

CollegeInvest College Savings Program Funds
Financial Statements and Independent Auditor's Reports
Financial Audit
Years Ended June 30, 2020 and 2019
Compliance Audit
Year Ended June 30, 2020

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Members of the Legislative Audit Committee:

We have completed the financial statement audits of CollegeInvest College Savings Program Funds as of and for the years ended June 30, 2020 and 2019. Our audits were conducted 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.

We were engaged to conduct our audits pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions and agencies of State government. The reports which we have issued as a result of this engagement are set forth in the table of contents which follows.

BKD, LLP

November 30, 2020

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CollegInvest
College Savings Program Funds
June 30, 2020 and 2019

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CollegInvest
College Savings Program Funds
Years Ended June 30, 2020 and 2019

REPORT SUMMARY

Purposes and Scope

The Office of the State Auditor, State of Colorado, engaged BKD, LLP to conduct the financial and compliance audit of CollegInvest (a division of the Department of Higher Education, State of Colorado) College Savings Program Funds as of and for the years ended June 30, 2020 and 2019. BKD, LLP performed these audits 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 purposes and scope of our audits were to (i) express opinions on each fiduciary fund of CollegInvest College Savings Program Funds as of and for the fiscal years ended June 30, 2020 and 2019 and (ii) issue a report on CollegInvest College Savings Program Funds' internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters based on our audits of the financial statements performed in accordance with *Government Auditing Standards* for the year ended June 30, 2020.

Audit Opinions and Reports

We expressed unmodified opinions on each fiduciary fund of CollegInvest College Savings Program Funds as of and for the years ended June 30, 2020 and 2019.

Summary of Key Findings and Recommendations

There were no findings for the year ended June 30, 2020.

**Summary of Progress in Implementing
Prior Year Audit Recommendations**

There were no findings for the year ended June 30, 2019.

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CollegInvest
College Savings Program Funds
Years Ended June 30, 2020 and 2019

**DESCRIPTION OF
COLLEGEINVEST
COLLEGE SAVINGS PROGRAM FUNDS**

Organization

The Colorado General Assembly, pursuant to Colorado Revised Statutes 23-3.1-201, et seq. and 23-3.1-301, et seq., established a student obligation bond program (Student Loan Program Funds, which consist of the Borrower Benefit Fund and Bond Funds), an Internal Revenue Code Section 529 college savings program (Scholars Choice College Savings Program “Scholars Choice Fund,” Direct Portfolio College Savings Plan “Direct Portfolio Fund,” Smart Choice College Savings Plan “Smart Choice Fund,” and Stable Value Plus College Savings Plan “Stable Vale Plus Fund,” collectively referred to as the College Savings Program Funds), and an Internal Revenue Code Section 529A Achieving a Better Life Experience (ABLE) savings program, which are administered by CollegInvest. The programs assist students in meeting the expenses incurred in availing themselves of higher education opportunities. The Executive Director of the Colorado Department of Higher Education has responsibility for oversight and management of CollegInvest and appoints the Director of CollegInvest. In addition, CollegInvest has a nine-person Advisory Board of Directors (Board) designated by the Governor with the consent of the State Senate to serve four year terms.

The College Savings Program Funds were established to provide families with an opportunity to save for future college education expenses. The Funds provide an opportunity to invest on a tax-favored basis toward the “qualified higher education expenses” of a designated beneficiary (the Student) associated with attending an institution of higher education. These institutions include most community colleges; public and private four-year colleges, universities, graduate and post-graduate programs; and certain proprietary and vocational schools throughout the United States. “Qualified higher education expenses” include tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a student at an eligible institution of higher education plus, subject to certain limitations, room and board expenses for a student attending such an institution on at least a half-time basis.

The College Savings Program Funds consist of four funds with various options to meet the savings needs of participants. The individual funds and available options are described throughout these financial statements and in greater detail in the notes to the financial statements.

CollegInvest
College Savings Program Funds
Years Ended June 30, 2020 and 2019

**DESCRIPTION OF
COLLEGEINVEST
COLLEGE SAVINGS PROGRAM FUNDS (continued)**

The Colorado Constitution and other State laws prohibit the State from providing its full faith and credit to obligations of other entities, such as the College Savings Program Funds. As a result, payments from the College Savings Program Funds are not guaranteed in any way by the State, and are not considered to have created a debt or obligation of the State. Such payments are limited obligations, payable from each College Savings Program Fund, but not from the other assets of CollegInvest.

Independent Auditor's Report

Members of the Legislative Audit Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of each fiduciary fund of CollegeInvest (a division of the Department of Higher Education, State of Colorado) College Savings Program Funds as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise CollegeInvest College Savings Program Funds' 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 opinions on these financial statements based on our audits. We conducted our audits 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each fiduciary fund of CollegeInvest College Savings Program Funds as of June 30, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 1 – Organization and Summary of Significant Accounting Policies, the financial statements of the CollegeInvest College Savings Program Funds are intended to present the fiduciary net position, and the changes in fiduciary net position, for only that portion of the financial reporting entity, State of Colorado, that is attributable to the transactions of the CollegeInvest College Savings Program Funds. They do not purport to, and do not, present fairly the financial position of the State of Colorado as of June 30, 2020 and 2019, and the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 audits 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 Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the CollegeInvest College Savings Program Funds' basic financial statements. The combining schedules for the Scholars Choice Fund, Direct Portfolio Fund and Smart Choice Fund (supplementary information), 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 supplementary information is the responsibility of management and was derived from and relates 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 supplementary information is 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 have also issued our report dated November 30, 2020, on our consideration of CollegeInvest College Savings Program Funds' 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 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 effectiveness of CollegeInvest College Savings Program Funds' 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 CollegeInvest College Savings Program Funds' internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
November 30, 2020

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CollegInvest
College Savings Program Funds
Management’s Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

This section of the College Savings Program Funds’ (Funds) financial statements is a discussion and analysis of the financial performance of the Funds for the years ended June 30, 2020 and 2019, prepared by management. The Funds are Internal Revenue Code (IRC) Section 529 college savings plans administered by CollegInvest. CollegInvest, a division of the Department of Higher Education of the State of Colorado, administers the Funds. The Scholars Choice, Direct Portfolio, Stable Value Plus, and Smart Choice Funds are plans within the Section 529 college savings program of CollegInvest (Program). The Funds are presented as fiduciary funds (specifically, private-purpose trust funds) in the State of Colorado’s Comprehensive Annual Financial Report. Management is responsible for the financial statements, footnotes, and this discussion. The management’s discussion and analysis should be read in conjunction with the Funds’ financial statements.

Overview of the Financial Statements:

This annual report contains two sections – management’s discussion and analysis (this section) and the basic financial statements. The basic financial statements include the Statements of Fiduciary Net Position, the Statements of Changes in Fiduciary Net Position, and the Notes to Financial Statements. The Notes to Financial Statements present additional information to support the financial statements and are commonly referred to as “Notes.” Their purpose is to clarify and expand on the information in the financial statements.

The Statements of Fiduciary Net Position present information on all of the Funds’ assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial results of the Funds are improving or deteriorating.

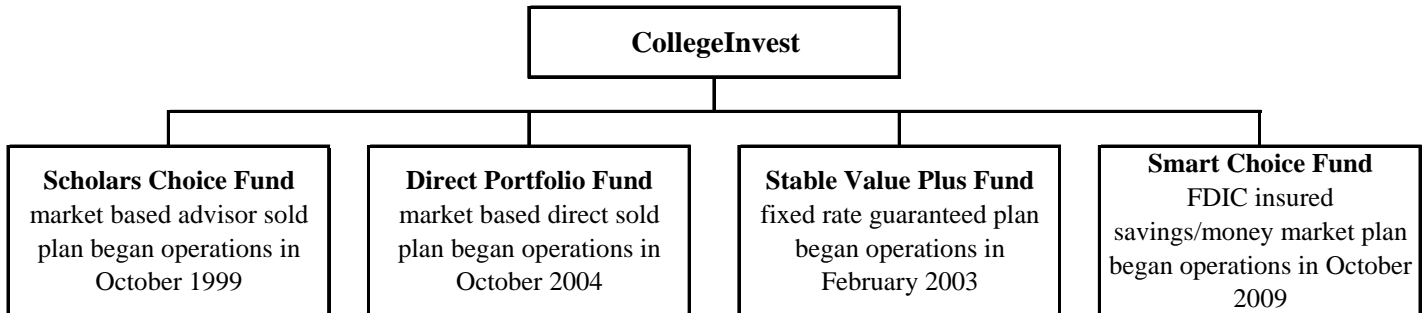
The Statements of Changes in Fiduciary Net Position present information that reflects how the Funds’ net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, additions to and deductions from net position are reported in the statements for some items that will only result in cash flows in future fiscal periods.

Analysis of Financial Activities:

CollegInvest’s Board of Directors (BOD) approves the annual budget and the investment policies of the Funds. Inception of the Funds is as follows:

CollegelInvest
College Savings Program Funds
Management’s Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Analysis of Financial Activities (continued):



Scholars Choice Fund:

CollegelInvest has an agreement with QS Legg Mason Global Asset Allocation, LLC (QSLMGAA) and Legg Mason Investor Services, LLC (LMIS) to manage the advisor sold accounts of the Scholars Choice Fund (SCF). Effective April 1, 2016, QSLMGAA merged into QS Investors, LLC (QS). Both QS and LMIS are wholly owned subsidiaries of Legg Mason, Inc. LMIS is responsible for performing or arranging for the performance of administrative duties and record-keeping functions, and QS performs investment advisory functions for the SCF. The agreement is for management of the advisor sold accounts only and expires on December 31, 2027, subject to possible extension.

CollegelInvest acts as trustee to the SCF, and QS holds the assets of the SCF in a segregated custody account. Assets of the SCF are held “in trust” for the exclusive benefit of account owners and beneficiaries. The SCF offers 13 investment options in which participants may invest. Each investment option is comprised of one or more of the 15 portfolios within the SCF. The investment return for the SCF is based on the market performance of underlying investments. These investment options are designed to help meet diverse investment goals of investors.

Direct Portfolio Fund:

CollegelInvest has an agreement in place with Ascensus College Savings Recordkeeping Services, LLC (Ascensus) and The Vanguard Group, Inc. (Managers) to provide administrative and record-keeping duties to the Direct Portfolio Fund (DPF). The contract expires on December 31, 2024, subject to possible extension.

CollegInvest
College Savings Program Funds
Management's Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Analysis of Financial Activities (continued):

Direct Portfolio Fund (continued):

CollegInvest acts as trustee to the DPF, and the Managers hold the assets of the DPF in a segregated custody account. Assets of the DPF are held “in trust” for the exclusive benefit of account owners and beneficiaries. The investment return for DPF is based on the market performance of investments. DPF offers 11 investment options, including three age-based options and eight blended and individual portfolios, in which participants may invest. Each investment option is comprised of one or more of the 14 portfolios within DPF. These investment options are designed to help meet diverse investment goals of investors.

Stable Value Plus Fund:

CollegInvest administers the Stable Value Plus Fund. In October 2019, CollegInvest partnered with Nationwide Mutual Insurance Company (Nationwide) to offer a Deferred Fixed Annuity Contract (Nationwide Contract) for the Stable Value Plus Fund (SVP). The contract provides a guarantee on the principal and earnings of the SVP. The contract expires in ten years, subject to possible extension.

CollegInvest had prior servicing and funding agreements with Brighthouse Insurance Company (Brighthouse), a wholly owned subsidiary of MetLife, Inc., to provide a guarantee on the principal and earnings of SVP. CollegInvest provided notice of discontinuance of the service agreement (Brighthouse Agreement) in October 2019. Per the Brighthouse funding agreement, the funds held at Brighthouse will be transferred in four equal installments to Nationwide over a three year and 60 day period. The last transfer will occur on December 23, 2022 when both agreements will terminate.

The SVP offers an investment return based on an interest rate that is reset annually by Nationwide each January 1. The Brighthouse interest rate is set at 2% (1.29% after administrative fee). Under the Nationwide contract the minimum investment return on accounts in the SVP could be as low as 0.51%, which is the minimum annual rate of 1.50% less the maximum CollegInvest administrative fee of 0.99%. The rate, net of CollegInvest's administrative fee, has been as follows:

CollegeInvest
College Savings Program Funds
Management’s Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Analysis of Financial Activities (continued):

Stable Value Plus Fund (continued):

Date	Rate
January 1, 2017 – December 31, 2017	2.59%
January 1, 2018 – December 31, 2018	2.29%
January 1, 2019 – December 31, 2019	2.49%
January 1, 2020 – June 30, 2020	2.49%

As of June 30, 2020, CollegeInvest’s fiduciary net assets held at Nationwide and Brighthouse are \$66,266,000 and \$93,420,000, respectively.

