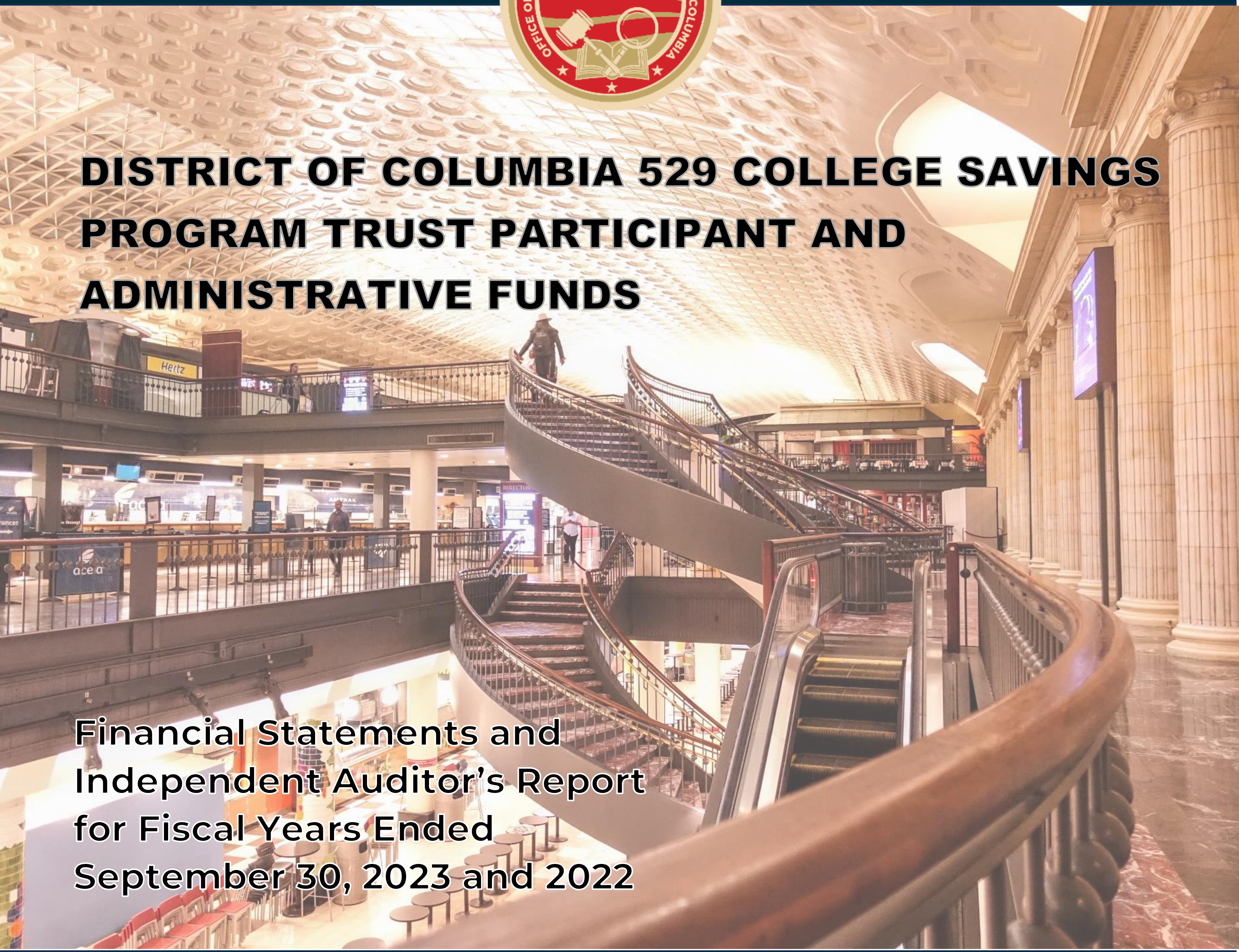
DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 23-1-19AT

January 31, 2024



DISTRICT OF COLUMBIA 529 COLLEGE SAVINGS PROGRAM TRUST PARTICIPANT AND ADMINISTRATIVE FUNDS

Financial Statements and Independent Auditor's Report for Fiscal Years Ended September 30, 2023 and 2022

GUIDING PRINCIPLES

*ACCOUNTABILITY * INTEGRITY * PROFESSIONALISM*

*TRANSPARENCY * CONTINUOUS IMPROVEMENT * EXCELLENCE*

OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government to

- prevent and detect corruption, mismanagement, waste, fraud, and abuse.
- promote economy, efficiency, effectiveness, and accountability.
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

OUR VISION

Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

OUR GUIDING PRINCIPLES

- Accountability
- Continuous Improvement
- Excellence
- Integrity
- Professionalism
- Transparency

January 31, 2024

The Honorable Muriel Bowser
Mayor of the District of Columbia
Mayor's Correspondence Unit
John A. Wilson Building
1350 Pennsylvania Avenue NW, Suite 316
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue NW, Suite 504
Washington, DC 20004

Subject: **District of Columbia 529 College Savings Program Trust Participant and Administrative Funds | 23-1-19AT**

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report entitled *District of Columbia 529 College Savings Program Trust Participant and Administrative Funds Financial Statements and Independent Auditor's Report for Fiscal Years Ended September 20, 2023 and 2022* (OIG No. 23-1-19AT). McConnell Jones, LLP (MJ) submitted this component report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2023. MJ is contractually required to review the work papers of Watson Rice, LLP (WR), which audited the financial statements of the 529 College Savings Program Trust Participant and Administrative Funds to independently determine whether the financial statements are fairly presented.

On December 14, 2023, WR issued its opinion and concluded that the financial statements are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. WR identified no material weaknesses in internal control over financial reporting. MJ concurred with WR's opinion and conclusions.

If you have questions about this report, please contact me or Eileen Shanklin-Andrus, Acting Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

Daniel W. Lucas
Inspector General

DWL/ws

Enclosure

cc: See Distribution List

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Ms. Carmen Pigler, Deputy Chief Financial Officer and D.C. Treasurer/Trustee, DC 529 College Savings Program Trust

Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF FINANCE AND TREASURY

REPORT ON

THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
PARTICIPANT AND ADMINISTRATIVE FUNDS

FINANCIAL STATEMENTS
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
PARTICIPANT AND ADMINISTRATIVE FUNDS

FINANCIAL STATEMENTS
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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WatsonRice
Accountants & Advisors

2001 L Street, NW, Suite 500 phone: 202.778.3450
Washington, DC 20036 www.watsonrice.com

INDEPENDENT AUDITOR'S REPORT

To the Trustee of
The District of Columbia 529 College Savings Program Trust

Report on the Financial Statements

Opinion

We have audited the accompanying statements of fiduciary net position of the Participant Fund and Administrative Fund of the District of Columbia 529 College Savings Program Trust (the "Trust") as of September 30, 2023 and 2022, and the related statements of changes in fiduciary net position of the Participant Fund and Administrative Fund for the years then ended and the related notes to the financial statements, which collectively comprise the Trust's financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Trust, as of September 30, 2023 and 2022, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year from the date of the financial statements, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 December 14, 2023, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Trust's internal control over financial reporting and compliance.

