

# Virginia Bankers Association Group Medical and Dental Trust

Financial Report

December 31, 2023

Virginia Bankers Association Group Medical and Dental Trust

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## Independent Auditor's Report

To the Plan Administrator and Those Charged with Governance of  
Virginia Bankers Association Group Medical and Dental Trust  
Glen Allen, Virginia

### Opinion

We have audited the accompanying financial statements of Virginia Bankers Association Group Medical and Dental Trust (the "Trust"), which comprise the statement of net assets as of December 31, 2023, and the related statement of changes in net assets for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Trust as of December 31, 2023, and the changes in its net assets for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Virginia Bankers Association Group Medical and Dental 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Virginia Bankers Association Group Medical and Dental Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current trust instrument, including all trust amendments, administering the trust, and determining that the trust's transactions that are presented and disclosed in the financial statements are in conformity with the trust's provisions.

## 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 generally accepted 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 generally accepted 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 Virginia Bankers Association Group Medical and Dental 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 Virginia Bankers Association Group Medical and Dental 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.

## Other Matter - Form of Financial Statements

The accompanying financial statements are those of the Virginia Bankers Association Group Medical and Dental Trust, which are established under the Virginia Bankers Association Group Medical and Dental Trust and its health plans (the “Plans”); these financial statements do not purport to present the financial status of the Plans and do not contain certain information on benefit obligations and other disclosures necessary for a fair presentation of the financial status of the Plans in accordance with accounting principles generally accepted in the United States of America. Further, these financial statements do not purport to satisfy the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 relating to the financial statements of employee benefit plans.

### **Other Matter - Auditor's Report on the 2022 Financial Statements**

The December 31, 2022 financial statements of the Virginia Bankers Association Group Medical and Dental Trust were audited by predecessor auditors. Their report, dated June 8, 2023, expressed an unmodified opinion on those statements.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
\_\_\_\_\_, 2024

# Financial Statements

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**PRELIMINARY DRAFT – OPEN FOR REVIEW AND DISCUSSION ONLY**  
**VIRGINIA BANKERS ASSOCIATION**  
**GROUP MEDICAL AND DENTAL TRUST**

**STATEMENTS OF NET ASSETS**

December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 18,151,153	\$ 19,052,355
Investments at fair value (Note 4)		
Certificates of deposit (over three months original maturity)	867,190	2,065,821
Investments	8,385,134	1,083,757
Total investments	9,252,324	3,149,578
Receivables		
Interest receivable	101,941	166,376
Amounts receivable from minimum premium members:		
Health claims incurred not yet paid	2,456,691	1,573,837
Estimated health claims incurred not yet reported	4,951,760	4,680,760
Other receivables	788,916	53,595
Total receivables	8,299,308	6,474,568
Total assets	\$ 35,702,785	\$ 28,676,501
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Estimated health claims incurred but not reported	\$ 6,805,612	\$ 6,845,020
Claims payable and accrued expenses	4,241,430	4,376,010
Total liabilities	11,047,042	11,221,030
Net assets	24,655,743	17,455,471
Total Liabilities and Net Assets	\$ 35,702,785	\$ 28,676,501

**PRELIMINARY DRAFT – OPEN FOR REVIEW AND DISCUSSION ONLY**  
**VIRGINIA BANKERS ASSOCIATION**  
**GROUP MEDICAL AND DENTAL TRUST**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ADDITIONS TO NET ASSETS ATTRIBUTED TO:</b>		
<b>AMOUNT FROM MEMBERS:</b>		
Medical	\$ 80,505,804	\$ 74,036,659
Dental	4,822,135	4,663,092
	<u>85,327,939</u>	<u>78,699,751</u>
Total amounts from members		
Investment return, net of fees (Note 3)	1,939,331	311,058
	<u>87,267,270</u>	<u>79,010,809</u>
<b>DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:</b>		
<b>AMOUNTS PAID TO INSURANCE COMPANIES:</b>		
Medical	75,962,057	77,868,559
Dental	4,415,349	4,036,614
	<u>80,377,406</u>	<u>81,905,173</u>
Total amounts paid to insurance companies		
Change in provision for estimated health claims incurred but not reported, net	(310,408)	254,677
	<u>80,066,998</u>	<u>82,159,850</u>
Total deductions		
Net increase (decrease)	7,200,272	(3,149,041)
<b>NET ASSETS:</b>		
Beginning of year	<u>17,455,471</u>	<u>20,604,512</u>
End of year	<u>\$ 24,655,743</u>	<u>\$ 17,455,471</u>

