
Real Estate Real Assets	179,500,178	10.97%
Total Holdings	$ 1,636,899,278	100.00%

**Money Market Mutual Funds are reported at amortized cost which approximates fair value.*

Asset allocations exclude funds held in Trust Board expense account and contributions held in Participant Trust accounts prior to investment in the respective Portfolio.

Portfolio II

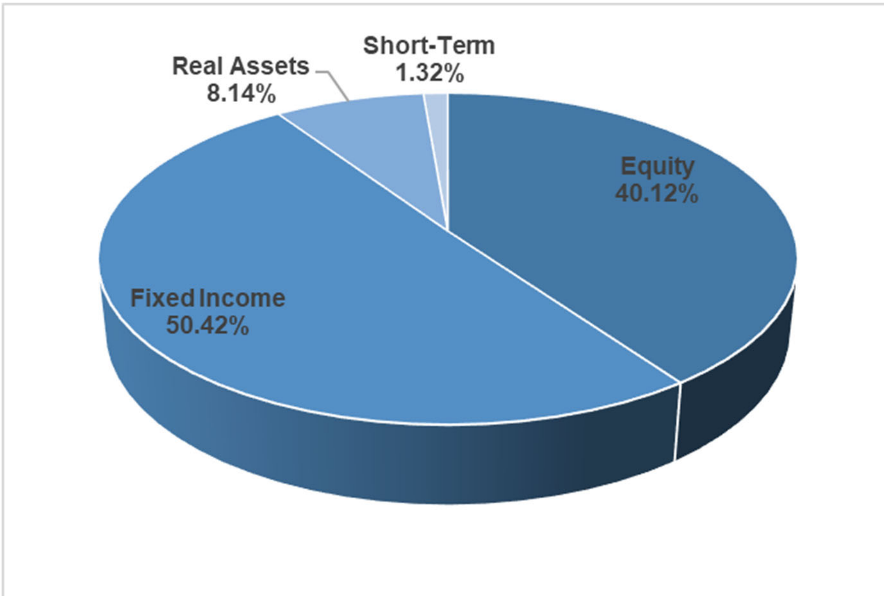
The time-weighted rate of return on investments in Portfolio II during the fiscal year ended June 30, 2025, was 8.45% compared to a return of 7.78% for the fiscal year ended June 30, 2024. Each asset class within Portfolio II turned in a positive one-year return. Strong performance was generated in the U.S. Large-Cap equity portfolio where an overweight position throughout most of the year also contributed to overall returns. Portfolio II's approximate 50% weighting to fixed income also provided positive performance, returning 8.14% for the fiscal year. Two of the weaker performing assets classes were the U.S. Small-Cap equity and Long/Short equity strategies, which returned 1.40% and 1.89%, respectively, for the year ending June 30, 2025.

Portfolio II measures its returns against a custom composite benchmark composed of each asset class's market index benchmark, weighted by the long-term policy allocations. The investment performance objective of Portfolio II is to exceed the return of the custom benchmark over rolling three-year periods while secondarily preserving participant capital. The total return (net of fees) of Portfolio II for the year ended June 30, 2025, was 8.45% compared to 8.97% for the custom benchmark.

Portfolio II is constructed to achieve a compound annualized total expected rate of return over the long term of approximately 6.00% and to experience less volatility than Portfolio I by allocating a greater weight to fixed-income investments than to equity investments.

Portfolio II (continued)

Below is the asset allocation based on major asset classes for Portfolio II as of June 30, 2025:



The asset allocation of Portfolio II, based on fair value as of June 30, 2025, was as follows:

Asset Class	Portfolio Amount	Portfolio Allocation
Money Market Mutual Funds	$ 5,742,662	1.33%
Large Cap Equity	70,616,631	16.25%
Small Cap Equity	27,912,350	6.42%
International Developed Equity	38,924,566	8.96%
Emerging Markets Equity	19,966,912	4.60%
Long/Short Equity	16,888,971	3.89%
Core Plus Fixed Income	198,659,243	45.72%
Core Fixed Income	-	0.00%
Absolute Return Fixed Income	20,416,125	4.70%
Real Estate Real Assets	35,363,235	8.14%
Total	$ 434,490,694	100.00%

