

# CollegeCounts<sup>SM</sup>

Alabama's 529 Fund

Independent Auditor's Reports and Financial Statements

**September 30, 2021**



**Offered by the  
State of Alabama**

**UBT 529 Fund Services a Division of**

**UBT**  
**Union Bank & Trust**

*Program Manager*

**CollegeCounts 529 Fund**  
**September 30, 2021**

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## Independent Auditor's Report

Members of the Board of Trustees of CollegeCounts 529 Fund  
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)  
Montgomery, Alabama

### Report on the Financial Statements

We have audited the accompanying financial statements of the CollegeCounts 529 Fund, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CollegeCounts 529 Fund's basic financial statements, as listed in the table of contents.

### *Management's Responsibility 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CollegeCounts 529 Fund as of September 30, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *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 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CollegeCounts 529 Fund's basic financial statements. The supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated January 7, 2022, on our consideration of the CollegeCounts 529 Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the CollegeCounts 529 Fund's internal control over financial reporting and compliance.

**BKD, LLP**

Lincoln, Nebraska  
January 7, 2022

## **CollegeCounts 529 Fund Management's Discussion and Analysis**

The following is a discussion and analysis of the financial performance of the State of Alabama's CollegeCounts 529 Fund (the "Plan") as of September 30, 2021 and for the year then ended. CollegeCounts 529 Fund assets are held in the Alabama College Education Savings ("ACES") Trust Fund. Union Bank & Trust Company ("Union Bank") manages the CollegeCounts 529 Fund under a Program Management Agreement with the Board of Trustees of the ACES Trust Fund. The CollegeCounts 529 Fund is intended to be a qualified state tuition program under Section 529 of the Internal Revenue Code. The CollegeCounts 529 Fund was created pursuant to an Alabama statute to encourage the investment of funds to be used for qualified education expenses. You should consider the information presented in this section in conjunction with the Plan's financial statements and the Notes to the Financial Statements.

### **CollegeCounts 529 Fund**

The Plan is one of two 529 college savings plans offered by the CollegeCounts 529 Board to help families save for college. The CollegeCounts 529 Fund contains accounts that are opened directly with the Plan. The Plan had \$873 million in net position as of September 30, 2021. The CollegeCounts 529 Board oversees the Plan. Union Bank & Trust Company serves as Program Manager.

The Plan offers investors 3 Age-Based Options, 6 Target Portfolios, 1 Deposit Fund and 25 Individual Fund Portfolios that are invested in underlying mutual funds from DFA, Dodge & Cox, Vanguard, T. Rowe Price, Fidelity, PGIM and PIMCO.

### **Financial Highlights**

The following financial highlights occurred during the years ended September 30, 2021 and 2020:

- The Plan had contributions of \$128.3 million and withdrawals of \$60.3 million during 2021 and contributions of \$104.5 million and withdrawals of \$46.3 million during 2020, an increase of 22.8% in contributions and 30.2% in withdrawals during 2021;
- At September 30, 2021, the Plan's net position totaled \$873 million, an increase of \$195 million, or 28.8% since September 30, 2020;
- The Plan earned \$15.6 million and \$13.4 million from investment income and recognized \$113.1 million and \$43.2 million from net realized gain and net appreciation in fair value of investments during 2021 and 2020, respectively. The Plan incurred approximately \$1.4 million for management fees during 2021 and 2020.

### **Overview of the Financial Statements**

The Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

This report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements consist of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements that explain some of the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Position presents information on the Plan’s assets and liabilities, with the difference between the two reported as net position as of September 30, 2021. This statement is prepared using the accrual basis of accounting. Contributions and withdrawals are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is received or paid.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan’s net position changed during the year ended September 30, 2021, another important factor that needs to be considered in order to determine the financial health of the CollegeCounts 529 Fund. This statement presents information showing how the plan’s net position changed during the year ended September 30, 2021, based on activities from securities transactions and market activity. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The Notes to the Financial Statements provide additional information that is integral to a full understanding of the data provided in the basic financial statements. As a fiduciary fund, the CollegeCounts 529 Fund Trust assets do not represent discretionary assets of the State of Alabama to finance its operations. CollegeCounts 529 Fund Trust assets can only be used for the benefit of account owners and beneficiaries of the Plan.

## Financial Analysis

### Net Position

The following is a condensed Statement of Fiduciary Net Position for the Plan as of September 30:

	<u>2021</u>	<u>2020</u>
Total Assets	\$ 874,250,830	\$ 678,262,162
Less Total Liabilities	<u>1,545,461</u>	<u>848,235</u>
Net Position Held in Trust	<u>\$ 872,705,369</u>	<u>\$ 677,413,927</u>

Investments make up more than 99% of total net position and consist of 37 Investment Portfolios in 2021 and 2020, each of which is invested in one or more underlying mutual funds or deposit accounts. Net position represents cumulative contributions from participants plus net increases/decreases from operations less redemptions and expenses. Liabilities consist of payables for securities purchased, payables for withdrawals, payables for reinvestment of net investment income and payables for accrued expenses.

Total assets increased by \$196.0 million, or 28.9%, from September 30, 2020 to September 30, 2021 due primarily to net contributions (participant contributions less redemptions and withdrawals) of \$68 million. The Plan had an increase from operations (investment income and net realized gain and appreciation in fair value of investments) of \$128.6 million and expenses of \$1.4 million. Total liabilities increased \$0.7 million due primarily to the timing of withdrawals requested by participants and amounts payables for securities purchased, which is a reflection of investment decisions made by participants and the corresponding action taken by the program manager to process required transactions.

## Changes in Fiduciary Net Position

The following is a condensed Statement of Changes in Fiduciary Net Position for the year ended September 30:

	<u>2021</u>	<u>2020</u>
Total Additions	\$ 256,906,018	\$ 161,026,446
Total Deductions	<u>61,614,576</u>	<u>47,694,321</u>
Net Increase	195,291,442	113,332,125
Net Position Held in Trust, Beginning of Year	<u>677,413,927</u>	<u>564,081,802</u>
Net Position Held in Trust, End of Year	<u>\$ 872,705,369</u>	<u>\$ 677,413,927</u>

Total additions increased \$95.9 million or 59.5%, due to an increase in contributions from participants of \$23.8 million and an increase in investment income of \$72.1 million. Total deductions increased \$13.9 million or 29.2%, due to an increase in withdrawals and redemptions of \$14.0 million. Net realized gains and appreciation in fair value of investments was \$113.1 million and \$43.2 million for the years ended September 30, 2021 and 2020, respectively. Increases and decreases in net realized and unrealized gains and losses on investment transactions, as well as changes in investment income, reflect market conditions during each corresponding year. Fees are charged to participants as a percentage of daily net position and therefore, fluctuate based on changes in fiduciary net position.

**CollegeCounts 529 Fund**  
**Statement of Fiduciary Net Position**  
**September 30, 2021**

**Fiduciary Assets**

Investments, at fair value	\$ 868,758,558
Cash in Bank Savings Portfolio	2,661,881
Cash	690,292
Receivables for contributions	1,075,421
Accrued investment income	<u>1,064,678</u>
Total fiduciary assets	<u>874,250,830</u>

**Liabilities**

Distributions payable to shareholders	197
Withdrawals payable	781,424
Accrued expenses	<u>763,840</u>
Total liabilities	<u>1,545,461</u>

<b>Fiduciary Net Position Held In Trust</b>	<b><u><u>\$ 872,705,369</u></u></b>
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**CollegeCounts 529 Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2021**

**Additions**

Contributions	\$ 128,260,672
Investment income	
Net realized gain and net appreciation in fair value of investments	113,093,112
Dividends and interest	<u>15,552,234</u>
Total investment earnings	<u>128,645,346</u>
Total additions	<u>256,906,018</u>

**Deductions**

Withdrawals	60,259,363
Management fees	<u>1,355,213</u>
Total deductions	<u>61,614,576</u>

<b>Net Increase</b>	195,291,442
<b>Fiduciary Net Position Held in Trust, Beginning of Year</b>	<u>677,413,927</u>
<b>Fiduciary Net Position Held in Trust, End of Year</b>	<u><u>\$ 872,705,369</u></u>

# **CollegeCounts 529 Fund**

## **Notes to the Financial Statements**

### **September 30, 2021**

#### **Note 1: Description of the Plan**

The following provides a brief description of the CollegeCounts 529 Fund (the “Plan”). For more information about the Plan, call 866.529.2228 or visit [CollegeCounts529.com](http://CollegeCounts529.com) to obtain a Disclosure Statement.

