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Attorney for the Trustee of
the Volkswagen Diesel Emissions Environmental Mitigation
Trust for Indian Tribe Beneficiaries

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

**IN RE: VOLKSWAGEN “CLEAN
DIESEL” MARKETING, SALES
PRACTICES, AND PRODUCTS
LIABILITY LITIGATION**

Relates to:

*[United States v. Volkswagen AG, et al., No.
16-cv-295 (N.D. Cal.)]*

Case No. MDL 2672 CRB (JSC)

**NOTICE OF FILING OF FINANCIAL
REPORTS FOR THE VOLKSWAGEN
DIESEL EMISSIONS
ENVIRONMENTAL MITIGATION
TRUST FOR INDIAN TRIBE
BENEFICIARIES**

Judge: Hon. Charles R. Breyer

PLEASE TAKE NOTICE THAT Wilmington Trust N.A. as Trustee (the “Trustee”) of the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the “Indian Tribe Trust”), and by and through its counsel Reed Smith, respectfully file the attached Notice of Financial Reports for the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries in accordance with subparagraph 3.3.1 thereof.

Dated: February 15, 2024

Respectfully submitted,

/s/ Michele D. Ross
Michele D. Ross, partner
Reed Smith LLP

CERTIFICATE OF SERVICE

I hereby certify that, on February 15, 2024, I caused to be served true copies of the required financial reports under the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries in accordance with subparagraph 3.3.1 thereof by electronic means by filing such documents through the Court's Electronic Case Filing System.

/s/ Michele D. Ross _____
Michele D. Ross
*Attorney for the Trustee of the Volkswagen
Diesel Emissions Environmental Mitigation
Trust for Indian Tribe Beneficiaries*

Notice of Filing of Financial Reports for the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries in accordance with subparagraph 3.3.1 of the Indian Tribe Trust

In accordance with subparagraph 3.3.1 of the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the “Indian Tribe Trust”), Wilmington Trust, N.A. as Trustee of the Indian Tribe Trust hereby files the following financial reports set forth below.

In accordance with subparagraph 3.3.1.5 of the Indian Tribe Trust the Trustee is required to prepare third-party audited financial reports disclosing and certifying the disposition of all Trust Assets from the Trust Effective Date through the calendar quarter immediately preceding the Financial Reporting Date, specifically including reconciliations of the Trustee’s prior budget projections for Trust Administration Costs to actual performance.

In accordance with subparagraph 3.1.2.6 and 3.3.1.8 of the Indian Tribe Trust, the Trustee has also posted these financial reports on the website for the Indian Tribe Trust (www.vwenvironmentalmitigationtrust.com/tribe-trust) under the heading “Semi-Annual Reporting Package.”

For period ending December 31, 2023 (attached hereto as Exhibit A)

Audited Financial Statements

- Indian Tribe Trust – Audited Financial Statements – 12.31.2023

Semi-Annual Reports

- Indian Tribe Trust Semi Annual Report - period ending 12.31.2023

By: Wilmington Trust, N.A. as Trustee of the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

Exhibit A

**Financial Reports for the Volkswagen Diesel Emissions
Environmental Mitigation Trust for Indian Tribe Beneficiaries**

For period ending December 31, 2023

Audited Financial Statements

- Indian Tribe Trust – Audited Financial Statements – 12.31.2023

Semi-Annual Reports

- Indian Tribe Trust Semi Annual Report - period ending 12.31.2023

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE
BENEFICIARIES**

**Financial Statements
December 31, 2023 and 2022**

VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES

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Independent Accountant's Review Report

To the Trustee
Volkswagen Diesel Emissions Environmental
Mitigation Trust for Indian Tribe Beneficiaries

Opinion

We have reviewed the accompanying statement of net assets of Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the "Trust") as of December 31, 2023; the related statements of changes in net assets and cash flows for the year then ended; and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an 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.

Accountant's Responsibilities

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

We are required to be independent of Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the Trust began the process in 2023 to wind down its operations and distribute the remaining assets of the Trust in accordance with its governing document, the Environmental Mitigation Trust Agreement for Indian Tribe Beneficiaries, as modified.

To the Trustee
Volkswagen Diesel Emissions Environmental
Mitigation Trust for Indian Tribe Beneficiaries

Report on 2022 Financial Statements

The financial statements as of and for the year ended December 31, 2022 were audited by us, and our report dated March 20, 2023 expressed an unmodified opinion, but no audit procedures have been performed since that date.