**Money Market Mutual Funds are reported at amortized cost which approximates fair value.*

Economic Factors and Market Review

Quarterly U.S. real economic growth, as measured by the percentage change in Gross Domestic Product ("GDP") from the prior quarter, ended fiscal year 2024 at 3.0% (annualized). The first quarter of fiscal year 2025 remained steady with a real GDP of 3.1% versus the prior quarter (annualized). However, the quarterly growth rate of the economy slowed in second and third quarters of the fiscal year 2025, coming in at 2.4% (annualized) and (0.5%) (annualized), respectively. The economy rebounded in the fourth quarter of fiscal year 2025 with GDP coming in at 3.0% (annualized).

The U.S. unemployment rate fluctuated between 4.0% and 4.2% during the fiscal year, beginning fiscal year 2025 at 4.2% (July 2024), and ending slightly lower at 4.1% (June 2025). Virginia's unemployment rate began fiscal year 2025 at 2.8% (July 2024), but ended the fiscal year higher at 3.5% (June 2025). Domestic year-on-year inflation ("CPI") declined slightly from 3.0% at fiscal year-end 2024 (June 2024) to 2.7% at fiscal year-end 2025 (June 2025).

After inflation moderated in fiscal year 2024, the Fed reduced the federal funds target rate in the first half of fiscal year 2025 a total of 1.0 percentage point. The federal funds rate ended the fiscal year at a range of 4.25% to 4.50%. With current domestic and global political events, including tariffs, the passage of the One Big Beautiful Bill Act, and the conflict in the Middle East, the Fed opted for a "wait and see" posture during the second half of fiscal year 2025 to see what effect, if any, these events might have on the economy.

Declining interest rates have a positive impact on bond prices due to the inverse relationship between rates and prices. In September 2025, the Fed lowered the benchmark interest rate by 25 basis points (0.25%). With interest rates higher today than they were for much of the past 15 years, fixed income investors are enjoying higher yields along with the prospect of price increases due to falling rates.

U.S. Treasury yields decreased slightly during the fiscal year ended June 30, 2025. The yield on the 10-year U.S. Treasury Bond went from 4.36% in June 2024 to 4.24% in June 2025.

The total return for the Bloomberg US Aggregate Bond Index was 6.08% for the fiscal year ending June 30, 2025. High Yield Bonds produced a return of 10.29% as measured by the Bloomberg US Aggregate Corporate High Yield benchmark. With the weakening labor market towards the end of the fiscal year and inflation remaining under control, investors were betting that the Fed would begin to cut interest rates providing a tailwind to fixed income assets. Subsequent to fiscal year-end, the Fed cut its target interest rate by a total of 50 basis points (0.50%), specifically by 25 basis points at each FOMC meeting held in September and October 2025.

U.S. equities delivered positive returns during the fiscal year ending June 30, 2025. U.S. Large Cap stocks, as measured by the S&P 500 index, performed especially well and finished the fiscal year up 15.16%. U.S. Small Cap stocks, as measured by the Russell 2000, ended the fiscal year up 7.68%. Investors remained enamored by large cap growth stocks that are powering the artificial intelligence wave.

Non-U.S. stocks also experienced positive returns for the fiscal year ended 2025. The MSCI EAFE index, which represents non-U.S. developed market stocks, was up 17.73% for the fiscal year, while the MSCI Emerging Markets index was up 15.29%. A weakening U.S. dollar provided a lift for U.S. investors investing overseas.

Real estate, as measured by the NFI-ODCE Index, returned to positive territory after consecutive down years, and ended fiscal year 2025 up 2.66%.

Requests for Information

This financial report is designed to provide a general overview of the Trust's financial results. This report and additional information can be found by visiting the Trust's website, valocalfinance.org/opeb/. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Managing Director
VML/VACo Finance
8 E. Canal Street
Richmond, VA 23219
(804) 648-0635

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VIRGINIA POOLED OPEB TRUST FUND
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2025

		Total OPEB Trust
ASSETS		
Short Term Investments	$	24,247,727
Investments at Fair Value:		
Fixed Income Securities		564,800,593
Equity Securities		1,267,478,772
Real Assets		214,863,413
Accrued Investment Income		395,217
Receivable for Investments Sold		69,137
Total Assets		2,071,854,859
LIABILITIES		
Payable for Investments Purchased		342,020
Accounts Payable		789,763
Total Liabilities		1,131,783
NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS	$	2,070,723,076

The accompanying notes are an integral part of these financial statements.