Smart Choice Fund:

CollegeInvest has an agreement in place with FirstBank Holding Company (FirstBank), a Colorado banking company, to offer a college savings option called the Smart Choice College Savings Plan (SCCS). CollegeInvest acts as trustee for the plan and FirstBank provides administrative and record-keeping duties. The plan is offered to provide an additional tax-advantaged savings vehicle for participants to utilize in saving for post-secondary education by providing the benefits of a 529 plan along with the stability and security of an FDIC insured bank. The product offerings through the SCCS are a One-Year Time Savings Account and a Money Market Savings Account. The agreement expires September 30, 2029, with an option to extend for up to two additional two-year periods.

The interest rate paid on amounts deposited into the money market savings account and the one-year time savings account will be established by FirstBank. However, the rates for each type of account must not be less than 0.10% of the interest rate publicly offered directly by FirstBank on similar money market and savings accounts. The rates are variable and are published daily by FirstBank on their website. The interest rate will be calculated, and may be adjusted if needed, every Wednesday and on the first day of each month, and is net of all administrative and other charges of FirstBank. The average interest rate paid during fiscal years 2020 and 2019 was 0.51% and 0.85%, respectively.

CollegelInvest
College Savings Program Funds
Management's Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Comparison of Current Year Results to Prior Year:

Condensed Statements of Fiduciary Net Position as of June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(dollar amounts expressed in thousands)		
Cash and investments	\$ 9,319,569	\$ 8,795,359	\$ 8,143,816
Receivables and other	<u>28,796</u>	<u>23,645</u>	<u>19,946</u>
Total fiduciary assets	<u>9,348,365</u>	8,819,004	8,163,762
Total liabilities	<u>40,865</u>	<u>21,349</u>	<u>19,162</u>
Total fiduciary net position, held in trust	<u>\$ 9,307,500</u>	<u>\$ 8,797,655</u>	<u>\$ 8,144,600</u>

Combined cash and investments of the Program increased by \$524.2 million, or 6.0%, from June 30, 2019 to June 30, 2020 due primarily to net contributions (participant contributions less benefits paid to participants and withdrawals) of \$185.5 million and investment earnings and fees of \$355.8 million, which were offset by administrative expenses of \$32.2 million.

Combined cash and investments of the Program increased by \$651.5 million, or 8.0%, from June 30, 2018 to June 30, 2019, due primarily to net contributions (participant contributions less benefits paid to participants and withdrawals) of \$162.5 million and investment earnings and fees of \$522.1 million, which were offset by administrative expenses of \$32.1 million.

Receivables consist primarily of receivables for fund shares sold, receivables for investments sold, dividends and interest receivable, and due from Student Loan Program Funds. Receivables increased by \$5.2 million in 2020 and increased by \$3.7 million in 2019. The fluctuation in both years is primarily due to the timing and amount of fund shares sold, receivables for investments sold, and dividends and interest receivable. The year-to-year changes are a reflection of investment decisions made by the participants and the corresponding action taken by the plan manager to process the required transactions.

CollegInvest
College Savings Program Funds
Management's Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Comparison of Current Year Results to Prior Year (continued):

Liabilities consist of amounts payable for investments purchased, amounts payable for fund shares repurchased, service and investment fees payable, unearned revenue, and due to participants. Total liabilities increased by \$19.5 million in fiscal year 2020 and increased by \$2.2 million in fiscal year 2019. The increase in fiscal year 2020 is primarily due to legislation passed in 2019 which required CollegInvest to transfer \$12.2 million from the Colorado CollegInvest Scholarship Program to the SVP for Child Kickstarter Accounts, known as the First Step program. The remaining increase in the liabilities is due to timing and amount of the payables for investments purchased and the amounts payable for fund shares repurchased in the SCF. The year-to-year changes are a reflection of investment decisions made by the participants and the corresponding action taken by the plan manager to process the required transactions.

Condensed Statements of Changes in Fiduciary Net Position for the Years Ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(dollar amounts expressed in thousands)		
Net investment earnings	\$ 355,752	\$ 522,056	\$ 477,316
Participant contributions	1,066,766	1,005,776	987,859
Fees	<u>1,240</u>	<u>1,202</u>	<u>972</u>
Total additions	<u>1,423,758</u>	<u>1,529,034</u>	<u>1,466,147</u>
Benefits paid to participants and withdrawals	881,303	843,260	738,578
Administrative, marketing and service fee expense	<u>32,152</u>	<u>32,068</u>	<u>33,512</u>
Total deductions	<u>913,455</u>	<u>875,328</u>	<u>772,090</u>
Change in fiduciary net position before transfers	510,303	653,706	694,057
Transfers and change in due to participants	<u>(458)</u>	<u>(651)</u>	<u>(912)</u>
Change in net position	509,845	653,055	693,145
Fiduciary net position, beginning of year	<u>8,797,655</u>	<u>8,144,600</u>	<u>7,451,455</u>
Fiduciary net position, end of year	<u>\$ 9,307,500</u>	<u>\$ 8,797,655</u>	<u>\$ 8,144,600</u>

CollegInvest
College Savings Program Funds
Management's Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Comparison of Current Year Results to Prior Year (continued):

Net investment earnings are comprised of dividends, interest earnings, net realized and unrealized gains and losses from security transactions less investment fees. Net realized and unrealized gains and losses on security transactions were \$9.9 million, \$149.2 million and \$187.8 million for the years ended June 30, 2020, 2019 and 2018, respectively. Increases and decreases in net realized and unrealized gains and losses on security transactions reflect market conditions during each corresponding year. Investment returns are also dependent on individual investor behavior and the timing of benefits paid to participants as funds are utilized to pay for college or for withdrawals. Interest and dividend earnings were \$348.4 million, \$375.2 million and \$291.7 million for the years ended June 30, 2020, 2019 and 2018, respectively. Interest and dividend earnings primarily reflect overall economic conditions and the investment holdings during each year. The Program participant contributions, net of benefits paid to participants and withdrawals, increased by \$22.9 million to \$185.5 million for the year ended June 30, 2020, and decreased by \$86.8 million to \$162.5 million for the year ended June 30, 2019.

Participant contributions and benefits paid to participants and withdrawals were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(dollar amounts expressed in thousands)		
Participant contributions:			
Scholars Choice Fund	\$ 418,375	\$ 404,595	\$ 420,109
Direct Portfolio Fund	553,272	508,833	477,308
Stable Value Plus Fund	37,849	39,657	42,767
Smart Choice Fund	57,270	52,691	47,675
Total participant contributions	<u>\$ 1,066,766</u>	<u>\$ 1,005,776</u>	<u>\$ 987,859</u>
Benefits paid to participants and withdrawals:			
Scholars Choice Fund	\$ 465,911	448,732	405,985
Direct Portfolio Fund	328,602	287,755	252,778
Stable Value Plus Fund	37,331	61,573	37,974
Smart Choice Fund	49,459	45,200	41,841
Total benefits paid to participants and withdrawals	<u>\$ 881,303</u>	<u>\$ 843,260</u>	<u>\$ 738,578</u>
Net participant contributions	<u>\$ 185,462</u>	<u>\$ 162,516</u>	<u>\$ 249,281</u>

CollegeInvest
College Savings Program Funds
Management's Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Comparison of Current Year Results to Prior Year (continued):

Participant contributions were 11.8%, 11.9% and 12.7% of average net position for the years ended June 30, 2020, 2019 and 2018, respectively. Benefits paid to participants and withdrawals were 9.7%, 10.0% and 9.5% of average net position for the years ended June 30, 2020, 2019 and 2018, respectively.

Fees are primarily comprised of funds received from Legg Mason and the Managers for marketing and promotion of the Funds. CollegeInvest utilized \$354,000 and \$801,000 in fees from Legg Mason and the Managers, respectively, for the year ended June 30, 2020. CollegeInvest utilized \$395,000 and \$733,000 in fees from Legg Mason and the Managers, respectively, for the year ended June 30, 2019.

Administrative and service fees are charged to participants as a percentage of net position based on the investment option chosen. These charges were approximately 0.4% of average net position for the years ended June 30, 2020, 2019 and 2018, respectively.

CollegeInvest
College Savings Program Funds
Management's Discussion and Analysis
(Unaudited)
June 30, 2020 and 2019

Economic Factors:

- Performance of individual participant accounts and individual portfolios within the Program is dependent on risk factors associated with market-based investments. Fair market valuation of participant accounts may fluctuate based on market performance.
- Amounts contributed to the Program by participants may be more or less than the amounts needed by beneficiaries to attend a particular institution of higher education and do not guarantee acceptance into any institution of higher education.
- Participants are responsible for selecting portfolios in accordance with their risk tolerance. The Program does not guarantee return of principal or a certain investment rate of return on investments. Under the Nationwide and FirstBank agreements, the return of principal and certain investment rates of return are guaranteed for the SVP and the SCCS, respectively.

Requests for Information:

This report is designed to provide a general overview of the Funds' finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Nicole Vigil, Chief Financial Officer, CollegeInvest, 1600 Broadway, Suite 2300, Denver, Colorado 80202.

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CollegInvest
College Savings Program Funds
Statements of Fiduciary Net Position
June 30, 2020 and 2019
(Dollar amounts expressed in thousands)

	2020					2019				
	Scholars Choice Fund	Direct Portfolio Fund	Stable Value Plus Fund	Smart Choice Fund	Total Private- Purpose Trust Funds	Scholars Choice Fund	Direct Portfolio Fund	Stable Value Plus Fund	Smart Choice Fund	Total Private Purpose Trust Funds
Fiduciary assets:										
Cash and cash equivalents	\$ -	\$ -	\$ 630	\$ 76,643	\$ 77,273	\$ -	\$ -	\$ 334	\$ 68,451	\$ 68,785
Investments, at fair value	4,573,287	4,509,323	159,686	-	9,242,296	4,504,777	4,079,570	142,227	-	8,726,574
Receivable for portfolio units sold and investments sold	9,441	-	-	-	9,441	3,089	-	-	-	3,089
Dividends and interest receivable	4,415	2,514	-	-	6,929	4,865	3,529	-	-	8,394
Due from plan managers	225	214	274	6	719	219	197	244	5	665
Due from (to) Student Loan Program Funds	10,136	1,886	(309)	(6)	11,707	9,225	1,787	490	(5)	11,497
Total fiduciary assets	4,597,504	4,513,937	160,281	76,643	9,348,365	4,522,175	4,085,083	143,295	68,451	8,819,004
Liabilities:										
Accounts payable	22	12	1	-	35	9	5	24	-	38
Payable for portfolio units repurchased and investments purchased	12,694	-	1,012	-	13,706	7,059	-	316	-	7,375
Service and investment fees payable	1,235	1,074	-	-	2,309	1,524	998	-	-	2,522
Unearned revenue	3,975	2,088	12,388	-	18,451	3,529	1,979	-	-	5,508
Due to participants	6,364	-	-	-	6,364	5,906	-	-	-	5,906
Total liabilities	24,290	3,174	13,401	-	40,865	18,027	2,982	340	-	21,349
Total fiduciary net position, held in trust	\$ 4,573,214	\$ 4,510,763	\$ 146,880	\$ 76,643	\$ 9,307,500	\$ 4,504,148	\$ 4,082,101	\$ 142,955	\$ 68,451	\$ 8,797,655

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

CollegInvest
College Savings Program Funds
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2020 and 2019
(Dollar amounts expressed in thousands)

