



**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS TRUST**

**FINANCIAL STATEMENTS AND SUPPLEMENTAL  
SCHEDULES WITH REPORT OF INDEPENDENT PUBLIC  
ACCOUNTANTS**

**FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023**



**A COMPONENT UNIT OF THE  
WASHINGTON SUBURBAN SANITARY COMMISSION**

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS  
ON THE AUDIT OF THE FINANCIAL STATEMENTS**

The Commissioners and Board of Trustees  
Washington Suburban Sanitary Commission  
Retiree Other Postemployment Benefits Plan  
Laurel, Maryland

***Opinion***

We have audited the financial statements of the Washington Suburban Sanitary Commission's Retiree Other Postemployment Benefits Plan (the Plan), a component unit of the Washington Suburban Sanitary Commission as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2024 and 2023, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our 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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for 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 controls. 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer contributions, schedule of changes in net OPEB liability and related ratios, and schedule of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,



economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2025 on our consideration of the Plan's internal controls 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls 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 Plan's internal controls over financial reporting and compliance.

Owings Mills, Maryland  
May 6, 2025

*SB + Company, LLC*

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

This Management’s Discussion and Analysis (“MD&A”) of the financial activities of the Washington Suburban Sanitary Commission Retiree Other Postemployment Benefits Plan (the “Plan”) is an overview of its fiscal operations for the years ended December 31, 2024 and 2023. The Plan is a single-employer plan of the Washington Suburban Sanitary Commission (“WSSC Water”). Readers are encouraged to consider the information presented in conjunction with the financial statements and the notes to the financial statements. Amounts contained in the discussion have been rounded to facilitate their readability.

**Overview of Financial Statements**

The financial statements and the required disclosures are presented in compliance with the accounting standards and reporting guidelines as set forth by the Governmental Accounting Standards Board (“GASB”), utilizing the accrual basis of accounting. The financial statements of the Plan are presented on a comparative basis with the previous fiscal year.

The Plan has two financial statements and the notes to the financial statements. The Statement of the Fiduciary Fund Net Position is a snapshot of account balances at fiscal year-end. The Statement of Changes in Fiduciary Fund Net Position reflects all the activities that occurred during the fiscal year, and the impact of those activities on the Plan’s net position.

The notes to the financial statements provide a detailed discussion of key policies and activities that occurred during the fiscal year. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Required Supplementary Information is also disclosed which includes additional information on the Plan’s financial condition and trends, including information on employer contributions, actuarial assumptions, funding status and investments.

**2024 Financial Highlights**

- Net position restricted for postemployment benefits other than pension (“OPEB”), as reported in the Statements of Fiduciary Fund Net Position, total \$240.0 million, an increase of \$30.5 million or 14.6% from prior year.
- Total additions of \$47.8 million, as reflected in the Statements of Changes in Fiduciary Fund Net Position, increased by \$1.1 million primarily due to the increase in contributions.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
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**2023 Financial Highlights**

- Net position restricted for postemployment benefits other than pension ("OPEB"), as reported in the Statements of Fiduciary Fund Net Position, total \$209.5 million, an increase of \$31.7 million or 17.8% from prior year.
- Total additions of \$46.7 million, as reflected in the Statements of Changes in Fiduciary Fund Net Position, increased by \$64.2 million primarily due to the increase in investment income.

**Financial Analysis**

**Table 1 – Condensed Statements of Fiduciary Fund Net Position as December 31, 2024, 2023 and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024-2023</u>		<u>2023-2022</u>	
				<u>Variance</u>	<u>% Variance</u>	<u>Variance</u>	<u>% Variance</u>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 45,425	\$ 80,693	\$ 41,962	\$ (35,268)	-43.7%	\$ 38,731	92.3%
Investments:							
Vanguard Wellington Fund	67,736,464	58,963,332	51,536,244	8,773,132	14.9%	7,427,088	14.4%
Vanguard Total Bond Market Index	43,335,802	42,799,852	35,267,219	535,950	1.3%	7,532,633	21.4%
Vanguard Total Stock Market Index	37,533,254	30,329,595	24,068,178	7,203,659	23.8%	6,261,417	26.0%
Vanguard International Stock Fund	31,387,462	24,784,505	21,455,499	6,602,957	26.6%	3,329,006	15.5%
Vanguard Real Estate Index	9,625,228	9,171,764	8,202,250	453,464	4.9%	969,514	11.8%
Vanguard Inflation Protected Securities	7,728,695	7,587,433	7,306,174	141,262	1.9%	281,259	3.8%
T.Rowe Price Global Growth Fund	42,600,060	35,770,721	29,945,478	6,829,339	19.1%	5,825,243	19.5%
Total Assets	<u>239,992,390</u>	<u>209,487,895</u>	<u>177,823,004</u>	<u>30,504,495</u>	14.6%	<u>31,664,891</u>	17.8%
<b>LIABILITIES</b>							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	n/a	<u>-</u>	n/a
Net Position Restricted for Postemployment Benefits Other than Pensions	<u>\$ 239,992,390</u>	<u>\$ 209,487,895</u>	<u>\$ 177,823,004</u>	<u>\$ 30,504,495</u>	14.6%	<u>\$ 31,664,891</u>	17.8%

