



**ScholarShare 529**<sup>SM</sup>  
(A Fiduciary Fund of the State of California)

**Annual Report**

June 30, 2021



**ScholarShare529**<sup>SM</sup>  
(A Fiduciary Fund of the State of California)

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## Report of Independent Auditors

To the Trustee of the Golden State ScholarShare College Savings Trust

### Report on the Financial Statements

We have audited the accompanying financial statements of the ScholarShare College Savings Plan, which comprise the statement of fiduciary net position as of June 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

#### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the ScholarShare College Savings Plan'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 ScholarShare College Savings Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the ScholarShare College Savings Plan, as of June 30, 2021, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### ***Other Matters***

#### *Required supplementary information*

The accompanying management's discussion and analysis on pages 3 through 6 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other information*

Our audit was conducted for the purpose of forming an opinion on the ScholarShare College Savings Plan's basic financial statements taken as a whole. The supplementary information on pages 19 through 32 is presented for purposes of additional analysis and is 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. The supplementary 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 taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2021 on our consideration of the ScholarShare College Savings Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ScholarShare College Savings Plan's internal control over financial reporting and compliance.

*PricewaterhouseCoopers LLP*

Baltimore, Maryland  
September 1, 2021



**MANAGEMENT’S DISCUSSION AND ANALYSIS  
(Unaudited)  
June 30, 2021**

As Plan Manager of the ScholarShare College Savings Plan (the Plan) offered by the state of California (the State), TIAA-CREF Tuition Financing, Inc. (TFI) offers this discussion and analysis of the Plan’s financial performance for the year ended June 30, 2021, with comparative information for the year ended June 30, 2020. Readers should consider the information presented in this section in conjunction with the Plan’s financial statements and notes to the financial statements (collectively, “the basic financial statements”). Readers may also find useful the supplementary information on pages 19 through 32, which provide information about the activities and balances attributable to each investment portfolio offered to account owners.

This report consists of three parts: Management’s Discussion and Analysis (this section), the basic financial statements, and supplementary schedules detailing balances and transactions attributable to each investment portfolio. The basic financial statements consist of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements that explain some of the information in the financial statements and provide more detailed information.

**Financial Highlights**

The following table summarizes returns (net of fees) posted by each investment portfolio during the years ended June 30, 2021 and 2020:

	<u>Period Ended June 30, 2021</u>	<u>Period Ended June 30, 2020</u>		<u>Period Ended June 30, 2021</u>	<u>Period Ended June 30, 2020</u>
<u>Active Age-Based Portfolio</u>			<u>Passive Age-Based Portfolio</u>		
Ages 0-4	N/A	8.39% <sup>(1)</sup>	Ages 0-4	N/A	9.53% <sup>(1)</sup>
Ages 5-8	N/A	7.82% <sup>(1)</sup>	Ages 5-8	N/A	8.79% <sup>(1)</sup>
Ages 9-10	N/A	7.32% <sup>(1)</sup>	Ages 9-10	N/A	8.02% <sup>(1)</sup>
Ages 11-12	N/A	6.67% <sup>(1)</sup>	Ages 11-12	N/A	7.24% <sup>(1)</sup>
Ages 13-14	N/A	6.08% <sup>(1)</sup>	Ages 13-14	N/A	6.59% <sup>(1)</sup>
Age 15	N/A	5.38% <sup>(1)</sup>	Age 15	N/A	5.74% <sup>(1)</sup>
Age 16	N/A	4.63% <sup>(1)</sup>	Age 16	N/A	5.05% <sup>(1)</sup>
Age 17	N/A	4.12% <sup>(1)</sup>	Age 17	N/A	4.19% <sup>(1)</sup>
Ages 18 & Over	N/A	3.29% <sup>(1)</sup>	Ages 18 & Over	N/A	3.54% <sup>(1)</sup>

<sup>(1)</sup> As of January 24, 2020, the Active Age-Based Portfolio and the Passive Age-Based Portfolio were discontinued, and existing account owner balances were transferred into the appropriate Active Enrollment Year Investment Portfolios and Passive Enrollment Year Portfolios, respectively, based on the age of the beneficiary. The returns for the Active Age-Based Portfolio and Passive Age-Based Portfolio are for the period from July 1, 2019 through January 24, 2020. The returns for the Active Enrollment Year Investment Portfolios and the Passive Enrollment Year Investment Portfolios (see next page) are for the period from January 24, 2020 through June 30, 2020.