Watson Rice LLP

Washington, D.C.
December 14, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

The following presents management's discussion and analysis of the financial performance of the Government of the District of Columbia's (the "District") 529 College Savings Program Trust (the "Program") for the fiscal years ended September 30, 2023 and 2022. This discussion and analysis should be read in conjunction with the financial statements and notes disclosures.

Basic Financial Statements

The Program is accounted for as a private purpose trust fund of the District. The District has overall fiduciary responsibility to program participants to administer the operations of the Program. The Program's basic financial statements, which are reported on the accrual basis of accounting, are the: (a) Statement of Fiduciary Net Position and (b) Statement of Changes in Fiduciary Net Position. In addition to the basic financial statements are the notes to the financial statements which are an integral part of the financial statements.

- The Statement of Fiduciary Net Position presents the assets, liabilities, and net position of the Program.
- The Statement of Changes in Fiduciary Net Position presents the additions to and deductions from the Program's net position.
- The notes provide additional financial statement disclosures that are required by generally accepted accounting principles.

2023 Financial Highlights

- Investments increased by $160,730,252 or 17.01%
- Participant contributions decreased by $8,445,187 or 6.34%
- Net investment income increased by $249,618,488 or 184.57%
- Distributions to participants increased by $9,348,224 or 14.35%

2022 Financial Highlights

- Investments decreased by $58,434,369 or 5.82%
- Participant contributions increased by $2,714,803 or 2.08%
- Net investment income decreased by $269,234,261 or 200.94%
- Distributions to participants increased by $8,189,860 or 14.38%

Financial Analysis – Fiduciary Net Position

Table 1 - Condensed Statements of Fiduciary Net Position as of September 30, 2023, 2022 and 2021

				2023 -2022		2022 - 2021	
	2023	**2022**	**2021**	**Variance ($)**	**Variance (%)**	**Variance ($)**	**Variance (%)**
ASSETS							
Cash and Cash Equivalents	$ 1,915,883	$ 1,575,557	$ 13,225,723	$ 340,326	21.60%	$ (11,650,166)	(88.09)%
Investments	1,105,748,550	945,018,298	1,003,452,667	160,730,252	17.01%	(58,434,369)	(5.82)%
Receivables	2,261,284	2,207,299	2,525,825	53,985	2.45%	(318,526)	(12.61)%
Total Assets	1,109,925,717	948,801,154	1,019,204,215	161,124,563	16.98%	(70,403,061)	(6.91)%
LIABILITIES							
Total Liabilities	368,341	458,318	383,017	(89,977)	(19.63)%	75,301	19.66%
Net Position Held in Trust for Program Participants	$ 1,109,557,376	$ 948,342,836	$ 1,018,821,198	$ 161,214,540	17.00%	$ (70,478,362)	(6.92)%

Fiscal Year 2023

The Program's primary asset was investments, which totaled $1,105,748,550. Investments increased by 17.01% over fiscal year 2022 because of asset growth and the excess of contributions over distributions to participants. Market conditions improved in fiscal year 2023, and as a result, sixteen (16) of the seventeen (17) Program funds had positive rates of return. The Program's funds invest in one or more underlying investments. The underlying investments are primarily held in mutual funds and a Principal Protected Portfolio.

As shown in **Table 2a - Investment by Fund with Rates of Returns as of September 30, 2023,** the top four Program investments were held in the U.S. Total Stock Market Index Portfolio ($247,568,943 or 22.4%); DC College Savings Income College Portfolio ($118,452,043 or 10.7%); DC College Savings 2034 Portfolio ($117,477,047 or 10.6%) and DC College Savings 2031 Portfolio ($108,575,631 or 9.8%).

Table 2a - Investment by Fund with Rates of Returns as of September 30, 2023

	Investment Value	Percent of Total Assets	Rate of Return %
DC College Savings 2025 Portfolio	$ 99,517,566	9.0	5.42
DC College Savings 2028 Portfolio	106,597,965	9.6	7.05
DC College Savings 2031 Portfolio	108,575,631	9.8	9.58
DC College Savings 2034 Portfolio	117,477,047	10.6	12.18
DC College Savings 2037 Portfolio	57,488,494	5.2	14.77
DC College Savings 2040 Portfolio	18,319,816	1.7	17.69
DC College Savings 2043 Portfolio*	898,750	0.1	(2.30)
DC College Savings Income College Portfolio	118,452,043	10.7	4.01
Intermediate-Term Bond Portfolio	12,732,200	1.2	1.07
Non-U.S. Socially Responsible Equity Portfolio	9,373,186	0.8	23.27
Non-U.S. Total Stock Market Index Portfolio	16,219,196	1.5	19.89
Principal Protected Portfolio	56,169,050	5.1	2.40
U.S. Intermediate-Term Bond Index Portfolio	10,372,523	0.9	0.41
U.S. Large Cap Equity Portfolio	77,557,952	7.0	20.26
U.S. Small Cap Equity Portfolio	24,320,644	2.2	16.80
U.S. Socially Responsible Equity Portfolio	24,107,544	2.2	21.66
U.S. Total Stock Market Index Portfolio	247,568,943	22.4	20.05
TOTAL	**$ 1,105,748,550**	**100.0**	

*DC College Savings 2043 Portfolio was added as an investment option on July 7, 2023.

Receivables increased by $53,985 or 2.45% over the prior fiscal year primarily because of an increase in investments sold and related receivables. This increase was reduced by a decrease in accrued interest and dividends at the end of the year.

Total liabilities decreased by $89,977 or 19.63% over the prior fiscal year primarily because of a decrease in accounts payable for investments purchased at the end of the year.

Fiscal Year 2022

The Program's primary asset was investments, which totaled $945,018,298. Investments decreased by 5.82% from fiscal year 2021 primarily because of net investment losses offset by the excess of contributions over distributions to participants. Market conditions were unfavorable in fiscal year 2022, and as a result, fifteen (15) of the sixteen (16) Program's funds had negative rates of return. The Program's funds invest in one or more underlying investments. The underlying investments are primarily held in mutual funds and a Principal Protected Portfolio.