Plante & Moran, PLLC

February 14, 2024

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Statement of Net Assets
(Dollars in thousands)

	December 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 3)	\$ 2,049	\$ 6,797
Other Current Assets	614	49
Total Current Assets	<u>2,663</u>	<u>6,846</u>
Fixed Assets - net	3	4
Prepaid Expenses	219	115
TOTAL ASSETS	<u>2,885</u>	<u>6,965</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Other Current Liabilities	-	50
Beneficiaries' Distributions Payable	76	-
TOTAL LIABILITIES	<u>76</u>	<u>50</u>
NET ASSETS	<u>\$ 2,809</u>	<u>\$ 6,915</u>

See Accompanying Notes to Financial Statements

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Statement of Changes in Net Assets
(Dollars in thousands)

	For the year ended December 31, 2023 (Unaudited)	For the year ended December 31, 2022 (Audited)
Net Assets, Beginning of period	\$ 6,915	\$ 7,967
Increase (Decrease) in Net Assets		
Distributions to Beneficiaries	(3,944)	(826)
Investment Income	248	82
Trust Expenses (Note 7)	(410)	(308)
Net Decrease in Net Assets	<u>(4,106)</u>	<u>(1,052)</u>
Net Assets, End of period	<u>\$ 2,809</u>	<u>\$ 6,915</u>

See Accompanying Notes to Financial Statements

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Statement of Cash Flows
(Dollars in thousands)

	The Year Ended December 31, 2023 (Unaudited)	The Year Ended December 31, 2022 (Audited)
Cash Flows from (used in) Operating Activities		
Changes in Net Assets	\$ (4,106)	\$ (1,052)
Adjustments to Reconcile Change in Net Assets to Net Cash used in Operating Activities		
Tax Refund Receivable	-	35
Accrued Interest Receivable	18	(18)
Prepaid Expenses	(686)	31
Beneficiaries' Distributions Payable	76	(2,439)
Accounts Payable and Other Current Liabilities	(50)	8
Net Cash Flows used in Operating Activities	<u>(4,748)</u>	<u>(3,435)</u>
Cash flows from (used in) investing activities		
Purchase of Marketable Securities	(5,271)	(12,746)
Proceeds from Sales and Maturities of Marketable Securities	5,271	17,979
Net Cash Flows from Investing Activities	<u>-</u>	<u>5,233</u>
Net Change in Cash	<u>(4,748)</u>	<u>1,798</u>
Cash and Cash Equivalents, Beginning of period	6,797	4,999
Cash and Cash Equivalents, End of period	<u><u>\$ 2,049</u></u>	<u><u>\$ 6,797</u></u>

See Accompanying Notes to Financial Statements

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
December 31, 2023 and 2022
(Dollars in thousands)**

Note 1 – Description of Trust

Establishment of Trust

Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia (the “State Trust”) and Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the “Indian Tribe Trust”), collectively the “Trusts”, have been established by order of the United States District Court for the Northern District of California in accordance with a Partial Consent Decree on October 25, 2016 (“First Partial Consent Decree” or “2.0 Liter”) in re: Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation, MDL No. 2672 CRB (JSC) (Dkt. No. 2103-1), among Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., and Volkswagen Group of America Chattanooga Operations, LLC (collectively, the “Settling Defendants”), the United States, and the State of California. In that case, the Court also entered a Second Partial Consent Decree (Dkt. No. 3228-1) on May 17, 2017 (the “Second Partial Consent Decree” or “3.0 Liter”), among the Settling Defendants, Dr. Ing. h.c. F. Porsche AG, and Porsche Cars North America, Inc. (collectively, the “Defendants”), the United States, and the State of California.

The Defendants and Wilmington Trust, N.A. (the “Trustee”) have entered into an Environmental Mitigation Trust Agreement for State Beneficiaries (hereinafter, the “State Trust Agreement”)—i.e., for the 50 States, Puerto Rico, and the District of Columbia—and established the environmental mitigation trust described therein (the “State Mitigation Trust” or “State Trust”). They have concurrently entered into a separate Environmental Mitigation Trust Agreement for Indian Tribe Beneficiaries (hereinafter, the “Indian Tribe Trust Agreement”)—i.e., for federally-recognized Indian Tribes—and established the environmental mitigation trust described in that agreement (“Indian Tribe Mitigation Trust” or “Indian Tribe Trust”).

The State Mitigation Trust and the Indian Tribe Mitigation Trust were both approved by Court Order on September 19, 2017 (the “Approval Order”) and final fully-executed versions were filed with the Court on October 2, 2017, establishing October 2, 2017 as the Effective Date for each Trust pursuant to the terms of the Approval Order (the “Effective Date”).

The Consent Decrees required the Defendants to establish the Indian Tribe Trust to fund environmental mitigation projects that reduce emissions of nitrogen oxides (NOx) where the subject vehicles were, are, or will be operated (“Eligible Mitigation Actions”), and to pay for Trust Administration Costs as set forth in the Indian Tribe Trust Agreement.