**No assurance is provided on the information in management’s discussion and analysis.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)  
June 30, 2021**

**Financial Highlights (Continued)**

	Period Ended June 30, 2021	Period Ended June 30, 2020		Period Ended June 30, 2021	Period Ended June 30, 2020
<u>Active Enrollment Year Investment Portfolios</u>			<u>Passive Enrollment Year Investment Portfolios</u>		
2038/2039 Enrollment Portfolio	0.10% <sup>(2)</sup>	N/A	2038/2039 Enrollment Portfolio	0.00% <sup>(2)</sup>	N/A
2036/2037 Enrollment Portfolio	36.32%	(6.10)% <sup>(1)</sup>	2036/2037 Enrollment Portfolio	31.90%	(4.70)% <sup>(1)</sup>
2034/2035 Enrollment Portfolio	35.19%	(6.50)% <sup>(1)</sup>	2034/2035 Enrollment Portfolio	30.60%	(4.90)% <sup>(1)</sup>
2032/2033 Enrollment Portfolio	33.40%	(6.00)% <sup>(1)</sup>	2032/2033 Enrollment Portfolio	29.01%	(4.50)% <sup>(1)</sup>
2030/2031 Enrollment Portfolio	31.64%	(5.50)% <sup>(1)</sup>	2030/2031 Enrollment Portfolio	27.41%	(3.70)% <sup>(1)</sup>
2028/2029 Enrollment Portfolio	28.98%	(5.10)% <sup>(1)</sup>	2028/2029 Enrollment Portfolio	24.82%	(3.30)% <sup>(1)</sup>
2026/2027 Enrollment Portfolio	24.40%	(4.10)% <sup>(1)</sup>	2026/2027 Enrollment Portfolio	20.68%	(2.30)% <sup>(1)</sup>
2024/2025 Enrollment Portfolio	19.41%	(2.10)% <sup>(1)</sup>	2024/2025 Enrollment Portfolio	16.16%	(1.00)% <sup>(1)</sup>
2022/2023 Enrollment Portfolio	14.33%	(1.60)% <sup>(1)</sup>	2022/2023 Enrollment Portfolio	11.90%	0.00% <sup>(1)</sup>
2020/2021 Enrollment Portfolio	9.77% <sup>(3)</sup>	(0.70)% <sup>(1)</sup>	2020/2021 Enrollment Portfolio	7.94% <sup>(3)</sup>	(0.10)% <sup>(1)</sup>
Enrollment Year Portfolio	8.40%	0.00% <sup>(1)</sup>	Enrollment Year Portfolio	6.77%	0.50% <sup>(1)</sup>
<u>Active Multi-Fund Investment Portfolios</u>			<u>Passive Multi-Fund Investment Portfolios</u>		
Active Diversified Equity Portfolio	45.20%	(0.34)%	Passive Diversified Equity Portfolio	40.31%	2.76%
Active Growth Portfolio	32.01%	2.26%	Passive Growth Portfolio	27.78%	4.74%
Active Moderate Growth Portfolio	19.92%	4.23%	Passive Moderate Growth Portfolio	16.21%	5.98%
Active Conservative Portfolio	3.08%	4.03%	Passive Conservative Portfolio	1.74%	4.33%
Active Diversified Fixed Income Portfolio	4.93%	6.19%	Passive Diversified Fixed Income Portfolio	2.06%	6.93%
Active International Equity Portfolio	37.14%	(5.86)%	Index International Equity Portfolio	33.66%	(4.31)%
<u>Single Fund Investment Portfolios</u>			<u>Single Fund Investment Portfolios</u>		
Social Choice Portfolio	43.50%	8.02%	Index U.S. Equity Portfolio	44.03%	6.50%
Index Bond Portfolio	(0.53)%	8.66%	Principal Plus Interest Portfolio	1.42%	1.72%
Index U.S. Large Cap Equity Portfolio	40.69%	7.46%			

<sup>(1)</sup> As of January 24, 2020, the Active Age-Based Portfolio and the Passive Age-Based Portfolio were discontinued, and existing account owner balances were transferred into the appropriate Active Enrollment Year Investment Portfolios and Passive Enrollment Year Portfolios, respectively, based on the age of the beneficiary. The returns for the Active Age-Based Portfolio and Passive Age-Based Portfolio are for the period from July 1, 2019 to January 24, 2020 (see previous page). The returns for the Active Enrollment Year Investment Portfolios and the Passive Enrollment Year Investment Portfolios are for the period from January 24, 2020 through June 30, 2020.