	2020					2019				
	Scholars Choice Fund	Direct Portfolio Fund	Stable Value Plus Fund	Smart Choice Fund	Total Private- Purpose Trust Funds	Scholars Choice Fund	Direct Portfolio Fund	Stable Value Plus Fund	Smart Choice Fund	Total Private- Purpose Trust Funds
Additions:										
Gross earnings on investments:										
Interest and dividends	\$ 221,208	\$ 122,370	\$ 4,441	\$ 381	\$ 348,400	\$ 243,537	\$ 126,557	\$ 4,495	\$ 564	\$ 375,153
Net realized and unrealized gains (losses) from securities transactions	<u>(86,190)</u>	<u>96,042</u>	<u>-</u>	<u>-</u>	<u>9,852</u>	<u>7,502</u>	<u>141,655</u>	<u>-</u>	<u>-</u>	<u>149,157</u>
	135,018	218,412	4,441	381	358,252	251,039	268,212	4,495	564	524,310
Less investment fees	<u>(866)</u>	<u>(1,634)</u>	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(857)</u>	<u>(1,397)</u>	<u>-</u>	<u>-</u>	<u>(2,254)</u>
Net investment earnings	134,152	216,778	4,441	381	355,752	250,182	266,815	4,495	564	522,056
Participant contributions	418,375	553,272	37,849	57,270	1,066,766	404,595	508,833	39,657	52,691	1,005,776
Fees	<u>354</u>	<u>801</u>	<u>14</u>	<u>71</u>	<u>1,240</u>	<u>395</u>	<u>733</u>	<u>11</u>	<u>63</u>	<u>1,202</u>
Total additions	<u>552,881</u>	<u>770,851</u>	<u>42,304</u>	<u>57,722</u>	<u>1,423,758</u>	<u>655,172</u>	<u>776,381</u>	<u>44,163</u>	<u>53,318</u>	<u>1,529,034</u>
Deductions:										
Benefits paid to participants and withdrawals	465,911	328,602	37,331	49,459	881,303	448,732	287,755	61,573	45,200	843,260
Service fees	14,870	10,243	-	-	25,113	16,567	9,093	-	-	25,660
Administrative fees	2,680	2,543	1,048	71	6,342	2,589	2,248	1,031	63	5,931
Marketing expenses	354	801	-	-	1,155	395	733	-	-	1,128
Excess (reduced) operating expenses	<u>(1,117)</u>	<u>179</u>	<u>456</u>	<u>24</u>	<u>(458)</u>	<u>(1,178)</u>	<u>140</u>	<u>367</u>	<u>20</u>	<u>(651)</u>
Total deductions	<u>482,698</u>	<u>342,368</u>	<u>38,835</u>	<u>49,554</u>	<u>913,455</u>	<u>467,105</u>	<u>299,969</u>	<u>62,971</u>	<u>45,283</u>	<u>875,328</u>
Change in fiduciary net position before transfers	70,183	428,483	3,469	8,168	510,303	188,067	476,412	(18,808)	8,035	653,706
Intraplan administrative fee transfers	(659)	179	456	24	-	(527)	140	367	20	-
Change in due to participants	(458)	-	-	-	(458)	(651)	-	-	-	(651)
Change in fiduciary net position	69,066	428,662	3,925	8,192	509,845	186,889	476,552	(18,441)	8,055	653,055
Fiduciary net position, beginning of year	4,504,148	4,082,101	142,955	68,451	8,797,655	4,317,259	3,605,549	161,396	60,396	8,144,600
Fiduciary net position, end of year	<u>\$ 4,573,214</u>	<u>\$ 4,510,763</u>	<u>\$ 146,880</u>	<u>\$ 76,643</u>	<u>\$ 9,307,500</u>	<u>\$ 4,504,148</u>	<u>\$ 4,082,101</u>	<u>\$ 142,955</u>	<u>\$ 68,451</u>	<u>\$ 8,797,655</u>

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

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies:

Pursuant to Colorado Revised Statutes 23-3.1-201, et seq., and 23-3.1-301, et seq., as amended, CollegInvest is a division of the Colorado Department of Higher Education (Department) of the State of Colorado. The Executive Director of the Department has responsibility for oversight and management of CollegInvest. In addition, CollegInvest has a nine-person Advisory Board of Directors (Board) designated by the Governor, with the consent of the State Senate, to serve four-year terms.

The Colorado General Assembly established a Section 529 college savings program (Program). The Program includes the Scholars Choice Fund (SCF), Direct Portfolio Fund (DPF), Stable Value Plus Fund (SVP), and Smart Choice Fund (SCCS) (the Funds), all of which are administered by CollegInvest. CollegInvest also administers the Student Loan Program Funds, which is an enterprise fund consisting of the Borrower Benefit Fund, the Bond Funds, a scholarship trust program, and the Section 529A Achieving a Better Life Experience savings program. Separate financial statements were not prepared for the Student Loan Program Funds; however, information and related disclosures associated with this fund may be found in the State of Colorado Comprehensive Annual Financial Report. This report contains information relating only to the College Savings Program Funds. The operations of the Funds are accounted for under accounting principles generally accepted in the United States of America as a private-purpose trust. CollegInvest receives no grants from, and is not otherwise financially assisted by, the State or any local government of the state. CollegInvest is an enterprise activity under Section 20, Article X of the Colorado Constitution (TABOR).

The Colorado Constitution and other State laws prohibit the State from providing its full faith and credit to obligations of entities such as the Funds. As a result, payments from the Funds are not guaranteed in any way by the state, and shall not be considered to have created a debt or obligation of the state. Such payments are limited obligations, payable from participants' individual accounts in the Funds, but not from the other assets of CollegInvest, or the state. Similarly, investments in the Funds are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other State or federal government agency, except for SCCS, which is insured by the FDIC, subject to the applicable limit. Investments in SCF and DPF are not deposits or other obligations of Legg Mason, Inc., Ascensus, The Vanguard Group, Inc., or any depository institution or affiliate of Ascensus or The Vanguard Group, Inc. Investments in SVP are an obligation of Nationwide and Brighthouse.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity:

The Program was authorized in the 1999 legislative session and, as a result, the Funds were established to provide families with additional opportunities to save for future college educational expenses. The Funds account for the operations and activities of the Section 529 savings program as private-purpose trusts, where both principal and earnings on principal may be spent for the trust's intended purpose. Participant contributions and the earnings thereon are invested to assist in meeting the obligations for future higher education expenses of a named student. The payments of general and administrative expenses and other activities of the Funds necessary to fulfill their purposes are recorded within the Funds. There are no other funds of CollegInvest combined in the accompanying financial statements. Thus, the accompanying statements are not intended to present the financial position or changes in financial position, of CollegInvest as a whole in conformity with accounting principles generally accepted in the United States of America. Additionally, the Funds are also presented as fiduciary funds in the State of Colorado Comprehensive Annual Financial Report. The financial statements of the CollegInvest College Savings Program Funds are intended to present the net position and changes in net position for only that portion of the financial reporting entity, State of Colorado, that is attributable to the transactions of CollegInvest College Savings Program Funds. They do not purport to, and do not present fairly, the financial position of the State of Colorado as of June 30, 2020 and 2019, and the changes in its financial position, or, where applicable, its cash flows, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Each Fund in the Program was established as a Section 529 plan under the Internal Revenue Code (IRC). The Funds offer certain federal and state tax advantages to investors. The primary tax advantage to participants in the Funds is the ability to exclude from federal taxable income the earnings on any withdrawals that are used for qualified higher education expenses, as that term is defined in Section 529 of the IRC. If a participant is subject to Colorado income tax, earnings on qualified withdrawals are excluded from state taxable income. In addition, individuals, estates, and trusts subject to Colorado income tax generally are entitled to a deduction to the extent of their Colorado taxable income for the year for contributions made to a state sponsored Section 529 plan, subject to recapture in subsequent years in which nonqualified withdrawals are made. Note that an otherwise nontaxable rollover to another Section 529 program that is not associated with the State will trigger recapture of the Colorado income tax deduction described above in the year of the rollover.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Scholars Choice Fund:

The Scholars Choice Fund (SCF) began operations in October 1999. SCF offers 13 investment options in which participants may invest. Each investment option is comprised of one or more of the 15 active portfolios as of June 30, 2020. The accompanying financial statements report on the combined portfolios.

CollegInvest has an agreement with QS Investors, LLC (QS) and Legg Mason Investor Services, LLC (LMIS) to manage the advisor sold accounts of the SCF. Both QS and LMIS are wholly owned subsidiaries of Legg Mason, Inc. QS performs investment advisory functions and LMIS is responsible for performing or arranging for the performance of administrative duties and record keeping for SCF. The agreement is for management of the advisor sold accounts only and expires on December 31, 2027.

The investment return for SCF is based on the market performance of investments. Investment options are selected by CollegInvest based on recommendations from QS.

Participants in the SCF may invest in one or more of the following options:

- **Age-Based Options:** Contributions are invested in one of seven portfolios according to the age of the student. As the student gets older and closer to college years, the investment shifts from equity funds to bond and money market funds as follows:

Prior to May 8, 2020 the portfolios were as follows:

Student's Age	Portfolio #	US Equity Funds	Non-US Equity Funds	Fixed Income	Money Market Funds
0-3 years	1	64%	16%	20%	0%
4-6 years	2	56%	14%	30%	0%
7-9 years	3	48%	12%	40%	0%
10-12 years	4	40%	10%	50%	0%
13-15 years	5	36%	4%	50%	10%
16-18 years	6	20%	0%	55%	25%
19+ years	7	0%	0%	50%	50%

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Scholars Choice Fund (continued):

As of May 8, 2020 the portfolios are as follows:

Student's Age	Portfolio #	US Equity Funds	Non-US Equity Funds	Fixed Income	Non-US Fixed Income	Money Market Funds
0-3 years	1	49%	31%	20%	0%	0%
4-6 years	2	43%	27%	30%	0%	0%
7-9 years	3	37%	23%	40%	0%	0%
10-12 years	4	33%	17%	45%	5%	0%
13-15 years	5	29%	11%	42%	8%	10%
16-18 years	6	18%	2%	52%	3%	25%
19+ years	7	0%	0%	50%	0%	50%

- **Balanced 50/50 Option:** Contributions are invested 50% in equity mutual funds and 50% in bond funds throughout the life of the investment (Portfolio #4 above).
- **Years-to-Enrollment Option:** Contributions are invested in a series of portfolios that shift from equity mutual funds to bond and money market funds as the student approaches college years. These portfolios are identical to Portfolios three through seven in the age-based portfolios.

Prior to May 8, 2020 the portfolios were as follows:

Years to Enrollment	Portfolio #	US Equity Funds	Non-US Equity Funds	Fixed Income	Money Market Funds
10-12 years	3	48%	12%	40%	0%
7-9 years	4	40%	10%	50%	0%
4-6 years	5	36%	4%	50%	10%
1-3 years	6	20%	0%	55%	25%
Less than 1 year	7	0%	0%	50%	50%

There are no equivalent years-to-enrollment portfolios #1 and #2 as noted within the above age-based option portfolio table.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Scholars Choice Fund (continued):

As of May 8, 2020 the portfolios are as follows:

Years to Enrollment	Portfolio #	US Equity Funds	Non-US Equity Funds	Fixed Income	Non-US Fixed Income	Money Market Funds
10-12 years	3	37%	23%	40%	0%	0%
7-9 years	4	33%	17%	45%	5%	0%
4-6 years	5	29%	11%	42%	8%	10%
1-3 years	6	18%	2%	52%	3%	25%
Less than 1 year	7	0%	0%	50%	0%	50%

There are no equivalent years-to-enrollment portfolios #1 and #2 as noted within the age-based option portfolio tables within the previous page.

- All Equity Option: Contributions are invested in equity mutual funds throughout the life of the account.
- All Fixed Income Option: Contributions are invested in bond funds throughout the life of the account.
- Equity 80% Option: Contributions are invested 80% in equity mutual funds and 20% in fixed income investments (Portfolio #1 per previous page). The investment objective of this option is to seek long-term capital appreciation through investments in equity mutual funds while maintaining 20% exposure to the relatively more stable returns of fixed income investments through investment in fixed income mutual funds.
- Fixed Income 80% Option: Contributions are invested 80% in fixed income and money market fund investments and 20% in equity mutual funds (Portfolio #6). The investment objective of this option is to seek the relatively more stable returns of a fixed income investment through investments in fixed income mutual funds while maintaining 20% exposure to the long-term capital appreciation potential of investments in equity mutual funds.
- Cash Reserve Option: Contributions are invested in the Western Institutional Government Reserves Fund. The investment objective of the Cash Reserve Option is to seek maximum current income and preservation of capital.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Scholars Choice Fund (continued):

- Individual Fund Options: Contributions are invested in the U.S. Aggressive Equity, U.S. Core Equity, U.S. Small Cap Equity, International Equity and Global Fixed Income. Each of the Individual Fund Portfolios will invest all of its assets in a single Fund, as specified in the “Current Underlying Fund for Individual Fund Portfolio” tab under the “Target Fund Allocations” listed in the Program Disclosure Statement. While each of the Individual Fund Portfolios will invest all of its assets in a single specified Fund, the Individual Fund Portfolios themselves are not mutual funds. The Fund in which an Individual Fund Portfolio invests all of its assets is subject to change.

Direct Portfolio Fund:

The Direct Portfolio Fund (DPF) began operations in October 2004. DPF offers 11 investment options, including three age-based options and eight blended and individual portfolios, in which participants may invest. Each investment option is comprised of one or more of 14 active portfolios within DPF as of June 30, 2020.

As the trustee for DPF, CollegInvest entered into an agreement (DPF Service Agreement) with Ascensus and The Vanguard Group, Inc. (Managers) to manage the DPF. This contract expires on December 31, 2024. The investment return for DPF is based on the market performance of investments. Investment options are selected by CollegInvest based on recommendations from the Managers.