As shown in **Table 2b - Investment by Fund with Rates of Returns as of September 30, 2022**, the top four Program investments were held in the U.S. Total Stock Market Index Portfolio ($197,269,631 or 20.9%); DC College Savings Income College Portfolio ($135,600,463 or 14.3%); DC College Savings 2034 Portfolio ($93,135,367 or 9.9%) and DC College Savings 2028 Portfolio ($91,578,339 or 9.7%).

Table 2b – Investment by Fund with Rates of Returns as of September 30, 2022

	Investment Value	Percent of Total Assets	Rate of Return %
DC College Savings 2025 Portfolio	$ 89,450,567	9.5	(8.43)
DC College Savings 2028 Portfolio	91,578,339	9.7	(11.58)
DC College Savings 2031 Portfolio	90,509,696	9.6	(13.83)
DC College Savings 2034 Portfolio	93,135,367	9.9	(15.67)
DC College Savings 2037 Portfolio	38,922,459	4.1	(17.20)
DC College Savings 2040 Portfolio	5,133,244	0.5	(23.93)
DC College Savings Income College Portfolio	135,600,463	14.3	(2.94)
Intermediate-Term Bond Portfolio	12,480,787	1.3	(15.25)
Non-U.S. Socially Responsible Equity Portfolio	7,219,221	0.8	(28.28)
Non-U.S. Total Stock Market Index Portfolio	11,653,653	1.2	(25.28)
Principal Protected Portfolio	62,302,923	6.6	1.99
U.S. Intermediate-Term Bond Index Portfolio	7,889,090	0.8	(14.40)
U.S. Large Cap Equity Portfolio	64,165,793	6.8	(14.51)
U.S. Small Cap Equity Portfolio	19,794,592	2.1	(16.54)
U.S. Socially Responsible Equity Portfolio	17,912,473	1.9	(17.76)
U.S. Total Stock Market Index Portfolio	197,269,631	20.9	(18.71)
TOTAL	**$ 945,018,298**	**100.0**	

Receivables decreased by $318,526 or 12.61% over the prior fiscal year primarily because of a decrease in accounts receivable for interest and dividends over the increase of investments sold and related receivables at the end of the year.

Total liabilities increased by $75,301 or 19.66% over the prior fiscal year primarily because of an increase in accounts payable for investments purchased at the end of the year.

Financial Analysis – Changes in Fiduciary Net Position

Table 3 – Condensed Statements of Changes in Fiduciary Net Position as of September 30, 2023, 2022 and 2021

				2023-2022		2022-2021	
	2023	2022	2021	Variance ($)	Variance (%)	Variance ($)	Variance (%)
ADDITIONS							
Contributions	$ 124,711,129	$ 133,156,316	$ 130,441,513	$ (8,445,187)	(6.34)%	$ 2,714,803	2.08%
Net Investment Income (Loss)	114,371,566	(135,246,922)	133,987,339	249,618,488	184.57%	(269,234,261)	(200.94)%
Total (Reduction) Additions	239,082,695	(2,090,606)	264,428,852	241,173,301	11,536.05%	(266,519,458)	(100.79)%
DEDUCTIONS							
Distributions to Participants	74,501,279	65,153,055	56,963,195	9,348,224	14.35%	8,189,860	14.38%
Other Expenses	3,366,876	3,234,701	2,957,848	132,175	4.09%	276,853	9.36%
Total Deductions	77,868,155	68,387,756	59,921,043	9,480,399	13.86%	8,466,713	14.13%
(Decrease) Increase in Net Position	$ 161,214,540	$ (70,478,362)	$ 204,507,809	$ 231,692,902	328.74%	$ (274,986,171)	(134.46)%

Fiscal Year 2023

The Program's contributions decreased by $8,445,187 or 6.34% over the prior fiscal year. The year-over-year changes reflect the savings decisions made by the participants and the actions of the program manager to process these transactions. The Program had an increase in participants from 37,408 in fiscal year 2022 to 39,661 in fiscal year 2023.

The Program had net investment income of $114,371,566 in fiscal year 2023, compared to a net investment loss of $135,246,922 in fiscal year 2022, which is a 184.57% increase year over year. The net investment income was primarily due to favorable market conditions in fiscal 2023 resulting in a substantial increase in the fair value of investments from fiscal year 2022. Interest and dividends also increased from $7,215,534 in fiscal year 2022 to $8,133,180 in fiscal year 2023. Overall, sixteen (16) of the seventeen (17) funds of the Program reflected positive rates of return, which contributed to a net appreciation in the fair value of investments for the year. For fiscal year 2023, the Program's investments collectively had a weighted average rate of return of 11.86%, an increase of 2,135 basis points from the weighted average rate of return of (9.49)% in fiscal year 2022.

Distributions to participants in 2023 were $9,348,224 or a 14.35% increase over fiscal year 2022. This increase is due to individual participant savings behavior likely influenced by increases in tuition, college fees and the effects of inflation and the timing of distributions to participants as funds are utilized to pay for college expenses or other purposes.

Other expenses include program management fees, and administrative and maintenance expenses. The overall increase in other expenses is primarily due to an increase in program management fees from $2,500,951 in fiscal year 2022 to $2,589,585 in fiscal year 2023. For fiscal year 2023, program management and administrative fees were on average 0.25% and 0.05%, respectively, of the funds average daily net asset value. Underlying investment management fees ranged from 0.00% to 0.44% for the various investment options.

Fiscal Year 2022

The Program's contributions increased by $2,714,803 or 2.08% over the prior fiscal year. The year-over-year changes reflect the savings decisions made by the participants and the actions of the program manager to process these transactions. The Program had an increase in participants from 34,931 in fiscal year 2021 to 37,408 in fiscal year 2022.

The Program had a net investment loss of $135,246,922 in fiscal year 2022, compared to net investment income of $133,156,316 in fiscal year 2021, which is a 200.94% decrease year over year. The net investment losses were primarily due to unfavorable market conditions in fiscal 2022 resulting in a substantial decline in the fair value of investments from fiscal year 2021. Conversely, interest and dividends increased from $6,134,682 in fiscal year 2021 to $7,215,534 in fiscal year 2022. Overall, fifteen (15) of the sixteen (16) funds of the Program reflected negative rates of return, which contributed to a net depreciation in the fair value of investments for the year. For fiscal year 2022, the Program's investments collectively had a weighted average rate of return of (9.49)%, a decrease of 25,430 basis points from the weighted average rate of return of 15.94% in fiscal year 2021.