<sup>(2)</sup> Effective June 11, 2021, the 2038/2039 Enrollment Portfolio was added to the Plan as an additional Active Enrollment Year Investment Portfolio and Passive Enrollment Year Investment Portfolio. The returns for the 2038/2039 Enrollment Portfolio are for the period from June 11, 2021 through June 30, 2021.

<sup>(3)</sup> As of June 11, 2021, the 2020/2021 Enrollment Portfolio was discontinued, and existing account owner balances were transferred to the Enrollment Year Portfolio. The returns for the 2020/2021 Enrollment Portfolio are for the period from July 1, 2020 through June 11, 2021.

The Plan received \$391.9 million and \$241.9 million in net subscriptions during the years ended June 30, 2021 and 2020, respectively.

**No assurance is provided on the information in management's discussion and analysis.**



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)  
June 30, 2021**

**Financial Highlights (Continued)**

During the year ended June 30, 2021, the Plan earned \$2.1 billion in net investment income, resulting from \$247.9 million in interest and dividends and a \$1.9 billion net increase in the fair value of investments. During the year ended June 30, 2020, the Plan earned \$394.7 million in net investment income, resulting from \$278.8 million in interest and dividends and a \$115.9 million net increase in the fair value of investments.

Plan fees incurred during the years ended June 30, 2021 and 2020 totaled \$2.8 million and \$3.4 million, respectively. These fees are calculated on the average net position in each investment portfolio and are paid to the Plan Manager and the ScholarShare Investment Board (the Board) for performing administrative, marketing, and other services with respect to the Plan.

**Overview of the Basic Financial Statements**

The Plan is included in the financial reporting entity of the State as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

The Plan's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) prescribed by the Governmental Accounting Standards Board (GASB), as applicable to fiduciary funds. Accordingly, the Plan's basic financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

The Statement of Fiduciary Net Position presents information on the Plan's assets and liabilities, with the difference between the two reported as fiduciary net position. The Statement of Changes in Fiduciary Net Position presents information showing how the Plan's fiduciary net position changed during the period presented. Changes in fiduciary net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The Plan's assets are invested in mutual funds and funding agreements issued by TIAA-CREF Life Insurance Company. Mutual funds are reported at fair value, and the funding agreements are reported at cost. All investment transactions are reported on a trade-date basis. Changes in the reported fair value of mutual funds resulting from realized and unrealized gains and losses are reported as "net increase (decrease) in the fair value of investments." Dividends and capital gain distributions are reported on the ex-dividend date. Contributions are recognized when received, provided enrollment in the Plan has been successfully completed, and withdrawals are recognized when the withdrawal request has been received and approved for payment. Plan fees accrue daily.

**No assurance is provided on the information in management's discussion and analysis.**



**ScholarShare 529**  
(A Fiduciary Fund of the State of California)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)  
June 30, 2021

**Financial Analysis**

Fiduciary Net Position

The following are condensed Statements of Fiduciary Net Position as of June 30, 2021 and 2020:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total Assets	\$ 12,535,465,233	\$ 9,997,073,460
Total Liabilities	<u>7,043,665</u>	<u>5,804,754</u>
Fiduciary Net Position	<u>\$ 12,528,421,568</u>	<u>\$ 9,991,268,706</u>

Fiduciary net position represents cumulative contributions since the Plan's inception, increased or decreased by net investment income or losses, and decreased by withdrawals and expenses.

The Plan's investments comprise over 99% of the Plan's total assets. Other assets consist of receivables from securities sold and cash resulting from contributions that have not yet been invested in accordance with account owners' instructions or withdrawal requests that have not yet been distributed as directed by account owners. Liabilities consist of payables for securities purchased, payables for withdrawals, and accrued Plan Manager fees and Board administrative fees.

