

# AUDIT REPORT

## 529 College Savings Program Trust Participant and Administrative Funds

Financial Statements and Independent Auditor's Reports  
Fiscal Year 2024  
OIG No. 24-1-19AT

January 31, 2025



**DANIEL W. LUCAS**  
INSPECTOR GENERAL



## OUR MISSION

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

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

## OUR VALUES

**Accountability:** We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

**Continuous Improvement:** We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

**Excellence:** Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

**Integrity:** Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

**Professionalism:** As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

**Transparency:** Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.






DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

## MEMORANDUM

To: The Honorable Muriel Bowser  
Mayor of the District of Columbia

The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

From: Daniel W. Lucas  
Inspector General 

Date: January 31, 2025

Subject: **529 College Savings Program Trust Participant and  
Administrative Funds Annual Financial Statements**  
**OIG No. 24-1-19AT**

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This memorandum transmits the final *529 College Savings Program Trust Participant and Administrative Funds Financial Statements and Independent Auditor's Reports* for fiscal year 2024. McConnell Jones, LLP (MJ) provided these reports to the Office of the Inspector General as part of the annual audit of the District of Columbia's general-purpose financial statements for fiscal year 2024. As part of their contract, MJ reviewed 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 12, 2024, 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 found no material weaknesses in internal control over financial reporting. MJ concurred with WR's opinion and conclusions.

Should you have questions or concerns, please contact me or Dr. Slemo Warigon, Assistant Inspector General for Audits, at (202) 792-5684.

**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, 2024 AND 2023**

**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, 2024 AND 2023**

**TABLE OF CONTENTS**

Independent Auditor's Report .....	1
Management's Discussion and Analysis (Unaudited).....	4
Participant Fund Statements of Fiduciary Net Position.....	10
Participant Fund Statements of Changes in Fiduciary Net Position.....	11
Administrative Fund Statements of Fiduciary Net Position.....	12
Administrative Fund Statements of Changes in Fiduciary Net Position .....	13
Notes to Financial Statements .....	14
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 .....	26

## 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, 2024 and 2023, 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, 2024 and 2023, 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 12, 2024, 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.

Washington, D.C. *Watson Rice LLP*  
December 12, 2024



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

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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, 2024 and 2023. 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.

**2024 Financial Highlights**

- Investments increased by \$307,364,872 or 27.80%
- Total liabilities increased by \$652,005 or 177.01%
- Participant contributions increased by \$20,143,862 or 16.15%
- Net investment income increased by \$138,614,868 or 121.20%
- Distributions to participants increased by \$12,755,744 or 17.12%

**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%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**Financial Analysis – Fiduciary Net Position**

**Table 1 - Condensed Statements of Fiduciary Net Position as of September 30, 2024, 2023 and 2022**

	2024	2023	2022	2024 -2023		2023 -2022	
				Variance (\$)	Variance (%)	Variance (\$)	Variance (%)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 1,706,508	\$ 1,915,883	\$ 1,575,557	\$ (209,375)	-10.93%	\$ 340,326	21.60%
Investments	1,413,113,422	1,105,748,550	945,018,298	307,364,872	27.80%	160,730,252	17.01%
Receivables	2,356,242	2,261,284	2,207,299	94,958	4.20%	53,985	2.45%
<b>Total Assets</b>	<b>1,417,176,172</b>	<b>1,109,925,717</b>	<b>948,801,154</b>	<b>307,250,455</b>	<b>27.68%</b>	<b>161,124,563</b>	<b>16.98%</b>
<b>LIABILITIES</b>							
Total Liabilities	1,020,346	368,341	458,318	652,005	177.01%	(89,977)	(19.63)%
<b>Net Position Held in Trust for Program Participants</b>	<b>\$ 1,416,155,826</b>	<b>\$ 1,109,557,376</b>	<b>\$ 948,342,836</b>	<b>\$ 306,598,450</b>	<b>27.63%</b>	<b>\$ 161,214,540</b>	<b>17.00%</b>

**Fiscal Year 2024**

The Program's primary asset was investments, which totaled \$1,413,113,422. Investments increased by 27.80% over fiscal year 2023 because of asset growth and the excess of contributions over distributions to participants. Market conditions overall remained favorable in fiscal year 2024, and as a result, all of the seventeen (17) Program funds generated 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.