#### ***General***

The Plan is one of two college savings plans offered by the Alabama Comprehensive Education Savings (ACES) Program (the Program) to help individuals and families save for education costs. This Plan and the CollegeCounts 529 Fund Advisor Plan, which were established as authorized under the Wallace Folsom Savings Investment Plan Act, 16-33C-1 to 16-33C-25 of the Code of Alabama 1975, as amended from time to time, are designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder (Section 529). The Board of Trustees of the ACES Trust Fund (the Board) administers the Program and has oversight responsibility for establishing rules and regulations governing operation of the plans, overseeing the administration of the plans and ensuring that the plans comply with state and federal laws and regulations. The Board acts as trustee of the Plan and is responsible for the overall administration of the Program. The Board has delegated day-to-day administration of the Program to the Alabama State Treasurer.

Plan assets are held for the benefit of account owners and their designated beneficiaries in the CollegeCounts 529 Fund, thereby ensuring the assets of the Plan can only be used for the benefit of account owners and their beneficiaries and cannot be used by the State of Alabama to finance its operations.

These financial statements present only the activities and balances attributable to the CollegeCounts 529 Fund and do not include any balances or activities attributable to the CollegeCounts 529 Fund Advisor Plan. See the attached supplementary information which includes Combining Schedules for the two college savings plans and the transfers of contributions and withdrawals between plans. The audited financial statements of the CollegeCounts 529 Fund Advisor Plan are available separately.

#### ***Plan Administration***

UBT 529 Fund Services (Union Bank), a division of Union Bank & Trust Company (the Program Manager), serves as the agent responsible for the custody of the Plan’s assets. The Program Manager has engaged Wilshire to advise with respect to the structures, underlying investments, and asset allocations of the Plan.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 2: Significant Accounting Policies**

***Basis of Accounting***

The Plan prepares its financial statements in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The Plan's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America applicable to special-purpose governments engaged in fiduciary activities. Under this method of accounting, additions to net position are recorded when earned and deductions from net position are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Investments***

The Plan's investment alternatives are made available through investment portfolios (the Portfolios), each of which represents a separate, segregated portfolio of investments in mutual funds (the Underlying Funds). The Program Manager and Wilshire develop and recommend the asset allocations for each Portfolio to the Board of Trustees for approval.

Investments in the Underlying Funds are valued at the closing net position value per share of each Underlying Fund determined as of the close of the New York Stock Exchange on the day of valuation, which approximates fair value. Net realized and unrealized gains and losses are reported as net appreciation or depreciation in fair value of investments in the Statement of Changes in Fiduciary Net Position. Purchases and sales of Underlying Fund shares are recorded on a trade date basis. Dividend income and any capital gain distributions are recorded on the ex-dividend date as an accrual and are automatically reinvested in additional shares of the respective Underlying Fund.

***Cash***

Cash generally includes account owner contributions that have not been invested in Underlying Funds or redemption proceeds from Underlying Funds that have not yet been distributed in accordance with account owner instruction. These transactions are processed through the Program Manager.

Cash in the Bank Savings 529 Portfolio includes amounts directed by participants to be deposited in an interest-bearing bank account.

***Distributions Payable to Shareholders***

Distributions payable to shareholders represent income distributions from money market investment funds that have not yet been distributed in accordance with each account owner's instruction.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 2: Significant Accounting Policies - Continued**

***Contributions***

Individuals or entities that have properly executed an enrollment form with the Plan may establish an account to which cash contributions may be made, subject to certain account balance limitations. Contributions received prior to the close of the New York Stock Exchange are recorded as increases in net position on the date they are received, provided that all related documentation is found to be in good order.

Account owners may elect to invest their contributions in one or more of several different investment options, which are Individual Fund Portfolios, Age-Based Portfolios or Target Portfolios based upon the account owner's investing preference and risk tolerance. The investment options are composed of one bank deposit account and mutual funds offered by PIMCO, Vanguard, T. Rowe Price, DFA, Dodge & Cox, PGIM and Fidelity ("Investment Managers").

The Individual Fund Portfolios consist of one bank deposit fund, one money-market fund and 24 single mutual funds. The six Target Portfolios are allocated among equity, real estate, fixed income, and money market securities. These allocations are maintained over the life of the account.

The account owner may also choose from three Age-Based options (Conservative, Moderate, and Aggressive). These have been designed by the Program, the Program Manager, and Wilshire to allow account owners to select a Portfolio based upon their risk tolerance and the beneficiary's age. Money invested in these investment options is allocated to the appropriate Portfolio based on the age of the beneficiary and is automatically adjusted at pre-set intervals over time to become more conservative as the beneficiary's year of enrollment in college draws nearer.

Contributions by a participant are evidenced through the issuance of units in a particular Portfolio. Although money contributed to the Plan is invested in portfolio options that hold mutual funds, the Plan units themselves are not direct investments in the mutual funds. The units issued by the Plan are not insured by the FDIC (except the underlying investment of the Bank Savings 529 Portfolio), the Program Manager, or the State of Alabama nor have they been registered with the Securities and Exchange Commission or any state commission. Although the account owners can direct the portfolio options in which their contributions are invested, they cannot direct the selection or allocation of the Underlying Funds comprising each portfolio option.

***Withdrawals***

Account owners may request withdrawals for qualified or nonqualified expenses. It is the responsibility of the account owner to determine whether the withdrawal is for qualified or nonqualified purposes and to calculate the applicable amount of federal or state tax or penalties for withdrawals, if any. Withdrawals are recorded as deductions from net position on the date the withdrawal request is in good order and approved for payment. Withdrawals, as presented on the Statement of Changes in Fiduciary Net Position, include fees and expenses as more fully discussed in Note 4.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 2: Significant Accounting Policies - Continued**

***Unit Valuation***

Each account owner's full and/or fractional interest in a portfolio option is evidenced by a unit. The net position value of a unit in a portfolio option is calculated daily based on the fair market value of the Underlying Funds, adjusted for the effects of such transactions as accrued administrative fees, contributions and withdrawal requests that have been approved but have not been processed, and investment income that has not been reinvested in the Underlying Funds. The value of any individual account is determined by multiplying the number of units in a portfolio attributable to that account holder by the net position value per unit of that portfolio.

***Exchanges***

As explained above, for each of the Age-Based Options, account balances will automatically be exchanged from one portfolio to another more conservative portfolio as the beneficiary gets older. In addition, subject to certain limitations and restrictions, account owners may generally direct that their account balance be reinvested in a different portfolio option two times each calendar year. The transfers of funds between portfolios are referred to as "exchanges". The amounts of contributions and withdrawals reported in the Statement of Changes in Fiduciary Net Position do not include these exchanges, as they have no impact on the overall financial position of the Plan.

***Income Taxes***

The Plan has been designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code and is exempt from federal and state income tax. Therefore, no provision for income tax is required.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

# CollegeCounts 529 Fund

## Notes to the Financial Statements

### September 30, 2021

#### Note 3: Investments

The Underlying Fund allocations at September 30, 2021, are as follows:

Portfolio	Investment	Balance
DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Large Cap Value Portfolio	\$ 3,372,052
DFA U.S. Small Cap Value 529 Portfolio	DFA U.S. Small Cap Value Portfolio	3,501,249
Dodge & Cox International Stock 529 Portfolio	Dodge & Cox International Stock Fund	3,003,950
Fidelity Advisor Investment Grade Bond 529 Portfolio	Fidelity Advisor Investment Grade Bond Fund	832,793
PGIM Total Return Bond 529 Portfolio	PGIM Total Return Bond Fund	437,828
PIMCO Short-Term 529 Portfolio	PIMCO Short-Term Fund	1,642,116
T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Balanced Fund	8,093,993
T. Rowe Price Large-Cap Growth 529 Portfolio	T. Rowe Price Institutional Large-Cap Growth Fund	15,498,177
Vanguard Explorer 529 Portfolio	Vanguard Explorer Fund	3,762,505
Vanguard 500 Index 529 Portfolio	Vanguard Institutional Index Fund	51,447,148
Vanguard Extended Market Index 529 Portfolio	Vanguard Extended Market Index Fund	3,734,123
Vanguard Growth Index 529 Portfolio	Vanguard Growth Index Fund	30,896,268
Vanguard Inflation-Protected Securities 529 Portfolio	Vanguard Inflation-Protected Securities Fund	3,316,125
Vanguard Mid-Cap Index 529 Portfolio	Vanguard Mid-Cap Index Fund	13,919,664
Vanguard Prime Money Market 529 Portfolio	Vanguard Prime Money Market Fund	16,091,861
Vanguard Real Estate Index 529 Portfolio	Vanguard Real Estate Index Fund	5,926,248
Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Growth Index Fund	12,267,948
Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Index Fund	6,268,823
Vanguard Small-Cap Value Index 529 Portfolio	Vanguard Small-Cap Value Index Fund	4,856,802
Vanguard Total Bond Market Index 529 Portfolio	Vanguard Total Bond Market Index Fund	14,000,584
Vanguard Total International Stock Index 529 Portfolio	Vanguard Total International Stock Index Fund	13,438,860
Vanguard Total Stock Market Index 529 Portfolio	Vanguard Total Stock Market Index Fund	32,516,567
Vanguard Value Index 529 Portfolio	Vanguard Value Index Fund	7,538,865
Vanguard Short-Term Inflation-Protected 529 Portfolio	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,505,590
Vanguard Short-Term Bond Index 529 Portfolio	Vanguard Short-Term Bond Index Fund	3,089,199
		<u>260,959,338</u>
CollegeCounts Fixed Income Fund	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,629,532
CollegeCounts Fixed Income Fund	Vanguard Short-Term Bond Index Fund	2,208,368
CollegeCounts Fixed Income Fund	Vanguard Total Bond Market Index Fund	1,657,724
CollegeCounts Fixed Income Fund	Vanguard Prime Money Market Fund	5,518,265
Total CollegeCounts Fixed Income Fund		<u>11,013,889</u>
CollegeCounts Fund 10	Vanguard Total Stock Market Index Fund	2,381,645
CollegeCounts Fund 10	Vanguard Short-Term Inflation-Protected Securities Index Fund	4,768,051
CollegeCounts Fund 10	Vanguard Short-Term Bond Index Fund	7,616,536
CollegeCounts Fund 10	Vanguard Total Bond Market Index Fund	10,709,972
CollegeCounts Fund 10	Vanguard Total International Stock Index Fund	686,120
CollegeCounts Fund 10	Vanguard Prime Money Market Fund	7,962,949
CollegeCounts Fund 10	Vanguard Real Estate Index Fund	336,594
Total CollegeCounts Fund 10		<u>34,461,867</u>

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 3: Investments - Continued**

Portfolio	Investment	Balance
CollegeCounts Fund 20	Vanguard Total Stock Market Index Fund	\$ 7,406,543
CollegeCounts Fund 20	Vanguard Short-Term Inflation- Protected Securities Index Fund	6,275,970
CollegeCounts Fund 20	Vanguard Short-Term Bond Index Fund	14,468,775
CollegeCounts Fund 20	Vanguard Total Bond Market Index Fund	20,207,072
CollegeCounts Fund 20	Vanguard Total International Stock Index Fund	2,276,920
CollegeCounts Fund 20	Vanguard Prime Money Market Fund	5,214,048
CollegeCounts Fund 20	Vanguard Real Estate Index Fund	1,692,679
Total CollegeCounts Fund 20		<u>57,542,007</u>
CollegeCounts Fund 30	Vanguard Total Stock Market Index Fund	11,187,696
CollegeCounts Fund 30	Vanguard Short-Term Inflation- Protected Securities Index Fund	7,646,209
CollegeCounts Fund 30	Vanguard Short-Term Bond Index Fund	13,128,357
CollegeCounts Fund 30	Vanguard Total Bond Market Index Fund	20,847,906
CollegeCounts Fund 30	Vanguard Total International Stock Index Fund	4,731,172
CollegeCounts Fund 30	Vanguard Real Estate Index Fund	1,755,599
Total CollegeCounts Fund 30		<u>59,296,939</u>
CollegeCounts Fund 40	Vanguard Total Stock Market Index Fund	16,333,715
CollegeCounts Fund 40	Vanguard Short-Term Inflation- Protected Securities Index Fund	5,967,480
CollegeCounts Fund 40	Vanguard Short-Term Bond Index Fund	9,422,587
CollegeCounts Fund 40	Vanguard Total Bond Market Index Fund	24,805,737
CollegeCounts Fund 40	Vanguard Total International Stock Index Fund	7,836,367
CollegeCounts Fund 40	Vanguard Real Estate Index Fund	1,946,712
Total CollegeCounts Fund 40		<u>66,312,598</u>
CollegeCounts Fund 50	Vanguard Total Stock Market Index Fund	18,428,258
CollegeCounts Fund 50	Vanguard Short-Term Inflation- Protected Securities Index Fund	2,310,143
CollegeCounts Fund 50	Vanguard Short-Term Bond Index Fund	6,418,889
CollegeCounts Fund 50	Vanguard Total Bond Market Index Fund	20,393,000
CollegeCounts Fund 50	Vanguard Total International Stock Index Fund	8,640,909
CollegeCounts Fund 50	Vanguard Real Estate Index Fund	1,701,598
Total CollegeCounts Fund 50		<u>57,892,797</u>
CollegeCounts Fund 60	Vanguard Total Stock Market Index Fund	28,510,259
CollegeCounts Fund 60	Vanguard Short-Term Inflation- Protected Securities Index Fund	3,199,180
CollegeCounts Fund 60	Vanguard Short-Term Bond Index Fund	7,310,108
CollegeCounts Fund 60	Vanguard Total Bond Market Index Fund	21,905,428
CollegeCounts Fund 60	Vanguard Total International Stock Index Fund	15,090,445
CollegeCounts Fund 60	Vanguard Real Estate Index Fund	3,991,634
Total CollegeCounts Fund 60		<u>80,007,054</u>

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 3: Investments - Continued**

Portfolio	Investment	Balance
CollegeCounts Fund 70	Vanguard Total Stock Market Index Fund	\$ 25,360,263
CollegeCounts Fund 70	Vanguard Short-Term Inflation-Protected Securities Index Fund	2,565,211
CollegeCounts Fund 70	Vanguard Short-Term Bond Index Fund	3,901,452
CollegeCounts Fund 70	Vanguard Total Bond Market Index Fund	12,952,565
CollegeCounts Fund 70	Vanguard Total International Stock Index Fund	14,712,748
CollegeCounts Fund 70	Vanguard Real Estate Index Fund	4,391,495
Total CollegeCounts Fund 70		<u>63,883,734</u>
CollegeCounts Fund 80	Vanguard Total Stock Market Index Fund	42,622,495
CollegeCounts Fund 80	Vanguard Short-Term Inflation-Protected Securities Index Fund	2,643,970
CollegeCounts Fund 80	Vanguard Short-Term Bond Index Fund	3,584,852
CollegeCounts Fund 80	Vanguard Total Bond Market Index Fund	11,583,655
CollegeCounts Fund 80	Vanguard Total International Stock Index Fund	22,604,775
CollegeCounts Fund 80	Vanguard Real Estate Index Fund	4,298,442
Total CollegeCounts Fund 80		<u>87,338,189</u>
CollegeCounts Fund 90	Vanguard Total Stock Market Index Fund	20,657,779
CollegeCounts Fund 90	Vanguard Short-Term Inflation-Protected Securities Index Fund	775,559
CollegeCounts Fund 90	Vanguard Short-Term Bond Index Fund	786,814
CollegeCounts Fund 90	Vanguard Total Bond Market Index Fund	2,325,284
CollegeCounts Fund 90	Vanguard Total International Stock Index Fund	11,493,023
CollegeCounts Fund 90	Vanguard Real Estate Index Fund	2,257,485
Total CollegeCounts Fund 90		<u>38,295,944</u>
CollegeCounts Fund 100	Vanguard Total Stock Market Index Fund	29,011,362
CollegeCounts Fund 100	Vanguard Total International Stock Index Fund	18,653,496
CollegeCounts Fund 100	Vanguard Real Estate Index Fund	4,089,344
Total CollegeCounts Fund 100		<u>51,754,202</u>
		<u>\$ 868,758,558</u>

The following table reconciles the fair value of investments to the net position held in trust at September 30, 2021:

Fair value of investments, end of year	\$ 868,758,558
Plus Bank Savings 529 Portfolio	2,661,881
Plus cash, receivables and accrued investment income	2,830,391
Less payables and accrued expenses	<u>(1,545,461)</u>
Net position held in trust, end of year	<u>\$ 872,705,369</u>



**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 3: Investments - Continued**

The following table calculates the net realized gain and net appreciation in the value of investments for the year ended September 30, 2021:

Fair value of investments, end of year	\$ 868,758,558
Less cost of investments purchased and investment income reinvested during the year	(138,320,634)
Plus proceeds from investments sold during the year and management fees	60,069,115
Less net position held in trust, beginning of year	<u>(677,413,927)</u>
 Net realized gain and net appreciation in fair value of investments	 <u><u>\$ 113,093,112</u></u>

The mutual and money market funds in which the Plan invests are comprised of various investment securities, which include corporate debt and equity securities, obligations of the United States government and government agencies, and international equity securities. These securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with these investment securities, it is at least reasonably possible that changes in their fair values may occur in the near term and that such changes could materially affect account owner balances and the amounts reported in the Plan’s financial statements.

GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*, as amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that certain disclosures be made related to the Plan’s exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Plan’s investment policy does not specifically address credit risk, as permitted investments are generally mutual funds. At September 30, 2021, approximately 5% of the investments in the plan have an AAA risk rating and 32% have a Baa>AA risk rating. Approximately 63% of the investments in the plan are not rated.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 3: Investments - Continued**

Interest Rate Risk – Although the investment funds listed below are invested primarily in short and intermediate-term bonds, these Underlying Funds are exposed to interest rate risk, which is the risk that changes in interest rates will adversely affect their fair values. As of September 30, 2021, the average duration and effective maturity of holdings in each of these mutual funds was as follows:

	<u>Average Duration</u>	<u>Average Maturity</u>
PIMCO Short-Term	0.26 years	0.09 years
Vanguard Total Bond Market Index	6.8 years	8.7 years
Vanguard Prime MoneyMarket	68 days	25 days
Vanguard Inflation-Protected Securities	7.7 years	8.1 years
Vanguard Short-Term Bond Index	2.8 years	2.9 years
Vanguard Short-Term Inflation-Protected	2.6 years	2.7 years
Fidelity Advisor Investment Grade Bond	6.41 years	8.30 years
T.Rowe Price Balanced	6.15 years	7.58 years
PGIM Total Return Bond Fund	6.96 years	-

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Since the Underlying Funds represent shares of mutual funds rather than individual securities, they are not subject to classification by custodial credit risk.

Concentration of Credit Risk – The Plan places no limit on the amount that may be invested in any one issuer; however, approximately 96% of the investments are with mutual funds and approximately 4% are invested in money market funds.

Foreign Currency Risk – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Plan’s exposure to foreign currency risk derives from its investment in Underlying Funds with international holdings. The Plan had no investments denominated in foreign currency at September 30, 2021.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 4: Fees and Expenses**

***Asset-Based Fees***

The Portfolios are assessed a program management fee of 0.17%, which is accrued daily and paid to the Program Manager for providing administrative, management, and other services. In its sole discretion, the Program Manager may waive a portion of the program management fees. Asset-based fees related to the year ended September 30, 2021, or the program management fee, totaled \$1,355,213.

***Underlying Fund Expenses***

Fees related to the management of each of the Underlying Funds are paid directly to the related fund manager or advisor and reduce the amount of income available for distribution to Portfolios. These expenses are not reflected in the Plan's financial statements. The expense ratio of the Underlying Funds, which are the ratios of the total operating expenses of the Underlying Funds as a percentage of their average daily net position, vary over time and ranged from 0.04% to 0.07% for the Age-Based and Target Portfolios and 0.00% to 0.63% for the Individual Fund Portfolios for the year ended September 30, 2021.

**Note 5: Related Party Investments**

A related entity of the State of Alabama has investment accounts in the Plan totaling approximately 2% of fiduciary net position held in trust at September 30, 2021.

**Note 6: Disclosures About Fair Value of Assets**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 6: Disclosures About Fair Value of Assets - Continued**

- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021:

	<b>Fair Value</b>	<b>Fair Value Measurements Using</b>		
		<b>Quoted prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Investments by fair value level</b>				
Equity securities				
Money market mutual funds	\$ 34,787,123	\$ 34,787,123	\$ -	\$ -
Mutual funds	<u>833,971,435</u>	833,971,435	-	-
Total investments measured at fair value	<u>\$ 868,758,558</u>			

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There were no securities classified within Level 2 or Level 3 at September 30, 2021.

**CollegeCounts 529 Fund**  
**Notes to the Financial Statements**  
**September 30, 2021**

**Note 7: Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities 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 investment securities will occur in the near term and that such changes could materially affect the account owners' account balances and the amounts reported in the statement of fiduciary net position.

The financial statements have been prepared using values and information currently available to the Plan. Given the potential volatility of economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

As a result of the spread of the SARS – CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position of the Plan. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

## **Supplemental Schedules**

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2021**

	Portfolio						
	Bank Savings 529 Portfolio	DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Small Cap Value 529 Portfolio	Dodge & Cox International Stock 529 Portfolio	Fidelity Advisor Investment Grade Bond 529 Portfolio	PGIM Total Return Bond 529 Portfolio	PIMCO Short- Term 529 Portfolio
<b>Fiduciary Assets</b>							
Investments, at fair value	\$ -	\$ 3,372,052	\$ 3,501,249	\$ 3,003,950	\$ 832,793	\$ 437,828	\$ 1,642,116
Cash in Bank Savings Portfolio	2,661,881	-	-	-	-	-	-
Cash	-	3,947	20	40	-	-	-
Receivables for contributions	4,185	510	935	488	277	2	2
Accrued investment income	1,067	15,454	10,753	-	1,101	940	756
Total fiduciary assets	<u>2,667,133</u>	<u>3,391,963</u>	<u>3,512,957</u>	<u>3,004,478</u>	<u>834,171</u>	<u>438,770</u>	<u>1,642,874</u>
<b>Liabilities</b>							
Distributions payable to shareholders	169	-	-	-	-	-	-
Withdrawals payable	-	249	-	931	-	980	-
Accrued expenses	363	479	486	425	119	180	218
Total liabilities	<u>532</u>	<u>728</u>	<u>486</u>	<u>1,356</u>	<u>119</u>	<u>1,160</u>	<u>218</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 2,666,601</u>	<u>\$ 3,391,235</u>	<u>\$ 3,512,471</u>	<u>\$ 3,003,122</u>	<u>\$ 834,052</u>	<u>\$ 437,610</u>	<u>\$ 1,642,656</u>
<b>Unit Information</b>							
Units outstanding	2,662,327	188,612	205,162	249,392	63,443	41,233	138,413
Net position value per unit, ending	\$ 1.00	\$ 17.98	\$ 17.12	\$ 12.04	\$ 13.14	\$ 10.64	\$ 11.87
Net position value per unit, beginning	\$ 1.00	\$ 12.78	\$ 9.93	\$ 8.93	\$ 13.12	\$ 10.57	\$ 11.86

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2021**

	<b>Portfolio</b>						
	<b>T. Rowe Price Balanced 529 Portfolio</b>	<b>T. Rowe Price Large-Cap Growth 529 Portfolio</b>	<b>Vanguard Explorer 529 Portfolio</b>	<b>Vanguard 500 Index 529 Portfolio</b>	<b>Vanguard Extended Market Index 529 Portfolio</b>	<b>Vanguard Growth Index 529 Portfolio</b>	<b>Vanguard Inflation- Protected Securities 529 Portfolio</b>
<b>Fiduciary Assets</b>							
Investments, at fair value	\$ 8,093,993	\$ 15,498,177	\$ 3,762,505	\$ 51,447,148	\$ 3,734,123	\$ 30,896,268	\$ 3,316,125
Cash in Bank Savings Portfolio	-	-	-	-	-	-	-
Cash	13,256	-	-	-	-	9,507	10
Receivables for contributions	388	2,845	442	8,205	249	3,290	91
Accrued investment income	-	-	-	-	-	-	61,862
<b>Total fiduciary assets</b>	<b>8,107,637</b>	<b>15,501,022</b>	<b>3,762,947</b>	<b>51,455,353</b>	<b>3,734,372</b>	<b>30,909,065</b>	<b>3,378,088</b>
<b>Liabilities</b>							
Distributions payable to shareholders	-	-	-	-	-	-	-
Withdrawals payable	1,455	1,520	898	45,101	-	1,955	1,838
Accrued expenses	1,163	4,288	632	8,849	20,455	4,520	471
<b>Total liabilities</b>	<b>2,618</b>	<b>5,808</b>	<b>1,530</b>	<b>53,950</b>	<b>20,455</b>	<b>6,475</b>	<b>2,309</b>
<b>Fiduciary Net Position Held in Trust</b>	<b>\$ 8,105,019</b>	<b>\$ 15,495,214</b>	<b>\$ 3,761,417</b>	<b>\$ 51,401,403</b>	<b>\$ 3,713,917</b>	<b>\$ 30,902,590</b>	<b>\$ 3,375,779</b>
<b>Unit Information</b>							
Units outstanding	290,965	441,013	145,506	1,107,674	83,535	512,175	228,589
Net position value per unit, ending	\$ 27.86	\$ 35.13	\$ 25.85	\$ 46.44	\$ 44.46	\$ 60.33	\$ 14.78
Net position value per unit, beginning	\$ 23.33	\$ 26.82	\$ 18.24	\$ 35.78	\$ 31.35	\$ 47.18	\$ 14.08