Distributions to participants in 2022 were $65,153,055 or a 14.38% increase over fiscal year 2021. This increase is due to individual participant savings behavior likely influenced by increases in tuition, college fees and the effects of inflation and the timing of distributions to participants as funds are utilized to pay for college expenses or other purposes.

Other expenses include program management fees, and administrative and maintenance expenses. The overall increase in other expenses is primarily due to an increase in program management fees from $2,288,268 in fiscal year 2021 to $2,500,951 in fiscal year 2022. For fiscal year 2022, program management and administrative fees were on average 0.25% and 0.05%, respectively, of the funds average daily net asset value. Underlying investment management fees ranged from 0.00% to 0.44% for the various investment options.

Contact Information

This financial report is designed to provide a general overview of the Program's finances. Questions concerning any information provided in this report, or requests for additional financial information, should be addressed to the Office of the Chief Financial Officer (Office of Finance and Treasury); Government of the District of Columbia; 1101 4th Street SW, 8th Floor, Washington, DC 20024.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
PARTICIPANT FUND

STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 1,915,883	$ 1,575,557
Receivables:		
Interest and Dividends	839,385	1,119,858
Accounts Receivable for Investments Sold	1,421,899	1,087,441
Total Receivables	2,261,284	2,207,299
Investments:		
Equity Mutual Funds	627,671,164	487,890,328
Fixed Income Mutual Funds	271,485,543	253,143,773
Guaranteed Investment Contracts	206,591,843	203,984,197
Total Investments	1,105,748,550	945,018,298
Total Assets	1,109,925,717	948,801,154
LIABILITIES		
Accounts Payable for Investments Purchased	276,680	380,927
Program Management Fees Payable	45,338	36,726
Due to D.C. Government Administrative Fund	46,323	40,665
Total Liabilities	368,341	458,318
Net Position Held in Trust for Program Participants	$ 1,109,557,376	$ 948,342,836

The notes to the financial statements are an integral part of this statement.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
PARTICIPANT FUND

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	**2022**
ADDITIONS		
Contributions	$ 124,711,129	$ 133,156,316
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	107,085,307	(141,650,183)
Interest and Dividends	8,133,180	7,215,534
Less: Investment Expenses	(846,921)	(812,273)
Net Investment Income (Loss)	114,371,566	(135,246,922)
Total Additions (Reductions)	239,082,695	(2,090,606)
DEDUCTIONS		
Distributions to Participants	74,501,279	65,153,055
Program Management Fees	2,589,585	2,500,951
Administrative Expenses	535,872	518,906
Maintenance Expenses and Enrollment Fees	241,419	214,844
Total Deductions	77,868,155	68,387,756
Change in Net Position	161,214,540	(70,478,362)
Net Position Held in Trust for Program Participants		
Beginning of Year	948,342,836	1,018,821,198
End of Year	$ 1,109,557,376	$ 948,342,836

The notes to the financial statements are an integral part of this statement.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
ADMINISTRATIVE FUND

STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Investment		
Fixed Income	$ 1,506,246	$ 1,162,747
Receivables:		
Due from Program Manager	525	443
Due from Participant Fund	46,326	40,665
Total Receivables	46,851	41,108
Total Assets	1,553,097	1,203,855
LIABILITIES		
Accrued Expenses	24,000	16,500
Total Liabilities	24,000	16,500
Net Position Held in Trust for Administrative Expenses	$ 1,529,097	$ 1,187,355

The notes to the financial statements are an integral part of this statement.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
ADMINISTRATIVE FUND

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
ADDITIONS		
Program Administrative Fees		
Administrative Fees	$ 535,872	$ 518,906
Maintenance and Enrollment Fees	18,336	17,039
Contributions	-	72,000
Net Investment Income	57,655	8,836
Total Additions	611,863	616,781
DEDUCTIONS		
Professional Fees	265,121	265,773
Donations (Scholarships)	5,000	72,000
Total Deductions	270,121	337,773
Change in Net Position	341,742	279,008
Net Position Held in Trust for Administrative Expenses		
Beginning of Year	1,187,355	908,347
End of Year	$ 1,529,097	$ 1,187,355

The notes to the financial statements are an integral part of this statement.

NOTE 1 ORGANIZATION AND PURPOSE

The District of Columbia (DC) College Savings Program (the Program) was created by D.C. Law 47- 4501 et seq., as amended and pursuant to D.C. Regulations, 49 DCR 9859, November 1, 2002, made final at D.C. Mun. Regs, title 9 sec. 155 (2004), as a Trust of the District of Columbia Government (the District). The Program enables participants to save for qualified higher education expenses. On December 22, 2017, federal tax bill H.R.1 was signed into law and expanded the definition of "qualified higher education expenses" to include qualified K-12 tuition expenses at a private, public or parochial school up to specified expense limitations per student. On December 20, 2019, the Setting Every Community Up for Retirement Enhancement Act (SECURE Act), H.R.1865, P.L. 116-94 was signed into law and expanded eligible expenses to include Apprenticeship Programs and Loan Repayments, which will not be subject to federal income tax. The Chief Financial Officer of the District of Columbia or his/her designee is the Trustee of the Plan. The current designee is the D.C. Treasurer. The Trustee is responsible for entering into contracts for program management services, adopting program administration rules and regulations, and establishing investment policies. The Program is managed by Ascensus College Savings Recordkeeping Services, LLC (ACSR) and its affiliates (collectively, Ascensus College Savings) and they have the overall responsibility for the day-to-day operation of the Program including recordkeeping, investment management, administrative services, and marketing. The initial term of the management agreement between Ascensus College Savings and the D.C. Treasurer expired on November 15, 2021. However, the District exercised their options to extend the management agreement until November 15, 2024.

The Program is available to both District of Columbia and non-District of Columbia residents. It is a qualified tuition program that allows participants to make contributions into seventeen (17) and sixteen (16) different investment options for Program years 2023 and 2022, respectively. The account balance limit is $500,000 per beneficiary. Accounts are subject to market investment risk, except for those that are invested in the Principal Protected Portfolio, which focuses on protecting the invested principal. As of September 30, 2023, and 2022, the Plan had 39,025 and 36,904 funded participant accounts with a net asset value of $1,109,557,376 and $948,342,836, respectively. Fees and expenses of the program are paid by each account owner and vary according to the Portfolio, in which they are invested.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Program reports the activity of the District of Columbia College Savings Program as a private-purpose trust fund, which is a type of fiduciary fund. Private-purpose trust funds account for transactions of trust arrangements in which the principal and income benefit individuals, private organizations, or governments. The financial statements of the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Investment Valuation and Income Recognition

Portfolio investments in the underlying funds are valued at the closing net asset value per share (unit) of each underlying fund on the day of valuation. The stability of principal portfolio is valued in accordance with the terms of the funding agreement, inclusive of accrued interest.