Receivables primarily consist of amounts due for investments sold, as well as interest and dividend income earned, but not yet received by the Program. These receivables increased by \$94,958 or 4.20% over the prior fiscal year primarily because of an increase in unsettled investments sales and accrued interest.

Total liabilities increased by \$652,005 or 177.01% over the prior fiscal year. The increase was primarily a result of the timing of unsettled investment purchases near the end of the year and program management fees associated with the purchases.

As shown in **Table 2a - Investment by Fund with Rates of Returns as of September 30, 2024**, the top four Program investments were held in the U.S. Total Stock Market Index Portfolio (\$345,877,234 or 24.5%); DC College Savings 2034 Portfolio (\$156,816,460 or 11.1%), DC College Savings 2031 Portfolio (\$141,116,935 or 10.0%); and, DC College Savings 2028 Portfolio (\$129,632,005 or 9.2%).

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**Table 2a - Investment by Fund with Rates of Returns as of September 30, 2024**

	<b>Investment Value</b>	<b>Percent of Total Assets</b>	<b>Rate of Return %</b>
DC College Savings 2025 Portfolio	\$ 108,047,003	7.6	8.32
DC College Savings 2028 Portfolio	129,632,005	9.2	13.87
DC College Savings 2031 Portfolio	141,116,935	10.0	18.08
DC College Savings 2034 Portfolio	156,816,460	11.1	21.58
DC College Savings 2037 Portfolio	86,982,774	6.2	25.10
DC College Savings 2040 Portfolio	40,920,118	2.9	28.17
DC College Savings 2043 Portfolio	6,152,131	0.4	29.27
DC College Savings Income College Portfolio	101,059,347	7.2	6.59
Intermediate-Term Bond Portfolio	13,985,314	1.0	11.84
Non-U.S. Socially Responsible Equity Portfolio	12,152,219	0.9	27.22
Non-U.S. Total Stock Market Index Portfolio	23,484,638	1.7	24.14
Principal Protected Portfolio	50,010,495	3.5	2.69
U.S. Intermediate-Term Bond Index Portfolio	14,346,178	1.0	11.10
U.S. Large Cap Equity Portfolio	113,324,856	8.0	37.28
U.S. Small Cap Equity Portfolio	33,828,940	2.4	31.68
U.S. Socially Responsible Equity Portfolio	35,376,775	2.5	35.26
U.S. Total Stock Market Index Portfolio	345,877,234	24.5	34.83
<b>TOTAL</b>	<b>\$ 1,413,113,422</b>	<b>100%</b>	

**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 generated 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.

Receivables increased by \$53,985 or 2.45% over the prior fiscal year primarily because of an increase in investments sold and related receivables which was partially offset 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.

As shown in **Table 2b - 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%).

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**Table 2b – Investment by Fund with Rates of Returns as of September 30, 2023**

	<b>Investment Value</b>	<b>Percent of Total Assets</b>	<b>Rate of Return %</b>
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
<b>TOTAL</b>	<b>\$ 1,105,748,550</b>	<b>100%</b>	

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

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**Financial Analysis – Changes in Fiduciary Net Position**