**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2021**

	Portfolio						
	Vanguard Mid-Cap Index 529 Portfolio	Vanguard Prime Money Market 529 Portfolio	Vanguard Real Estate Index 529 Portfolio	Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Value Index 529 Portfolio	Vanguard Total Bond Market Index 529 Portfolio
<b>Fiduciary Assets</b>							
Investments, at fair value	\$ 13,919,664	\$ 16,091,861	\$ 5,926,248	\$ 12,267,948	\$ 6,268,823	\$ 4,856,802	\$ 14,000,584
Cash in Bank Savings Portfolio	-	-	-	-	-	-	-
Cash	107	-	118	39	-	-	40
Receivables for contributions	2,349	4,177	1,140	1,875	1,080	(3,793)	1,100
Accrued investment income	-	132	-	-	-	-	21,308
Total fiduciary assets	<u>13,922,120</u>	<u>16,096,170</u>	<u>5,927,506</u>	<u>12,269,862</u>	<u>6,269,903</u>	<u>4,853,009</u>	<u>14,023,032</u>
<b>Liabilities</b>							
Distributions payable to shareholders	-	28	-	-	-	-	-
Withdrawals payable	-	10,873	-	1,430	790	-	338
Accrued expenses	<u>2,003</u>	<u>13</u>	<u>867</u>	<u>1,776</u>	<u>966</u>	<u>880</u>	<u>1,967</u>
Total liabilities	<u>2,003</u>	<u>10,914</u>	<u>867</u>	<u>3,206</u>	<u>1,756</u>	<u>880</u>	<u>2,305</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 13,920,117</u>	<u>\$ 16,085,256</u>	<u>\$ 5,926,639</u>	<u>\$ 12,266,656</u>	<u>\$ 6,268,147</u>	<u>\$ 4,852,129</u>	<u>\$ 14,020,727</u>
<b>Unit Information</b>							
Units outstanding	331,708	16,093,745	202,836	265,843	155,419	138,881	1,003,205
Net position value per unit, ending	\$ 41.96	\$ 1.00	\$ 29.21	\$ 46.14	\$ 40.33	\$ 34.96	\$ 13.98
Net position value per unit, beginning	\$ 30.88	\$ 1.00	\$ 21.92	\$ 35.30	\$ 28.04	\$ 22.48	\$ 14.13

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2021**

	Portfolio					
	Vanguard Total International Stock Index 529 Portfolio	Vanguard Total Stock Market Index 529 Portfolio	Vanguard Value Index 529 Portfolio	Vanguard Short-Term Inflation- Protected 529 Portfolio	Vanguard Short-Term Bond Index 529 Portfolio	CollegeCounts Fixed Income Fund
<b>Fiduciary Assets</b>						
Investments, at fair value	\$ 13,438,860	\$ 32,516,567	\$ 7,538,865	\$ 1,505,590	\$ 3,089,199	\$ 11,013,889
Cash in Bank Savings Portfolio	-	-	-	-	-	-
Cash	954	28,435	4,535	-	-	-
Receivables for contributions	4,552	9,818	3,326	36	40	13,590
Accrued investment income	-	-	-	25,401	2,737	31,965
	<u>13,444,366</u>	<u>32,554,820</u>	<u>7,546,726</u>	<u>1,531,027</u>	<u>3,091,976</u>	<u>11,059,444</u>
Total fiduciary assets						
<b>Liabilities</b>						
Distributions payable to shareholders	-	-	-	-	-	-
Withdrawals payable	1,290	1,456	766	-	-	1,200
Accrued expenses	1,935	4,680	1,089	213	1,392	5,893
	<u>3,225</u>	<u>6,136</u>	<u>1,855</u>	<u>213</u>	<u>1,392</u>	<u>7,093</u>
Total liabilities						
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 13,441,141</u>	<u>\$ 32,548,684</u>	<u>\$ 7,544,871</u>	<u>\$ 1,530,814</u>	<u>\$ 3,090,584</u>	<u>\$ 11,052,351</u>
<b>Unit Information</b>						
Units outstanding	708,460	699,172	208,696	132,659	269,725	945,262
Net position value per unit, ending	\$ 18.97	\$ 46.54	\$ 36.14	\$ 11.54	\$ 11.46	\$ 11.68
Net position value per unit, beginning	\$ 15.29	\$ 35.29	\$ 27.33	\$ 10.96	\$ 11.48	\$ 11.62

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2021**

	<b>Portfolio</b>					
	<b>CollegeCounts Fund 10</b>	<b>CollegeCounts Fund 20</b>	<b>CollegeCounts Fund 30</b>	<b>CollegeCounts Fund 40</b>	<b>CollegeCounts Fund 50</b>	<b>CollegeCounts Fund 60</b>
<b>Fiduciary Assets</b>						
Investments, at fair value	\$ 34,461,867	\$ 57,542,007	\$ 59,296,939	\$ 66,312,598	\$ 57,892,797	\$ 80,007,054
Cash in Bank Savings Portfolio	-	-	-	-	-	-
Cash	10,300	-	221,255	-	385,903	-
Receivables for contributions	50,725	291,434	32,796	68,860	112,457	63,011
Accrued investment income	103,249	149,158	172,175	147,073	76,410	93,410
	<u>34,626,141</u>	<u>57,982,599</u>	<u>59,723,165</u>	<u>66,528,531</u>	<u>58,467,567</u>	<u>80,163,475</u>
Total fiduciary assets						
<b>Liabilities</b>						
Distributions payable to shareholders	-	-	-	-	-	-
Withdrawals payable	23,686	51,815	280,391	21,460	5,104	104,619
Accrued expenses	4,788	34,937	8,331	80,749	8,337	401,547
	<u>28,474</u>	<u>86,752</u>	<u>288,722</u>	<u>102,209</u>	<u>13,441</u>	<u>506,166</u>
Total liabilities						
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 34,597,667</u>	<u>\$ 57,895,847</u>	<u>\$ 59,434,443</u>	<u>\$ 66,426,322</u>	<u>\$ 58,454,126</u>	<u>\$ 79,657,309</u>
<b>Unit Information</b>						
Units outstanding	2,929,940	3,525,720	4,455,242	3,212,572	3,908,088	3,249,540
Net position value per unit, ending	\$ 11.80	\$ 16.35	\$ 13.40	\$ 20.66	\$ 14.93	\$ 24.53
Net position value per unit, beginning	\$ 11.44	\$ 15.45	\$ 12.33	\$ 18.57	\$ 13.11	\$ 20.97

**CollegeCounts 529 Fund**  
**Schedule of Fiduciary Net Position by Portfolio**  
**September 30, 2021**

	<b>Portfolio</b>				
	<b>CollegeCounts Fund 70</b>	<b>CollegeCounts Fund 80</b>	<b>CollegeCounts Fund 90</b>	<b>CollegeCounts Fund 100</b>	<b>Plan Total</b>
<b>Fiduciary Assets</b>					
Investments, at fair value	\$ 63,883,734	\$ 87,338,189	\$ 38,295,944	\$ 51,754,202	\$ 868,758,558
Cash in Bank Savings Portfolio	-	-	-	-	2,661,881
Cash	-	11,826	-	-	690,292
Receivables for contributions	188,944	81,352	71,862	52,781	1,075,421
Accrued investment income	66,870	65,466	17,391	-	1,064,678
	<u>64,139,548</u>	<u>87,496,833</u>	<u>38,385,197</u>	<u>51,806,983</u>	<u>874,250,830</u>
<b>Liabilities</b>					
Distributions payable to shareholders	-	-	-	-	197
Withdrawals payable	47,020	139,374	11,171	23,714	781,424
Accrued expenses	104,651	12,518	12,664	28,996	763,840
	<u>151,671</u>	<u>151,892</u>	<u>23,835</u>	<u>52,710</u>	<u>1,545,461</u>
<b>Fiduciary Net Position Held in Trust</b>	<u><u>\$ 63,987,877</u></u>	<u><u>\$ 87,344,941</u></u>	<u><u>\$ 38,361,362</u></u>	<u><u>\$ 51,754,273</u></u>	<u><u>\$ 872,705,369</u></u>
<b>Unit Information</b>					
Units outstanding	3,933,188	2,989,961	2,138,201	1,532,604	
Net position value per unit, ending	\$ 16.23	\$ 29.23	\$ 17.91	\$ 33.75	
Net position value per unit, beginning	\$ 13.53	\$ 23.74	\$ 14.18	\$ 26.10	

## CollegeCounts 529 Fund

### Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio For the Year Ended September 30, 2021