The purpose of the Indian Tribe Trust is to expeditiously and efficiently fund Eligible Mitigation Actions to be proposed and administered by the Indian Tribe Beneficiaries (the “Beneficiaries”) subject to the requirements of the Consent Decrees and the terms of the Indian Tribe Trust Agreement and to provide funds for the administration and operations in accordance with the terms of the Indian Tribe Trust Agreement, as set forth therein. The goal of each Eligible Mitigation Action shall be to achieve reductions of NOx emissions in the United States.

Funding of Trust

The Indian Tribe Trust and the State Trust were funded with Mitigation Trust Payments (the “Settlement Funding”) according to the terms of the Consent Decree: (1) 97.99% of the Mitigation Trust Payments from the First Partial Consent Decree (2.0 Liter) was allocated to the State Mitigation Trust and 2.01% to the Indian Tribe Mitigation Trust; and (2) 97.70% of the Mitigation Trust Payments from the Second Partial Consent Decree (3.0 Liter) was allocated to the State Trust and 2.30% to the Indian Tribe Trust.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
December 31, 2023 and 2022
(Dollars in thousands)**

(Note 1 – Continued)

The Consent Decrees required total funding for the Indian Tribe Trust by the Settling Defendants of \$59.3 million with \$54.4 million allocated to the beneficiaries of the Indian Tribe Trust and \$4.9 million allocated to the Tribe Trust Administration Costs. All Mitigation Trust Payments required by the Consent Decrees were received by the Indian Tribe Trust during 2018 and 2017.

Wind Down of Trust

The Indian Tribe Trust Agreement was amended effective November 22, 2023 (the “Trust Modification Agreement”) to outline provisions and procedures for the Final Distribution of Trust Assets to Designated Beneficiaries (“Final Distribution”) and Final Disposition of Trust Assets (“Final Disposition”) to Federal Agencies by the Indian Tribe Trust (all capitalized terms in the foregoing are defined herein or in the Trust Modification Agreement). All expected Trust Administration Costs through termination were paid to the Indian Tribe Trust’s service providers by November 27, 2023. Final Distribution payments in the amount of approximately \$3.9 million were made on December 22, 2023 to Designated Beneficiaries. The Indian Tribe Trust retains cash balances within several cash accounts to accommodate residual administration and termination costs in excess of the current prepaid expenses. In accordance with the Trust Modification Agreement, the Indian Tribe Trust will pay fifty percent of all remaining unused funds at the 18-month anniversary of the Final Distribution date to both the Forest Service and National Parks Service. The Indian Tribe Trust will terminate shortly after the Final Disposition, which is expected to occur in or about June 2025.

Note 2 – Summary of Significant Accounting and Reporting Policies

Basis of Presentation

The financial statements and accompanying notes have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in bank accounts or money market funds.

Property and Equipment

Property and equipment including website development costs are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over estimated service lives of three to ten years.

Other Assets

Other assets consist principally of accrued investment income and prepaid expenses.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities represent amounts due to professionals, other service providers and vendors for services rendered through the end of the period.

Beneficiaries’ Distribution Payable

Beneficiaries’ Distributions Payable represents Final Distribution amounts due to certain Designated Beneficiaries at December 31, 2023.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
December 31, 2023 and 2022
(Dollars in thousands)**

(Note 2 – Continued)

Income Taxes

The Indian Tribe Trust is intended to be a qualified settlement fund (“QSF”) pursuant to section 468B of the Internal Revenue Code, 26 U.S.C. (the “Code”) 468B, and related Treasury Regulations. The Indian Tribe Trust Agreement required the Trustee to pursue a private letter ruling from the Internal Revenue Service (the “PLR”) confirming that the Indian Tribe Trust will be treated as a QSF pursuant to code section. The Indian Tribe Trust received a PLR in February 2019 confirming it is a QSF pursuant to Code Section 468B and the Treasury Regulations promulgated thereunder and it may exclude from its gross income, under Treasury Regulation section 1.468-2(b)(1), the assets transferred to it from the Settling Defendants after its establishment as a QSF pursuant to the Consent Decrees. In general, a QSF computes taxable income in the same manner as a corporation but pays federal income tax using trust income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Code Section 61, less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. See Note 5 for additional information on federal income taxes.

The Indian Tribe Trust generates gross income in the form of interest and maturities of treasury bills which is reduced by administrative expenses and accumulated net operating losses to compute modified gross income. As the Indian Tribe Trust is a taxable entity for federal income tax purposes, a current income tax liability or asset, if any, is recognized for estimated taxes payable or receivable for the year. Deferred tax liabilities and assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Deferred tax assets are reviewed for recoverability and valuation allowances are provided as necessary.