VIRGINIA POOLED OPEB TRUST FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2025

		Total OPEB Trust
ADDITIONS		
Participant Contributions	$	27,009,343
Investment Income:		
Net Appreciation in Fair Value of Investments		139,182,260
Interest and Dividends		30,648,525
Investment Expenses		(3,484,817)
Net Investment Gain		166,345,968
Total Additions		193,355,311
DEDUCTIONS		
Participant Withdrawals		14,300,671
Administrative and Program Expenses		1,187,215
Total Deductions		15,487,886
Change in Net Position		177,867,425
Net Position Beginning of Year		1,892,855,651
NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS	$	2,070,723,076

The accompanying notes are an integral part of these financial statements.

Note 1—Summary of significant accounting policies

Basis of Presentation – The accompanying financial statements have been prepared in conformity with the accounting principles generally accepted in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

The Reporting Entity – For financial reporting purposes, the Virginia Pooled OPEB Trust Fund ("Trust") is an independent reporting entity and is not a component unit of another governmental entity. The Trust is a governmental external investment pool that invests funds to defray costs of other postemployment benefits ("OPEB"). The Trust reports activities as a single fiduciary fund type. These financial statements have been prepared utilizing the accounting principles for governmental external investment pools.

The Trust was established April 11, 2008, to provide a pooled investment alternative for OPEB contributions made by political subdivisions of the Commonwealth of Virginia ("Commonwealth"). The Trust is a qualified investment trust as defined in § 15.2-1544 of the Code of Virginia, under Article 8.

The Trust was created to provide an investment vehicle to pool participant contributions for OPEB and to invest such funds under the direction and daily supervision of professional fund managers. The investment earnings compound and the earnings are available to fund retiree OPEB plans sponsored by the participants. The Trust is open to political subdivisions of the Commonwealth, any other state, and the District of Columbia, including local governments, school divisions, authorities, and other governmental entities that adopt ordinances or resolutions to become participants. Participants hold units representing their pro rata share of the respective portfolio in which they invest within the Trust.

The Trust comprises two investment portfolios and operates under the Virginia Pooled OPEB Trust Fund Agreement ("Trust Agreement"). The Virginia Pooled OPEB Trust Portfolio I ("Portfolio I") is the default portfolio and has an asset allocation constructed to achieve a long-term expected annual rate of return of approximately 7.50%. The Virginia Pooled OPEB Trust Portfolio II ("Portfolio II") has an alternatively weighted asset allocation to achieve a long-term expected annual rate of return of approximately 6.00%. Participants may invest in only one portfolio at a time.

The Trust seeks to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and income and, secondarily, principal protection. Participant ownership is proportionate and based on market value. The value of each share is determined by dividing the value of the net position of the portfolio by the number of units outstanding at the end of the month when the portfolios are valued. The Net Asset Value ("NAV") is floating and fluctuates in accordance with market conditions including asset prices and interest rate levels. Shares are purchased and redeemed at the floating NAV. The Trust has elected to report its investments at fair value, and as such participants should also report their investments in the Trust at fair value approximating NAV. Fair value is determined one time per month.

The Trust's Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust Agreement. The Board of Trustees currently comprises nine voting members. Trustees are members of the local finance boards of participating political subdivisions and are elected for staggered three-year terms by the participants in the Trust. The Trust is not subject to regulatory oversight and is not registered with the Securities and Exchange Commission ("SEC") as an investment company.

Note 1—Summary of significant accounting policies (continued)

Measurement Focus and Basis of Accounting – The financial statements of the Trust are presented as a fiduciary fund utilizing the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when incurred regardless of the timing of cash flows. Security transactions and the related gains and losses are reported on a trade-date basis. As of June 30, 2025, there were pending trades which are reflected in the Trust's fiduciary net position. Interest income is accrued as earned but is allocated to participants' accounts once per month. Employer contributions are recognized when received. Distributions are recognized when a formal request from a participating employer's local finance board is received.