Security transactions, normally in shares of the underlying funds, are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis. Income and capital gains distributions, if any, from investments in the underlying funds are recorded on the ex-dividend date. Expenses included in the accompanying financial statements reflect the expenses of each portfolio and do not include any expenses associated with the underlying funds.

Units represent the beneficial interest of each participant in the net assets of a Portfolio. Contributions to and distributions from the portfolios are subject to terms and limitations defined in the Participation Agreement between the participant and the Trust. Contributions and distributions are recorded upon receipt of the participant's instructions in good order, based on the next determined net asset value per unit. Net investment income and realized and unrealized gains and losses accumulate in the net asset value of each Portfolio and are not separately distributed to participants.

Fair Value Measurements

Governmental Accounting Standards Board Statement number 72 (GASB 72), *Fair Value Measurement and Application*, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. GASB 72 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 – that are observable for the asset or liability, either directly or indirectly (for example, quoted prices for similar assets or liabilities in active markets).

Level 3 – unobservable inputs (including the District's own assumptions in determining the fair value of investments).

Cash and Cash Equivalents

The balance includes cash on deposit and short-term highly liquid investments that are (a) readily convertible to known amounts of cash and (b) so near their maturities that they present insignificant risk of changes in value because of changes in interest rates.

Receivables and Payables for Investments Purchased and Sold

The receivables and payables represent transactions related to the purchase and sale of investments that have not settled at the end of the fiscal year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Program is exempt from federal taxes in accordance with Section 529 of the Internal Revenue Code. Under District of Columbia code section 47-4502, the Program "shall constitute an instrumentality of the District of Columbia" and as such, is not subject to taxation by the District. District resident participants are exempt from state and local taxes when earnings from the Program are used for qualified expenses. Non-District residents may be subject to state and local taxes in their jurisdiction.

Impact of New Accounting Standards

Governmental Accounting Standards Board Statement No. 96 *Subscription-Based Information Technology Arrangements* generally requires a government to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. For the District it is effective for the fiscal year ended September 30, 2023. The Program does not have any subscription agreements subject to the provisions of the statement and thus is not impacted.

NOTE 3 INVESTMENTS

Investment Policy and Guidelines

The Program offers account owners several Investment Portfolios that provide a range of risk and return characteristics, each unique to aid in proper diversification. Three different types of Investment Portfolios are offered to account owners: 1) Year of College Enrollment Portfolios, 2) Individual Portfolios, and 3) Principal Protected Portfolio. Once an account owner's Investment Portfolio(s) is selected for a particular contribution, IRS guidance dictates the rules through which an account owner can move money or transfer from one Investment Portfolio to another; for fiscal year 2023 it is twice per year.

The Year of College Enrollment Portfolios: The Year of College Enrollment Portfolios offer account owners pre-diversified Investment Portfolios that become more conservative as the beneficiary nears his/her intended year of high school graduation. The Year of College Enrollment Portfolios represent a weighted allocation among a predetermined number and type of investment strategies, as follows:

NOTE 3 INVESTMENTS *(Continued)*

	Year of College Enrollment Portfolios							
	DC College Savings Portfolios							
Underlying Investments	**In College**	**2025**	**2028**	**2031**	**2034**	**2037**	**2040**	**2043**
Ameritas Principal Protected Portfolio	70.00%	42.00%	13.00%	6.25%	2.63%	1.10%	0.60%	0.50%
iShares Core International Aggregate Bond ETF	4.00%	9.22%	7.51%	5.49%	4.84%	3.62%	2.03%	1.88%
iShares MSCI EAFE International Index	2.50%	4.13%	6.88%	10.63%	14.38%	18.13%	22.00%	22.50%
Schwab US REIT ETF	0.50%	0.79%	1.31%	2.03%	2.74%	3.46%	4.50%	4.50%
Vanguard Emerging Markets Stock Index	1.00%	1.65%	2.75%	4.25%	5.75%	7.25%	8.80%	9.00%
Vanguard High-Yield Corporate Admiral	1.00%	3.50%	4.76%	4.10%	3.19%	2.11%	2.28%	1.90%
Vanguard Short-Term Bond Index I	6.00%	10.64%	18.86%	16.73%	12.73%	8.22%	2.70%	2.16%
Vanguard Short-Term Inflation - Protected Securities	3.00%	7.49%	9.52%	8.20%	6.38%	4.22%	1.68%	1.40%
Vanguard Total Bond Market II Index I	6.00%	10.64%	18.85%	16.72%	12.73%	8.22%	2.70%	2.16%
Vanguard Total Stock Market Index	6.00%	9.94%	16.56%	25.60%	34.63%	43.67%	52.71%	54.00%

The Program Manager monitors and rebalances the underlying asset allocation of the Year of College Enrollment Portfolios on a quarterly basis. The Program Manager has discretion to rebalance the Year of College Enrollment Portfolios when the Investment Portfolios fall outside the strategic targets by more than one percentage point.

Individual Portfolios: The Individual Portfolios are stand-alone options, which allow account owners to allocate their account into one or more Investment Portfolios. The goal in offering the Individual Portfolios is to provide account owners with the ability to construct diversified portfolios by asset class and investment style that match their risk tolerance, asset class preferences, time horizons and expected returns. Each portfolio invests (100%) in a single underlying mutual fund or exchange-traded fund (ETF), as follows:

Individual Portfolios	**Underlying Investments**	**Asset Class**
U.S. Intermediate-Term Bond Index Portfolio	iShares Core U.S. Aggregate Bond ETF	Fixed Income
Intermediate-Term Bond Portfolio	Loomis Sayles Core Plus Bond Fund	Fixed Income
U.S. Total Stock Market Index Portfolio	Vanguard Total Stock Market Fund	Domestic Equity
U.S. Socially Responsible Equity Portfolio	DFA U.S. Sustainability Core 1 Portfolio	Domestic Equity
U.S. Large-Cap Equity Portfolio	JP Morgan U.S. Equity Fund	Domestic Equity
U.S. Small-Cap Equity Portfolio	Vanguard Strategic Small-Cap Equity Fund	Domestic Equity
Non-U.S. Socially Responsible Equity Portfolio	DFA International Sustainability Core 1 Portfolio	International Equity
Non-U.S. Total Stock Market Index Portfolio	iShares Core MSCI Total International Stock ETF	International Equity

The Trustee reserves the right to add or replace Individual Portfolios based upon market conditions, Program Manager and Investment Consultant input, account owner response, or other factors.