**Fiscal Year 2024**

The Plan's net position increased by \$30.5 million or 14.6% because of investment income of \$25.1 million and contributions of \$22.8 million less OPEB expenses of \$17.3 million. The increase in investment income is due to the returns from Vanguard Wellington Fund, Vanguard Total Bond Market Index, Vanguard Total Stock Market Index, Vanguard International Stock Fund, Vanguard Real Estate Index, Vanguard Inflation Protected Securities, and T.Rowe Price Global Growth.

As of December 31, 2024, the Plan had \$240.0 million in net position held for other post-employment benefits compared to \$209.5 million as of December 31, 2023, an increase of 14.6%. There were no liabilities as of December 31, 2024 or 2023.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
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**Fiscal Year 2023**

The Plan's net position increased by \$31.7 million or 17.8% because of investment income of \$26.2 million and contributions of \$20.4 million less OPEB expenses of \$15.0 million. The increase in investment income is due to the returns from Vanguard Wellington Fund, Vanguard Total Bond Market Index, Vanguard Total Stock Market Index, Vanguard International Stock Fund, Vanguard Real Estate Index, Vanguard Inflation Protected Securities, and T.Rowe Price Global Growth.

As of December 31, 2023, the Plan had \$209.5 million in net position held for other post-employment benefits compared to \$177.8 million as of December 31, 2022, an increase of 17.8%. There were no liabilities as of December 31, 2023 or 2022.

**Table 2 – Condensed Statements of Changes in Fiduciary Fund Net Position for the Years Ended December 31, 2024, 2023 and 2022**

					2024-2023		2023-2022	
	2024	2023	2022	Variance	% Variance	Variance	% Variance	
ADDITIONS								
Income from Investments								
Net Appreciation (Depreciation) in the Fair Value of Trust Investments	\$ 14,597,474	\$ 19,623,631	\$ (48,592,780)	\$ (5,026,157)	-25.6%	\$ 68,216,411	140.4%	
Dividends and Interest	10,546,523	6,680,762	9,729,922	3,865,761	57.9%	(3,049,160)	-31.3%	
Less Investment Expenses	(65,000)	(65,000)	(65,000)	-	-	-	-	
Net Investment Income (Loss)	25,078,997	26,239,393	(38,927,858)	(1,160,396)	-4.4%	65,167,251	167.4%	
Contributions	22,750,736	20,446,479	21,448,586	2,304,257	11.3%	(1,002,107)	-4.7%	
Total Additions	47,829,733	46,685,872	(17,479,272)	1,143,861	2.5%	64,165,144	367.1%	
DEDUCTIONS								
OPEB Expenses	17,325,238	15,020,981	16,029,786	2,304,257	15.3%	(1,008,805)	-6.3%	
Increase (Decrease) in Net Position	30,504,495	31,664,891	(33,509,058)	(1,160,396)	-3.7%	65,173,949	194.5%	
Net Position Restricted for Postemployment Benefits Other than Pensions, Beginning of Year	209,487,895	177,823,004	211,332,062	31,664,891	17.8%	(33,509,058)	-15.9%	
Net Position Restricted for Postemployment Benefits Other than Pensions, End of Year	\$ 239,992,390	\$ 209,487,895	\$ 177,823,004	\$ 30,504,495	14.6%	\$ 31,664,891	17.8%	



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
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**Fiscal Year 2024**

WSSC Water Cash Contributions to the Plan remained at \$5.4 million, the same as in the prior year.