# Virginia Bankers Association Group Medical and Dental Trust

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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### Note 1 – Trust Description

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The Virginia Bankers Association Benefits Corporation (“Benefits Corporation”), a Virginia corporation, is a wholly-owned subsidiary of the Virginia Bankers Association (“VBA”), the trade association for the banking industry in Virginia. Benefits Corporation offers VBA employer members a program (the “Program”) of group employee health benefits that VBA employer members may offer to their eligible employees and their dependents (the “Program”). The Program includes a variety of group medical and dental benefit plans (collectively, the “Plans”) which are self-funded with contributions from the VBA members that participate.

The Benefits Corporation maintains the Virginia Bankers Association Group Medical and Dental Trust (the “Trust”) as a voluntary employees’ beneficiary association under Section 501(c)(9) of the Internal Revenue Code of the United States for the purpose of holding and utilizing contributed assets for the exclusive benefit of employees (and their eligible dependents and beneficiaries) of VBA members that participate in the Plans. Benefits Corporation is the plan sponsor and plan administrator of the Plans. Benefits Corporation is the trust sponsor of the Trust, and Truist Bank is the trustee of the Trust. The Trust is a multiple employer welfare arrangement (“MEWA”) subject to federal MEWA laws and regulations, but it is exempt from Virginia MEWA laws and regulations.

Each year, the Benefits Corporation and the Trust execute a participation agreement (“Participation Agreement”) with each VBA employer member (a “Member”) that elects to participate in the Plans. The Participation Agreements set forth the rights, obligations and liabilities of the parties with respect to the Plans and the assets in the Trust, including among other things, the payment of premiums, claims, fees and expenses. Most Plans require Members to make monthly payments based on rates that are fixed for the year and do not vary based on the Member’s claims experience. Certain Members with a large number of employees have elected to participate in a minimum premium arrangement health Plan (the “Minimum Premium Plan”) where Members pay monthly based on rates that are fixed for the year, but that are adjusted based on the Member’s actual claims experience. See Note 5 for more information about the Participation Agreements and Member payments to the Trust.

The Benefits Corporation and the Trust have entered into an administrative services only contract with a dental claims administrator to process claims under the dental Plan. The Benefits Corporation and the Trust have entered into an administrative services only contract with an insurance company to process claims under the medical Plan, and procured an excess loss insurance policy with the same insurance company for excess medical and pharmacy Plan claims. See Note 6 for more information about the insurance policies, administrative services only contracts and excess loss insurance policies.

The Benefits Corporation and the Trust have an administrative services only contract with a pharmacy benefit administrator and pharmacy benefit manager to process prescription drug claims. The prescription drug claims are covered and combined with the medical claims under the excess insurance policy.

## Virginia Bankers Association Group Medical and Dental Trust

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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#### Note 2 – Summary of Significant Accounting Policies

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##### *Basis of accounting*

The financial statements of the Trust are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States (“GAAP”).

##### *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

##### *Cash and cash equivalents*

The Trust considers its money market accounts and certificates of deposits with an original maturity of three months or less to be cash and cash equivalents.

##### *Investments*

Investments include mutual funds and exchange-traded funds. These investments are measured at fair value based on the most recent trade date with gains and losses included in the accompanying Statements of Changes in Net Assets.