**Table 3 – Condensed Statements of Changes in Fiduciary Net Position as of September 30, 2024, 2023 and 2022**

	2024	2023	2022	2024-2023		2023-2022	
				Variance (\$)	Variance (%)	Variance (\$)	Variance (%)
<b>ADDITIONS</b>							
Contributions	\$ 144,854,991	\$ 124,711,129	\$ 133,156,316	\$ 20,143,862	16.15%	\$ (8,445,187)	(6.34)%
Net Investment Income	252,986,434	114,371,566	(135,246,922)	138,614,868	121.20%	249,618,488	184.57%
<b>Total Additions</b>	<b>397,841,425</b>	<b>239,082,695</b>	<b>(2,090,606)</b>	<b>158,758,730</b>	<b>66.40%</b>	<b>241,173,301</b>	<b>11,536.05%</b>
<b>DEDUCTIONS</b>							
Distributions to Participants	87,257,023	74,501,279	65,153,055	12,755,744	17.12%	9,348,224	14.35%
Other Expenses	3,985,952	3,366,876	3,234,701	619,076	18.39%	132,175	4.09%
<b>Total Deductions</b>	<b>91,242,975</b>	<b>77,868,155</b>	<b>68,387,756</b>	<b>13,374,820</b>	<b>17.18%</b>	<b>9,480,399</b>	<b>13.86%</b>
<b>Increase in Net Position</b>	<b>\$ 306,598,450</b>	<b>\$ 161,214,540</b>	<b>\$ (70,478,362)</b>	<b>\$ 145,383,910</b>	<b>90.18%</b>	<b>\$ 231,692,902</b>	<b>328.74%</b>

**Fiscal Year 2024**

The Program’s contributions increased by \$20,143,862 or 16.15% 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 39,661 in fiscal year 2023 to 43,218 in fiscal year 2024.

The Program had net investment income of \$252,986,434 in fiscal year 2024, compared to a net investment income of \$114,371,566 in fiscal year 2023, which is a 121.20% increase year over year. The net investment income was primarily due to continued favorable market conditions in fiscal 2024 resulting in a substantial increase in the fair value of investments from fiscal year 2023. Interest and dividends also increased from \$8,133,180 in fiscal year 2023 to \$9,527,281 in fiscal year 2024. Overall, each 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 2024, the Program’s investments collectively had a weighted average rate of return of 22.18%, an increase of 1,032 basis points from the weighted average rate of return of 11.86% in fiscal year 2023.

Distributions to participants in 2024 increased by \$12,755,744 or a 17.12% over fiscal year 2023. This increase is due to individual participant tuition funding requirements 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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 \$2,589,585 in fiscal year 2023 to \$3,108,717 in fiscal year 2024. For fiscal year 2024, 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 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.

**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, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,706,508	\$ 1,915,883
Receivables:		
Interest and Dividends	905,199	839,385
Accounts Receivable for Investments Sold	1,451,043	1,421,899
Total Receivables	2,356,242	2,261,284
Investments:		
Equity Mutual Funds	881,567,632	627,671,164
Fixed Income Mutual Funds	290,408,226	271,485,543
Guaranteed Investment Contracts	241,137,564	206,591,843
Total Investments	1,413,113,422	1,105,748,550
<b>Total Assets</b>	1,417,176,172	1,109,925,717
<b>LIABILITIES</b>		
Accounts Payable for Investments Purchased	541,354	276,680
Program Management Fees Payable	422,001	45,338
Due to D.C. Government Administrative Fund	56,991	46,323
<b>Total Liabilities</b>	1,020,346	368,341
<b>Net Position Held in Trust for Program Participants</b>	<b>\$ 1,416,155,826</b>	<b>\$ 1,109,557,376</b>

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, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ADDITIONS</b>		
Contributions	\$ 144,854,991	\$ 124,711,129
Investment Income:		
Net Appreciation in Fair Value of Investments	244,527,749	107,085,307
Interest and Dividends	9,527,281	8,133,180
Less: Investment Expenses	(1,068,596)	(846,921)
Net Investment Income	252,986,434	114,371,566
<b>Total Additions</b>	<b>397,841,425</b>	<b>239,082,695</b>
<b>DEDUCTIONS</b>		
Distributions to Participants	87,257,023	74,501,279
Program Management Fees	3,108,717	2,589,585
Administrative Expenses	637,531	535,872
Maintenance Expenses and Enrollment Fees	239,704	241,419
<b>Total Deductions</b>	<b>91,242,975</b>	<b>77,868,155</b>
Change in Net Position	306,598,450	161,214,540
<b>Net Position Held in Trust for Program Participants</b>		
Beginning of Year	1,109,557,376	948,342,836
<b>End of Year</b>	<b>\$ 1,416,155,826</b>	<b>\$ 1,109,557,376</b>