The Trust does not purport to present the financial status of each of the participating employer's postemployment benefit plans, nor do these statements contain information on accumulated plan benefits and other disclosures necessary for a fair presentation of individual plans in accordance with GAAP.

Cash and Cash Equivalents – The Trust considers all deposits in banks and short-term highly liquid investments that are readily convertible to cash to be cash and cash equivalents. Cash equivalents, which comprise money market mutual funds, are recorded at amortized cost, which approximates fair value.

Cash received from participants for investing in the Trust is credited to their account on the next valuation date of the OPEB Trust (i.e., the last business day of the month in which the contribution was received). Upon receipt, contributions are invested in a money market mutual fund in the respective portfolio (Portfolio I or Portfolio II) in which the participant invests. Contributions are invested in the money market mutual fund until investments are purchased at the direction of the program administrator who works in consultation with a professional investment consultant and pursuant to the Summary of Investment Policy and Guidelines adopted by the Board of Trustees.

Investment Objectives – The investment objectives are to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and income and, secondarily, principal protection. The investment policy seeks to achieve long-term objectives while maintaining prudent investment guidelines. The objective is partly achieved through asset diversification. The Board of Trustees, with assistance from the Director of Investments and the external investment consultant, makes asset class choices and sets the asset class target allocations. The Board of Trustees has oversight responsibility for the selection of investment managers to include in the investment portfolios. Investment managers construct and manage the various strategies within the Trust's investment portfolios. The managers have full discretion in the management of assets within their control, subject to the investment guidelines established by the Board of Trustees in the Investment Policy and Guidelines.

Valuation – Investments are reported at fair value. 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. Security transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments are calculated on an identified cost basis. Interest income, including any amortization of premium or accretion of discount, is recorded on the accrual basis. See Note 2 and Note 3 for discussion of investment risk and fair value measurements. Net investment income includes realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned. Realized gains and losses on the sale of investments are recognized on the specific identification basis to match with the cost basis of the investments sold.

Note 1—Summary of significant accounting policies (continued)

Administrative and Investment Fees – The Trust contracted with a program administrator ("Administrator") to oversee the operations of the Trust. The Trust contracts with third-party service providers for custody and record keeping services. The costs for the services of the Administrator are accrued and charged as administrative expenses. Custody fees are paid by the Administrator out of funds collected from the participants for the administrative fee. Investment manager and record keeping services fees are accrued and recognized as investment expenses. The Board of Trustees approves administrative and investment fees.

The Trust utilizes the Administrator's Director of Investments and contracts with an external investment consultant to assist in developing investment policy guidelines, including asset class choices, asset allocation targets and risk diversification, and to perform ongoing monitoring of the investment managers. The costs for the investment consultant are paid by the Administrator and are included in the program administration fee that is paid to the Administrator.

Administrative fees are assessed on a quarterly basis in arrears for the costs of administering the Trust. The program administration fee is applied on a sliding scale based upon each participant's net asset value at the beginning of the preceding quarter plus the time-weighted value of contributions made during the preceding quarter. The fee is inclusive of all costs of program administration, custody, and investment consulting expenses. Investment fees include investment manager and record keeping services fees. The process for deducting investment management fees varies by asset manager; however, the participants ultimately pay the investment management fees, which are deducted at the portfolio level. Based on the Trust's June 30, 2025, market value, the total administrative fees incurred during the fiscal year were approximately 0.06% (6 basis points). Based on the Trust's June 30, 2025, market value, the investment expenses incurred were approximately 0.66% (66 basis points).

Income Distribution – In order to account for each participant's activity, separate accounts are maintained by the Trust. Earnings less expenses accrued in the Trust are allocated to each participant monthly. The allocation is based on the participant's pro rata share of the total investments in the portfolio in which they invest. The allocated net investment income is automatically reinvested on the same business day.

Participant Transactions – For Portfolio I and Portfolio II, the value of each participant's investment is determined by its pro rata share of NAV of the respective portfolio based on the fair value determination on each strike date (i.e., each month end). Each participant's proportionate share is adjusted so the sum of the value of participant shares equals the total investment portfolio value.