Principal Protected Portfolio: The Principal Protected Portfolio focuses on protecting the principal account owners' investment by allocating account owner contributions and earnings to a funding agreement issued by an insurance company that provides a guaranteed return of principal plus a minimum annualized rate of interest to the Trust. As of September 30, 2023, and 2022, this portfolio was maintained in a stable value fund.

NOTE 3 INVESTMENTS (*Continued*)

Unrealized Appreciated / (Depreciated) Value of the Program's Investments

At September 30, 2023, the Program held the following investments, which are stated at fair value based on fair market prices:

	Aggregate Cost	Aggregate Fair Value	Unrealized Appreciation (Depreciation)
Domestic Equity Mutual Funds and ETFs			
DFA U.S. Sustainability Core 1 Portfolio	$ 19,870,221	$ 24,107,544	$ 4,237,323
iShares Core S&P Total U.S. Stock Market ETF	275,137,606	247,568,810	(27,568,796)
JP Morgan U.S. Equity	68,876,258	77,557,952	8,681,694
Schwab U.S. REIT ETF	11,311,043	10,297,130	(1,013,913)
Vanguard Strategic Small Cap Equity	25,552,637	24,320,640	(1,231,997)
Vanguard Total Stock Market Index	147,852,685	138,336,884	(9,515,801)
International Equity Mutual Funds and ETFs			
DFA International Sustainability Core 1	9,122,029	9,373,186	251,157
iShares Core MSCI Total International Stock ETF	16,786,370	16,219,193	(567,177)
iShares MSCI EAFE International Index	61,548,705	57,035,006	(4,513,699)
Vanguard Emerging Market Stock Index	27,193,023	22,854,818	(4,338,205)
Fixed Income Mutual Funds and ETFs			
iShares Core International Aggregate Bond	11,658,056	10,128,484	(1,529,572)
iShares Core U.S. Aggregate Bond Index ETF	38,490,019	35,232,087	(3,257,932)
Loomis Sayles Core Plus Bond Fund	14,887,467	12,732,200	(2,155,267)
Vanguard High-Yield Corporate Admiral	21,897,771	19,385,597	(2,512,174)
Vanguard Short-Term Bond Index	82,439,595	77,174,561	(5,265,034)
Vanguard Short-Term Inflation Protected Securities Index	42,697,657	40,549,318	(2,148,339)
Vanguard Total Bond Market II Index	89,697,771	76,283,297	(13,414,474)
Guaranteed Investment Contracts			
Ameritas Principal Protected Portfolio	206,591,843	206,591,843	-
Total Investments	$1,171,610,756	$1,105,748,550	$(65,862,206)

The net unrealized loss on investments as of September 30, 2023, was $65,862,206. The net appreciation in the fair value of the investments as reflected in the Statement of Changes in Fiduciary Net Position consists of the following for the year ended September 30, 2023:

Unrealized loss as of September 30, 2023	$ (65,862,206)
Less: Unrealized loss as of September 30, 2022	(156,159,493)
Net change in unrealized gain (loss) during the year	90,297,287
Net realized gain during the year	16,788,020
Net appreciation in fair value of investments	$ 107,085,307

The net appreciation or depreciation in the fair value of investments consists of net realized and net unrealized gains or losses during the period.

NOTE 3 INVESTMENTS (*Continued*)

At September 30, 2022, the Program held the following investments, which are stated at fair value based on fair market prices:

	Aggregate Cost	Aggregate Fair Value	Unrealized Appreciation (Depreciation)
Domestic Equity Mutual Funds and ETFs			
DFA U.S. Sustainability Core 1 Portfolio	$ 17,276,286	$ 17,912,473	$ 636,187
Vanguard Total Stock Market	262,730,829	197,269,350	(65,461,479)
JP Morgan U.S. Equity	64,948,731	64,165,793	(782,938)
Schwab U.S. REIT ETF	7,799,316	7,374,420	(424,896)
Vanguard Strategic Small Cap Equity	22,935,721	19,794,588	(3,141,133)
Vanguard Total Stock Market Index	134,354,972	103,151,788	(31,203,184)
International Equity Mutual Funds and ETFs			
DFA International Sustainability Core 1	8,430,402	7,219,221	(1,211,181)
iShares Core MSCI Total International Stock ETF	14,279,720	11,653,653	(2,626,067)
iShares MSCI EAFE International Index	57,609,309	42,392,521	(154,216,788)
Vanguard Emerging Market Stock Index	22,739,321	16,956,521	(5,782,799)
Fixed Income Mutual Funds and ETFs			
iShares Core International Aggregate Bond	9,123,492	7,889,090	(1,234,403)
iShares Core U.S. Aggregate Bond Index ETF	35,319,933	31,728,939	(3,590,995)
Loomis Sayles Core Plus Bond Fund	14,482,151	12,480,787	(2,001,363)
Vanguard High-Yield Corporate Admiral	20,381,185	17,272,960	(3,108,226)
Vanguard Short-Term Bond Index	80,667,982	74,532,047	(6,135,935)
Vanguard Short-Term Inflation - Protected Securities Index	39,209,205	37,169,255	(2,039,951)
Vanguard Total Bond Market II Index	84,905,036	72,070,692	(12,834,344)
Guaranteed Investment Contracts			
Ameritas Principal Protected Portfolio	203,984,197	203,984,197	-
Total Investments	$ 1,101,177,791	$ 945,018,298	$ (156,159,493)

The net unrealized loss on investments as of September 30, 2022, was $156,159,493. The net depreciation in the fair value of the investments as reflected in the Statement of Changes in Fiduciary Net Position consists of the following for the year ended September 30, 2022:

Unrealized loss as of September 30, 2022	$ (156,159,493)
Less: Unrealized gain as of September 30, 2021	191,762,718
Net change in unrealized gain (loss) during the year	(347,922,211)
Net realized gain during the year	206,265,682
Net Depreciation in Fair Value of Investments	$ (141,656,529)

The net appreciation or depreciation in the fair value of investments consists of net realized and net unrealized gains or losses during the period.

NOTE 3 INVESTMENTS (*Continued*)

Investment Risks

The Program's investments are subject to the following risks common to investments:

Custodial Credit Risk is the risk that the Program will not be able to recover the value of its investments in the event of a failure by the counterparty to a transaction. Investments are exposed if they are uninsured, are not registered in the name of the Program, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent, but not in the Program's name.