The Indian Tribe Trust is not subject to state income taxes under current law. Accordingly, no current state income tax liabilities and assets are recorded.

The Indian Tribe Trust recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position, review of available evidence and consultation with Trust professionals.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes.

Subsequent Events

The Indian Trust evaluated events and transactions occurring between December 31, 2022 and February 14, 2024, which is the date that the financial statements were available to be issued, for disclosure and recognition purposes.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
December 31, 2023 and 2022
(Dollars in thousands)**

Note 3 – Cash and Cash Equivalents

As of December 31, 2023, and 2022, cash and cash equivalents are comprised of the following:

	December 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash	\$ 2,049	\$ 833
Money Market Funds	-	5,964
Total	\$ 2,049	\$ 6,797

Note 4 – Fair Value Measurement

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The Indian Tribe Trust's Cash Equivalents are presented as provided by this hierarchy.

Level 1—In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the Indian Tribe Trust has the ability to access.

Level 2—Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3—Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability. The Indian Tribe Trust had no assets or liabilities that are measured with Level 3 inputs at December 31, 2023 and 2022.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Indian Tribe Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Indian Tribe Trust also holds other financial instruments not measured at fair value on a recurring basis, including funding receivable, accounts payable and other assets. The fair value of these assets and liabilities approximates the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

The following table presents information about the Indian Tribe Trust's assets measured at fair value on a recurring basis at December 31, 2023 and 2022 and the valuation techniques used by the Indian Tribe Trust to determine those fair values.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
December 31, 2023 and 2022
(Dollars in thousands)**

(Note 4 – Continued)

	December 31, 2023 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash Equivalents:				
Money Market Funds	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash Equivalents:				
Money Market Funds	\$ 5,964	\$ -	\$ -	\$ 5,964
Total	\$ 5,964	\$ -	\$ -	\$ 5,964

The following are descriptions of the valuation methodologies used for assets measured at fair value.

- Due to their liquid nature, the fair value of cash equivalents approximates carrying value.

The Indian Tribe Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no such transfers during the year ended December 31, 2023 and 2022.

Note 5 – Income Taxes

The Indian Tribe Trust received a PLR (see Note 2 – Income Taxes) in February 2019 confirming it is a QSF pursuant to Code Section 468B and the Treasury Regulations promulgated thereunder and it may exclude from its gross income, under Treasury Regulation section 1.468-2(b)(1), the assets transferred to it from the Settling Defendants after its establishment as a QSF pursuant to the Consent Decrees.

The Indian Tribe Trust calculates taxable income in the same manner as a C corporation at a rate of 37.0% using trust income tax rates on its modified gross income, pursuant to Code Section 468B and the Treasury Regulations promulgated thereunder. Modified gross income includes gross income pursuant to Code Section 61, less administrative expenses, certain losses from the sale, exchange, or worthlessness of property, and net operating losses.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
December 31, 2023 and 2022
(Dollars in thousands)**

Note 7 – Trust Expenses

Trust expenses for the year ended December 31, 2023 and 2022 are comprised of the following:

	For the Year ended December 31, 2023 (Unaudited)	For the Year ended December 31, 2022 (Audited)
	<hr/>	<hr/>
Trust Administration Costs	\$ 399	\$ 307
Trust Investment Management Fees	1	1
Technical Advisory Fees	10	-
	<hr/>	<hr/>
	\$ 410	\$ 308



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Independent Accountant's Report on Supplemental Information

To the Trustee
Volkswagen Diesel Emissions Environmental
Mitigation Trust for Indian Tribe Beneficiaries

We have reviewed the financial statements of Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the "Trust") as of and for the year ended December 31, 2023 and have issued our report thereon dated February 14, 2024. Our review was performed primarily for the purpose of obtaining a basis for reporting whether we are aware of any material modifications that should be made to the 2023 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We have audited the financial statements of Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries as of and for the year ended December 31, 2022 and have issued our report thereon dated March 20, 2023. Our audit was performed for the purpose of forming an opinion on the 2022 financial statements as a whole. The supplemental trust administration costs actual versus budget schedule is presented for the purpose of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the Trust and is not a required part of the financial statements.

This supplemental information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2023 and 2022 financial statements. The supplemental information for the year ended December 31, 2023 has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the 2023 supplemental information. We have not audited the 2023 supplemental information and, therefore, do not express an opinion on such information. The supplemental information for the year ended December 31, 2022 has been subjected to the auditing procedures applied in the audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 information is fairly stated in all material respects in relation to the 2022 financial statements as a whole.