Net investment income, which is comprised of net appreciation in the fair value of investments, dividends and interest income, less investment expenses, decreased by \$1.2 million or 4.4%, from a net investment income of \$26.2 million in fiscal year 2023 to net investment income of \$25.1 million in fiscal year 2024. The net investment income is due to the overall positive performance of the funds. Dividends and interest increased by \$3.9 million or 57.9%, from \$6.7 million for fiscal year 2023 to \$10.5 million in fiscal year 2024.

Net change in the fair value of investments decreased from a net appreciation in fair value of investments of \$19.6 million in 2023 to a net appreciation in fair value of investments of \$14.6 million for 2024.

**Fiscal Year 2023**

WSSC Water Cash Contributions to the Plan remained at \$5.4 million, the same as in the prior year.

Net investment income, which is comprised of net appreciation in the fair value of investments, dividends and interest income, less investment expenses, increased by \$65.2 million or 167.4%, from a net investment loss of \$38.9 million in fiscal year 2022 to net investment income of \$26.2 million in fiscal year 2023. The net investment income is due to the overall positive performance of the funds. Dividends and interest decreased by \$3.0 million or 31.3%, from \$9.7 million for fiscal year 2022 to \$6.7 million in fiscal year 2023.

Net change in the fair value of investments increased from a net depreciation in fair value of investments of \$48.6 million in 2022 to a net appreciation in fair value of investments of \$19.6 million for 2023.

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**Other Information**

The Plan's actuarially determined target investment return is 7.0%, net of expenses. Administrative expenses and benefit payments are currently handled on a "pay-as-you-go" basis by WSSC Water. Investment expenses are paid from the Plan. For presentation purposes, benefit payments are shown as an expense of the Plan, however these payments are made on behalf of the Plan by WSSC Water. Retiree contributions are also withheld from the retiree's monthly pension payments and are utilized to pay plan premiums also paid by WSSC Water. These amounts are also recorded on the financial statements.

The fair value of the Plan's assets, and its investment gains and losses are also reviewed at least biannually by an actuary to determine viability of the Plan.

**Request for Information**

This financial report is designed to provide the Executive Director with a general overview of the Plan's finances and to show accountability for the Plan's funds. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of the OPEB Trust, WSSC Water, Retirement Division, 14501 Sweitzer Lane, Laurel MD 20707-5901. This information is also available on [www.wsscwater.com](http://www.wsscwater.com).

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
STATEMENTS OF FIDUCIARY FUND NET POSITION  
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 45,425	\$ 80,693
Investments at Fair Value		
Vanguard Wellington Fund	67,736,464	58,963,332
Vanguard Total Bond Market Index	43,335,802	42,799,852
Vanguard Total Stock Market Index	37,533,254	30,329,595
Vanguard International Stock Fund	31,387,462	24,784,505
Vanguard Real Estate Index	9,625,228	9,171,764
Vanguard Inflation Protected Securities	7,728,695	7,587,433
T.Rowe Price Global Growth	42,600,060	35,770,721
Total Investments	<u>239,946,965</u>	<u>209,407,202</u>
 Total Assets	 <u>239,992,390</u>	 <u>209,487,895</u>
<b>LIABILITIES</b>		
Accrued Expenses	<u>-</u>	<u>-</u>
Net Position Restricted for Postemployment Benefits Other than Pensions	 <u>\$ 239,992,390</u>	 <u>\$ 209,487,895</u>

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

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
STATEMENTS OF CHANGES IN FIDUCIARY FUND NET POSITION  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ADDITIONS</b>		
Investment Income		
Net Appreciation in the Fair Value of Investments	\$ 14,597,474	\$ 19,623,631
Dividends and Interest	10,546,523	6,680,762
	<u>25,143,997</u>	<u>26,304,393</u>
Less Investment Expenses	<u>(65,000)</u>	<u>(65,000)</u>
Net Investment Income	<u>25,078,997</u>	<u>26,239,393</u>
Contributions		
WSSC Water Contributions	5,425,498	5,425,498
WSSC Water Contributions as Benefit Payment	12,404,679	10,142,354
Retiree Contributions	4,920,559	4,878,627
Total Contributions	<u>22,750,736</u>	<u>20,446,479</u>
Total Additions	<u>47,829,733</u>	<u>46,685,872</u>
<b>DEDUCTIONS</b>		
Retiree Benefit Payments	<u>17,325,238</u>	<u>15,020,981</u>
Increase in Net Position	30,504,495	31,664,891
Net Position Restricted for Postemployment Benefits Other than Pensions, Beginning of Year	<u>209,487,895</u>	<u>177,823,004</u>
Net Position Restricted for Postemployment Benefits Other than Pensions, End of Year	<u>\$ 239,992,390</u>	<u>\$ 209,487,895</u>