	Portfolio					
	Bank Savings 529 Portfolio	DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Small Cap Value 529 Portfolio	Dodge & Cox International Stock 529 Portfolio	Fidelity Advisor Investment Grade Bond 529 Portfolio	PGIM Total Return Bond 529 Portfolio
<b>Additions</b>						
Contributions	\$ 937,266	\$ 395,878	\$ 328,492	\$ 435,501	\$ 153,945	\$ 60,773
Exchanges in	2,453,981	1,163,616	2,137,409	290,291	191,425	201,302
Investment Income						
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	-	677,660	673,492	633,728	(36,883)	(8,077)
Dividends and interest	11,261	48,058	39,228	43,118	39,773	10,563
Net investment earnings	11,261	725,718	712,720	676,846	2,890	2,486
Total additions	3,402,508	2,285,212	3,178,621	1,402,638	348,260	264,561
<b>Deductions</b>						
Withdrawals	437,994	128,588	59,093	78,584	168,108	59,005
Exchanges out	1,905,559	393,525	426,572	228,219	238,954	50,091
Management fees	11,172	4,544	4,012	4,560	1,509	650
Total deductions	2,354,725	526,657	489,677	311,363	408,571	109,746
<b>Net Increase (Decrease)</b>	1,047,783	1,758,555	2,688,944	1,091,275	(60,311)	154,815
<b>Fiduciary Net Position, Beginning of Year</b>	1,618,818	1,632,680	823,527	1,911,847	894,363	282,795
<b>Fiduciary Net Position, End of Year</b>	\$ 2,666,601	\$ 3,391,235	\$ 3,512,471	\$ 3,003,122	\$ 834,052	\$ 437,610
<b>Financial Highlights For the Year</b>						
Ratio of net investment income to average net position*	0.50%	29.45%	34.69%	26.65%	0.32%	0.70%
Ratio of expense to average net position **	0.17%	0.18%	0.20%	0.18%	0.17%	0.18%
Total return ***	0.00%	40.69%	72.41%	34.83%	0.15%	0.66%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

## CollegeCounts 529 Fund

### Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio For the Year Ended September 30, 2021

	Portfolio						
	PIMCO Short- Term 529 Portfolio	T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Large-Cap Growth 529 Portfolio	Vanguard Explorer 529 Portfolio	Vanguard 500 Index 529 Portfolio	Vanguard Extended Market Index 529 Portfolio	Vanguard Growth Index 529 Portfolio
<b>Additions</b>							
Contributions	\$ 172,034	\$ 928,310	\$ 2,368,511	\$ 666,104	\$ 6,089,826	\$ 469,354	\$ 5,216,896
Exchanges in	260,380	349,328	2,209,789	851,137	4,871,584	557,379	2,801,929
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	(6,744)	997,174	3,570,714	763,049	9,457,945	914,270	6,275,307
Dividends and interest	19,380	332,500	53,156	185,044	1,535,970	40,518	156,739
Net investment earnings	12,636	1,329,674	3,623,870	948,093	10,993,915	954,788	6,432,046
Total additions	445,050	2,607,312	8,202,170	2,465,334	21,955,325	1,981,521	14,450,871
<b>Deductions</b>							
Withdrawals	349,430	677,311	844,221	331,930	1,959,910	207,220	1,834,535
Exchanges out	261,854	488,394	2,769,193	437,072	2,900,614	245,994	3,192,083
Management fees	2,873	13,216	24,152	5,640	76,543	5,706	46,255
Total deductions	614,157	1,178,921	3,637,566	774,642	4,937,067	458,920	5,072,873
<b>Net Increase (Decrease)</b>	(169,107)	1,428,391	4,564,604	1,690,692	17,018,258	1,522,601	9,377,998
<b>Fiduciary Net Position, Beginning of Year</b>	1,811,763	6,676,628	10,930,610	2,070,725	34,383,145	2,191,316	21,524,592
<b>Fiduciary Net Position, End of Year</b>	\$ 1,642,656	\$ 8,105,019	\$ 15,495,214	\$ 3,761,417	\$ 51,401,403	\$ 3,713,917	\$ 30,902,590
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	0.73%	17.60%	27.00%	31.41%	25.59%	29.52%	24.74%
Ratio of expense to average net position **	0.17%	0.17%	0.18%	0.19%	0.18%	0.18%	0.18%
Total return ***	0.08%	19.42%	30.98%	41.72%	29.79%	41.82%	27.87%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

## CollegeCounts 529 Fund

### Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

#### For the Year Ended September 30, 2021

	Portfolio						
	Vanguard Inflation- Protected Securities 529 Portfolio	Vanguard Mid- Cap Index 529 Portfolio	Vanguard Prime Money Market 529 Portfolio	Vanguard Real Estate Index 529 Portfolio	Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Value Index 529 Portfolio
<b>Additions</b>							
Contributions	\$ 365,663	\$ 1,468,669	\$ 5,343,932	\$ 572,622	\$ 1,574,902	\$ 745,819	\$ 681,933
Exchanges in	981,140	625,787	3,885,214	535,910	1,138,571	397,686	818,638
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	21,392	3,415,558	-	1,227,166	2,605,030	1,783,642	1,570,185
Dividends and interest	129,003	164,357	2,706	178,510	49,268	73,637	79,968
Net investment earnings	150,395	3,579,915	2,706	1,405,676	2,654,298	1,857,279	1,650,153
Total additions	1,497,198	5,674,371	9,231,852	2,514,208	5,367,771	3,000,784	3,150,724
<b>Deductions</b>							
Withdrawals	262,163	783,557	6,633,590	163,223	631,941	196,646	304,420
Exchanges out	365,629	754,582	3,952,185	415,889	872,943	670,112	913,382
Management fees	4,925	21,485	2,790	8,782	19,568	9,914	7,591
Total deductions	632,717	1,559,624	10,588,565	587,894	1,524,452	876,672	1,225,393
<b>Net Increase (Decrease)</b>	864,481	4,114,747	(1,356,713)	1,926,314	3,843,319	2,124,112	1,925,331
<b>Fiduciary Net Position, Beginning of Year</b>	2,511,298	9,805,370	17,441,969	4,000,325	8,423,337	4,144,035	2,926,798
<b>Fiduciary Net Position, End of Year</b>	\$ 3,375,779	\$ 13,920,117	\$ 16,085,256	\$ 5,926,639	\$ 12,266,656	\$ 6,268,147	\$ 4,852,129
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	5.34%	29.56%	0.02%	28.10%	24.50%	32.56%	39.37%
Ratio of expense to average net position **	0.17%	0.18%	0.02%	0.18%	0.18%	0.17%	0.18%
Total return ***	4.97%	35.88%	0.00%	33.26%	30.71%	43.83%	55.52%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

## CollegeCounts 529 Fund

### Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio For the Year Ended September 30, 2021

	Portfolio						
	Vanguard Total Bond Market Index 529 Portfolio	Vanguard Total International Stock Index 529 Portfolio	Vanguard Total Stock Market Index 529 Portfolio	Vanguard Value Index 529 Portfolio	Vanguard Short-Term Inflation- Protected 529 Portfolio	Vanguard Short-Term Bond Index 529 Portfolio	CollegeCounts Fixed Income Fund
<b>Additions</b>							
Contributions	\$ 1,271,956	\$ 1,711,122	\$ 4,401,808	\$ 780,546	\$ 131,627	\$ 394,502	\$ 2,789,766
Exchanges in	1,659,619	1,114,351	2,868,108	1,018,125	747,178	562,174	3,713,049
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	(433,491)	2,410,817	6,864,260	1,590,746	17,945	(40,531)	(40,985)
Dividends and interest	301,910	345,764	398,356	164,004	47,734	41,879	116,564
Net investment earnings	(131,581)	2,756,581	7,262,616	1,754,750	65,679	1,348	75,579
Total additions	<u>2,799,994</u>	<u>5,582,054</u>	<u>14,532,532</u>	<u>3,553,421</u>	<u>944,484</u>	<u>958,024</u>	<u>6,578,394</u>
<b>Deductions</b>							
Withdrawals	986,082	656,735	1,332,921	411,532	118,968	466,273	4,301,687
Exchanges out	1,947,035	2,913,034	1,901,131	987,265	98,389	865,676	700,869
Management fees	23,832	22,554	48,539	11,852	2,066	5,495	17,717
Total deductions	<u>2,956,949</u>	<u>3,592,323</u>	<u>3,282,591</u>	<u>1,410,649</u>	<u>219,423</u>	<u>1,337,444</u>	<u>5,020,273</u>
<b>Net Increase (Decrease)</b>	(156,955)	1,989,731	11,249,941	2,142,772	725,061	(379,420)	1,558,121
<b>Fiduciary Net Position, Beginning of Year</b>	<u>14,177,682</u>	<u>11,451,410</u>	<u>21,298,743</u>	<u>5,402,099</u>	<u>805,753</u>	<u>3,470,004</u>	<u>9,494,230</u>
<b>Fiduciary Net Position, End of Year</b>	<u>\$ 14,020,727</u>	<u>\$ 13,441,141</u>	<u>\$ 32,548,684</u>	<u>\$ 7,544,871</u>	<u>\$ 1,530,814</u>	<u>\$ 3,090,584</u>	<u>\$ 11,052,351</u>
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	-0.93%	21.27%	26.75%	26.37%	5.85%	0.04%	0.74%
Ratio of expense to average net position **	0.17%	0.17%	0.18%	0.18%	0.18%	0.17%	0.17%
Total return ***	-1.06%	24.07%	31.88%	32.24%	5.29%	-0.17%	0.52%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.