Plante & Moran, PLLC

February 14, 2024

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Supplemental Schedule
Trust Administration Costs Actual vs. Budget
(Dollars in thousands)**

The Year Ended December 31, 2023 (Unaudited)

(in thousands)	Actual Accrual Basis	Accrual to Cash Adjustments	Actual Cash Basis	Budget	Variance
Trust Administrator Costs	\$ 19	\$ -	\$ 19	\$ 22	\$ (3)
Trust Counsel	235	576	811	306	505
Trust Accountants	25	39	64	36	28
Tax Return Preparation	5	45	50	16	34
Trust Audit	15	57	72	50	22
Tax Counsel	47	1	48	10	38
Website Support	1	(1)	-	-	-
Intralinks	2	-	2	2	-
Insurance	39	(39)	-	-	-
Contingency Expenses	11	-	11	26	(15)
Administration Cost Total	\$ 399	\$ 678	\$ 1,077	\$ 468	\$ 609

The Year Ended December 31, 2022 (Unaudited)

(in thousands)	Actual Accrual Basis	Accrual to Cash Adjustments	Actual Cash Basis	Budget	Variance
Trust Administrator Costs	\$ 21	\$ -	\$ 21	\$ 23	\$ (2)
Trust Counsel	148	(15)	133	250	(117)
Trust Accountants	33	13	46	35	11
Tax Return Preparation	11	-	11	15	(4)
Trust Audit	48	(8)	40	48	(8)
Tax Counsel	12	3	15	10	5
Consultants	-	-	-	24	(24)
Website Support	1	-	1	-	1
Intralinks	2	-	2	1	1
Insurance	31	(31)	-	-	-
Contingency Expenses	-	-	-	25	(25)
Administration Cost Total	\$ 307	\$ (38)	\$ 269	\$ 430	\$ (161)

* State taxes refund

**Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries
Semi Annual Reporting Table of Contents
For the Reporting Period Ending December 31, 2023**

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Subparagraph 3.3.1.2.iii

No activity in the reporting period

The Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

Trustee Descriptive Report for Period July 1, 2023, to December 31, 2023

As required under subparagraphs 3.3.1.6 and 3.3.1.7

Establishment, Purpose, Funding, and Modification of the Indian Tribe Trust

As a result of the landmark settlement in the United States District Court, Northern District of California (the “Court”) v. Volkswagen AG (“VW”), the Court required VW to establish the **Environmental Mitigation Trust for Indian Tribe Beneficiaries** (the “Indian Tribe Trust”) and to make deposits¹ in the amounts of \$2.7 billion and \$225 million to be used to fund environmental mitigation action (EMA) projects that reduce emissions of nitrogen oxides (“NOx”) and to pay for Trust Administration Costs all in accordance with the terms of the Indian Tribe Trust. On March 15, 2017, the Court appointed Wilmington Trust, N.A. (“WTNA”) as the Trustee for the Indian Tribe Trust (the “Trustee”) and on October 2, 2017, the United States filed a fully executed copy of the Environmental Mitigation Trust Agreement for Indian Tribe Beneficiaries (“Trust Agreement”) whereby the Indian Tribe Trust was established.

By the end of 2017, the Trustee had received approximately \$41.4 million and was deposited into the Trust. The Trustee received from the Settling Defendants a deposit of approximately \$18 million at the end of 2018, which represented the Indian Tribe Trust’s portion of the final \$900 million required under the 2.0L Partial Consent Decree, meaning that the Indian Tribe Trust was considered fully funded.

The Indian Tribe Trust was previously modified in accordance with Paragraph 6.5 on the following occasions:

1. Effective November 30, 2018, there were material modifications to the trust’s allocation formula in a manner that is consistent with the trust’s purpose “to timely and efficiently fund Eligible Mitigation Actions to be proposed and administered by the Beneficiaries” (subparagraph 2.0.3), while ensuring an equitable distribution of funds to participating Beneficiaries.
2. Effective June 18, 2020², there were a discreet number of modifications, including: a modification of Permitted Investments under Paragraph 3.2.1 to allow the investment of Trust Assets in the BlackRock Fed Fund (CUSIP 09248U809), other similar mutual funds, and U.S. Treasury bills, bonds, notes, and other government securities issued by agencies of the federal government; and an additional paragraph that allows electronic signatures and electronic retention of certain documents required under or related to the Indian Tribe Trust, as identified by the Trustee.

¹ Appendix D-1B allocates 2.03% of the deposited funds to the Indian Tribe Trust and 97.97% of the deposited funds to State Trust.