##### *Credit Risk*

Financial instruments that potentially subject the Trust to concentration of credit risk consist of cash and cash equivalents and certificates of deposit. Cash and cash equivalents and certificates of deposit are held with high credit quality financial institutions whose credit ratings are monitored by management to minimize credit risk. Periodically the Trust may have cash and cash equivalents that exceed the amount insured by the Federal Deposit Insurance Corporation.

##### *Estimated Health Claims Incurred but not Reported*

The liability for estimated health claims incurred but not reported on the Statement of Net Assets included management’s estimates of the Trust’s expected liabilities under the health plan, pharmacy plan, and the dental plan for claims incurred prior to December 31, 2023 and 2022, but not reported until after those dates. Due to the nature of such estimates, it is reasonably possible that actual costs may differ from those estimates.

# Virginia Bankers Association Group Medical and Dental Trust

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

### *Amounts Receivable from Minimum Premium Members and Allowance for Doubtful Accounts*

Amounts receivable from minimum premium members – Health claims incurred not yet paid on the Statements of Net Assets result when the Minimum Premium Plan Member’s fixed monthly payments for the year are less than the annual actual claims. In instances where a Minimum Premium Plan Member has paid more than the actual claims during the year, a liability is included in Claims payable and accrued expenses. Amounts receivable from minimum premium members – Estimated health claims incurred but not reported presents management’s estimate of medical claims incurred by Minimum Premium Plan Members prior to December 31 of each year, that were not reported until after that date. Amounts receivable from minimum premium members are carried at their estimated realizable value, net of an allowance for doubtful accounts. The allowance is based on management’s estimate of the amount of such amounts receivable that will actually be collected. At December 31, 2023 and 2022, no allowance for doubtful accounts was deemed necessary.

### *Revenue recognition*

The Trust follows FASB guidance Accounting Standards update (“ASU”) No. 2014-09, *Revenue Recognition from Contracts with Customers (Topic 606)*. Topic 606 affects any entity that enters into contracts with customers to transfer goods, services, or nonfinancial assets. The standard’s core principle is that an entity should recognize revenue when it transfers promised goods or services and transfers of nonfinancial assets to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

The Trust recognizes revenue when earned. For all Plans other than the Minimum Premium Plan, revenue is earned and recognized when payments are received from Members. For the Minimum Premium Plan, Member payments are fixed during the year with an annual statement for the actual claims incurred. Accordingly, Minimum Premium Plan revenue includes Minimum Premium Plan Members’ health claims incurred but not yet reported or paid. See Note 5 for more information about Member payments to the Trust.

### *Subsequent events*

Subsequent events have been evaluated through \_\_\_\_\_, 2024 the date the financial statements were available to be issued.

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## Note 3 – Investments

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Investment return, net of fees on the Statement of Changes in Net Assets was comprised of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest income	\$ 1,160,355	\$ 364,854
Unrealized gain (loss) on investment	785,310	(29,744)
Realized gain on investment	40,026	2,918
Administrative fees	<u>(46,360)</u>	<u>(26,970)</u>
Investment return, net of fees	<u>\$ 1,939,331</u>	<u>\$ 311,058</u>

## Virginia Bankers Association Group Medical and Dental Trust

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**Note 4 – Fair Value Measurements**

The Trust's investments are reported at fair value in the statement of net assets. The methods used to measure fair value may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used only when Level 1 inputs are not available.

The following tables set forth by level, within the fair value hierarchy, the Trust's investments at fair value as of December 31, 2023 and 2022:

	<b>Fair Value Measurements at Reporting Date Using:</b>		
	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b><u>December 31, 2023</u></b>			
Certificates of deposit	\$ 867,190	\$ -	\$ 867,190
Mutual funds			
Mid cap	602,215	602,215	-
International	1,362,133	1,362,133	-
Small cap	616,921	616,921	-
Bond	550,685	550,685	-
Other	743,889	743,889	-
Subtotal mutual funds	<u>3,875,843</u>	<u>3,875,843</u>	<u>-</u>
Exchange-traded funds			
Large blend	2,708,344	2,708,344	-
International	1,202,295	1,202,295	-
Bond	598,652	598,652	-
Subtotal exchange-traded funds	<u>4,509,291</u>	<u>4,509,291</u>	<u>-</u>
Total	<u>\$ 9,252,324</u>	<u>\$ 8,385,134</u>	<u>\$ 867,190</u>