Participants may invest in one or more of the following 11 options:

- Age-Based Options: Contributions are invested in one of three portfolios according to the age of the beneficiary. Money invested in age-based options are automatically transferred over time to successive Portfolios with asset allocations that change from equity funds to fixed income and money market funds as the beneficiary approaches college age.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Direct Portfolio Fund (continued):

Within the age-based options, participants may invest according to risk tolerance in either a conservative, moderate, or aggressive range of asset allocations as follows:

Beneficiary's Age	Conservative	Moderate	Aggressive
Newborn through 4	62.5% stock funds 37.5% bond funds	87.5% stock funds 12.5% bond funds	Aggressive Growth Portfolio 100% stock funds
5 through 6	Moderate Growth Portfolio 50% stock funds 50% bond funds	Growth Portfolio 75% stock funds 25% bond funds	87.5% stock funds 12.5% bond funds
7 through 8	37.5% stock funds 62.5% bond funds	62.5% stock funds 37.5% bond funds	87.5% stock funds 12.5% bond funds
9 through 10	Conservative Growth Portfolio 25% stock funds 75% bond funds	Moderate Growth Portfolio 50% stock funds 50% bond funds	Growth Portfolio 75% stock funds 25% bond funds
11 through 12	12.5% stock funds 87.5% bond funds	37.5% stock funds 62.5% bond funds	62.5% stock funds 37.5% bond funds
13 through 14	Income Portfolio 75% bond funds 25% money market funds	Conservative Growth Portfolio 25% stock funds 75% bond funds	Moderate Growth Portfolio 50% stock funds 50% bond funds
15 through 16	50% bond funds 50% money market funds	12.5% stock funds 87.5% bond funds	37.5% stock funds 62.5% bond funds
17 through 18	25% bond funds 75% money market funds	Income Portfolio 75% bond funds 25% money market funds	Conservative Growth Portfolio 25% stock funds 75% bond funds
19 or older	Money Market Portfolio 100% money market funds	Income Portfolio 75% bond funds 25% money market funds	12.5% stock funds 87.5% bond funds

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Direct Portfolio Fund (continued):

Prior to May 15, 2020, age-based option portfolios were as follows:

Underlying Fund	Aggressive Growth Portfolio	87.5% Stock/ 12.5% Bond Portfolio	Growth Portfolio	62.5% Stock/ 37.5% Bond Portfolio	Moderate Growth Portfolio	37.5% Stock/ 62.5% Bond Portfolio	Conservative Growth Portfolio	12.5% Stock/ 87.5% Bond Portfolio	Income Portfolio	50% Bond/ 50% Money Market Portfolio	25% Bond/ 75% Money Market Portfolio	Money Market Portfolio
Vanguard® Institutional Total Stock Market Index Fund Institutional Plus Shares	70%	61.25%	52.50%	43.75%	35%	26.25%	17.50%	8.75%	0%	0%	0%	0%
Vanguard® Total International Stock Index Fund Institutional Plus Shares	30%	26.25%	22.50%	18.75%	15%	11.25%	7.50%	3.75%	0%	0%	0%	0%
Total Stock Funds	100%	87.50%	75%	62.50%	50%	37.50%	25%	12.50%	0%	0%	0%	0%
Vanguard® Total Bond Market II Index Fund Institutional Shares	0%	10%	20%	30%	40%	50%	60%	70%	42%	28%	14%	0%
Vanguard® Total International Bond Index Fund Institutional Shares	0%	2.50%	5%	7.50%	10%	12.50%	15%	17.50%	15%	10%	5%	0%
Vanguard® Short-term Inflation-Protected Securities Index Fund	0%	0%	0%	0%	0%	0%	0%	0%	18%	12%	6%	0%
Total Bond Funds	0%	12.50%	25%	37.50%	50%	62.50%	75%	87.50%	75%	50%	25%	0%
Vanguard® Federal Money Market Fund Admiral Shares	0%	0%	0%	0%	0%	0%	0%	0%	25%	50%	75%	100%
Total Money Market Funds	0%	0%	0%	0%	0%	0%	0%	0%	25%	50%	75%	100%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Direct Portfolio Fund (continued):

As of May 15, 2020 the breakdown of age-based option portfolios are as follows:

Underlying Fund	Aggressive Growth Portfolio	87.5% Stock/ 12.5% Bond Portfolio	Growth Portfolio	62.5% Stock/ 37.5% Bond Portfolio	Moderate Growth Portfolio	37.5% Stock/ 62.5% Bond Portfolio	Conservative Growth Portfolio	12.5% Stock/ 87.5% Bond Portfolio	Income Portfolio	50% Bond/ 50% Money Market Portfolio	25% Bond/ 75% Money Market Portfolio	Money Market Portfolio
Vanguard® Institutional Total Stock Market Index Fund Institutional Plus Shares	60.00%	52.50%	45.00%	37.50%	30.00%	22.50%	22.50%	7.50%	0.00%	0.00%	0.00%	0.00%
Vanguard® Total International Stock Index Fund Institutional Plus Shares	40.00%	35.00%	30.00%	25.00%	20.00%	15.00%	10.00%	5.00%	0.00%	0.00%	0.00%	0.00%
Total Stock Funds	100.00%	87.50%	75.00%	62.50%	50.00%	37.50%	32.50%	12.50%	0.00%	0.00%	0.00%	0.00%
Vanguard® Total Bond Market II Index Fund Institutional Shares	0.00%	8.75%	17.50%	26.25%	35.00%	43.75%	52.50%	61.25%	34.50%	23.00%	11.50%	0.00%
Vanguard® Total International Bond Index Fund Institutional Shares	0.00%	3.75%	7.50%	11.25%	15.00%	18.75%	15.00%	26.25%	18.00%	12.00%	6.00%	0.00%
Vanguard® Short-term Inflation-Protected Securities Index Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.50%	15.00%	7.50%	0.00%
Total Bond Funds	0.00%	12.50%	25.00%	37.50%	50.00%	62.50%	67.50%	87.50%	75.00%	50.00%	25.00%	0.00%
Vanguard® Federal Money Market Fund Admiral Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	50.00%	75.00%	100.00%
Total Money Market Funds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	50.00%	75.00%	100.00%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

- **Blended Portfolios and Individual Portfolios:** Contributions are invested in one of eight options. In these options, assets will be allocated to the Portfolio for the life of the investment unless the account owner directs a change in investment option. The Blended Portfolios and the Individual Portfolios are each invested according to a static asset allocation that does not change over time. Within the Blended Portfolios participants may invest according to risk tolerance in either an aggressive, growth, moderate growth, conservative growth, or income focused range of asset allocations.

Within the Individual Portfolios participants may invest as follows:

- **Stock Index Portfolio:** Contributions are invested 100% in Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares and seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Direct Portfolio Fund (continued):

- Bond Index Portfolio: Contributions are invested 100% in Vanguard Total Bond Market Index Fund Institutional Plus Shares and seeks to track the performance of a broad, market-weighted bond index.
- Money Market Portfolio: Contributions are invested 100% in Vanguard Federal Money Market Fund Admiral Shares and seeks to provide preservation of principal and current income.

Stable Value Plus Fund:

The Stable Value Plus Fund (SVP) began operations in February 2003. In October 2019, CollegInvest partnered with Nationwide Mutual Insurance Company (Nationwide) to offer a Deferred Fixed Annuity Contract (Nationwide Contract) for the Stable Value Plus Fund (SVP). The contract provides a guarantee on the principal and earnings of the (SVP). The contract expires in ten years, subject to possible extension.

CollegInvest had prior servicing and funding agreements with Brighthouse Insurance Company (Brighthouse), a wholly owned subsidiary of MetLife, Inc., to provide a guarantee on the principal and earnings of SVP. CollegInvest provided notice of discontinuance of the service agreement (Brighthouse Agreement) in October 2019.

Nationwide offers an investment return based on an interest rate that is reset annually by Nationwide each January 1. The minimum investment return on accounts in the SVP could be as low as 0.51%, which is the minimum annual rate of 1.50% less the maximum CollegInvest administrative fee of 0.99%. Nationwide agreed to pay an annual rate of 3.2% from October 2019 to December 2019 and 3.2% from January 2020 to June 2020. The rate, net of CollegInvest's administrative fee was 2.49% October 1, 2019 through June 30, 2020.

The prior Brighthouse funding agreement paid an annual rate of 3.00% from January 1, 2018 to December 31, 2018, 3.20% from January 1, 2019 to October 31, 2019 and 2.0% from November 1, 2019 to June 30, 2020. The rate, net of CollegInvest's administrative fee, was 2.29% from January 1, 2018 through December 31, 2018, 2.49% from January 1, 2019 through October 31, 2019, and 1.29% from November 1, 2019 through June 30, 2020.

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Stable Value Plus Fund (continued):

CollegeInvest funded the interest shortfall between the Nationwide's annual rate and the Brighthouse's annual rate of 2.49% and 1.29%, respectively, from November 1, 2019 to June 30, 2020. A total of \$831,000 was paid by CollegeInvest for the year ended June 30, 2020.

The plan assets held at Brighthouse will be transferred in four equal installments to Nationwide over a three year and 60 day time period, per the terms in the Brighthouse Funding Agreement. The last transfer will occur on December 23, 2022.

CollegeInvest may discontinue the Nationwide Contract at any time. In the event of such discontinuance, CollegeInvest shall direct the investment of SVP assets to alternate investments as permitted by the Nationwide Contract and the investment policy of SVP. There is no assurance that CollegeInvest will be able to obtain such alternate investment or maintain the current investment return for any such alternate investment.

Smart Choice Fund:

In October 2009, CollegeInvest entered into an agreement with FirstBank, a Colorado banking company, to begin offering a college savings option called the Smart Choice College Savings Plan (SCCS). CollegeInvest acts as trustee for the plan and FirstBank performs administrative and record-keeping duties. The plan is being offered to provide an additional tax-advantaged savings vehicle for participants to utilize in saving for post-secondary education by providing the benefits of a 529 plan along with the stability and security of an FDIC-insured bank. The product offerings through the SCCS are a One-Year Time Savings option and a Money Market Savings option. The agreement expires September 30, 2029, with an option to extend for up to two additional two-year periods.

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Smart Choice Fund (continued):

The interest rate paid on amounts deposited into the money market savings account and the one-year time saving account will be established by FirstBank. However, the rates for each type of account must not be less than 0.10% of the interest rate publicly offered directly by FirstBank on similar money market and savings accounts. The rates are variable and are published daily by FirstBank on their website. The interest rate will be calculated, and may be adjusted if needed, every Wednesday and on the first day of each month, and is net of all administrative and other charges of FirstBank.

Basis of Accounting:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, including applicable standards of the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is utilized by the Funds.

Additions to fiduciary net position are recognized in the accounting period in which they are earned and deductions from fiduciary net position are recognized in the period they are incurred.

Cash and Cash Equivalents:

The Fund considers all cash and demand deposit accounts to be cash equivalents.

Investments and Fiduciary Net Position Additions/Deductions:

QS has responsibility for investing the assets of each of the SCF's portfolios, and the Managers have responsibility for investing the assets of the DPF's portfolios in equity mutual funds, fixed income mutual funds, money market funds, and other investments (Underlying Funds), in accordance with CollegeInvest's Investment Policy Statements, and the Portfolio selected for investment by the participant.

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Investments and Fiduciary Net Position Additions/Deductions (continued):

CollegeInvest has responsibility for transferring the assets of the participants of the SVP to Nationwide in accordance with the Nationwide Contract. Investments in the Underlying Funds are purchased weekly and are valued at the closing net asset value per share on the date of transfer to Nationwide. Interest earnings are credited to participant accounts daily. Distributions from the SVP are valued on the date immediately preceding the date that a payment is made by CollegeInvest in satisfaction of a withdrawal request.

All contributions received from participants of the SCCS will be made to a plan account and, at the direction of the account owner, will be deposited in a One-Year Time Savings Account or a Money Market Savings Account with FirstBank through its individually chartered bank.

Security transactions for the SCF and the DPF are accounted for on a trade-date basis. This may result in receivables and payables for transactions at year-end. Investments in the Underlying Funds are valued at the closing net asset value per share of each Underlying Fund on the day of valuation.

Income distributions and short-term capital gain distributions from the Underlying Funds are recorded on the ex-dividend date as investment and interest earnings are recorded on an accrual basis. Long-term capital gains, if any, from the Underlying Funds are recorded on the ex-dividend date as realized gains. Gains or losses on the sale of the Underlying Funds are calculated by using the specific identification method.

Investments are carried at fair value, which is primarily determined based on market prices at June 30, 2020 and 2019.