The portfolios are managed as variable NAV investment pools. Fair value and NAV are determined on the last business day of each month. The pool transacts with participants based on a floating NAV per share that is determined by the market, which is the same method used to report investments. Participants may contribute at any time and the contributions initially are invested in a money market fund in the respective portfolio (Portfolio I or Portfolio II) in which the participant invests. Each month, participant contributions are invested in the money market mutual fund until investments are purchased at the direction of the program administrator. Investments are purchased based on the direction provided by the Administrator, who works in consultation with the investment consultant to remain within the range of targeted asset allocations as delineated in the Summary of Investment Policy and Guidelines. Participant redemptions may be made to pay authorized OPEB expenses. Participant withdrawals are redeemable at quarter-end based on a calendar year basis and require a ninety-day advance written notice.

Note 1—Summary of significant accounting policies (continued)

Custodian – The Trust has contracted with a custodian to maintain custody of the funds and securities. The custodian is responsible for holding all funds and securities in a separate account in the name of the Trust, collecting all income and principal due to the Trust from securities held, accepting contributions and distributing redemptions, and properly accepting delivery and/or delivering securities in accordance with the contract between the Trust and the custodian.

Risk Management – The Trust is exposed to various risks of loss such as loss due to torts, theft, injuries, and natural disasters. The Administrator, at the direction of the Board of Trustees, maintains commercial insurance coverage to limit exposure to identified risks. The Administrator conducts an analysis at least annually to determine the type and extent of coverage needed. The coverage is deemed sufficient to preclude any significant uninsured loss for the covered risks. There were no significant reductions in insurance coverage from the prior year. The costs of settled claims, if any, have not exceeded the coverage in any of the past three years. As of June 30, 2025, there is no evidence of an asset impairment or other information that would require the recognition or disclosure of a loss.

Taxes – The Trust is exempt from taxation under Section 115 of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for Federal or state income taxes.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates and assumptions.

Termination – The Trust Agreement specifically allows for the termination of the Trust once “all participation interests of all participating employers have been terminated in their entirety.” Partial termination would occur when a participating employer’s interest in the Trust is terminated or when a Trust Joinder Agreement has been terminated. In the event of termination, either in whole or in part, affected assets of the Trust would be distributed or transferred in accordance with the Trust Agreement.

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Note 2—Deposits and Investment Risk

Deposits and Investment Risk – The following information regarding disclosures of risks are designed to inform financial statement users about the Trust's various risks.

Custodial Credit Risk – Custodial credit risk is the risk, in the event of the failure of a depository financial institution or financial counterparty, the Trust will not be able to recover the value of its deposits, investments, or recover collateral securities that are in the possession of an outside party. The Board has not adopted a formal custodial credit risk policy. The Board evaluates each financial institution with which the Trust deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories or custodians. The Trust has one bank for the deposit of funds which serves as the custodian.

As of June 30, 2025, the Trust did not have funds held as deposits which were exposed to custodial credit risk.

Cash equivalents are short-term investments and comprise money market mutual funds with a weighted average maturity of 49 days as of June 30, 2025. At June 30, 2025, the Trust had $24.2 million in money market mutual funds, which represent approximately 1.17% of the Trust's total assets. The cash equivalents are reported as short-term investments on the *Statement of Fiduciary Net Position*.

As of June 30, 2025, investment securities for the Trust were registered and held by the custodian in the name of the Trust for the benefit of the investment pools and were not exposed to custodial credit risk.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Board has not adopted a formal foreign currency risk policy. The Trust does not directly hold investments that are exposed to foreign currency risks. The Trust's international equity, emerging markets equity, and fixed income investments are currently implemented through commingled funds and mutual funds.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The Trust manages the risk for the fixed income securities using the effective duration methodology. The Board has not adopted a formal policy for interest rate risk and the Trust does not limit duration for funds of fixed-income securities.