## Virginia Bankers Association Group Medical and Dental Trust

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

	Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>December 31, 2022</b>			
Certificates of deposit	\$ 2,065,821	\$ -	\$ 2,065,821
Mutual funds			
Commodities	48,845	48,845	-
Mid cap	85,011	85,011	-
International	164,421	164,421	-
Small cap	83,648	83,648	-
Financial	56,854	56,854	-
Other	48,963	48,963	-
Subtotal mutual funds	487,742	487,742	-
Exchange-traded funds			
Large blend	393,520	393,520	-
International	149,667	149,667	-
Financial	52,828	52,828	-
Subtotal exchange-traded funds	596,015	596,015	-
Total	\$ 3,149,578	\$ 1,083,757	\$ 2,065,821

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

*Level 1 Fair Value Measurements*

The fair value of mutual funds are based on the closing price reported on the active market on which the individual securities are traded. The fair value of exchange-traded funds are based on the last reported sales price reported on the activity market on which the individual securities are traded.

*Level 2 Fair Value Measurements*

The fair value of certificates of deposit are valued at face value, plus accrued interest as reported by the issuing institutions.

## Virginia Bankers Association Group Medical and Dental Trust

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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#### Note 5 – Payments from Participating Members and Participation Agreements

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Premiums for all of the Plans are paid by participating Members to the Benefits Corporation. Benefits Corporation applies a portion of those premiums to administrative fees and expenses for the Plans and Trust, and a remainder of the premiums are deposited in the Trust as Trust assets to be utilized for the benefit of Plan participants. Amounts from members on the Statements of Changes in Net Assets represents the amounts received from Members that are deposited into the Trust, and does not include the amounts the Benefits Corporation applies to administrative fees and expenses of the Plans and Trust.

The Benefits Corporation and the Trust execute a Participation Agreement with each Member that elects to participate in the Plans. The Participation Agreements set forth the rights, obligations, and liabilities of the parties with respect to the Plans and the assets in the Trust, including among other things, the payment of premiums, claims, fees and expenses. Members are required to make monthly payments based on rates that are fixed for the year and do not vary based on the Member's claims experience. Certain Members with a large number of employees have elected to participate in the Minimum Premium Plan for medical benefits where Members pay monthly based on rates that are fixed for the year, but that are adjusted based on the Member's actual claims experience, such that Member's payment obligation is reduced if its actual claims are less than expected and increased if its actual claims are greater than expected, subject to individual and aggregate claims liability caps.

For two years following the termination or expiration of a Member's participation in the Minimum Premium Plan, the Trust will pay all claims incurred but not reported prior to such termination or expiration, and the Member is required to reimburse the Trust for such claims up to an expected claims cap. There were 19 and 18 Minimum Premium Plan Members in 2023 and 2022, respectively.

The Benefits Corporation offers the Plans pursuant to the self-funding arrangement between the Members and the Trust, and the Trust is responsible for paying all claims and benefits under the Plans. The Trust and the Benefits Corporation, with the assistance of underwriting analysis by an independent underwriter, set the rates for each Plan that participating Members pay each year. The rates are designed to cover the expected claims liability, excess loss, policy premiums, administrative fees and expenses, as well as any amounts by which the prior year's actual claims liability exceeded the expected claims liability and to replenish or increase reserves to reasonably prudent levels as determined by management and the Benefits Corporation Board of Directors.

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#### Note 6 – Payments to Insurance Companies and Claims Administrators

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The Benefits Corporation and the Trust have entered into an administrative services only contract with a dental claims administrator to process claims under the dental Plan. The dental claims administrator pays claims periodically and the Trust then reimburses the administrator with Trust assets. The Trust is responsible for paying all claims and benefits under the dental Plan. The dental claims administrator is not liable for paying any claims or benefits under the dental Plan. The Benefits Corporation and the Trust do not have excess loss insurance on the dental Plan, but there is a cap on annual dental benefits per individual participant.