Due from (to) Student Loan Program Funds

CollegeInvest utilizes the Borrower Benefit Fund (within the Student Loan Program Funds of CollegeInvest) for payment of general and administrative expenses including salaries and related pension and other postemployment benefits and other activities necessary to fulfill the purposes of the various funds administered by CollegeInvest, including the College Savings Program Funds. Expenses paid from the Borrower Benefit Fund related to the Funds are reimbursed by the Funds through the administrative fee. The amount of administrative fees received and held in the Borrower Benefit Fund that exceeds expenses paid by the Borrower Benefit Fund results in a receivable, and vice-versa. In addition, marketing and scholarship commitments and reserve, are held in the Borrower Benefit Fund and are recorded as a receivable on the College Savings Funds.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Unearned Revenue:

Marketing and scholarship commitments received from LMIS and the Managers in excess of actual expenses are held in the Borrower Benefit Fund and recorded as unearned revenue in the SCF and DPF. Total unearned revenue recorded in these funds was \$6.1 million and \$5.5 million for the years ended June 30, 2020 and 2019, respectively. CollegInvest will utilize these commitments for marketing and scholarships as designated in the contracts with LMIS and the Managers.

Colorado legislation that was passed in 2019 required CollegInvest to transfer funds from the Colorado CollegInvest Scholarship Program to the SVP for creation of Child Kickstarter Accounts. The CollegInvest First Step program provides a \$100 contribution to the CollegInvest account of a beneficiary born or adopted in the State of Colorado on or after January 1, 2020. The amount recorded as unearned revenue in the SVP was \$12.4 million for the year ended June 30, 2020.

Fee Limitation/Due to Participants:

To the extent that administrative fees collected from participants exceed the expenses of the Program, CollegInvest shall 1) determine if such revenues are required to fund subsequent year expenses of the Program; 2) determine if such fees are required to fund prior years' unfunded expenses of the Program; or 3) reduce future fees of the plan participants for the following year.

As of June 30, 2020 and 2019, \$6.4 million and \$5.9 million in fees were accumulated in reserves that were greater than actual expenses, respectively. As of June 30, 2020, the \$6.4 million reserve is restricted for future expenses of CollegInvest in its capacity as administrator of the Program. It is CollegInvest's intent to maintain this reserve at approximately 12 to 18 months of estimated expenses, which CollegInvest estimates to be between \$5.8 million and \$8.7 million.

Participant Contributions:

The aggregate balance limit for the Funds and all other Colorado Section 529 plans for a particular beneficiary from all sources, excluding income, is \$400,000. The balance limit is set by CollegInvest based on Internal Revenue Service (IRS) guidelines and is subject to change. In particular, if the IRS adopts final regulations, it may require or permit a maximum balance limit that differs from the \$400,000 limit. No additional contributions may be made to an account if the balance limit is reached; however, the account may continue to grow beyond this limit through earnings.

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Withdrawals:

A qualified withdrawal is a withdrawal made to pay qualified higher education expenses of the beneficiary. The earnings on qualified withdrawals are not subject to federal income tax. All withdrawals other than for this purpose are considered non-qualified withdrawals. Non-qualified withdrawals are subject to federal income tax plus a 10% penalty on earnings per Section 529 of the Internal Revenue Code. A non-qualified withdrawal is not subject to the 10% penalty only if the withdrawal is: (i) made on account of the death or disability of the beneficiary; (ii) made on account of a scholarship received by the beneficiary, to the extent that the withdrawal does not exceed the amount of the scholarship; or (iii) a non-taxable transfer to another account or to another Section 529 plan on behalf of a beneficiary or for a different beneficiary who is a family member of the original student. A non-qualified withdrawal may also be subject to recapture in the event a deduction has been taken from Colorado taxable income.

Investment, Service and Administrative Fees:

Scholars Choice Fund:

CollegeInvest has a service agreement (SCF Service Agreement) with QS and Legg Mason Investor Services, LLC (LMIS) pursuant to which QS and LMIS are responsible for providing administrative, record-keeping, marketing, and investment management services to SCF. Both QS and LMIS are wholly-owned subsidiaries of Legg Mason, Inc. The SCF Service Agreement states that QS will receive investment and service fees at an annual percentage rate of average daily net assets. The rate structures can be found in the Plan Disclosure Statement for the Scholars Choice Fund.

This rate will vary with the Unit Class the account owner chooses. During the years ended June 30, 2020 and 2019, the investment fees paid by SCF were \$866,000 and \$857,000, respectively, under the SCF Service Agreement. In addition, according to the SCF Service Agreement, each participant bears certain ongoing service fees that will vary with the Unit Classes the participant chooses. These direct service fees provide for the costs associated with distribution, servicing, and administration of the Unit Classes. Such direct service fees reduce the value of the participant's account as incurred. Such fees are payable to QS monthly, solely from the assets of SCF. SCF paid service fees of \$14.9 million and \$16.6 million for the years ended June 30, 2020 and 2019, respectively.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Investment, Service and Administrative Fees (continued):

Scholars Choice Fund (continued):

The SCF Service Agreement states that CollegInvest will receive an administrative fee at an annual rate of up to 0.10% of average daily net assets. These fees represent charges to SCF for actual administrative costs of CollegInvest. Such fees are payable to CollegInvest monthly, solely from the assets of the SCF. From July 1, 2018 through June 30, 2020, CollegInvest received an administrative fee at an annual rate of 0.06% of average daily net assets. SCF paid administrative fees of \$2.7 million and \$2.6 million for the years ended June 30, 2020 and 2019, respectively.

Direct Portfolio Fund:

CollegInvest entered into a service agreement (DPF Service Agreement) with Ascensus and The Vanguard Group, Inc. (Managers), pursuant to which the Managers are responsible for providing administrative, record-keeping, marketing, and investment management services to the DPF. During the year ended June 30, 2020, DPF paid investment fees of \$1.6 million and service fees of \$10.2 million. During the year ended June 30, 2019, DPF paid investment fees of \$1.4 million and service fees of \$9.1 million. Such direct investment and service fees reduce the value of the participant's account as incurred. Such fees are payable to the Managers monthly, solely from the assets of the DPF.

Under the DPF Service Agreement, CollegInvest receives an administrative fee at an annual rate of up to 0.10% of average daily net assets. These fees represent charges to DPF for actual administrative costs of CollegInvest. Such fees are payable to CollegInvest monthly, solely from the assets of DPF. From July 1, 2018 through June 30, 2020 CollegInvest received an administrative fee at an annual rate of 0.06% of average daily net assets. DPF paid administrative fees of \$2.5 million and \$2.2 million for the years ended June 30, 2020 and 2019, respectively.

Stable Value Plus Fund:

Contributions are invested by deposit under the Deferred Fixed Annuity Contract (Nationwide Contract) between CollegInvest and Nationwide. Deposits made under the Nationwide Contract become commingled with the general account of Nationwide. Nationwide is obligated to repay the amounts deposited under the Nationwide Contract and an investment return as described above. The annual interest rate calculated each year under the Nationwide Contract is net of all administrative and other charges of Nationwide.

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies (continued):

Investment, Service and Administrative Fees (continued):

Stable Value Plus Fund (continued):

The Nationwide Contract states that CollegeInvest will receive an administrative fee at an annual rate of up to 0.99% of the average daily net assets of the Fund. Such fees are payable to CollegeInvest solely from account owners and cannot exceed actual expenses of administering the Fund as defined by statute. For the period from July 1, 2018 through June 30, 2020, the fee was 0.71%. SVP paid administrative fees on behalf of its participants of \$1.0 million for both years ended June 30, 2020 and 2019.

Smart Choice Fund:

All monies received as contributions to the accounts under the service agreement (SCCS Service Agreement) between CollegeInvest and FirstBank shall be deposited by FirstBank into the Trust Account and invested according to the respective Investment Option or Options, as directed by the account owner. The SCCS Service Agreement requires FirstBank to repay the amounts deposited along with any interest earned on their deposit. The interest rate will be calculated, and may be adjusted if needed, every Wednesday and on the first day of each month and is net of all administrative and other charges of FirstBank.

Under the SCCS Service Agreement, CollegeInvest receives an administrative fee at an annual rate of up to 0.10% of average daily net assets. These fees represent charges to SCCS for actual administrative costs of CollegeInvest. Such fees are payable to CollegeInvest monthly, solely from the assets of SCCS. SCCS paid administrative fees on behalf of its participants of \$71,000 and \$63,000 for the years ended June 30, 2020 and 2019, respectively.

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments:

Cash and Cash Equivalents:

As contributions are received from participants, the cash is held in the respective Fund until such time as it may be invested in the underlying funds of the chosen investment portfolios. With respect to the SCF and DPF, depending upon the timing of the cash receipts, there could be up to two days' delay between actual receipt of cash and the investment made on behalf of the participant. Cash and cash equivalents are held in trust by the Funds' Managers as of June 30, 2020 and 2019. With respect to SVP, contributions will be invested with Nationwide within 30 days of receipt by CollegeInvest. Interest earned on contributions prior to investment with Nationwide will accrue to CollegeInvest and will be used to offset administrative expenses. SVP had deposits that were not yet transferred to Nationwide of \$1.0 million and \$316,000 as of June 30, 2020 and 2019, respectively

All cash deposits of the SVP Funds are held by a bank. Payments and cash receipts are deposited to a demand deposit account daily. All cash deposits of the SCF and DPF are held by a custodian on behalf of the manager of each Fund until it is invested in the Underlying Funds. All cash deposits of the SCCS Funds are held by FirstBank.

Custodial Credit Risk – Cash Deposits:

Cash deposits as of June 30 are as follows:

		<u>2020</u>		<u>2019</u>
		(dollar amounts expressed in thousands)		
Demand deposit accounts	\$	630	\$	334
Money market accounts		76,643		68,451
Total cash deposits	\$	<u>77,273</u>	\$	<u>68,785</u>

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, CollegeInvest will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Monies in the SVP demand deposit accounts are insured by federal depository insurance for the first \$250,000. Deposits in excess of the \$250,000 limit are collateralized subject to the provisions of the State's Public Deposit Protection Act (PDPA) for monies held within the state. Monies held in the SCF and DPF are uncollateralized. Individual accounts in the SCCS that are greater than \$250,000 are uncollateralized. There were one and two uncollateralized accounts in the SCCS as of June 30, 2020 and 2019, respectively.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments (continued):

Investments:

Investments, at fair value, for each Fund as of June 30 are as follows:

	2020		2019
	(dollar amounts expressed in thousands)		
Scholars Choice Fund	\$ 4,573,287	\$	4,504,777
Direct Portfolio Fund	4,509,323		4,079,570
Stable Value Plus Fund	159,686		142,227
Total investments	\$ 9,242,296	\$	8,726,574

Investment Authority and Policy:

Scholars Choice Fund and Direct Portfolio Fund:

The Board approves the investment policies for both the SCF and DPF. Investments of assets in the SCF and DPF and the underlying portfolios are selected and managed in accordance with the standards set forth in the Colorado Revised Statutes Sections 15-1-304 and 15-1.1-102. Consistent with these standards, the Board, or its designated committee, will determine from time to time suitable investment parameters for the SCF and the DPF, which seek to control risk through portfolio diversification. Generally, investments include money market mutual funds and bond and equity mutual funds. Each mutual fund in which an underlying portfolio is invested shall comply with the investment policy's permitted investment guidelines.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments (continued):

Investment Authority and Policy (continued):

Scholars Choice Fund and Direct Portfolio Fund (continued):

The table below identifies the significant investment types that are authorized for the SCF and DPF:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer [A]
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Certificates of Deposit	12 months	[B]	[B]
Commercial Paper	9 months	None	None
General or Revenue Obligations	None	None	None
Repurchase Agreements [C]	None	None	None
Investment Agreements	None	None	None
Banker's Acceptances	None	None	None
Domestic Equity Securities	N/A	[D]	[D]
Foreign Equity Securities	N/A	[E]	[E]
Money Market Funds	N/A	None	None
Cash Management Accounts	N/A	None	None

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments (continued):

Investment Authority and Policy (continued):

Scholars Choice Fund and Direct Portfolio Fund (continued):

- [A] No more than 10% of the total amount of the fixed-income portion shall be committed to the securities of any one issuer at the time of purchase, with the exception of securities issued or guaranteed by the full faith and credit of the United States or AAA rated securities issued by governmental agencies as to which there is no limit.
- [B] No more than 5% of the assets of the short-term investment account shall be committed to certificates of deposit from one institution.
- [C] Repurchase agreements must be secured by U.S. Treasury Obligations or U.S. Agency Securities.
- [D] No more than 5% of the total amount of the underlying portfolio in the securities of any one issuer; no more than 5% of the outstanding shares of any single corporation; and no more than 25% of the total amount of the underlying portfolio in any one industry.
- [E] No more than 5% of the total amount of the underlying portfolio in the securities of any one issuer; no more than 5% of the outstanding shares of any single corporation; investment in any one country shall be no more than a) 25% of the total amount of the underlying portfolio or, b) the country weight in the EAFE benchmark plus 10% and a minimum of eight countries should be represented in the underlying portfolio.