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

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE A. DESCRIPTION OF THE PLAN**

General Information

The provisions of postemployment benefits are determined under a set of personnel policies (herein referred to, collectively, as the “Plan”). The Plan and its underlying trust, a single employer defined benefit plan, was established in 2007 to provide life insurance, healthcare and prescription drug benefits for Plan participants and beneficiaries of the WSSC Water under conditions set forth in the Trust Agreement, including the payment of reasonable administrative expenses. WSSC Water employees are eligible to continue group insurance coverage after retirement provided that retiring employees have had coverage in effect for two years prior to retirement.

Benefits Provided

The Plan pays 70-80% of the full premium for medical and prescription drug coverage for eligible participants and qualified dependents. In addition, employees who retired in 1982 and after are eligible for life insurance benefits with 100% of the premium covered by the retiree. The amount of retiree life insurance coverage begins at 85% of the employee’s salary as of the day immediately prior to retirement, and decreases over a four-year period, until coverage equals either 25% of that salary or \$5,000, whichever is greater.

Plan Membership

As of December 31, 2024, and 2023, there were 1,752 and 1,648 active employees and 1,718 and 1,720 retirees, respectively. WSSC Water has the right to amend the Plan Fund Agreement.

Member and Employer Contributions

WSSC Water contributes to the Plan as it deems appropriate based on biennial actuarial valuations performed by an independent actuary and consistent with the Actuarial Determined Employer Contribution. The WSSC Water made cash contributions into the Plan of \$5,425,498 for each of the years ended December 31, 2024 and 2023 and paid directly \$12,404,679 and \$10,142,354, of retiree other post employment benefit claims and premiums for the years ended December 31, 2024 and 2023, respectively.

The Plan recognizes revenues and expenses for employee payments made by WSSC Water related to benefits payments. Accordingly, the Plan has included “on behalf” payments made by WSSC Water during the fiscal years ended December 31, 2024 and 2023, of \$17,325,238 and \$15,020,981, respectively. These amounts are also reflective of retiree portions of \$4,920,559 and \$4,878,627 for the fiscal years ended December 31, 2024 and 2023, respectively.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
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**NOTE A. DESCRIPTION OF THE PLAN (continued)**

Plan Termination

In the event of the Plan termination, Plan assets shall be allocated for the payment of benefits and administrative expenses in accordance with the Plan and Trust Agreement.

Trustees of the Fund

WSSC Water established a Board of Trustees for the Plan to be responsible for the investment management of the Trust's assets for the exclusive benefit of the Trust participants. A Trust Agreement governs the trustees. The agreement provides for Trustees to be appointed by WSSC Water and, per the terms of WSSC Water Adopted Resolution 2015-2076, and updated per the terms of WSSC Water Adopted Resolutions 2017-2135, 2019-2205, and 2019-2229, the Board has been re-appointed for a four-year term which commenced on July 1, 2019, and updated by Resolution 2021-2278 to reflect the replacement of one of the trustees for the remainder of the existing term. The Trust Agreement was amended by Resolution 2023-2342 to expand the Board representation and codify the constitution of the Board; and update the roles and responsibilities in conducting the business of the Trust.

The administration of the Trust has been delegated to the Executive Director of the Washington Suburban Sanitary Commission Employees' Retirement Plan, who is appointed by the WSSC Water.

**NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity and Basis of Accounting

The reporting entity consists of the Plan, which is a component unit of the WSSC Water. The financial statements of the Plan are presented using the economic resources measurement focus and the accrual basis of accounting. Member contributions are recognized as revenue in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment has been made to provide the contributions. Benefits and refunds are recognized when due and payable. Investment income is recognized when earned.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Plan considers all cash and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Fair Value Measurements

The Plan categorizes fair value measurements within the fair value hierarchy established by GASB. The valuation technique uses a three-level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These classifications are summarized as follows:

*Level 1 Inputs:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.

*Level 2 Inputs:* Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

*Level 3 Inputs:* Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment.

Fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net appreciation (depreciation) in the fair value of investments reflected in the Statements of Changes in Fiduciary Fund Net Position includes realized gains and losses on investments that were sold during the year and unrealized appreciation (depreciation) in the fair value of investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**NOTE C. DEPOSITS**

Custodial Credit Risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan does not have a policy for custodial credit risk for deposits and the balance of \$45,425 and \$80,693, as of December 31, 2024, and 2023, respectively, were money market funds that were uninsured and uncollateralized.

**NOTE D. INVESTMENTS**

Investment Policy

The Plan's investment policy and any changes to the policy are adopted by the Board of Trustees of the Plan. The current policy was approved in June 2018 and contains long-term asset allocation ranges. The policy was amended in August 2020 to incorporate environmental, social, and governance provisions; and in May 2022 to incorporate a 5% Real Estate Allocation.

The primary objective of the investment policy is to assure that assets will be available to pay postemployment benefits throughout the life of the Plan and to maintain or improve the market value of the fund relative to vested and accrued benefit liabilities. The objectives seek to preserve the actuarial soundness of the Plan by achieving a long-term return of at least the actuarial return rate and to prudently manage the inherent investment risks that are related to the achievement of this goal.



**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE D. INVESTMENTS (continued)**

Long-term asset allocation ranges are developed based on several factors including: the long-term investment goals of the Plan; the Trustee's tolerance for short-term losses; the Plan's liquidity needs; and any legal or regulatory requirements.

- Custodial Credit Risk is the risk that the Plan will not be able to recover the value of its investments if the counterparty fails. The Plan's mutual fund investments are not subject to custodial credit risk for 2024 and 2023, as the investments are open-end mutual funds.
- Credit Risk is the risk that an issuer to an investment will not fulfill its obligations. As of December 31, 2024 and 2023, the Plan held one fixed income fund, the Vanguard Total Bond Market Index which was not rated. The Plan has no policy to address any additional amounts potentially at risk.
- Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of December 31, 2024 and 2023, the Plan held no direct investments in debt securities and was not exposed to interest rate risk, other than securities held and managed via mutual funds. The average effective maturity for the Plan's Vanguard Total Bond Fund was 8.3 years in December 2024 and 8.8 years in December 2023.
- Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign financial institution. The Plan mitigates this risk by limiting its investments in funds with foreign exposure. The underlying assets of the Vanguard Wellington Fund are generally in domestic stocks and bonds; however, the T.Rowe Price Global Growth and Vanguard International Stock Fund are invested in foreign assets that are exposed to exchange rate changes.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
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**NOTE D. INVESTMENTS (continued)**

- Concentration Risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The following investments represent over 5% of total investments with a single investor as of December 31:

	2024		2023	
	Investment	%	Investment	%
Vanguard Wellington Fund	\$ 67,736,464	28.23%	\$ 58,963,332	28.16%
Vanguard Total Bond Market Index	43,335,802	18.06%	42,799,852	20.44%
Vanguard Total Stock Market Index	37,533,254	15.64%	30,329,595	14.48%
Vanguard International Stock Fund	31,387,462	13.08%	24,784,505	11.84%
T.Rowe Price Global Growth Fund	42,600,060	17.75%	35,770,721	17.08%

The Plan had the following fair value measurement based on closing market price as of December 31, 2024:

	Total 12/31/2024	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds:				
Vanguard Wellington Fund	\$ 67,736,464	\$ 67,736,464	\$ -	\$ -
Vanguard Total Bond Market Index	43,335,802	43,335,802	-	-
Vanguard Total Stock Market Index	37,533,254	37,533,254	-	-
Vanguard International Stock Fund	31,387,462	31,387,462	-	-
Vanguard Real Estate Index	9,625,228	9,625,228	-	-
Vanguard Inflation Protected Securities	7,728,695	7,728,695	-	-
T.Rowe Price Global Growth Fund	42,600,060	42,600,060	-	-
Total Investment	\$ 239,946,965	\$ 239,946,965	\$ -	\$ -

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE D. INVESTMENTS (continued)**

The Plan had the following fair value measurement based on closing market price as of December 31, 2023:

	Total 12/31/2023	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds:				
Vanguard Wellington Fund	\$ 58,963,332	\$ 58,963,332	\$ -	\$ -
Vanguard Total Bond Market Index	42,799,852	42,799,852	-	-
Vanguard Total Stock Market Index	30,329,595	30,329,595	-	-
Vanguard International Stock Fund	24,784,505	24,784,505	-	-
Vanguard Real Estate Index	9,171,764	9,171,764	-	-
Vanguard Inflation Protected Securities	7,587,433	7,587,433	-	-
T. Rowe Price Global Growth Fund	35,770,721	35,770,721	-	-
Total Investment	<u>\$ 209,407,202</u>	<u>\$ 209,407,202</u>	<u>\$ -</u>	<u>\$ -</u>