² A copy of the Indian Tribe Trust as modified on May 19, 2020 (and effective June 18, 2020) is posted on the Trust’s website at <https://www.vwenvironmentalmitigationtrust.com/tribe-trust>

The Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

3. Effective April 28, 2022³, there were minor modifications and clarifying amendments, including: a modification under Paragraph 3.3.1.9 clarifying the requirements of the final financial report; and modifying the fifth funding cycle notice dates in Paragraph 5.0.5.3.5.
4. Effective November 22, 2023⁴, there were major material modifications to the Indian Tribe Trust (“Modified Trust Agreement”) to allow for a final distribution of Trust Assets to Designated Beneficiaries, clarifying the Final Disposition of Trust Assets and granting the authority for the Trustee to terminate the Trust.

In the reporting period, the Trustee completed a number of actions permitted and required under the Trust Agreement and Consent Decrees. A brief description of each of these actions is included below.

3.3.1.6 Previously unreported action taken by Trust that materially adversely affects Trust

Nothing to report.

3.3.1.7 Actions taken in reporting period in accordance with Trust Agreement and Consent Decrees

Trustee Consultation with United States

In the reporting period, the Trustee along with the United States filed a motion to modify the Trust to allow for a Final Distribution of Trust Assets to Designated Beneficiaries, clarifying the Final Disposition of Trust Assets and granting Court approval for the Trust termination, which was approved and fully effective as of November 22, 2023.

Final Distribution of Trust Assets to Designated Beneficiaries

In the reporting period, the Trustee made a Final Distribution of Trust Funds to Designated Beneficiaries in accordance with Paragraph 5.0.5.5, including but not limited to, subparagraphs 5.0.5.5.1, 5.0.5.5.2, 5.0.5.5.3, 5.0.5.5.4, and 5.0.5.5.5.

³ A copy of the Indian Tribe Trust as modified on March 29, 2022 (and effective April 28, 2022) is posted on the Trust’s website at <https://www.vwenvironmentalmitigationtrust.com/tribe-trust>

⁴ A copy of the Indian Tribe Trust as modified on October 23, 2023 (and effective November 22, 2023) is posted on the Trust’s website at <https://www.vwenvironmentalmitigationtrust.com/tribe-trust>

**The Volkswagen Diesel Emissions Environmental Mitigation Trust
for Indian Tribe Beneficiaries**

Payment of Trust Bills

In the reporting period, the Indian Tribe Trust paid \$216,024 in Trust Administration Costs. The Indian Tribe Trust also paid approximately \$782,895 in final costs to third-party professionals for all of their professional services which will need to be rendered for the remaining life of the Trust and through its termination under Paragraph 2.1.3.4 of the Modified Trust Agreement.

By:

Name:  Hailey E. Field

Title: Senior Vice President

Wilmington Trust, N.A., as Trustee

Date: 2/14/2024

Trust Asset Statements and Investments Listing

December 31, 2023

(Dollars in thousands)

Portfolio(s)	Amount
Tribal Allocation Subaccount	
Cash	\$ 1,006
BlackRock Liquidity Fund	-
Marketable Securities at Costs	-
Accrued Interest Income	-
Tribal Allocation Subaccount Total	\$ 1,006
Tribal Tech Advisor Subaccount	
Cash	\$ -
BlackRock Liquidity Fund	-
Marketable Securities at Costs	-
Accrued Interest Income	-
Tribal Tech Advisor Subaccount Total	\$ -
Tribal Administration Cost Subaccount	
Cash	\$ 102
BlackRock Liquidity Fund	-
Marketable Securities at Costs	-
Accrued Interest Income	-
Tribal Administration Cost Subaccount Total	\$ 102
Tribal Tax Subaccount	
Cash	\$ 832
Tribal Tax Subaccount Total	\$ 832
Tribal Advisory Council Subaccount	
Cash	\$ -
BlackRock Liquidity Fund	-
Marketable Securities at Costs	-
Accrued Interest Income	-
Tribal Advisory Council Subaccount Total	\$ -
Indian Tribe Trust Total	
Cash	\$ 1,940
BlackRock Liquidity Fund	-
Marketable Securities at Costs	-
Accrued Interest Income	-
Indian Tribe Trust Total	\$ 1,940

Subparagraphs:

3.3.1.1.i

3.3.1.1.ii

Tribe Trust Payments and Administration Costs Line Item

October 2, 2017 through December 31, 2023

(Dollars in thousands)