**CollegeCounts 529 Fund**  
**Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio**  
**For the Year Ended September 30, 2021**

	Portfolio						
	CollegeCounts Fund 10	CollegeCounts Fund 20	CollegeCounts Fund 30	CollegeCounts Fund 40	CollegeCounts Fund 50	CollegeCounts Fund 60	CollegeCounts Fund 70
<b>Additions</b>							
Contributions	\$ 4,388,708	\$ 9,266,056	\$ 6,116,901	\$ 7,431,443	\$ 6,894,555	\$ 9,839,656	\$ 8,944,032
Exchanges in	14,146,098	26,587,723	30,984,757	33,538,310	28,635,189	35,814,280	24,670,040
Investment Income							
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	493,734	2,025,496	3,284,741	5,093,773	5,958,829	8,972,918	9,807,498
Dividends and interest	520,419	985,631	1,132,303	1,264,747	1,083,011	1,431,672	1,264,880
Net investment earnings	1,014,153	3,011,127	4,417,044	6,358,520	7,041,840	10,404,590	11,072,378
Total additions	<u>19,548,959</u>	<u>38,864,906</u>	<u>41,518,702</u>	<u>47,328,273</u>	<u>42,571,584</u>	<u>56,058,526</u>	<u>44,686,450</u>
<b>Deductions</b>							
Withdrawals	9,287,379	12,014,776	3,524,719	1,981,944	1,189,286	2,940,853	754,073
Exchanges out	4,368,265	16,083,565	26,606,994	31,336,808	32,512,892	30,651,555	34,158,116
Management fees	54,160	90,556	92,966	105,077	94,360	121,389	105,858
Total deductions	<u>13,709,804</u>	<u>28,188,897</u>	<u>30,224,679</u>	<u>33,423,829</u>	<u>33,796,538</u>	<u>33,713,797</u>	<u>35,018,047</u>
<b>Net Increase (Decrease)</b>	5,839,155	10,676,009	11,294,023	13,904,444	8,775,046	22,344,729	9,668,403
<b>Fiduciary Net Position, Beginning of Year</b>	<u>28,758,512</u>	<u>47,219,838</u>	<u>48,140,420</u>	<u>52,521,878</u>	<u>49,679,080</u>	<u>57,312,580</u>	<u>54,319,474</u>
<b>Fiduciary Net Position, End of Year</b>	<u>\$ 34,597,667</u>	<u>\$ 57,895,847</u>	<u>\$ 59,434,443</u>	<u>\$ 66,426,322</u>	<u>\$ 58,454,126</u>	<u>\$ 79,657,309</u>	<u>\$ 63,987,877</u>
<b>Financial Highlights For the Year</b>							
Ratio of net investment income to average net position*	3.24%	5.75%	8.29%	10.58%	12.95%	15.13%	18.21%
Ratio of expense to average net position **	0.17%	0.17%	0.17%	0.17%	0.17%	0.18%	0.17%
Total return ***	3.15%	5.83%	8.68%	11.25%	13.88%	16.98%	19.96%

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

**CollegeCounts 529 Fund**  
**Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio**  
**For the Year Ended September 30, 2021**

	Portfolio				
	CollegeCounts Fund 80	CollegeCounts Fund 90	CollegeCounts Fund 100	Eliminations	Plan Total
<b>Additions</b>					
Contributions	\$ 13,420,589	\$ 10,595,417	\$ 10,905,558	\$ -	\$ 128,260,672
Exchanges in	18,927,291	7,987,883	1,122,476	(260,819,147)	-
Investment Income					
Net realized gain (loss) and net appreciation (depreciation) in fair value of investments	14,378,949	7,386,439	10,787,366	-	113,093,112
Dividends and interest	1,588,080	711,963	960,560	-	15,552,234
Net investment earnings	15,967,029	8,098,402	11,747,926	-	128,645,346
Total additions	48,314,909	26,681,702	23,775,960	(260,819,147)	256,906,018
<b>Deductions</b>					
Withdrawals	1,917,942	591,109	1,671,615	-	60,259,363
Exchanges out	26,255,153	17,512,571	10,436,983	(260,819,147)	-
Management fees	138,258	62,344	82,303	-	1,355,213
Total deductions	28,311,353	18,166,024	12,190,901	(260,819,147)	61,614,576
<b>Net Increase (Decrease)</b>	20,003,556	8,515,678	11,585,059	-	195,291,442
<b>Fiduciary Net Position, Beginning of Year</b>	67,341,385	29,845,684	40,169,214	-	677,413,927
<b>Fiduciary Net Position, End of Year</b>	\$ 87,344,941	\$ 38,361,362	\$ 51,754,273	\$ -	\$ 872,705,369
<b>Financial Highlights For the Year</b>					
Ratio of net investment income to average net position*	19.95%	22.92%	25.05%		
Ratio of expense to average net position **	0.17%	0.18%	0.18%		
Total return ***	23.13%	26.30%	29.31%		

\* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

\*\* This ratio represents the Plan's expenses divided by average net position.

\*\*\* Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment trans

**CollegeCounts 529 Fund**  
**Schedule of Investments (Age-Based Target Portfolios)**  
**September 30, 2021**

Target Portfolios	Portfolios					
	CollegeCounts Fixed Income Fund	CollegeCounts Fund 10	CollegeCounts Fund 20	CollegeCounts Fund 30	CollegeCounts Fund 40	CollegeCounts Fund 50
<b>Age-Based Aggressive Portfolios</b>			19 and over	17 - 18	15 - 16	13 - 14
<b>Age-Based Moderate Portfolios</b>		19 and over	17 - 18	15 - 16	13 - 14	11 - 12
<b>Age-Based Conservative Portfolios</b>	19 and over	17 - 18	15 - 16	13 - 14	11 - 12	9 - 10
Vanguard Prime Money Market Fund	\$ 5,518,265	\$ 7,962,949	\$ 5,214,048	\$ -	\$ -	\$ -
<b>Money Market Total</b>	<u>5,518,265</u>	<u>7,962,949</u>	<u>5,214,048</u>	<u>-</u>	<u>-</u>	<u>-</u>
Vanguard Short-Term Bond Index	2,208,368	7,616,536	14,468,775	13,128,357	9,422,587	6,418,889
Vanguard Total Bond Market Index Fund	1,657,724	10,709,972	20,207,072	20,847,906	24,805,737	20,393,000
Vanguard Short-Term Inflation-Protected Securities Fund	1,629,532	4,768,051	6,275,970	7,646,209	5,967,480	2,310,143
<b>Fixed Income Total</b>	<u>5,495,624</u>	<u>23,094,559</u>	<u>40,951,817</u>	<u>41,622,472</u>	<u>40,195,804</u>	<u>29,122,032</u>
Vanguard Real Estate Index Fund	-	336,594	1,692,679	1,755,599	1,946,712	1,701,598
<b>Real Estate Total</b>	<u>-</u>	<u>336,594</u>	<u>1,692,679</u>	<u>1,755,599</u>	<u>1,946,712</u>	<u>1,701,598</u>
Vanguard Total Stock Market Index Fund	-	2,381,645	7,406,543	11,187,696	16,333,715	18,428,258
<b>Domestic Equity Total</b>	<u>-</u>	<u>2,381,645</u>	<u>7,406,543</u>	<u>11,187,696</u>	<u>16,333,715</u>	<u>18,428,258</u>
Vanguard Total International Stock Index Fund	-	686,120	2,276,920	4,731,172	7,836,367	8,640,909
<b>International Equity Total</b>	<u>-</u>	<u>686,120</u>	<u>2,276,920</u>	<u>4,731,172</u>	<u>7,836,367</u>	<u>8,640,909</u>
<b>Fair Value of Investments, End of Year</b>	<u>\$ 11,013,889</u>	<u>\$ 34,461,867</u>	<u>\$ 57,542,007</u>	<u>\$ 59,296,939</u>	<u>\$ 66,312,598</u>	<u>\$ 57,892,797</u>
<b>Fair Value of Investments, End of Year</b>	\$ 11,013,889	\$ 34,461,867	\$ 57,542,007	\$ 59,296,939	\$ 66,312,598	\$ 57,892,797
<b>Plus Cash and Accrued Investment Income</b>	45,555	164,274	440,592	426,226	215,933	574,770
<b>Less Payables and Accrued Expenses</b>	(7,093)	(28,474)	(86,752)	(288,722)	(102,209)	(13,441)
<b>Fiduciary Net Position Held in Trust, End of Year</b>	<u>\$ 11,052,351</u>	<u>\$ 34,597,667</u>	<u>\$ 57,895,847</u>	<u>\$ 59,434,443</u>	<u>\$ 66,426,322</u>	<u>\$ 58,454,126</u>