Rate of Return

For the years ended December 31, 2024 and 2023, the annual money-weighted rate of return on OPEB plan investments, net of expense, was 11.8% and 14.6%, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

**NOTE E. NET OPEB LIABILITY**

The components of the net OPEB liability of the Plan as of December 31, 2024 and 2023, were as follows:

	2024	2023
Total OPEB Liability	\$ 254,199,472	\$ 246,221,468
Plan Fiduciary Net Position	<u>239,992,390</u>	<u>209,487,895</u>
Net OPEB Liability	<u>\$ 14,207,082</u>	<u>\$ 36,733,573</u>

Plan Fiduciary Net Position as a Percentage of

Total OPEB Liability	94.4%	85.1%
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**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE E. NET OPEB LIABILITY (continued)**

Actuarial Assumptions

The total OPEB liability as of December 31, 2024 and 2023, were determined by rolling forward the actuarial valuation as of July 1, 2023.

Valuation date	July 1, 2023
Actuarial method	Entry Age Normal
Inflation	2.50%
Asset valuations methodology	Assets are based on market value.
Investment rate return	7.00%

Healthcare cost trend rates for 2024 and 2023 were as follows:

Year	UHC POS (Pre-65)	UHC EPO/HMO (Pre-65)	Medicare Plus/Supplement
2023	5.75%	6.00%	4.00%
2024	5.50%	5.75%	4.00%
2025	5.25%	5.50%	4.00%
2026	5.00%	5.25%	4.00%
2027	4.75%	5.00%	4.00%
2028	4.50%	4.75%	4.00%
2029	4.25%	4.50%	4.00%
2030	4.00%	4.25%	4.00%
2031 +	4.00%	4.25%	4.00%

Mortality rates in July 1, 2024 and 2023, were based on the Pub-2010G (below median) headcount-weighted Mortality Tables for Males or Females, projected generationally using Scale SSA. The Pub2010G Disabled tables were used for the valuation of disabled lives, projected generationally using Scale SSA. A 109% factor is applied to female rates.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study performed in 2021, covering 2015 through 2020.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE E. NET OPEB LIABILITY (continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation and the final investment return assumption; and are summarized as follows:

**As of December 31, 2024**

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	38.00%	6.20%
Non-US Equity	24.00%	6.65%
Real Estate	5.00%	4.55%
US Fixed Income - Investment	33.00%	2.30%
<b>Total Weighted Average Real Return</b>	<b>100.00%</b>	4.94%
Plus Inflation		2.50%
Total Return without Adjustment		7.44%
Risk Adjustment		-0.44%
Total Expected Return		7.00%

**As of December 31, 2023**

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	38.00%	6.25%
Non-US Equity	24.00%	6.50%
Real Estate	5.00%	4.85%
US Fixed Income - Investment	33.00%	2.05%
<b>Total Weighted Average Real Return</b>	<b>100.00%</b>	4.85%
Plus Inflation		2.50%
Total Return without Adjustment		7.35%
Risk Adjustment		-0.35%
Total Expected Return		7.00%

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE E. NET OPEB LIABILITY (continued)**

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0%. The Plan's funding expectations/policy is to contribute approximately \$5.4 million in each WSSC Water fiscal year to the OPEB Trust, in addition to paying benefits for retirees. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the expected trust return on OPEB plan investments was applied to all periods of projected benefits payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the WSSC Water, calculated using the discount rate of 7.00%, as well as what the WSSC Water's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
<b>December 31, 2024</b>			
Total OPEB Liability	\$ 284,111,594	\$ 254,199,472	\$ 229,307,976
Plan Fiduciary Net Position	239,992,390	239,992,390	239,992,390
Net OPEB Liability	<u>\$ 44,119,204</u>	<u>\$ 14,207,082</u>	<u>\$ (10,684,414)</u>
Ratio of Plan Net Position to Total OPEB Liability	84.5%	94.4%	104.7%
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
<b>December 31, 2023</b>			
Total OPEB Liability	\$ 275,194,804	\$ 246,221,468	\$ 222,111,187
Plan Fiduciary Net Position	209,487,895	209,487,895	209,487,895
Net OPEB Liability	<u>\$ 65,706,909</u>	<u>\$ 36,733,573</u>	<u>\$ 12,623,292</u>
Ratio of Plan Net Position to Total OPEB Liability	76.1%	85.1%	94.3%