Subaccount	Cumulative Paid
Tribal Allocation	
Trust Administrator Costs	\$ 70
Tribal Allocation Total	\$ 70
Tribal Tech Advisor	
Trust Administrator Costs	\$ 4
Tribal Tech Advisor Costs	1,473
Tribal Allocation Total	\$ 1,477
Tribal Administration Cost	
Trust Administrator Costs	\$ 143
Trust Counsel	1,924
Insurance	306
Audit	285
Accounting	227
Tax Return	159
Consultant	197
Website Support	10
Tax Counsel	265
Intralink	10
Contingency Expenses	28
Tribal Administration Cost Total	\$ 3,555
Tribal Tax	
Estimated State Taxes Paid	\$ 35
Tribal Tax Total	\$ 35
Indian Tribe Trust Total	\$ 5,137

Subparagraphs:

3.3.1.1.iii

3.3.1.3.i

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
 Payments to Recipients
 December 31, 2023
 (Dollars in thousands)

Recipient	2023	2022	2021	2020	2019	Cumulative
Cherokee Nation	\$ 535	\$ -	\$ 3,566	\$ 2,097	\$ 2,600	\$ 8,798
The Chickasaw Nation	279	-	788	-	748	1,815
Oglala Sioux Tribe	128	571	-	662	1,056	2,417
Citizen Potawatomi Nation, Oklahoma	106	-	480	557	555	1,698
Confederated Tribes and Bands of the Yakama Nation	72	337	-	390	645	1,444
Hopi Tribe of Arizona	65	-	308	-	-	373
Cheyenne River Sioux Tribe	61	293	-	339	567	1,260
Red Lake Band of Chippewa Indians, Minnesota	58	-	279	322	329	988
Confederated Tribes of the Colville Reservation	52	-	-	298	304	654
Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona	50	-	250	288	489	1,077
Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, South Dakota	49	242	-	-	-	291
Nez Perce Tribe	38	-	197	227	237	699
Chickaloon Native Village	36	-	189	218	228	671
The Quapaw Tribe of Indians	29	-	161	185	334	709
Fort McDowell Yavapai Nation, Arizona	26	-	150	-	-	176
San Pasqual Band of Diegueno Mission Indians of California	25	-	143	-	-	168
Native Village of Savoonga	25	-	-	164	177	366
Paiute-Shoshone Tribe of the Fallon Reservation and Colony, Nevada	25	-	142	-	-	167
Akaiachak Native Community	25	142	-	-	-	167
Rincon Band of Luiseno Mission Indians of the Rincon Reservation, California	23	-	140	161	24	325
Native Village of Brevig Mission	23	-	-	-	169	192
Native Village of Koyuk	23	-	-	-	167	190
Native Village of Elim	23	-	-	154	-	177
Huslia Village	22	-	133	-	-	155
Nulato Village	22	-	133	-	-	155
Native Village of Minto	22	-	131	-	-	153
Holy Cross Village	22	-	131	-	-	153
Native Village of White Mountain	22	-	-	-	162	184
Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California	22	130	-	-	-	152
Native Village of Kobuk	22	-	-	149	-	171
Native Village of Deering	22	129	-	-	-	151
Gulkana Village Council	21	-	-	161	-	182
Beaver Village	21	-	-	-	68	89
Shageluk Native Village	21	-	128	-	-	149
Native Village of Stevens	21	-	-	-	76	97
Village of Iliamna	21	-	-	147	-	168
Elk Valley Rancheria	21	-	-	-	28	49
Mohegan Tribe of Indians of Connecticut	21	-	-	-	275	296
Manly Hot Springs Village	21	-	-	146	-	167
Bishop Paiute Tribe	-	-	-	-	77	77
Blue Lake Rancheria	21	127	-	146	275	569
Campo Band of Diegueno Mission Indians of the Campo Indian Reservation, California	-	133	-	-	-	133
Central Council Tingit & Haida Indian Tribes of Alaska	21	-	-	-	158	179
Chefornak Traditional Council	23	-	-	-	170	193
Colorado River Indian Tribes of the Colorado River Indian Reservation, Arizona and California	39	-	201	231	-	471
Confederated Salish and Kootenai Tribes of the Flathead Reservation	79	-	349	400	-	828
Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians	-	-	22	26	101	149
Confederated Tribes of the Warm Springs Reservation of Oregon	-	-	225	253	-	478
Coquille Indian Tribe	22	-	-	-	118	140
Craig Tribal Association	-	138	-	159	-	297
Fallon Paiute-Shoshone Tribe	-	-	-	164	-	164
Forest County Potawatomi Community, Wisconsin	-	-	140	161	173	474