The following schedules reflect the weighted average effective duration for investments subject to interest rate risk as of June 30, 2025:

Investment Type		Fair Value	Weighted Average Effective Duration (in years)
Fixed Income Mutual Funds	$	320,992,314	5.30
Fixed Income Commingled Fund		243,808,279	6.05
Total	$	564,800,593	5.62

Note 2—Deposits and Investment Risk (continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Trust. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and disclosure is not required. The Investment Policy does not require investments to be rated. The managers of the fixed income strategies have the flexibility to invest in a broad range of fixed income securities including domestic, international, and emerging market debt as well as high yield securities, bank loans, non-agency mortgage-backed securities and asset backed securities, municipals, and convertible bonds. The managers may invest in fixed income obligations issued by national governments, government agencies, supranational organizations, banks, and corporations based on their opportunistic views of the market. The fixed income strategies comprise commingled and mutual funds, and as of June 30, 2025, were not rated by a nationally recognized statistical rating organization.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Trust's investment policy establishes certain restrictions on investments and limitations on portfolio composition. The limitations include an asset allocation policy that is structured in a manner which prevents investing more than 5% of the total investments in any single issuer. As of June 30, 2025, the Trust did not hold investments in any single issuer where fair value exceeded 5% of the Trust's total investments.

Note 3—Fair value measurement

Fair value, as defined under GAAP, is an exit price representing 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. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

Investments that are measured at fair value using the NAV as a practical expedient are not classified in the fair value hierarchy. The Trust measures certain qualifying investments at the NAV to estimate fair value unless it is probable that the Trust will sell its interest at an amount different than the NAV. As of June 30, 2025, the Trust did not intend to sell investments for an amount other than that measured at the NAV. Short-term highly liquid investments classified as cash equivalents that are measured and reported at amortized cost are not classified in the fair value hierarchy.

Note 3—Fair value measurement (continued)

Prices are primarily obtained from nationally recognized vendors. The main pricing source vendor is ICE Data Services. Automated transmissions of prices are received daily; when automatic pricing is not available alternate pricing sources are utilized. For certain security types it is necessary to utilize a price from an interested party if no independent source is available. The additional pricing services may include investment managers, brokers, fund companies, and issuing banks. The custodian's internal control process involves analyzing the accuracy and timeliness of the pricing information provided by the vendors to ensure the data meets the standards for quality and completeness.

The custodian obtains prices for most domestic securities at the close of each business day. Certain security types are priced at the end of each business week or on the last business day of each month. These security types include, but are not limited to, closely-held securities, commingled funds, limited partnerships, and real estate holdings.

There have been no changes in the methodologies used as of June 30, 2025. There were no transfers between levels in the fair value hierarchy during the period. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Investments categorized as Level 1 include debt and equity securities which are valued using quoted prices in active markets for those securities.

Investments valued using the NAV as a practical expedient are provided by the general partners, investment managers, or through independent appraisals.

The following is a description of the valuation methodologies used for assets measured at fair value as of June 30, 2025:

	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Fixed Income Mutual Funds	$ 320,992,314	$ 320,992,314	$ -	$ -
Common Stocks & ADRs	198,416,403	198,416,403	-	-
Real Estate Investment Trusts	11,958,942	11,958,942	-	-
Equity Mutual Funds	419,951,258	419,951,258	-	-
Total Investments by Fair Value Level	$ 951,318,917	$ 951,318,917	$ -	$ -
Investments Measured at the Net Asset Value (NAV):				
Fixed Income Commingled Funds	$ 243,808,279			
Equity International Commingled Funds	353,129,681			
Private Equity Funds	160,977,176			
Equity Long/Short Hedge Funds	123,045,312			
Real Asset Commingled Funds	214,863,413			
Total Investments Measured at the NAV	$ 1,095,823,861			
Total Investments Measured at Fair Value	$ 2,047,142,778			

Note 3—Fair value measurement (continued)

The schedule below presents investments measured at the NAV, or its equivalent at June 30, 2025:

	Investments Measured at the Net Asset Value (NAV)			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Commingled Funds	$ 243,808,279	$ -	Semi-Monthly	5 days
Equity International Commingled Funds	353,129,681	-	Daily, Monthly	5-15 days
Private Equity Funds	160,977,176	103,932,401	Not Eligible	N/A
Equity Long/Short Hedge Funds	123,045,312	-	Monthly, Quarterly	35-97 days
Real Asset Real Estate Commingled Funds	214,863,413	37,406,177	Quarterly	45-90 days
Total Investments Measured at the NAV	$ 1,095,823,861	$ 141,338,578		

Fixed-Income Commingled Funds - The fair value of the investments in fixed-income commingled funds are determined using the NAV per share of the investments. Fixed-income commingled investments consist of one institutional investment fund that invests in U.S. and international investment grade and non-investment grade debt securities. Redemptions are allowable for this fund and are available semi-monthly with 5 days' notice.