The Program's investments for fiscal Year 2023 and 2022 are uninsured and unregistered, but are held by the counterparty in the Program's name and are generally segregated by the counterparty in a manner to protect them from certain claims by creditors. The Plan also invests in mutual funds and exchange traded funds (ETF), which are not generally exposed to custodial credit risks.

Credit Risk is the risk that an issuer to an investment will not fulfill its obligations. The Program does not invest in debt securities that have an overall quality, which is less than the BBB as rated by Moody's Investors Service, Inc. ("Moody's") and S&P Global ("S&P"). The primary credit ratings of the Program's debt securities are as follows:

Fund	Credit Rating (S&P and Moody's) 2023	2022
iShare Core International Aggregate Bond ETF	A, AA, AAA, BBB	A, AA, AAA, BBB
iShare Core U.S. Aggregate Bond ETF	AA, BBB, A, AAA	AAA, BBB, A, AA
Loomis Sayles Core Plus Bond Fund	AAA, BBB, A, BB	AAA, BBB, BB, A
Principal Protected Plus	BBB, A, AAA, AA	BBB, A, AAA, AA
Vanguard Short-Term Corp Bond Index I	AAA, A, BBB, AA	AAA, A, BBB, AA
Vanguard Short-Term Inflation - Protected Securities Index	AAA	AAA
Vanguard High-Yield Corporate Fund	BB, B, BBB, AAA	BB, B, BBB, CCC

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Program does not invest in any investment account that has an average maturity exceeding ten years for its Bond Mutual Funds. The interest rate sensitivity, defined as duration, for each fund is as follows:

Fund	Average Duration (in years) 2023	2022
iShare Core International Aggregate Bond ETF	6.66	6.96
iShare Core U.S. Aggregate Bond ETF	6.06	6.42
Loomis Sayles Core Plus Bond Fund	7.51	6.52
Principal Protected Plus	6.82	6.87
Vanguard High-Yield Corporate Fund	3.71	4.20
Vanguard Short-Term Corp Bond Index I	2.64	2.65
Vanguard Short-Term Inflation-Protected Securities Index	2.47	2.47
Vanguard Total Bond Market II Index 1	6.26	6.52

NOTE 3 INVESTMENTS (*Continued*)

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 Program does not have a formal policy for limiting its exposure to changes in exchange rates.

The investment funds that invest primarily in foreign financial institutions are the DFA International Sustainability Core 1 Portfolio and iShare Core International Aggregate Bond ETF. The Fund has various currency denominations. The primary currency denominations are the Franc, the Yen, and the British Pound.

Fair Value Measurements

Equity Mutual Funds: Equity Mutual Funds consist of open-ended mutual funds that are registered with the Securities and Exchange Commission (SEC). The mutual funds held in equities are deemed to be actively traded and support classification of the fair value measurement as Level 1 in the fair value hierarchy.

Fixed Income Mutual Funds: Mutual funds are a pool of money invested by an investment company in a variety of instruments such as emerging markets sovereigns, government related agencies, and emerging markets corporations. This investment category consists of open-ended mutual funds that are registered with the Securities and Exchange Commission (SEC). The mutual funds are invested in high yield markets bonds that represent fixed income securities issued by corporations with credit ratings of AAA or lower. The mutual funds held in bonds are deemed to be actively traded and support the classification as Level 1 in the fair value hierarchy.

Guaranteed Investment Contracts: The Guaranteed Investment Contract (GIC) is valued at the sum of the net cash contributions to the deposit account plus interest credited minus withdrawals (the Contract Value). The GIC is measured at fair value and is a contractual investment rather than a security and is not deemed to be subject to custodial credit risk. The determination of fair value includes certain unobservable inputs as well as the assessment of the projected long-term duration of the Insurance and Annuity Company through review of contract terms and substantiated utilizing available market data. However, there is a risk that an insurance company could fail to fulfil its obligations under a funding agreement for financial or other reasons. These contract values of the GIC are not leveled in the fair value hierarchy table below.

NOTE 3 INVESTMENTS (*Continued*)

The Program categorizes fair value measurement within a hierarchy established by generally accepted accounting principles. The underlying funds had the following recurring fair value measurements at September 30, 2023:

		Fair Value Measurement Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
INVESTMENTS MEASURED AT FAIR VALUE				
Domestic Equity Mutual Fund and ETFs				
DFA U.S. Sustainability Core 1 Portfolio	$ 24,107,544	$ 24,107,544	$ -	$ -
iShares Core S&P Total U.S. Stock Market ETF	247,568,810	247,568,810	-	
JP Morgan U.S. Equity Fund	77,557,952	77,557,952	-	-
Schwab U.S. REIT ETF	10,297,130	10,297,130	-	-
Vanguard Strategic Small Cap Equity Fund	24,320,640	24,320,640	-	-
Vanguard Total Stock Market Index	138,336,884	138,336,884		
Total Domestic Equity Mutual Funds and ETFs	**522,188,960**	**522,188,960**	-	-
International Equity Mutual Funds and ETFs				
DFA International Sustainability Core 1 Portfolio	9,373,186	9,373,186	-	-
iShares Core MSCI Total International Stock ETF	16,569,441	16,569,441	-	-
iShares MSCI EAFE International Index	57,035,006	57,035,006		
Vanguard Emerging Market Stock Index	22,854,818	22,854,818		
Total International Equity Mutual Funds and ETFs	**105,832,451**	**105,832,451**	-	-
Fixed Income Mutual Funds and ETFs				
iShares Core International Aggregate Bond	10,128,484	10,128,484		
iShares Core U.S. Aggregate Bond Index ETF	35,232,087	35,232,087	-	-
Loomis Sayles Core Plus Bond Fund	12,732,200	12,732,200	-	-
Vanguard High-Yield Corporate Admiral	19,385,597	19,385,597	-	-
Vanguard Short-Term Bond Index	77,174,561	77,174,561	-	-
Vanguard Short-Term Inflation Protected Securities Index	40,549,318	40,549,318	-	-
Vanguard Total Bond Market II Index	76,283,297	76,283,297	-	-
Total Fixed Income Mutual Funds and ETFs	**271,485,544**	**271,485,544**	-	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	899,506,955	$ 899,506,955	$ -	$ -
INVESTMENT MEASURED AT CONTRACT VALUE				
Guaranteed Investment Contracts				
Ameritas Principal Protected Portfolio	206,591,840			
TOTAL INVESTMENTS	**$ 1,106,098,795**			

NOTE 3 INVESTMENTS (*Continued*)

The Program categorizes fair value measurement within a hierarchy established by generally accepted accounting principles. The underlying funds had the following recurring fair value measurements at September 30, 2022.