Fort Independence Indian Community	-	128	-	-	117	245
Galena Village (Louden)	25	-	-	155	167	345
Gila River Indian Community of the Gila River Indian Reservation, Arizona	-	-	422	489	794	1,705
Hoopa Valley Tribe, California	-	-	196	226	390	812
Igigiig Village	-	-	127	-	-	127
Koyukuk Village Council	21	-	-	-	149	170
La Jolla Band of Luiseno Indians, California	23	-	137	-	-	160
Lower Brule Sioux Tribe of the Lower Brule Reservation, South Dakota	30	-	163	188	334	715
Mashantucket Pequot Indian Tribe	-	-	132	152	284	568
Melaklatla Indian Community, Annette Island Reserve	-	160	-	-	-	160
Minnesota Chippewa Tribe: Bois Forte Band	38	-	172	299	-	509
Minnesota Chippewa Tribe: Fond du Lac Band	38	-	172	298	960	1,468
Minnesota Chippewa Tribe: Mille Lacs Band	38	-	172	-	-	210
Muscogee (Creek) Nation	428	-	-	1,693	2,079	4,200
Native Village of Diomedea	21	-	-	148	-	169
Native Village of Port Heiden	-	-	-	-	160	160
Onsida Nation	50	-	249	-	-	299
Pala Band of Mission Indians	25	145	-	167	-	337
Prairie Band Potawatomi Nation	26	-	148	-	-	174
Pueblo of Cochiti, New Mexico	-	-	320	-	-	320
Pueblo of Isleta, New Mexico	41	-	210	242	420	913
Pueblo of Laguna, New Mexico	-	-	209	-	-	209
Pueblo of Sandia, New Mexico	-	-	144	-	-	144
Pyramid Lake Paiute Tribe	-	113	-	184	-	297
Quinault Indian Nation	28	-	-	179	-	207
Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin	-	-	152	175	187	514
Saint George Island	21	-	129	-	-	150
Saint Paul Island	23	-	137	-	-	160
Saint Regis Mohawk Tribe	41	-	208	241	249	739
Sault Ste. Marie Tribe of Chippewa Indians, Michigan	-	-	159	179	194	532
Shoshone-Bannock Tribes	45	226	-	260	448	979
Swinomish Indian Tribal Community	25	-	145	167	179	516
Three Affiliated Tribes (MHA)	-	-	-	291	494	785
Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota	-	251	-	-	-	251
Upper Sioux Community	22	-	-	149	162	333
Ute Mountain Ute Tribe	-	-	-	384	-	384
Venetie Village	22	-	-	-	151	173
White Mountain Apache Tribe of the Fort Apache Reservation, Arizona	103	-	469	543	876	1,991
Yocha Dehe Wintun Nation, California	21	-	127	146	159	453
Yurok Tribe of the Yurok Reservation, California	-	-	145	136	179	460
Asiaticum Tribe	26	-	-	-	-	26
Organized Village of Kwethluk	25	-	-	-	-	25
Native Village of Gambell	25	-	-	-	-	25
Native Village of Kwinhagak (aka Quinhagak)	25	-	-	-	-	25
Noorvik Native Community	25	-	-	-	-	25
Native Village of Unalakleet	24	-	-	-	-	24
Native Village of Shishmaref	24	-	-	-	-	24
Stebbins Community Association	24	-	-	-	-	24
Native Village of Kongiganak	24	-	-	-	-	24
Native Village of Buckland	23	-	-	-	-	23
Native Village of Saint Michael	23	-	-	-	-	23
Hydaburg Cooperative Association	23	-	-	-	-	23
Native Village of Shaktolik	22	-	-	-	-	22
Native Village of Teller	22	-	-	-	-	22
Organized Village of Grayling (aka Holikachuk)	22	-	-	-	-	22
Chinik Eskimo Community (Golovin)	22	-	-	-	-	22
Arctic Village	22	-	-	-	-	22
Native Village of Wales	22	-	-	-	-	22
Anvik Village	21	-	-	-	-	21
Native Village of Mary's Igloo	21	-	-	-	-	21
	\$ 3,944	\$ 3,265	\$ 13,030	\$ 15,296	\$ 19,418	\$ 54,953

Trust Asset Allocation and Allocation Adjustment

December 31, 2023

(Dollars in thousands)

	Funding			Tax Transfer from Tribal Allocation and Administration Costs Subaccounts to Tribe Tax
	October 31, 2017	November 30, 2017	November 30, 2018	
Tribal Allocation	\$ 20,333	\$ 15,723	\$ 15,723	\$ (759)
Tribal Tech Advisor	1,070	828	828	(25)
Tribal Administration Cost	1,874	1,509	1,509	(47)
Tribal Advisory Council	30	-	-	-
	<u>\$ 23,307</u>	<u>\$ 18,060</u>	<u>\$ 18,060</u>	<u>\$ (831)</u>
Tribal Tax Subaccount	-	-	-	831
Total	<u>\$ 23,307</u>	<u>\$ 18,060</u>	<u>\$ 18,060</u>	<u>\$ -</u>