Stable Value Plus Fund:

The Board approves the investment policy for the SVP. Generally, investments include any funding agreement, guaranteed interest contract, guaranteed investment contract, annuity contract, repurchase agreement, or other similar investments which are issued by an insurance company or other investment provider with financial strength ratings in any one of the three highest rating categories by two or more nationally recognized rating agencies which regularly rate the ability of such investment providers to pay claims. The SVP may terminate any agreement with an existing investment provider should two or more of the nationally recognized rating agencies reduce their rating of the provider to a category that is below the lowest "A" rating. As of June 30, 2020, the Nationwide Mutual Insurance Company's rating met the requirements of the investment policy.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments (continued):

Investment Authority and Policy (continued):

Smart Choice Fund:

The Board, with the approval of the Executive Director of the Department, has the responsibility to select a financial institution to manage the plan assets. The SCCS will offer a number of investment options in interest-bearing accounts provided by FirstBank that reflect a conservative and safe risk tolerance for participants saving for post-secondary education. Generally, investments may include a regular savings account, a time savings account, a money market account, a time deposit account or a premier time account. Monies in these accounts are insured by the FDIC for the first \$250,000.

The Funds' investments, at fair value, as of June 30 are as follows:

	<u>2020</u>	<u>2019</u>
	(dollar amounts expressed in thousands)	
Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares	\$ 1,644,767	\$ 1,754,853
Vanguard Total Bond Market II Index Fund Institutional Shares	1,030,559	1,049,485
Vanguard Total International Stock Index Fund Institutional Plus Shares	754,850	548,698
Western Asset Institutional Government Reserves	675,768	577,264
Western Asset Core Plus Bond Fund	635,510	506,104
Western Asset Short-Term Bond Fund	537,918	804,403
QS U.S. Large Cap Equity Fund	481,987	463,967
Vanguard Total International Bond Index Fund Institutional Shares	476,391	279,292
Vanguard Federal Money Market Fund Investor Shares	430,696	314,006
Western Asset Inflation Indexed Plus Fund	339,353	326,633
Thornburg International Value Fund	323,825	152,428
Templeton Foreign Fund	304,964	128,807
BW Global Opportunities Bond Fund	244,901	5,059
ClearBridge Appreciation Fund	243,402	372,875
ClearBridge Large Cap Growth Fund	238,245	-
BW Diversified Large Cap Value Fund	195,229	584,010
QS Global Dividend Fund	170,358	176,032
Investment Agreement	159,686	142,227
ClearBridge Small Cap Fund	101,532	140,174
Vanguard Total Bond Market Index Fund Institutional Plus Shares	89,079	65,076
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	82,035	67,532
ClearBridge Small Cap Growth Fund	41,847	51,323
ClearBridge Aggressive Growth Fund	38,448	154,771
Vanguard Cash Management Trust	946	628
Western Asset Global High Yield Bond Fund	-	61,129
Legg Mason Repurchase Agreement	-	(202)
	<u>\$ 9,242,296</u>	<u>\$ 8,726,574</u>

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments (continued):

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. CollegeInvest provides participants investment opportunities in various portfolios that are constructed from a range of mutual funds that it has selected. CollegeInvest does not actively manage interest rate risk except through its mutual fund selection process. QS and the Managers of the Funds primarily report interest rate risk evaluation of the fixed income mutual funds in the various portfolios based on the duration method.

	2020		2019	
	Duration	Weighted Average Maturity	Duration	Weighted Average Maturity
BW Global Opportunities Bond Fund	8.4 years		6.4 years	
Vanguard Federal Money Markey Fund Investor Shares		57 days		38 days
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	2.6 years		2.7 years	
Vanguard Total Bond Market II Index Fund Institutional Shares	6.4 years		6.0 years	
Vanguard Total Bond Market Index Fund Institutional Plus Shares	6.5 years		6.0 years	
Vanguard Total International Bond Index Fund Institutional Shares	8.4 years		8.1 years	
Western Asset Core Plus Bond Fund	6.8 years		6.2 years	
Western Asset Global High Yield Bond Fund	-		4.2 years	
Western Asset Inflation Indexed Plus Bond Fund	8.2 years		8.7 years	
Western Asset Institutional Government Reserves		45 days		19 days
Western Asset Short-Term Bond Fund	2.0 years		1.9 years	

CollegeInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments (continued):

Credit Risk:

Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment options in SCF and DPF attempt to diversify risk by offering multiple portfolio options with a range of credit risk characteristics. Investments of the underlying portfolios shall be selected and managed in accordance with the standards set forth in Section 15-1-304, C.R.S., that is: (a) with the care which men of prudence, discretion and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital; and (b) for the sole benefit of the beneficiary. Investment decisions shall be made in accordance with the prudent investor rule set forth in Section 15-1.1-102, C.R.S. Consistent with the above, the BOD, or its designated Committee, will determine, from time to time, suitable investment parameters for the SCF and DPF which seek to control risk through portfolio diversification. Additionally, CollegeInvest's investment policy states that all mutual fund assets are subject to the provisions of the Investment Company Act of 1940. As of June 30, 2020 and 2019, investments in the SCF, DPF and SCCS portfolios and the Funding Agreement were unrated. The underlying securities of the repurchase agreement are explicitly guaranteed by the U.S. government and are not subject to credit risk disclosures.

Units:

The beneficial interests of each participant and beneficiary in the net position of all portfolios except SCCS are represented by units. Contributions to and redemptions from the portfolios are subject to terms and limitations defined in the participation agreement between the participant and the respective plan. Contributions to SCF and DPF (other than by electronic funds transfers) will purchase units in a portfolio at the net asset value per unit for that portfolio calculated no later than the business day following the day payment is received by QS or the Managers. Contributions by electronic funds transfers will purchase units at the unit value calculated on the day of transfer or, in certain cases, on the day that the monies become available. Contributions to SVP, including contributions received by electronic transfer, will purchase units at the net asset value calculated on the business day immediately preceding the date the contributions are invested with Nationwide. Contributions are required to be invested with Nationwide within 30 days of receipt by CollegeInvest.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

2. Cash, Cash Equivalents and Investments (continued):

Units (continued):

Withdrawals from SCF or DPF result in the redemption of units, based on the unit value next determined following QS's or the Manager's receipt of the withdrawal request. Unit values for each portfolio are determined daily. There are no distributions of net investment gains or net investment income to the portfolios' participants or beneficiaries. Withdrawals from SVP result in the redemption of units, based on the unit value determined on the date immediately preceding the date that a payment is made by CollegInvest in satisfaction of a withdrawal request. Unit values for the Fund are determined daily. There are no distributions of net investment gains or net investment income to the participants or beneficiaries.

3. Disclosures About Fair Value of Assets and Liabilities:

Units:

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 (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date
- Level 2:** Inputs other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities 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 for an asset or liability

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

3. Disclosures About Fair Value of Assets and Liabilities (continued):

Recurring Measurements:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30:

Investments	2020			2019		
	Carrying value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Exempt	Carrying value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Exempt
(\$ in thousands)						
Stock Mutual Funds	\$ 4,539,454	\$ 4,539,454	\$ -	\$ 4,527,938	\$ 4,527,938	\$ -
Bond Mutual Funds	3,435,746	3,435,746	-	3,164,713	3,164,713	-
Guaranteed Investment Contract	159,686	-	159,686	142,227	-	142,227
Money Market Funds	1,107,410	1,106,464	946	891,696	891,270	426
Total	\$ 9,242,296	\$ 9,081,664	\$ 160,632	\$ 8,726,574	\$ 8,583,921	\$ 142,653

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of fiduciary net position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2020 and 2019.

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. CollegInvest does not have any investments classified as Level 2 or Level 3.

CollegInvest
College Savings Program Funds
Notes To Financial Statements
June 30, 2020 and 2019

4. Net Position:

All of the Funds' fiduciary net position of \$9.3 billion and \$8.8 billion as of June 30, 2020 and 2019, respectively, are net position held in trust on behalf of investors in the Funds.

5. Intraplan Administrative Fee Transfers:

CollegInvest may receive an administrative fee at an annual rate of up to 0.99% of the average daily net assets of SVP, and up to 0.10% of the average daily net assets of SCF, DPF and SCCS. These fees are deducted monthly from each fund and are used by CollegInvest for the payment of administrative expenses incurred by CollegInvest in connection with the operation of the Program in accordance with and as permitted by applicable law. From July 1, 2018 through June 30, 2020, the fee for SVP was 0.71%, 0.10% for SCCS, and 0.06% for SCF and DPF.

During the fiscal year ended June 30, 2020, SCF transferred \$179,000 to DPF, \$456,000 to SVP, and \$24,000 to SCCS for the payment of expenses in excess of fees collected.

During the fiscal year ended June 30, 2019, SCF transferred \$140,000 to DPF, \$367,000 to SVP, and \$20,000 to SCCS for the payment of expenses in excess of fees collected.

6. Capital Markets:

During the last several years, financial markets as a whole have incurred significant fluctuations in values. Because the values of individual investments fluctuate with market conditions, the amount of investment gains or losses that the plan will recognize in its future financial statements, if any, cannot be determined.

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 investment financial positions, and thus fiduciary net positions. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

7. Subsequent Events:

Legg Mason Investor Service, LLC, the manager of the advisor sold account for the Scholar Choice Fund, was acquired by Franklin Templeton on July 31, 2020.

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SUPPLEMENTARY INFORMATION

CollegInvest Scholars Choice Fund

Supplementary Schedule – Combining Schedule of Fiduciary Net Position

June 30, 2020

(Dollar amounts expressed in thousands)

	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7
Fiduciary assets:							
Investments, at fair value	\$ 402,368	\$ 189,585	\$ 311,418	\$ 726,536	\$ 649,148	\$ 876,849	\$ 540,267
Receivable for portfolio units sold and investments sold	822	380	449	1,554	1,330	1,849	1,308
Interest receivable	303	194	404	1,139	935	762	316
Due from plan managers	20	9	15	36	32	43	27
Due from Student Loan Program Funds	892	420	690	1,611	1,439	1,943	1,197
Total fiduciary assets	<u>404,405</u>	<u>190,588</u>	<u>312,976</u>	<u>730,876</u>	<u>652,884</u>	<u>881,446</u>	<u>543,115</u>
Liabilities:							
Accounts payable	2	1	2	4	3	3	3
Payable for portfolio units repurchased and investments purchased	1,041	515	775	2,441	1,958	2,513	1,550
Service and investment fees payable	123	56	93	222	202	290	187
Unearned revenue	350	165	272	632	564	762	470
Due to participants	560	263	433	1,012	904	1,220	752
Total liabilities	<u>2,076</u>	<u>1,000</u>	<u>1,575</u>	<u>4,311</u>	<u>3,631</u>	<u>4,788</u>	<u>2,962</u>
Total fiduciary net position, held in trust	<u>\$ 402,329</u>	<u>\$ 189,588</u>	<u>\$ 311,401</u>	<u>\$ 726,565</u>	<u>\$ 649,253</u>	<u>\$ 876,658</u>	<u>\$ 540,153</u>

CollegInvest Scholars Choice Fund

Supplementary Schedule – Combining Schedule of Fiduciary Net Position (continued)

June 30, 2020

(Dollar amounts expressed in thousands)

Fixed Income	Equity	Cash Reserve	U.S. Aggressive Equity Individual Fund Portfolio	U.S. Core Equity Individual Fund Portfolio	U.S. Small Cap Equity Individual Fund Portfolio	International Equity Individual Fund Portfolio	Global Fixed Income Individual Fund Portfolio	Total
\$ 51,417	\$ 584,163	\$ 128,087	\$ 38,448	\$ 47,434	\$ 9,410	\$ 12,060	\$ 6,097	\$ 4,573,287
94	1,044	430	45	31	22	56	27	9,441
123	211	7	-	-	-	-	21	4,415
3	29	6	2	2	-	1	-	225
114	1,294	284	85	105	21	27	14	10,136
<u>51,751</u>	<u>586,741</u>	<u>128,814</u>	<u>38,580</u>	<u>47,572</u>	<u>9,453</u>	<u>12,144</u>	<u>6,159</u>	<u>4,597,504</u>
-	3	1	-	-	-	-	-	22
214	1,206	288	42	27	21	55	48	12,694
17	171	(162)	12	15	3	4	2	1,235
45	507	111	33	41	8	10	5	3,975
72	812	178	53	66	13	17	9	6,364
<u>348</u>	<u>2,699</u>	<u>416</u>	<u>140</u>	<u>149</u>	<u>45</u>	<u>86</u>	<u>64</u>	<u>24,290</u>
<u>\$ 51,403</u>	<u>\$ 584,042</u>	<u>\$ 128,398</u>	<u>\$ 38,440</u>	<u>\$ 47,423</u>	<u>\$ 9,408</u>	<u>\$ 12,058</u>	<u>\$ 6,095</u>	<u>\$ 4,573,214</u>