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, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,003,707	\$ 1,506,246
Receivables:		
Due from Program Manager	1,099	525
Due from Participant Fund	56,991	46,326
Total Receivables	58,090	46,851
<b>Total Assets</b>	<b>2,061,797</b>	<b>1,553,097</b>
 <b>LIABILITIES</b>		
Accrued Expenses	87,909	24,000
<b>Total Liabilities</b>	<b>87,909</b>	<b>24,000</b>
<b>Net Position Held in Trust for Administrative Expenses</b>	<b>\$ 1,973,888</b>	<b>\$ 1,529,097</b>

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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, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ADDITIONS</b>		
Program Administrative Fees		
Administrative Fees	\$ 637,531	\$ 535,872
Maintenance and Enrollment Fees	17,424	18,336
Contributions	12,000	-
Net Investment Income	89,275	57,655
<b>Total Additions</b>	<b>756,230</b>	<b>611,863</b>
<b>DEDUCTIONS</b>		
Administrative Salaries	83,266	-
Professional Fees	212,673	265,121
Donations (Scholarships)	15,500	5,000
<b>Total Deductions</b>	<b>311,439</b>	<b>270,121</b>
Change in Net Position	444,791	341,742
<b>Net Position Held in Trust for Administrative Expenses</b>		
Beginning of Year	1,529,097	1,187,355
<b>End of Year</b>	<b>\$ 1,973,888</b>	<b>\$ 1,529,097</b>

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

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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 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 January 15, 2025.

The Program is available to both the District of Columbia and non-District of Columbia residents. It is a qualified tuition program that allows participants to make contributions into seventeen (17) different investment options for Program years 2024 and 2023. 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, 2024, and 2023, the Plan had 41,493 and 39,025 funded participant accounts with a net asset value of \$1,416,155,826 and \$1,109,557,376, 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.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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 the 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 trading 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 participants' 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 an 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.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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**

Statement No. 99 of the Governmental Accounting Standards Board, Omnibus 2022, addresses a variety of technical corrections, updates, and implementation issues related to prior GASB statements. The statement addressed cancellable periods in leases being excluded from the maximum lease term, required disclosure of financial guarantees, reclassification and reporting of derivative instruments, required disclosure of nonmonetary transactions, required disclosure of pledges of future revenues and technical changes to terminology in GASB Statements 53 and 63. Management has assessed the impact of the implementation of GASB Statement No. 99 on the financial statements and determined that it does not have a material effect on the amounts reported or disclosures presented. The requirements of this Statement are primarily effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Statement No. 100 of the Governmental Accounting Standards Board, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. Effective for reporting periods beginning after June 15, 2023. The standard provides enhanced guidance on accounting for and reporting changes in accounting principles, changes in accounting estimates, and corrections of errors. The adoption of GASB 100 requires restatement of prior periods, where practicable, for retroactive adjustments resulting from changes in accounting principles or error corrections. This standard also introduces refined disclosure requirements aimed at increasing transparency regarding the nature and financial impact of such changes. The implementation of GASB 100 did not have a material effect on the current financial statements.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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 2024 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:

<u>Underlying Investments</u>	<u>Year of College Enrollment Portfolios</u>							
	<u>DC College Savings Portfolios</u>							
	<u>In College</u>	<u>2025</u>	<u>2028</u>	<u>2031</u>	<u>2034</u>	<u>2037</u>	<u>2040</u>	<u>2043</u>
Ameritas Principal Plus	70.00%	63.00%	25.38%	8.63%	4.00%	1.30%	0.80%	0.50%
iShares Core International Aggregate Bond ETF	4.00%	5.00%	7.50%	5.63%	4.51%	3.35%	2.34%	1.88%
iShares MSCI EAFE International Index K	2.50%	3.13%	6.88%	10.63%	14.38%	18.13%	21.00%	22.50%
Schwab US REIT ETF	0.50%	0.60%	1.31%	2.03%	2.74%	3.46%	4.05%	4.50%
Vanguard Emerging Markets Stock Index	1.00%	1.25%	2.75%	4.25%	5.75%	7.25%	8.40%	9.00%
Vanguard High-Yield Corporate Admiral	1.00%	2.00%	3.77%	3.91%	3.08%	2.10%	3.04%	1.90%
Vanguard Short-Term Bond Index I	6.00%	6.50%	14.16%	15.76%	12.38%	8.28%	3.79%	2.16%
Vanguard Short-Term Inflation Protected Securities	3.00%	4.50%	7.54%	7.82%	6.16%	4.19%	2.24%	1.40%
Vanguard Total Bond Market II Index I	6.00%	6.50%	14.16%	15.75%	12.38%	8.28%	3.79%	2.16%
Vanguard Total Stock Market Index Plus	6.00%	7.52%	16.55%	25.59%	34.62%	43.66%	50.55%	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 the 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:

<u>Individual Portfolios</u>	<u>Underlying Investments</u>	<u>Asset Class</u>
Intermediate-Term Bond Portfolio	Loomis Sayles Core Plus Bond Fund	Fixed Income
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
U.S. Intermediate-Term Bond Index Portfolio	iShares Core U.S. Aggregate Bond ETF	Fixed Income
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
U.S. Socially Responsible Equity Portfolio	DFA U.S. Sustainability Core 1 Portfolio	Domestic Equity
U.S. Total Stock Market Index Portfolio	iShares Core S&P Total U.S. Stock Market ETF	Domestic Equity

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 INVESTMENTS (Continued)**

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, 2024, and 2023, this portfolio was maintained in a stable value fund.

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

At September 30, 2024, the Program held the following investments, which are stated at fair value based on fair market prices:

	<u>Aggregate Cost</u>	<u>Aggregate Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b>Domestic Equity Mutual Funds and ETFs</b>			
DFA U.S. Sustainability Core 1 Portfolio	\$ 22,931,604	\$ 35,376,775	\$ 12,445,171
iShares Core S&P Total U.S. Stock Market ETF	289,491,566	345,876,971	56,385,405
JP Morgan U.S. Equity	77,157,986	113,324,856	36,166,869
Schwab U.S. REIT ETF	12,305,210	14,708,779	2,403,569
Vanguard Strategic Small Cap Equity	27,841,698	33,828,938	5,987,240
Vanguard Total Stock Market Index	154,588,035	190,893,628	36,305,593
<b>International Equity Mutual Funds and ETFs</b>			
DFA International Sustainability Core 1	9,686,508	12,152,219	2,465,711
iShares Core MSCI Total International Stock ETF	19,825,893	22,999,742	3,173,849
iShares MSCI EAFE International Index	70,712,697	79,500,414	8,787,717
Vanguard Emerging Market Stock Index	31,496,951	32,905,310	1,408,359
<b>Fixed Income Mutual Funds and ETFs</b>			
iShares Core International Aggregate Bond	14,925,377	14,346,178	(579,199)
iShares Core U.S. Aggregate Bond Index ETF	39,374,380	38,579,783	(794,597)
Loomis Sayles Core Plus Bond Fund	14,993,851	13,985,314	(1,008,537)
Vanguard High-Yield Corporate Admiral	52,831,075	52,565,503	(265,572)
Vanguard Short-Term Bond Index	47,853,733	47,242,333	(611,400)
Vanguard Short-Term Inflation Protected Securities Index	12,925,940	12,874,067	(51,873)
Vanguard Total Bond Market II Index	116,738,230	110,815,048	(5,923,182)
<b>Guaranteed Investment Contracts</b>			
Ameritas Principal Protected Portfolio	241,137,564	241,137,564	-
Total Investments	<u>\$ 1,256,818,298</u>	<u>\$ 1,413,113,422</u>	<u>\$ 156,295,124</u>

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 INVESTMENTS (Continued)**

The net unrealized gain on investments as of September 30, 2024, was \$156,295,124. 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, 2024:

Unrealized gain as of September 30, 2024	\$ 156,295,124
Less: Unrealized loss as of September 30, 2023	<u>(65,862,203)</u>
Net change in unrealized gain (loss) during the year	222,157,327
Net realized gain during the year	<u>22,370,422</u>
Net appreciation in fair value of investments	<u>\$ 244,527,749</u>