		Fair Value Measurement Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
INVESTMENTS MEASURED AT FAIR VALUE				
Domestic Equity Mutual Fund and ETFs				
DFA U.S. Sustainability Core 1 Portfolio	$ 17,912,473	$ 17,912,473	$ -	$ -
Vanguard Total Stock Market Fund	197,269,350	197,269,350	-	
JP Morgan U.S. Equity Fund	64,165,793	64,165,793	-	-
Schwab U.S. REIT ETF	7,374,420	7,374,420	-	-
Vanguard Strategic Small Cap Equity Fund	19,794,588	19,794,588	-	-
Vanguard Total Stock Market Index	103,151,788	103,151,788		
Total Domestic Equity Mutual Funds and ETFs	**409,668,412**	**409,668,412**	-	-
International Equity Mutual Funds and ETFs				
DFA International Sustainability Core 1 Portfolio	7,219,221	7,219,221	-	-
iShares Core MSCI Total International Stock ETF	11,653,653	11,653,653	-	-
iShares MSCI EAFE International Index	42,392,521	42,392,521		
Vanguard Emerging Market Stock Index	16,956,521	16,956,521		
Total International Equity Mutual Funds and ETFs	**78,221,916**	**78,221,916**	-	-
Fixed Income Mutual Funds and ETFs				
iShares Core International Aggregate Bond	7,889,090	7,889,090		
iShares Core U.S. Aggregate Bond Index ETF	31,728,939	31,728,939	-	-
Loomis Sayles Core Plus Bond Fund	12,480,787	12,480,787	-	-
Vanguard High-Yield Corporate Admiral	17,272,960	17,272,960	-	-
Vanguard Short-Term Bond Index	74,532,047	74,532,047	-	-
Vanguard Short-Term Inflation Protected Securities Index	37,169,255	37,169,255	-	-
Vanguard Total Bond Market II Index	72,070,695	72,070,695	-	-
Total Fixed Income Mutual Funds and ETFs	**253,143,773**	**253,143,773**	-	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	741,034,101	$ 741,034,101	$ -	$ -
INVESTMENT MEASURED AT CONTRACT VALUE				
Guaranteed Investment Contracts				
Ameritas Principal Protected Portfolio	203,984,197			
TOTAL INVESTMENTS	**$ 945,018,298**			

NOTE 4 ADMINISTRATIVE AND MAINTENANCE FEES

The Program assessed underlying investment, program management, state fees and an annual maintenance fee. Program management and state fees (administrative fees) which totaled 0.15% on the Principal Protected Portfolio and 0.25% on all other funds were assessed. The annual maintenance fee is generally charged during the month of the first anniversary in which the account was opened and annually thereafter. Account owners who are residents of the District are charged an annual maintenance fee of $10.00, and non-District residents are charged an annual maintenance fee of $15.00. The annual maintenance fees are charged on a pro rata basis upon closure of an account. The Program Manager receives the $10.00 annual maintenance fee charged to District residents. Of the $15.00 annual maintenance fee charged to non-District residents, the Program Manager receives $10.00, and the District receives $5.00.

For fiscal year 2023, total program management and administrative fees assessed to account owners were $2,589,585 and $535,872, respectively. These fees are reflected in the Participant Fund Statement of Changes in Fiduciary Net Position. The District portion of the fees was $535,872, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2023, the total amount earned during the fiscal year, but not remitted to the District was $46,326.

For the fiscal year 2023, maintenance and enrollment fees reflected in the Participant Fund Statement of Changes in Fiduciary Net Position totaled $241,419. The District's portion was $18,336, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2022, the total amount earned during the fiscal year, but not remitted to the District was $525.

The District incurred administrative expenses of $270,121 in fiscal year 2023, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. The expenses incurred were for professional fees and scholarship donations. As of September 30, 2023, the net position held in trust for administrative expenses was $1,529,097.

For fiscal year 2022, total program management and administrative fees assessed to account owners were $2,500,951 and $518,906, respectively. These fees are reflected in the Participant Fund Statement of Changes in Fiduciary Net Position. The District portion of the fees was $518,906, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2022, the total amount earned during the fiscal year, but not remitted to the District was $40,665.

For the fiscal year 2022, maintenance and enrollment fees reflected in the Participant Fund Statement of Changes in Fiduciary Net Position totaled $214,844. The District's portion was $17,481, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2022, the total amount earned during the fiscal year, but not remitted to the District was $442.

NOTE 4 ADMINISTRATIVE AND MAINTENANCE FEES (Continued)

The District incurred administrative expenses of $330,007 in fiscal year 2022, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. The expenses incurred were for professional fees and scholarship donations. As of September 30, 2022, the net position held in trust for administrative expenses was $1,187,354.

NOTE 5 INVESTMENT EXPENSES

Investment expenses represent the operating expenses and load fees paid to the broker dealers. Certain fees charged by the investment funds for operating expenses and load fees are reflected in the net appreciation in fair value of investments amount in the Statement of Changes in Fiduciary Net Position. Underlying investment fees, net of administrative and program management fees (see Note 4), ranged from 0.00% to 0.44% (gross of 0.15% to 0.74%) of the fund's average daily net asset value. Underlying investment management fees, net of administrative and program management fees, totaled $846,921 and $812,273 for fiscal year 2023 and 2022, respectively. The fees are reflected in the Participant Fund Statement of Changes in Fiduciary Net Position.

NOTE 6 RELATED PARTY TRANSACTIONS

All the Program's individual portfolios invest in a single underlying mutual fund or ETF managed by a third-party investment manager. The year of enrollment portfolios have a set target allocation and are invested in multiple underlying mutual funds, ETFs as well as the Ameritas Funding Agreement.

Ascensus College Savings monitors and rebalances the underlying asset allocations of the Year of College Enrollment Portfolios on a quarterly basis. The principal protected portfolio invests in a funding agreement issued by Ameritas Life.

NOTE 7 RISKS AND UNCERTAINITIES

The Plan invests in investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible, that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Fiduciary Net Position.

NOTE 8 SUBSEQUENT EVENTS

The Trust has evaluated events subsequent to September 30, 2023, and through December 14, 2023, the date the financial statements were available to be issued and determined there have not been any events that have occurred that would require adjustments to the financial statements.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS.*

To the Trustee of
The District of Columbia 529 College Savings Program Trust

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District of Columbia 529 College Savings Program Participant and Administrative Funds (the "Trust"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated December 14, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Trust's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Washington, D.C. Watson Rice LLP
December 14, 2023

REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.

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