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE E. NET OPEB LIABILITY (continued)**

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the WSSC Water, calculated using the trend assumptions below, as well as what WSSC Water's net OPEB liability would be if it were calculated using rates that are 1.00% lower or 1.00% higher than the current rate:

	1% Decrease 3.0% - 3.5%	Current Healthcare Cost Trend 4.0% - 4.5%	1% Increase 5.0 - 5.5%
<b>December 31, 2024</b>			
Total OPEB Liability	\$ 229,378,048	\$ 254,199,472	\$ 284,315,986
Plan Fiduciary Net Position	239,992,390	239,992,390	239,992,390
Net OPEB Liability	<u>\$ (10,614,342)</u>	<u>\$ 14,207,082</u>	<u>\$ 44,323,596</u>
Ratio of Plan Net Position to Total OPEB Liability	104.6%	94.4%	84.4%
	1% Decrease 3.0% - 3.5%	Current Healthcare Cost Trend 4.0% - 4.5%	1% Increase 5.0 - 5.5%
<b>December 31, 2023</b>			
Total OPEB Liability	\$ 222,179,060	\$ 246,221,468	\$ 275,392,781
Plan Fiduciary Net Position	209,487,895	209,487,895	209,487,895
Net OPEB Liability	<u>\$ 12,691,165</u>	<u>\$ 36,733,573</u>	<u>\$ 65,904,886</u>
Ratio of Plan Net Position to Total OPEB Liability	94.3%	85.1%	76.1%

**NOTE F. INTERNAL REVENUE STATUS**

The Plan operates as a Section 115 Grantor Trust under the Internal Revenue Code.

**NOTE G. RISKS AND UNCERTAINTIES**

The Plan may invest in investment securities that are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the Statements of Fund Net Position.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS TRUST  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(Unaudited)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Employer Contributions	\$ 7,967,962	\$ 7,858,891	\$ 7,567,555	\$ 13,150,740	\$ 13,157,686	\$ 14,094,584	\$ 14,004,405	\$ 14,960,787	\$ 14,960,787	\$ 16,766,000
Less Contributions in Relation to the Actuarially Determined Contribution	<u>17,830,177</u>	<u>15,567,852</u>	<u>16,673,142</u>	<u>19,555,681</u>	<u>13,430,956</u>	<u>16,647,253</u>	<u>20,420,568</u>	<u>21,586,194</u>	<u>21,348,096</u>	<u>22,379,000</u>
Contribution Deficiency (excess)	<u>\$ (9,862,215)</u>	<u>\$ (7,708,961)</u>	<u>\$ (9,105,587)</u>	<u>\$ (6,404,941)</u>	<u>\$ (273,270)</u>	<u>\$ (2,552,669)</u>	<u>\$ (6,416,163)</u>	<u>\$ (6,625,407)</u>	<u>\$ (6,387,309)</u>	<u>\$ (5,613,000)</u>
Covered Employee Payroll	\$ 143,711,194	\$ 123,487,611	\$ 118,239,104	\$ 132,434,758	\$ 135,906,251	\$ 138,548,098	\$ 132,955,474	\$ 124,331,306	\$ 122,144,339	\$ 119,006,893
Contribution as a Percentage of Covered Employee Payroll	12.4%	12.6%	14.1%	14.8%	9.9%	12.0%	15.4%	17.4%	17.5%	18.8%