The Benefits Corporation and the Trust have entered into an administrative services only contract with an insurance company to process claims under the medical Plan, and procured an excess loss insurance policy with the same insurance company for excess medical Plan claims. The insurance company pays claims periodically and the Trust

## Virginia Bankers Association Group Medical and Dental Trust

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023

reimburses the insurance company with Trust assets. The Trust is responsible for paying all claims and benefits under the medical Plan. The excess loss insurance policy provides that the insurance company will reimburse the Trust for claims liabilities in excess of specified individual and aggregate claims liability thresholds.

The Benefits Corporation and the Trust have entered into an administrative services only contract with a pharmacy benefits administrator and pharmacy benefit manager to process claims under the pharmacy Plan. The insurance company pays claims periodically and the Trust reimburses the insurance company with Trust assets. The Trust is responsible for paying all claims and benefits under the pharmacy Plan. The prescription drug claims are covered and combined with the medical claims under the excess loss insurance policy.

In 2022, the Trust entered into an agreement with RxAssurance to cover a majority of costs for certain specialty medications. The participating employers pay a per employee per month fee to participate in the captive and in the event a member is prescribed one of the medications, the captive covers the cost after a deductible, up to an annual cap. This shifts risk from the Trust and reinsurance contract to a capitated insured agreement.

Amounts paid to insurance companies on the Statement of Changes in Net Assets represents the payments described above to insurance companies for (i) fees for claims administrative services, (ii) premiums for excess loss insurance policies, and (iii) reimbursements for actual medical and dental claims paid. As of December 31, 2023 and 2022, the Trust has recorded a liability for Estimated health claims incurred but not reported on the Statement of Net Assets. This liability represents an estimate for claims that were incurred prior to December 31, 2023 and 2022 but were not paid until 2024 and 2023, respectively.

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#### Note 7 – Related Party Transactions

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Various affiliates of the Virginia Bankers Association participate in the Trust. Premiums paid by the individual affiliates were comprised of the following for the years ended December 31:

	2023	2022
Virginia Bankers Association	\$ 334,135	\$ 308,620
Virginia Title Center, L.L.C.	266,583	311,362
Bankers Title, L.L.C.	99,489	97,745
West Virginia Bankers Title, L.L.C.	79,380	76,519
Bankers Title Shenandoah, L.L.C.	61,530	64,121
Bankers Insurance, L.L.C.	-	3,003,776
	<b>\$ 841,117</b>	<b>\$ 3,862,143</b>
Total	<b>\$ 841,117</b>	<b>\$ 3,862,143</b>

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#### Note 8 – Plans

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The financial statements are those of the Trust, not of the Plans or Benefits Corporation. The financial statements do not purport to present the financial performance or condition of the Plans or Benefits Corporation. The financial statements do not contain certain information on the benefit obligations and other disclosures necessary for a fair presentation of the financial status of the Plans in conformity with accounting principles generally accepted in the United States of America. Furthermore, the financial statements do not purport to satisfy the Department of Labor’s Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 relating to the financial statements of employee benefit plans.

## Virginia Bankers Association Group Medical and Dental Trust

### NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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#### Note 9 – Tax Status

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As evidenced by a tax determination letter dated June 25, 1990, the Trust has received a favorable determination letter from the Internal Revenue Service specifying that the Trust is a voluntary employees' beneficiary association and is a qualified trust under Section 501(c)(9) of the Internal Revenue Code and, accordingly is generally exempt from taxation under the provisions on Section 501(a) and the tax statutes of the Commonwealth of Virginia to the extent the assets in the Trust exceed statutory limits, the Trust may be subject to tax on its unrelated business income. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. Management has determined that the Trust does not have any material unrecognized tax benefits or obligations as of December 31, 2023 and 2022.