Changes in Fiduciary Net Position

The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2021 and 2020:

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
<b>Additions</b>		
Subscriptions <sup>(1)</sup>	\$ 2,089,276,464	\$ 3,525,654,458
Net investment income	<u>2,148,121,826</u>	<u>394,743,659</u>
<b>Total Additions</b>	<u>4,237,398,290</u>	<u>3,920,398,117</u>
<b>Deductions</b>		
Redemptions <sup>(2)</sup>	(1,697,425,976)	(3,283,740,846)
Plan Manager fee	(1,062,420)	(1,893,385)
Board administrative fee	<u>(1,757,032)</u>	<u>(1,503,602)</u>
<b>Total Deductions</b>	<u>(1,700,245,428)</u>	<u>(3,287,137,833)</u>
<b>Increase in Net Position</b>	2,537,152,862	633,260,284
<b>Fiduciary Net Position - Beginning of Year</b>	<u>9,991,268,706</u>	<u>9,358,008,422</u>
<b>Fiduciary Net Position - End of Year</b>	<u>\$ 12,528,421,568</u>	<u>\$ 9,991,268,706</u>

<sup>(1)</sup> Subscriptions include contributions, exchanges between investment portfolios, and transfers of account balances from one account to another.

<sup>(2)</sup> Redemptions include withdrawals, exchanges between investment portfolios, and transfers of account balances from one account to another.

**No assurance is provided on the information in management's discussion and analysis.**





**ScholarShare 529**<sup>SM</sup>  
(A Fiduciary Fund of the State of California)

**STATEMENT OF FIDUCIARY NET POSITION**  
June 30, 2021

**ASSETS**

Investments	\$ 12,529,854,855
Cash	4,247,224
Receivables from securities sold	1,363,154
<b>Total Assets</b>	<u>12,535,465,233</u>

**LIABILITIES**

Accrued Plan Manager fee	97,368
Accrued Board administrative fee	161,844
Payables for securities purchased	2,666,914
Withdrawals payable	4,117,539
<b>Total Liabilities</b>	<u>7,043,665</u>

**NET POSITION HELD IN TRUST FOR**  
**ACCOUNT OWNERS AND BENEFICIARIES**

\$ 12,528,421,568

See accompanying notes to financial statements.



**ScholarShare 529**<sup>SM</sup>  
 (A Fiduciary Fund of the State of California)

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Year Ended June 30, 2021**

<b>ADDITIONS</b>	
Subscriptions	\$ 2,089,276,464
Investment income:	
Interest	30,159,998
Dividends	217,746,813
Net increase in the fair value of investments	1,900,215,015
Total net investment income	<u>2,148,121,826</u>
<b>Total Additions</b>	<u>4,237,398,290</u>
<b>DEDUCTIONS</b>	
Redemptions	1,697,425,976
Plan Manager fees	1,062,420
Board administrative fees	1,757,032
<b>Total Deductions</b>	<u>1,700,245,428</u>
<b>CHANGES IN NET POSITION</b>	2,537,152,862
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	<u>9,991,268,706</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u>\$ 12,528,421,568</u>

See accompanying notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS**

The ScholarShare College Savings Plan (the Plan) was created by the State of California (the State) to encourage individuals to save for postsecondary education. Assets of the Plan are held in the Golden State ScholarShare College Savings Trust (the Trust). The ScholarShare Investment Board (the Board) who serves as trustee of the Trust, implemented and administers the Plan. The responsibilities of the Board with respect to the Plan include making and entering into contracts necessary for the administration of the Trust and the Plan, approving the investment portfolios offered by the Plan, managing and operating the Plan, and adopting regulations for the administration of the Plan. The Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code (the Code).