**WASHINGTON SUBURBAN SANITARY COMMISSION  
RETIREE OTHER POSTEMPLOYMENT BENEFITS TRUST  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
(Unaudited)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Total OPEB Liability</u>									
Service Cost	\$ 3,340,188	\$ 3,242,901	\$ 3,148,448	\$ 3,056,746	\$ 2,967,715	\$ 2,881,277	\$ 2,797,356	\$ 2,715,880	\$ 2,852,227
Interest	17,042,495	17,915,710	17,232,009	18,405,760	17,725,182	17,269,181	16,658,625	16,104,693	15,302,770
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(22,476,011)	-	(32,317,251)	-	(3,009,670)	-	4,927,026	-
Changes in assumptions	-	-	-	5,613,063	-	-	-	-	-
Net Employer Benefit payments (net of retiree contributions)	(12,404,679)	(10,142,354)	(11,254,342)	(11,969,356)	(10,179,669)	(11,228,441)	(10,420,568)	(11,586,194)	(11,348,096)
Net change in Total OPEB Liability	7,978,004	(11,459,754)	9,126,115	(17,211,038)	10,513,228	5,912,347	9,035,413	12,161,405	6,806,901
Total OPEB Liability - Beginning Year	246,221,468	257,681,222	248,555,107	265,766,145	255,252,917	249,340,570	240,305,157	228,143,752	221,336,851
Total OPEB Liability - End of Year	\$ 254,199,472	\$ 246,221,468	\$ 257,681,222	\$ 248,555,107	\$ 265,766,145	\$ 255,252,917	\$ 249,340,570	\$ 240,305,157	\$ 228,143,752
<u>Plan Fiduciary Net Position</u>									
Contributions - employer including benefits paid	\$ 17,830,177	\$ 15,567,852	\$ 16,673,142	\$ 19,555,681	\$ 13,430,956	\$ 16,647,253	\$ 20,420,568	\$ 21,586,194	\$ 21,348,096
Contributions - member	4,920,559	4,878,627	4,775,444	4,687,415	4,547,856	4,487,388	4,339,559	4,168,418	3,967,312
Net investment income	25,078,997	26,239,393	(38,927,858)	23,224,511	26,745,868	25,343,322	(8,690,017)	14,247,468	8,362,666
Total Benefit payments	(17,325,238)	(15,020,981)	(16,029,786)	(16,656,771)	(14,727,525)	(15,715,829)	(14,760,127)	(15,754,612)	(15,315,408)
Administrative expenses	-	-	-	-	-	(50,000)	(43,750)	(20,000)	-
Other	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	30,504,495	31,664,891	(33,509,058)	30,810,836	29,997,155	30,712,134	1,266,233	24,227,468	18,362,666
Plan Fiduciary Net Position Beginning of Year	209,487,895	177,823,004	211,332,062	180,521,226	150,524,071	119,811,937	118,545,704	94,318,236	75,955,570
Plan Fiduciary Net Position End of Year	\$ 239,992,390	\$ 209,487,895	\$ 177,823,004	\$ 211,332,062	\$ 180,521,226	\$ 150,524,071	\$ 119,811,937	\$ 118,545,704	\$ 94,318,236
Net OPEB Liability - Beginning of Year	\$ 36,733,573	\$ 79,858,218	\$ 37,223,045	\$ 85,244,919	\$ 104,728,846	\$ 129,528,633	\$ 121,759,453	\$ 133,825,516	\$ 145,381,281
Net OPEB Liability - End of Year	\$ 14,207,082	\$ 36,733,573	\$ 79,858,218	\$ 37,223,045	\$ 85,244,919	\$ 104,728,846	\$ 129,528,633	\$ 121,759,453	\$ 133,825,516
Net Position as a percentage of Total OPEB Liability	94.4%	85.1%	69.0%	85.0%	67.9%	59.0%	48.1%	49.3%	41.3%
Covered Employee Payroll	\$ 143,711,194	\$ 123,487,611	\$ 118,239,104	\$ 132,434,758	\$ 135,906,251	\$ 138,548,098	\$ 132,955,474	\$ 124,331,306	\$ 122,144,339
Net OPEB Liability as a percentage of Covered Employee	9.9%	29.7%	67.5%	28.1%	62.7%	75.6%	97.4%	97.9%	109.6%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**WASHINGTON SUBURBAN SANITARY COMMISSION  
 RETIREE OTHER POSTEMPLOYMENT BENEFITS TRUST  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS  
 (Unaudited)**

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	11.8%	14.6%	-18.2%	12.6%	17.6%	20.8%	-7.1%	14.5%

The Plan adopted GASB 74 during fiscal year 2017; therefore, only eight years of returns are shown.

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Commissioners and Board of Trustees  
Washington Suburban Sanitary Commission  
Retiree Other Postemployment Benefits Plan  
Laurel, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Washington Suburban Sanitary Commission's Retiree Other Postemployment Benefits Plan (the Plan), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated May 6, 2025.

***Report on Internal Controls over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Plan's internal controls over financial reporting (internal controls) 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 Plan's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal controls.

A *deficiency in internal controls* 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 controls, such that there is a reasonable possibility that a material misstatement of the Plan'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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Plan'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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland  
May 6, 2025

*SB & Company, LLC*