CollegInvest
Scholars Choice Fund
Supplementary Schedule – Combining Schedule of
Changes in Fiduciary Net Position
Year Ended June 30, 2020
(Dollar amounts expressed in thousands)

	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7
Additions:							
Gross earnings on investments:							
Interest and dividends	\$ 26,773	\$ 11,899	\$ 18,567	\$ 39,548	\$ 31,299	\$ 29,160	\$ 8,450
Net realized and unrealized gains (losses) from securities transactions	(21,070)	(7,348)	(7,829)	(11,198)	(4,089)	9,290	6,647
	5,703	4,551	10,738	28,350	27,210	38,450	15,097
Less investment fees	(90)	(17)	(28)	(136)	(60)	(112)	(96)
Net investment earnings	5,613	4,534	10,710	28,214	27,150	38,338	15,001
Participant contributions	67,075	32,286	37,265	60,007	49,346	46,577	28,221
Fees	31	15	24	56	50	68	42
Total additions	72,719	36,835	47,999	88,277	76,546	84,983	43,264
Deductions:							
Benefits paid to participants and withdrawals	28,150	4,063	7,280	45,996	14,454	85,657	165,487
Service fees	1,276	578	953	2,351	2,147	2,962	1,766
Administrative fees	242	113	186	440	391	509	291
Marketing expenses	31	15	24	56	50	68	42
Reduced operating expenses	(98)	(46)	(76)	(178)	(159)	(214)	(132)
Total deductions	29,601	4,723	8,367	48,665	16,883	88,982	167,454
Portfolio exchanges, net	(59,848)	(35,932)	(41,812)	(69,329)	(73,192)	40,522	212,469
Change in fiduciary net position before transfers	(16,730)	(3,820)	(2,180)	(29,717)	(13,529)	36,523	88,279
Intraplan administrative fee transfer	(58)	(27)	(45)	(105)	(94)	(126)	(78)
Change in due to participants	(40)	(19)	(31)	(73)	(65)	(88)	(54)
Change in fiduciary net position	(16,828)	(3,866)	(2,256)	(29,895)	(13,688)	36,309	88,147
Fiduciary net position, beginning of year	419,157	193,454	313,657	756,460	662,941	840,349	452,006
Fiduciary net position, end of year	\$ 402,329	\$ 189,588	\$ 311,401	\$ 726,565	\$ 649,253	\$ 876,658	\$ 540,153

CollegInvest
Scholars Choice Fund
Supplementary Schedule – Combining Schedule of
Changes in Fiduciary Net Position (continued)
Year Ended June 30, 2020
(Dollar amounts expressed in thousands)

	Fixed Income	Equity	Cash Reserve	U.S. Aggressive Equity Individual Fund Portfolio	U.S. Core Equity Individual Fund Portfolio	U.S. Small Cap Equity Individual Fund Portfolio	International Equity Individual Fund Portfolio	Global Fixed Income Individual Fund Portfolio	Total
\$	1,992	\$ 44,270	\$ 1,302	\$ 3,887	\$ 2,925	\$ 337	\$ 737	\$ 62	\$ 221,208
	<u>1,396</u>	<u>(45,414)</u>	<u>-</u>	<u>(2,345)</u>	<u>(1,428)</u>	<u>(2,203)</u>	<u>(577)</u>	<u>(22)</u>	<u>(86,190)</u>
	3,388	(1,144)	1,302	1,542	1,497	(1,866)	160	40	135,018
	<u>(8)</u>	<u>(123)</u>	<u>(179)</u>	<u>(7)</u>	<u>(5)</u>	<u>(1)</u>	<u>(3)</u>	<u>(1)</u>	<u>(866)</u>
	<u>3,380</u>	<u>(1,267)</u>	<u>1,123</u>	<u>1,535</u>	<u>1,492</u>	<u>(1,867)</u>	<u>157</u>	<u>39</u>	<u>134,152</u>
	6,235	38,788	31,475	6,051	9,728	1,868	2,229	1,224	418,375
	<u>4</u>	<u>45</u>	<u>10</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>354</u>
	<u>9,619</u>	<u>37,566</u>	<u>32,608</u>	<u>7,589</u>	<u>11,224</u>	<u>2</u>	<u>2,387</u>	<u>1,263</u>	<u>552,881</u>
	6,705	56,887	43,024	2,529	2,963	1,001	1,075	640	465,911
	157	1,829	520	110	133	32	38	18	14,870
	28	361	58	21	24	6	7	3	2,680
	4	45	10	3	4	1	1	-	354
	<u>(13)</u>	<u>(143)</u>	<u>(31)</u>	<u>(9)</u>	<u>(12)</u>	<u>(2)</u>	<u>(3)</u>	<u>(1)</u>	<u>(1,117)</u>
	<u>6,881</u>	<u>58,979</u>	<u>43,581</u>	<u>2,654</u>	<u>3,112</u>	<u>1,038</u>	<u>1,118</u>	<u>660</u>	<u>482,698</u>
	<u>5,241</u>	<u>(30,771)</u>	<u>50,301</u>	<u>(365)</u>	<u>3,300</u>	<u>(405)</u>	<u>(615)</u>	<u>436</u>	<u>-</u>
	7,979	(52,184)	39,328	4,570	11,412	(1,441)	654	1,039	70,183
	<u>(7)</u>	<u>(84)</u>	<u>(18)</u>	<u>(6)</u>	<u>(7)</u>	<u>(1)</u>	<u>(2)</u>	<u>(1)</u>	<u>(659)</u>
	<u>(5)</u>	<u>(58)</u>	<u>(13)</u>	<u>(4)</u>	<u>(5)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(458)</u>
	7,967	(52,326)	39,297	4,560	11,400	(1,443)	651	1,037	69,066
	<u>43,436</u>	<u>636,368</u>	<u>89,101</u>	<u>33,880</u>	<u>36,023</u>	<u>10,851</u>	<u>11,407</u>	<u>5,058</u>	<u>4,504,148</u>
\$	<u>51,403</u>	\$ <u>584,042</u>	\$ <u>128,398</u>	\$ <u>38,440</u>	\$ <u>47,423</u>	\$ <u>9,408</u>	\$ <u>12,058</u>	\$ <u>6,095</u>	\$ <u>4,573,214</u>

CollegInvest
Scholars Choice Fund
Supplementary Schedule – Combining Schedule of Investments
June 30, 2020
(Dollar amounts expressed in thousands)

	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7
Underlying funds:							
Western Asset Core Plus Bond Fund	\$ 79,767	\$ 56,443	\$ 123,725	\$ 192,071	\$ 81,615	\$ 77,984	\$ -
Western Asset Institutional Government Reserves	-	-	-	-	63,878	216,766	267,037
BW Diversified Large Cap Value Fund	34,398	10,203	9,863	17,512	19,524	15,699	-
Western Asset Short-Term Bond Fund	-	-	-	68,700	86,305	218,669	164,244
QS U.S. Large Cap Equity Fund	76,724	34,302	47,848	97,265	80,678	38,081	-
ClearBridge Aggressive Growth Fund	-	-	-	-	-	-	-
Western Asset Inflation Indexed Plus Fund	-	-	-	34,475	57,769	131,694	108,986
ClearBridge Appreciation Fund	19,370	9,229	14,368	28,542	30,878	73,285	-
Thornburg International Value Fund	58,053	23,176	31,208	49,217	27,049	9,089	-
Templeton Foreign Fund	56,780	22,672	30,518	48,133	26,502	8,916	-
QS Global Dividend Fund	19,794	11,199	21,479	53,815	35,396	-	-
ClearBridge Large Cap Growth Fund	32,624	12,094	17,942	40,741	31,127	32,500	-
ClearBridge Small Cap Fund	17,096	7,063	9,934	20,822	7,334	-	-
ClearBridge Small Cap Growth Fund	7,762	3,204	4,533	9,496	3,285	-	-
BW Global Opportunities Bond Fund	-	-	-	65,747	97,808	54,166	-
Total investments, at fair value	<u>\$ 402,368</u>	<u>\$ 189,585</u>	<u>\$ 311,418</u>	<u>\$ 726,536</u>	<u>\$ 649,148</u>	<u>\$ 876,849</u>	<u>\$ 540,267</u>

CollegInvest
Scholars Choice Fund
Supplementary Schedule – Combining Schedule of Investments (continued)
June 30, 2020
(Dollar amounts expressed in thousands)

Fixed Income	Equity	Cash Reserve	U.S. Aggressive Equity Individual Fund Portfolio	U.S. Core Equity Individual Fund Portfolio	U.S. Small Cap Equity Individual Fund Portfolio	International Equity Individual Fund Portfolio	Global Fixed Income Individual Fund Portfolio	Total
\$ 23,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,510
-	-	128,087	-	-	-	-	-	675,768
-	88,030	-	-	-	-	-	-	195,229
-	-	-	-	-	-	-	-	537,918
-	107,089	-	-	-	-	-	-	481,987
-	-	-	38,448	-	-	-	-	38,448
6,429	-	-	-	-	-	-	-	339,353
-	20,296	-	-	47,434	-	-	-	243,402
-	113,973	-	-	-	-	12,060	-	323,825
-	111,443	-	-	-	-	-	-	304,964
-	28,675	-	-	-	-	-	-	170,358
-	71,217	-	-	-	-	-	-	238,245
-	29,873	-	-	-	9,410	-	-	101,532
-	13,567	-	-	-	-	-	-	41,847
21,083	-	-	-	-	-	-	6,097	244,901
<u>\$ 51,417</u>	<u>\$ 584,163</u>	<u>\$ 128,087</u>	<u>\$ 38,448</u>	<u>\$ 47,434</u>	<u>\$ 9,410</u>	<u>\$ 12,060</u>	<u>\$ 6,097</u>	<u>\$ 4,573,287</u>

CollegInvest
Direct Portfolio Fund
Supplementary Schedule – Combining Schedule of Fiduciary Net Position
June 30, 2020
(Dollar amounts expressed in thousands)

	Aggressive Growth	Growth	Moderate Growth	Conservative Growth	Income	Stock Index	Bond Index	Money Market
Fiduciary assets:								
Investments, at fair value	\$ 623,145	\$ 468,665	\$ 491,617	\$ 396,698	\$ 428,199	\$ 509,988	\$ 89,275	\$ 285,659
Dividends and interest receivable	-	181	381	457	365	-	166	32
Due from plan managers	30	22	23	19	20	24	4	14
Due from Student Loan Program Funds	260	196	206	166	179	213	37	119
Total fiduciary assets	<u>623,435</u>	<u>469,064</u>	<u>492,227</u>	<u>397,340</u>	<u>428,763</u>	<u>510,225</u>	<u>89,482</u>	<u>285,824</u>
Liabilities:								
Accounts payable	2	1	1	1	1	1	-	1
Service and investment fees payable	154	116	122	98	98	134	22	33
Unearned revenue	288	217	228	183	198	238	41	132
Total liabilities	<u>444</u>	<u>334</u>	<u>351</u>	<u>282</u>	<u>297</u>	<u>373</u>	<u>63</u>	<u>166</u>
Total fiduciary net position, held in trust	<u>\$ 622,991</u>	<u>\$ 468,730</u>	<u>\$ 491,876</u>	<u>\$ 397,058</u>	<u>\$ 428,466</u>	<u>\$ 509,852</u>	<u>\$ 89,419</u>	<u>\$ 285,658</u>

CollegInvest Direct Portfolio Fund

Supplementary Schedule – Combining Schedule of Fiduciary Net Position (continued)

June 30, 2020

(Dollar amounts expressed in thousands)

87.5% Stock/12.5% Bond	62.5% Stock/37.5% Bond	37.5% Stock/62.5% Bond	12.5% Stock/57.5% Bond	50% Bond/50% Money Market	25% Bond/75% Money Market	Total
\$ 281,315	\$ 263,484	\$ 319,644	\$ 291,697	\$ 24,930	\$ 35,007	\$ 4,509,323
53	152	308	391	16	12	2,514
13	13	15	14	1	2	214
<u>118</u>	<u>110</u>	<u>134</u>	<u>122</u>	<u>10</u>	<u>16</u>	<u>1,886</u>
<u>281,499</u>	<u>263,759</u>	<u>320,101</u>	<u>292,224</u>	<u>24,957</u>	<u>35,037</u>	<u>4,513,937</u>
1	1	1	1	-	-	12
69	65	79	72	5	7	1,074
<u>130</u>	<u>122</u>	<u>148</u>	<u>135</u>	<u>12</u>	<u>16</u>	<u>2,088</u>
<u>200</u>	<u>188</u>	<u>228</u>	<u>208</u>	<u>17</u>	<u>23</u>	<u>3,174</u>
<u>\$ 281,299</u>	<u>\$ 263,571</u>	<u>\$ 319,873</u>	<u>\$ 292,016</u>	<u>\$ 24,940</u>	<u>\$ 35,014</u>	<u>\$ 4,510,763</u>