TIAA-CREF Tuition Financing, Inc. (TFI), a wholly owned, direct subsidiary of Teachers Insurance and Annuity Association of America (TIAA), and the Board entered into a management agreement under which TFI serves as the Plan Manager (Plan Manager), providing certain services to the Plan. TIAA-CREF Individual & Institutional Services, LLC (Services), a wholly owned, direct subsidiary of TIAA, serves as the primary distributor and underwriter for the Plan and provides certain services in furtherance of TFI's marketing efforts for the Plan. Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

Account owners may invest their contributions in one or more investment portfolios. The Plan offers six Active Multi-Fund Investment Portfolios, six Passive Multi-Fund Investment Portfolios, and five Single Fund Investment Portfolios, which allow account owners to choose their own strategy based on their risk tolerance and time horizon. The Plan also offers one of ten Active Enrollment Year Investment Portfolios or one of ten Passive Enrollment Year Investment Portfolios, based on the anticipated year of enrollment of the beneficiary in an eligible educational institution and the investment strategy selected by the account owner (active or passive). The Enrollment Year Investment Portfolios seek to match their respective risk levels to investment time horizons with asset allocations becoming increasingly more conservative as the beneficiary enrollment year approaches. The investment portfolios, along with underlying asset allocations and fees, as approved by the Board, are described in the current ScholarShare College Savings Plan Description and Participation Agreement (the Plan Description).

Each investment portfolio invests in one or more open-end mutual funds and funding agreements based on an asset allocation strategy approved by the Board. The funding agreements are issued by TIAA-CREF Life Insurance Company (TIAA Life), which is an affiliate of TFI, to the Board as policyholder on behalf of the Plan. The funding agreements provide a minimum guaranteed rate of return and allow for the possibility that additional interest may be credited periodically by TIAA Life. Together, the mutual funds and the funding agreements are referred to as "the Underlying Funds."



**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

***NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)***

The Plan is included in the reporting entity of the State as a fiduciary fund. Assets are held in the Trust for account owners and beneficiaries and cannot be used to support other governmental programs. These basic financial statements present only the balances and transactions attributable to the Plan, and are not intended to, and do not, present fairly the financial position or changes in financial position of the Trust or any other fiduciary funds of the State.

***NOTE 2: SIGNIFICANT ACCOUNTING POLICIES***

**(a) Basis of Accounting**

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to fiduciary fund types prescribed by the Governmental Accounting Standards Board (GASB), the Plan's basic financial statements are prepared using the flow of economic resources measurement focus and accrual basis of accounting. U.S. GAAP requires the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates.

**(b) Investment Valuation**

Accounting standards categorize fair value measurements according to a hierarchy that is based on valuation inputs used to measure fair value. Level 1 inputs are quoted prices for identical assets in active markets that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable and may include subjective assumptions in determining the fair value of investments.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Investment Valuation (Continued)**

The mutual funds in which the Plan invests are reported at fair value, based on the net asset value per share at the close of the New York Stock Exchange (NYSE). These mutual funds are categorized in Level 1 of the fair value hierarchy.

The funding agreements are non-participating, interest-earning investment contracts and are accounted for at cost. Because the funding agreements are valued at cost, they are not categorized according to the fair value hierarchy.

**(c) Investment Transactions**

Investment transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from the mutual funds are recorded on the ex-dividend date. Net realized and unrealized gains (losses) are included in “net increase (decrease) in the fair value of investments.”

**(d) Cash**

Cash includes contributions received that have not yet been invested in Underlying Funds and/or redemption proceeds from Underlying Funds for withdrawals that have not yet been distributed in accordance with account owners’ instructions. Cash deposits are covered up to applicable limits of insurance available through the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of FDIC limits are not collateralized or subject to supplemental insurance.

**(e) Subscriptions**

Subscriptions include contributions to the Plan, as well as exchanges between investment portfolios and transfers between one beneficiary to another or from one account owner to another that result in a reinvestment of assets. Subscriptions result in the issuance of units to account owners. These units are municipal fund securities and are not a direct investment in any mutual fund or the funding agreements. In addition, these units are not insured by the FDIC, the State, or the Board, nor have they been registered with the Securities and Exchange Commission or any commission of the State.

**(f) Redemptions**

Redemptions include withdrawals from the Plan directed by account owners, as well as exchanges between investment portfolios and transfers between one beneficiary to another or from one account owner to another that result in a redemption and subsequent reinvestment of assets.



**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

***NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)***

**(g) Income Taxes**

The Plan is designed to constitute a qualified tuition program under Section 529 of the Code and is exempt from federal and state income tax. The Plan has not engaged in any activities that would subject the Plan to unrelated business income tax.