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

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

	<u>Aggregate Cost</u>	<u>Aggregate Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b>Domestic Equity Mutual Funds and ETFs</b>			
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)
<b>International Equity Mutual Funds and ETFs</b>			
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)
<b>Fixed Income Mutual Funds and ETFs</b>			
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)
<b>Guaranteed Investment Contracts</b>			
Ameritas Principal Protected Portfolio	206,591,843	206,591,843	-
Total Investments	<u>\$ 1,171,610,756</u>	<u>\$ 1,105,748,550</u>	<u>\$ (65,862,206)</u>



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 INVESTMENTS (Continued)**

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	<u>(156,159,493)</u>
Net change in unrealized gain (loss) during the year	90,297,287
Net realized gain during the year	<u>16,788,020</u>
Net appreciation in fair value of investments	<u>\$ 107,085,307</u>

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

**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 2024 and 2023 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:

<b>Fund</b>	<b>Credit Rating (S&amp;P and Moody’s)</b>	
	<b>2024</b>	<b>2023</b>
iShares Core International Aggregate Bond ETF	A, AA, AAA, BBB	A, AA, AAA, BBB
iShares Core U.S. Aggregate Bond ETF	AA, BBB, A, AAA	AA, BBB, A, AAA
Loomis Sayles Core Plus Bond Fund	AAA, BBB, A, BB	AAA, BBB, A, BB
Principal Protected Plus	BBB, A, AAA, AA	BBB, A, AAA, AA
Vanguard Short-Term Corp Bond Index I	AAA, BBB, A, AA	AAA, A, BBB, AA
Vanguard Short-Term Inflation - Protected Securities Index	AAA	AAA
Vanguard High-Yield Corporate Fund	BB, B, AAA BBB	BB, B, AAA BBB

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
529 COLLEGE SAVINGS PROGRAM TRUST  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 INVESTMENTS (Continued)**

*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:

<b>Fund</b>	<b>Average Duration (in years)</b>	
	<b>2024</b>	<b>2023</b>
iShares Core International Aggregate Bond ETF	6.79	6.66
iShares Core U.S. Aggregate Bond ETF	5.99	6.06
Loomis Sayles Core Plus Bond Fund	6.78	7.51
Principal Protected Plus	7.51	6.82
Vanguard High-Yield Corporate Fund	3.03	3.71
Vanguard Short-Term Corp Bond Index I	2.63	2.64
Vanguard Short-Term Inflation-Protected Securities Index	2.51	2.47
Vanguard Total Bond Market II Index 1	5.97	6.26

*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 iShares 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.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 INVESTMENTS (Continued)**

*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.

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, 2024:

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>INVESTMENTS MEASURED AT FAIR VALUE</b>				
<b>Domestic Equity Mutual Fund and ETFs</b>				
DFA U.S. Sustainability Core 1 Portfolio	\$ 35,376,775	\$ 35,376,775	\$ -	\$ -
iShares Core S&P Total U.S. Stock Market ETF	345,876,971	345,876,971	-	-
JP Morgan U.S. Equity Fund	113,324,856	113,324,856	-	-
Schwab U.S. REIT ETF	14,708,779	14,708,779	-	-
Vanguard Strategic Small Cap Equity Fund	33,828,938	33,828,938	-	-
Vanguard Total Stock Market Index	190,893,628	190,893,628	-	-
<b>Total Domestic Equity Mutual Funds and ETFs</b>	<b>734,009,947</b>	<b>734,009,947</b>	<b>-</b>	<b>-</b>
<b>International Equity Mutual Funds and ETFs</b>				
DFA International Sustainability Core 1 Portfolio	12,152,219	12,152,219	-	-
iShares Core MSCI Total International Stock ETF	22,999,742	22,999,742	-	-
iShares MSCI EAFE International Index	79,500,414	79,500,414	-	-
Vanguard Emerging Market Stock Index	32,905,310	32,905,310	-	-
<b>Total International Equity Mutual Funds and ETFs</b>	<b>147,557,685</b>	<b>147,557,685</b>	<b>-</b>	<b>-</b>
<b>Fixed Income Mutual Funds and ETFs</b>				
iShares Core International Aggregate Bond	14,346,178	14,346,178	-	-
iShares Core U.S. Aggregate Bond Index ETF	38,579,783	38,579,783	-	-
Loomis Sayles Core Plus Bond Fund	13,985,314	13,985,314	-	-
Vanguard High-Yield Corporate Admiral	52,565,503	52,565,503	-	-
Vanguard Short-Term Bond Index	47,242,333	47,242,333	-	-
Vanguard Short-Term Inflation Protected Securities Index	12,874,067	12,874,067	-	-
Vanguard Total Bond Market II Index	110,815,048	110,815,048	-	-
<b>Total Fixed Income Mutual Funds and ETFs</b>	<b>290,408,226</b>	<b>290,408,226</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS MEASURED AT FAIR VALUE</b>		<b>\$ 1,171,945,858</b>	<b>\$ -</b>	<b>\$ -</b>
<b>INVESTMENT MEASURED AT CONTRACT VALUE</b>				
<b>Guaranteed Investment Contracts</b>				
Ameritas Principal Protected Portfolio	241,137,564			
<b>TOTAL INVESTMENTS</b>	<b>\$ 1,413,113,422</b>			