**CollegeCounts 529 Fund**  
**Schedule of Investments (Age-Based Target Portfolios)**  
**September 30, 2021**

Target Portfolios		Portfolios				
		CollegeCounts Fund 60	CollegeCounts Fund 70	CollegeCounts Fund 80	CollegeCounts Fund 90	CollegeCounts Fund 100
	Age of Beneficiary	11 - 12	9 - 10	6 - 8	3 - 5	newborn to 2
<b>Age-Based Aggressive Portfolios</b>						
<b>Age-Based Moderate Portfolios</b>		9 - 10	6 - 8	3 - 5	newborn to 2	
<b>Age-Based Conservative Portfolios</b>		6 - 8	3 - 5	newborn to 2		
Vanguard Prime Money Market Fund		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Money Market Total</b>		-	-	-	-	-
Vanguard Short-Term Bond Index		7,310,108	3,901,452	3,584,852	786,814	-
Vanguard Total Bond Market Index Fund		21,905,428	12,952,565	11,583,655	2,325,284	-
Vanguard Short-Term Inflation-Protected Securities Fund		3,199,180	2,565,211	2,643,970	775,559	-
<b>Fixed Income Total</b>		32,414,716	19,419,228	17,812,477	3,887,657	-
Vanguard Real Estate Index Fund		3,991,634	4,391,495	4,298,442	2,257,485	4,089,344
<b>Real Estate Total</b>		3,991,634	4,391,495	4,298,442	2,257,485	4,089,344
Vanguard Total Stock Market Index Fund		28,510,259	25,360,263	42,622,495	20,657,779	29,011,362
<b>Domestic Equity Total</b>		28,510,259	25,360,263	42,622,495	20,657,779	29,011,362
Vanguard Total International Stock Index Fund		15,090,445	14,712,748	22,604,775	11,493,023	18,653,496
<b>International Equity Total</b>		15,090,445	14,712,748	22,604,775	11,493,023	18,653,496
<b>Fair Value of Investments, End of Year</b>		<u>\$ 80,007,054</u>	<u>\$ 63,883,734</u>	<u>\$ 87,338,189</u>	<u>\$ 38,295,944</u>	<u>\$ 51,754,202</u>
<b>Fair Value of Investments, End of Year</b>		\$ 80,007,054	\$ 63,883,734	\$ 87,338,189	\$ 38,295,944	\$ 51,754,202
<b>Plus Cash and Accrued Investment Income</b>		156,421	255,814	158,644	89,253	52,781
<b>Less Payables and Accrued Expenses</b>		(506,166)	(151,671)	(151,892)	(23,835)	(52,710)
<b>Fiduciary Net Position Held in Trust, End of Year</b>		<u>\$ 79,657,309</u>	<u>\$ 63,987,877</u>	<u>\$ 87,344,941</u>	<u>\$ 38,361,362</u>	<u>\$ 51,754,273</u>

**CollegeCounts 529 Fund**  
**Combining Schedule of Fiduciary Net Position**  
**September 30, 2021**

	<b>CollegeCounts 529 Fund</b>	<b>CollegeCounts 529 Fund Advisor Plan</b>	<b>Eliminations</b>	<b>Combined Totals</b>
<b>Fiduciary Assets</b>				
Investments, at fair value	\$ 868,758,558	\$ 1,518,629,849	\$ -	\$ 2,387,388,407
Cash in Bank Savings Portfolio	2,661,881	1,626,182	-	4,288,063
Cash	690,292	291,825	-	982,117
Receivables for contributions	1,075,421	1,676,094	-	2,751,515
Accrued investment income	1,064,678	1,188,491	-	2,253,169
	<u>874,250,830</u>	<u>1,523,412,441</u>	<u>-</u>	<u>2,397,663,271</u>
<b>Liabilities</b>				
Distributions payable to shareholders	197	112	-	309
Withdrawals payable	781,424	1,711,760	-	2,493,184
Accrued expenses	763,840	2,015,502	-	2,779,342
	<u>1,545,461</u>	<u>3,727,374</u>	<u>-</u>	<u>5,272,835</u>
<b>Fiduciary Net Position Held in Trust</b>	<u>\$ 872,705,369</u>	<u>\$ 1,519,685,067</u>	<u>\$ -</u>	<u>\$ 2,392,390,436</u>

The combining schedule above does not purport to and does not represent the complete net position of the ACES Trust Fund, of which the plans are a part.

**CollegeCounts 529 Fund**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2021**

	<b>CollegeCounts 529 Fund</b>	<b>CollegeCounts 529 Fund Advisor Plan</b>	<b>Eliminations</b>	<b>Combined Totals</b>
<b>Additions</b>				
Contributions	\$ 128,260,672	\$ 158,111,048	\$ (53,392,044)	\$ 232,979,676
Investment income				
Net realized gain and net appreciation in fair value of investments	113,093,112	197,282,701	-	310,375,813
Dividends and interest	15,552,234	31,374,315	-	46,926,549
Total investment earnings	<u>128,645,346</u>	<u>228,657,016</u>	<u>-</u>	<u>357,302,362</u>
Total additions	<u>256,906,018</u>	<u>386,768,064</u>	<u>(53,392,044)</u>	<u>590,282,038</u>
<b>Deductions</b>				
Withdrawals	60,259,363	174,956,851	(53,392,044)	181,824,170
Management fees	1,355,213	8,497,095	-	9,852,308
Total deductions	<u>61,614,576</u>	<u>183,453,946</u>	<u>(53,392,044)</u>	<u>191,676,478</u>
<b>Net Increase</b>	195,291,442	203,314,118	-	398,605,560
<b>Fiduciary Net Position Held in Trust, Beginning of Year</b>	<u>677,413,927</u>	<u>1,316,370,949</u>	<u>-</u>	<u>1,993,784,876</u>
<b>Fiduciary Net Position Held in Trust, End of Year</b>	<u>\$ 872,705,369</u>	<u>\$ 1,519,685,067</u>	<u>\$ -</u>	<u>\$ 2,392,390,436</u>

The combining schedule above does not purport to and does not represent the complete changes in net position of the ACES Trust Fund, of which the plans are a part.

**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***

**Independent Auditor's Report**

Members of the Board of Trustees of CollegeCounts 529 Fund  
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)  
Montgomery, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the CollegeCounts 529 Fund (the Plan), which comprise the statement of fiduciary net position as of September 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 7, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal 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 Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan'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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Lincoln, Nebraska  
January 7, 2022



## Independent Accountant's Report

Members of the Board of Trustees of CollegeCounts 529 Fund  
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)  
Montgomery, Alabama

We have examined CollegeCounts 529 Fund's (the Plan) compliance with the Program Management Fee during the year ended September 30, 2021, to determine whether it has been calculated in accordance with section 8(a) of the Program Management Agreement dated July 1, 2020 between Alabama College Education Savings Trust Fund and Program Manager. Management is responsible for calculating the Program Management Fee in accordance with the provisions of the agreement. Our responsibility is to express an opinion on the Plan's compliance with the Program Management Fee during the year ended September 30, 2021, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Plan's compliance with the Program Management Fee is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Plan's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Plan's compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Plan's Program Management Fee during the year ended September 30, 2021, has been calculated in accordance with section 8(a) of the Program Management Agreement dated July 1, 2020 between Alabama College Education Savings Trust Fund and the Program Manager, in all material respects.

This report is intended solely for the information and use of the Board of Trustees of the Alabama College Education Savings Trust Fund and the Program Manager of the Plan, and is not intended to be and should not be used by anyone other than the specified parties.

*BKD, LLP*

Lincoln, Nebraska  
January 7, 2022