Equity International Commingled Funds - The fair value of the investments in equity commingled funds is determined using the NAV per share of the investments. Equity commingled investments consist of four institutional investment funds employing international equity strategies. The strategies include a focused international equity fund, a developed markets international equity fund, and two emerging markets equity funds. Redemptions are allowable for these funds and frequency varies by fund but are available daily or monthly upon 5-15 business days' notice.

Private Equity Funds - The fair value of the investments in private equity funds is determined using the NAV per share of the investments. Investments at the NAV for private equity funds are determined by the Trust's ownership interest in partners' capital and is commonly calculated by subtracting the fair value of liabilities from the fair value of assets. These investments can never be redeemed with the funds. Instead, the nature of the investments of this type is that distributions are received through the liquidation of the underlying assets of the fund. This classification includes twenty funds which deploy various strategies, with vintage years from 2015–2024. The funds invest at scale on a global basis. In addition to growth equity investments, managers can invest in transactions of various sizes and types, from early-stage and start-up companies to later-stage transactions that may involve leverage. One fund pursues a contrarian, value-oriented investment strategy whereby it focuses on three primary types of investments: distressed investments, corporate carve-outs, and opportunistic buyouts. The private equity funds have investment periods of six to seven years with stated lives ranging from ten to twelve years.

Equity Long/Short Hedge Funds - The fair value of the investments in hedge funds is determined using the NAV per share of the investments. There are nine hedge funds which are invested in through a platform that allows qualified investors to invest in a custom portfolio of individual global long and short equity positions. The Trust selected the underlying hedge funds from a list of available funds under advisement of the investment consultant. Each hedge fund manager may invest in various strategies and has full authority to vary net exposure to the equity market. As of June 30, 2025, approximately 3.33% of the hedge fund investments could not be redeemed due to lockup restrictions. For one of the funds, after the initial redemption restrictions, redemptions are available on a monthly basis with notice required at 35 days. The remaining eight funds have quarterly redemption periods with notice required ranging from 50 to 97 days.

Note 3—Fair value measurement (continued)

Real Asset Real Estate Commingled Funds – The fair value of the investments in real asset real estate commingled funds are determined using the NAV per share of the investments. The real asset real estate commingled funds include two funds. Redemptions are available quarterly and require 45 to 90 days' notice.

Note 4—Related party transactions

The Trust has an agreement with Virginia Local Government Finance Corporation ("VLGFC") whereby VLGFC serves as administrator for the Trust. The Trust compensates VLGFC to provide administrative services through an annual program fee charged as a percentage of invested assets. The administrative fee during fiscal year 2025 amounted to $1.2 million.

Note 5—Commitments

As of June 30, 2025, the Trust had committed to fund private equity partnerships for $259.3 million, of which $155.4 million has been drawn to date. At June 30, 2025, outstanding unfunded commitments to invest was $103.9 million.

As of June 30, 2025, the Trust had committed to fund opportunistic real estate partnerships for $55.0 million, of which $17.6 million has been drawn to date. At June 30, 2025, outstanding unfunded commitments to invest was $37.4 million.

Note 6—Subsequent events

The Trust has performed an evaluation of subsequent events through December 12, 2025, the date the basic financial statements were available to be issued.

In September 2025, the Federal Reserve announced a 25-basis point (0.25%) reduction in the federal funds target rate range to 4.00% to 4.25%. In October 2025, the Federal Reserve further reduced the federal funds target rate range an additional 0.25% to 3.75% to 4.00%.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Trustees
Virginia Pooled OPEB Trust Fund

We have audited, in accordance with the 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 Virginia Pooled OPEB Trust Fund (the Trust), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated December 12, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Greensboro, North Carolina
December 12, 2025