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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.

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>INVESTMENTS MEASURED AT FAIR VALUE</b>				
<b>Domestic Equity Mutual Fund and ETFs</b>				
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	-	-
<b>Total Domestic Equity Mutual Funds and ETFs</b>	<b>522,188,960</b>	<b>522,188,960</b>	<b>-</b>	<b>-</b>
<b>International Equity Mutual Funds and ETFs</b>				
DFA International Sustainability Core 1 Portfolio	9,373,186	9,373,186	-	-
iShares Core MSCI Total International Stock ETF	16,219,193	16,219,193	-	-
iShares MSCI EAFE International Index	57,035,006	57,035,006	-	-
Vanguard Emerging Market Stock Index	22,854,818	22,854,818	-	-
<b>Total International Equity Mutual Funds and ETFs</b>	<b>105,482,203</b>	<b>105,482,203</b>	<b>-</b>	<b>-</b>
<b>Fixed Income Mutual Funds and ETFs</b>				
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	-	-
<b>Total Fixed Income Mutual Funds and ETFs</b>	<b>271,485,544</b>	<b>271,485,544</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS MEASURED AT FAIR VALUE</b>	<b>899,156,707</b>	<b>\$ 899,156,707</b>	<b>\$ -</b>	<b>\$ -</b>
<b>INVESTMENT MEASURED AT CONTRACT VALUE</b>				
<b>Guaranteed Investment Contracts</b>				
Ameritas Principal Protected Portfolio	206,591,843			
<b>TOTAL INVESTMENTS</b>	<b>\$ 1,105,748,550</b>			

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**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% of 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 the 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 2024, total program management and administrative fees assessed to account owners were \$3,108,717 and \$637,531, respectively. These fees are reflected in the Participant Fund Statement of Changes in Fiduciary Net Position. The District portion of the fees was \$637,531, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2024, the total amount earned during the fiscal year, but not remitted to the District was \$56,991.

For the fiscal year 2024, maintenance and enrollment fees reflected in the Participant Fund Statement of Changes in Fiduciary Net Position totaled \$239,704. The District's portion was \$17,424, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2024, the total amount earned during the fiscal year, but not remitted to the District was \$1,099.

The District incurred administrative expenses of \$311,439 in fiscal year 2024, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. The expenses incurred were for administrative salaries, professional fees and scholarship donations. As of September 30, 2024, the net position held in trust for administrative expenses was \$1,973,888.

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, 2023, the total amount earned during the fiscal year, but not remitted to the District was \$525.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 4 ADMINISTRATIVE AND MAINTENANCE FEES (Continued)**

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.

**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 \$1,068,596 and \$846,921 for fiscal year 2024 and 2023, 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 UNCERTAINTIES**

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, 2024, and through December 12, 2024, 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.

**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, 2024, and the related notes to the financial statements, which collectively comprise the Trust’s basic financial statements, and have issued our report thereon dated December 12, 2024.

**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.  
December 12, 2024

*Watson Rice LLP*



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**REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.**

 (202) 724-TIPS (8477) and (800) 521-1639

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