CollegInvest
Direct Portfolio Fund
Supplementary Schedule – Combining Schedule of Changes in Fiduciary Net Position
Year Ended June 30, 2020
(Dollar amounts expressed in thousands)

	Aggressive Growth	Growth	Moderate Growth	Conservative Growth	Income	Stock Index	Bond Index	Money Market
Additions:								
Gross earnings on investments:								
Interest and dividends	\$ 19,403	\$ 14,216	\$ 14,314	\$ 10,586	\$ 8,645	\$ 16,620	\$ 1,969	\$ 3,150
Net realized and unrealized gains from securities transactions	1,001	6,744	13,409	14,215	10,971	14,187	4,674	-
	<u>20,404</u>	<u>20,960</u>	<u>27,723</u>	<u>24,801</u>	<u>19,616</u>	<u>30,807</u>	<u>6,643</u>	<u>3,150</u>
Less investment fees	(218)	(159)	(158)	(117)	(209)	(98)	(23)	(247)
Net investment earnings	<u>20,186</u>	<u>20,801</u>	<u>27,565</u>	<u>24,684</u>	<u>19,407</u>	<u>30,709</u>	<u>6,620</u>	<u>2,903</u>
Participant contributions	97,503	54,984	48,895	38,093	43,645	60,089	8,947	43,681
Fees	<u>132</u>	<u>99</u>	<u>93</u>	<u>68</u>	<u>64</u>	<u>94</u>	<u>13</u>	<u>35</u>
Total additions	<u>117,821</u>	<u>75,884</u>	<u>76,553</u>	<u>62,845</u>	<u>63,116</u>	<u>90,892</u>	<u>15,580</u>	<u>46,619</u>
Deductions:								
Benefits paid to participants and withdrawals	24,908	18,467	18,491	32,967	87,633	27,919	7,641	63,940
Service fees	1,505	1,136	1,185	913	874	1,272	190	366
Administrative fees	370	277	288	221	232	294	45	129
Marketing expenses	132	99	93	68	64	94	13	35
Excess operating expenses	<u>30</u>	<u>22</u>	<u>21</u>	<u>15</u>	<u>14</u>	<u>21</u>	<u>1</u>	<u>8</u>
Total deductions	<u>26,945</u>	<u>20,001</u>	<u>20,078</u>	<u>34,184</u>	<u>88,817</u>	<u>29,600</u>	<u>7,890</u>	<u>64,478</u>
Portfolio exchanges, net	<u>(92,277)</u>	<u>(48,111)</u>	<u>(34,135)</u>	<u>24,978</u>	<u>97,602</u>	<u>(27,808)</u>	<u>16,488</u>	<u>103,738</u>
Change in fiduciary net position before transfers	(1,401)	7,772	22,340	53,639	71,901	33,484	24,178	85,879
Intraplan administrative fee transfer	<u>30</u>	<u>22</u>	<u>21</u>	<u>15</u>	<u>14</u>	<u>21</u>	<u>1</u>	<u>8</u>
Change in fiduciary net position	(1,371)	7,794	22,361	53,654	71,915	33,505	24,179	85,887
Fiduciary net position, beginning of year	<u>624,362</u>	<u>460,936</u>	<u>469,515</u>	<u>343,404</u>	<u>356,551</u>	<u>476,347</u>	<u>65,240</u>	<u>199,771</u>
Fiduciary net position, end of year	<u>\$ 622,991</u>	<u>\$ 468,730</u>	<u>\$ 491,876</u>	<u>\$ 397,058</u>	<u>\$ 428,466</u>	<u>\$ 509,852</u>	<u>\$ 89,419</u>	<u>\$ 285,658</u>

CollegInvest
Direct Portfolio Fund
Supplementary Schedule – Combining Schedule of Changes in Fiduciary Net Position (continued)
Year Ended June 30, 2020
(Dollar amounts expressed in thousands)

87.5% Stock/12.5% Bond	62.5% Stock/37.5% Bond	37.5% Stock/62.5% Bond	12.5% Stock/57.5% Bond	50% Bond/50% Money Market	25% Bond/75% Money Market	Total
\$ 8,419	\$ 7,908	\$ 8,737	\$ 7,543	\$ 390	\$ 470	\$ 122,370
<u>2,332</u>	<u>6,357</u>	<u>9,682</u>	<u>11,767</u>	<u>411</u>	<u>292</u>	<u>96,042</u>
10,751	14,265	18,419	19,310	801	762	218,412
<u>(95)</u>	<u>(88)</u>	<u>(97)</u>	<u>(84)</u>	<u>(15)</u>	<u>(26)</u>	<u>(1,634)</u>
<u>10,656</u>	<u>14,177</u>	<u>18,322</u>	<u>19,226</u>	<u>786</u>	<u>736</u>	<u>216,778</u>
61,705	31,617	28,499	28,476	2,070	5,068	553,272
<u>53</u>	<u>50</u>	<u>48</u>	<u>47</u>	<u>2</u>	<u>3</u>	<u>801</u>
<u>72,414</u>	<u>45,844</u>	<u>46,869</u>	<u>47,749</u>	<u>2,858</u>	<u>5,807</u>	<u>770,851</u>
1,984	1,110	2,330	37,114	256	3,842	328,602
663	640	734	670	42	53	10,243
162	156	178	162	12	17	2,543
53	50	48	47	2	3	801
<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>1</u>	<u>1</u>	<u>179</u>
<u>2,874</u>	<u>1,967</u>	<u>3,301</u>	<u>38,004</u>	<u>313</u>	<u>3,916</u>	<u>342,368</u>
<u>(55,412)</u>	<u>(34,553)</u>	<u>5,613</u>	<u>28,618</u>	<u>6,131</u>	<u>9,128</u>	<u>-</u>
14,128	9,324	49,181	38,363	8,676	11,019	428,483
<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>1</u>	<u>1</u>	<u>179</u>
14,140	9,335	49,192	38,374	8,677	11,020	428,662
<u>267,159</u>	<u>254,236</u>	<u>270,681</u>	<u>253,642</u>	<u>16,263</u>	<u>23,994</u>	<u>4,082,101</u>
<u>\$ 281,299</u>	<u>\$ 263,571</u>	<u>\$ 319,873</u>	<u>\$ 292,016</u>	<u>\$ 24,940</u>	<u>\$ 35,014</u>	<u>\$ 4,510,763</u>

CollegInvest
Direct Portfolio Fund
Supplementary Schedule – Combining Schedule of Investments
June 30, 2020
(Dollar amounts expressed in thousands)

	Aggressive Growth	Growth	Moderate Growth	Conservative Growth	Income	Stock Index	Bond Index	Money Market
Underlying funds:								
Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares	\$ 374,349	\$ 210,727	\$ 147,133	\$ 59,760	\$ -	\$ 510,148	\$ -	\$ -
Vanguard Total Bond Market II Index Fund Institutional Shares	-	82,278	172,782	207,919	147,558	-	-	-
Vanguard Total International Stock Index Fund Institutional Plus Shares	248,958	140,308	98,111	39,839	-	-	-	-
Vanguard Total International Bond Index Fund Institutional Shares	-	35,236	73,984	88,986	96,155	-	-	-
Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares	-	-	-	-	76,939	-	-	-
Vanguard Total Bond Market Index Fund Institutional Plus Shares	-	-	-	-	-	-	89,079	-
Vanguard Federal Money Market Fund Investor Shares	-	-	-	-	106,895	-	-	285,064
Vanguard Cash Management Trust	(162)	116	(393)	194	652	(160)	196	595
Total investments, at fair value	<u>\$ 623,145</u>	<u>\$ 468,665</u>	<u>\$ 491,617</u>	<u>\$ 396,698</u>	<u>\$ 428,199</u>	<u>\$ 509,988</u>	<u>\$ 89,275</u>	<u>\$ 285,659</u>

CollegInvest
Direct Portfolio Fund
Supplementary Schedule – Combining Schedule of Investments (continued)
June 30, 2020
(Dollar amounts expressed in thousands)

	87.5%	62.5%	37.5%	12.5%	50%	25%	
	Stock/12.5%	Stock/37.5%	Stock/62.5%	Stock/57.5%	Bond/50%	Bond/75%	Total
	Bond	Bond	Bond	Bond	Money	Money	
\$	147,608	\$ 98,947	\$ 73,523	\$ 22,572	\$ -	\$ -	\$ 1,644,767
	24,719	69,232	138,693	177,622	5,733	4,023	1,030,559
	98,327	65,829	48,272	15,206	-	-	754,850
	10,571	29,654	59,456	75,993	3,734	2,622	476,391
	-	-	-	-	2,993	2,103	82,035
	-	-	-	-	-	-	89,079
	-	-	-	-	12,466	26,271	430,696
	90	(178)	(300)	304	4	(12)	946
\$	<u>281,315</u>	<u>\$ 263,484</u>	<u>\$ 319,644</u>	<u>\$ 291,697</u>	<u>\$ 24,930</u>	<u>\$ 35,007</u>	<u>\$ 4,509,323</u>

**CollegInvest
Smart Choice Fund**

Supplementary Schedule – Combining Schedule of Fiduciary Net Position

June 30, 2020

(Dollar amounts expressed in thousands)

	Money Market Savings	One Year Savings	Total
Fiduciary assets:			
Cash and cash equivalents	\$ 32,744	\$ 43,899	\$ 76,643
Due from plan manager	3	3	6
Due to Student Loan Program Funds	(3)	(3)	(6)
Total fiduciary assets	32,744	43,899	76,643
 Total fiduciary net position, held in trust	 \$ 32,744	 \$ 43,899	 \$ 76,643

CollegInvest
Smart Choice Fund
Supplementary Schedule – Combining Schedule of
Changes in Fiduciary Net Position
Year Ended June 30, 2020
(Dollar amounts expressed in thousands)

	Money Market Savings	One Year Savings	Total
Additions:			
Gross earnings on investments:			
Interest	\$ 29	\$ 352	\$ 381
Net investment earnings	29	352	381
Participant contributions	46,316	10,954	57,270
Fees	30	41	71
Total additions	46,375	11,347	57,722
Deductions:			
Benefits paid to participants and withdrawals	44,415	5,044	49,459
Administrative fees	30	41	71
Excess operating expenses	10	14	24
Total deductions	44,455	5,099	49,554
Portfolio exchanges, net	797	(797)	-
Change in fiduciary net position before transfers	2,717	5,451	8,168
Intraplan administrative fee transfer	10	14	24
Change in fiduciary net position	2,727	5,465	8,192
Fiduciary net position, beginning of year	30,017	38,434	68,451
Fiduciary net position, end of year	\$ 32,744	\$ 43,899	\$ 76,643

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based
on an Audit of the Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

Members of the Legislative Audit Committee:

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 each fiduciary fund of CollegeInvest (a division of the Department of Higher Education, State of Colorado) College Savings Program Funds (the Funds), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the Funds' basic financial statements, and have issued our report thereon dated November 30, 2020, which contained a paragraph emphasizing a matter regarding the financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Funds' internal controls over financial reporting (internal control) as a basis for designing 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 Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Funds' 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 Funds' 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 Funds' 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 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 Funds' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Funds' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
November 30, 2020

Independent Auditor's Communication to Legislative Audit Committee

Members of the Legislative Audit Committee

As part of our audit of the financial statements of CollegeInvest College Savings Program Funds (the Funds) as of and for the year ended June 30, 2020, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under 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

An audit performed 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 is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

Each Fund's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Valuation of investments

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Fair value disclosures

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- No matters are reportable

Proposed Audit Adjustments Not Recorded

- No matters are reportable

Auditor's Judgments About the Quality of the Funds' Accounting Principles

During the course of the audit, we made the following observations regarding the Funds' application of accounting principles:

- No matters are reportable

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Consultation with Other Accountants

During our audit we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- No matters are reportable

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- No matters are reportable

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management, third-party service providers, and the audit team. During our audit, we encountered a significant difficulty in working effectively on the following matter:

CollegeInvest engaged a new omnibus partner for the Scholars Choice College Savings Plan in November 2019. The new omnibus partner's *Report on Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting* (SOC 1 report) was dated 10 months prior to year-end, which prevented our ability to rely on their controls in forming our audit opinion. There was significant back and forth with the Scholars Choice Fund Plan Manager and management as to how adequate information was going to be provided to BKD for us to complete our necessary procedures. Ultimately, all records were provided; however, misunderstandings and miscommunication resulted in a delay of completion of our procedures.

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter
- Management letter communicating a deficiency in internal control that was not considered a material weakness or significant deficiency

* * * * *

This communication is intended solely for the information and use of the Legislative Audit Committee, Office of the State Auditor, management, and others within the Funds and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.

BKD, LLP

November 30, 2020