**(h) Unit Value**

The beneficial interests attributable to each account owner in the investment portfolios are represented by Plan units. Subscriptions and redemptions are recorded upon receipt of account owners' instructions in good order, based on the next determined net asset value per unit (Unit Value), as defined in the current Plan Description. Unit Values for each investment portfolio are determined at the close of business of the NYSE. The Unit Value of each investment portfolio is computed by dividing the investment portfolio's assets minus its liabilities by the number of outstanding units of such investment portfolio. There are no distributions of interest, dividends, or net investment income or losses directly to account owners or beneficiaries. Interest, dividends, and net investment income (losses) resulting from the Underlying Funds are reflected as increases (decreases) in the Unit Value.

**(i) Guarantees and Indemnifications**

Under the Plan's organizational documents, each officer, employee, or other agent of the Plan (including TFI) is indemnified against certain liabilities that may arise out of performance of their duties to the Plan. Additionally, in the normal course of business, the Plan enters into contracts that contain a variety of indemnification clauses. The Plan's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Plan that have not yet occurred. However, the Plan has not had prior claims or losses pursuant to these contracts, and management of the Plan expects the risk of loss to be remote.



(A Fiduciary Fund of the State of California)

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 3: INVESTMENTS**

**(a) Investments by Type**

At June 30, 2021, the Plan's investments consist of the following:

	<u>Units</u>	<u>Cost</u>	<u>Value</u>
Mutual Funds (at fair value):			
T. Rowe Price Institutional Large Cap Growth Fund	7,380,600	\$ 347,723,312	\$ 526,974,738
T. Rowe Price Institutional Large Cap Value Fund	17,907,164	411,503,667	499,251,731
T. Rowe Price Institutional Floating Rate Fund	13,800,467	135,708,929	134,830,566
TIAA-CREF Quant Small-Cap Equity Fund	4,923,591	79,638,760	111,962,463
TIAA-CREF Real Estate Securities Fund	15,194,783	272,824,191	322,281,339
DFA Large Cap International Portfolio	16,529,590	389,764,325	450,596,631
DFA Emerging Markets Core Equity Portfolio	4,255,577	92,449,421	114,815,479
MetWest Total Return Bond Fund	65,761,568	685,515,066	677,344,155
PIMCO Real Return Fund	22,096,935	254,922,126	270,466,488
PIMCO Income Fund	22,312,087	268,813,489	269,753,133
TIAA-CREF Equity Index Fund	79,458,012	1,898,932,511	2,541,861,790
TIAA-CREF International Equity Index Fund	34,207,515	679,283,444	789,851,518
TIAA-CREF Emerging Markets Equity Index Fund	14,072,638	163,346,251	201,238,730
TIAA-CREF Bond Index Fund	137,151,509	1,548,769,400	1,548,440,535
TIAA-CREF Inflation-Linked Bond Fund	33,504,072	391,670,537	413,775,294
TIAA-CREF High-Yield Fund	21,468,246	208,502,241	207,168,574
TIAA-CREF Social Choice Equity Fund	9,737,985	209,954,934	277,922,079
TIAA-CREF S&P 500 Index Fund	18,054,187	657,900,604	857,573,888
Total Mutual Funds		<u>8,697,223,208</u>	<u>10,216,109,131</u>
Funding Agreements (at cost):			
TIAA-CREF Life Funding Agreements	N/A	<u>2,313,745,724</u>	<u>2,313,745,724</u>
Total Investments		<u>\$ 11,010,968,932</u>	<u>\$ 12,529,854,855</u>

**(b) Funding Agreements**

Assets of certain investment portfolios are invested in funding agreements issued by TIAA Life. While account owners may withdraw their funds from the investment portfolios at any time, there are certain restrictions on withdrawals that may be made from the funding agreements.

As policyholder, the Board may withdraw interest quarterly, provided that notice of intent to withdraw is given not more than 10 days nor less than 5 days prior to the end of the quarter.

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 3: INVESTMENTS (Continued)**

**(b) Funding Agreements (Continued)**

In the event that the funding agreements are terminated, the Board is limited on the amount of withdrawals that may be requested at any one point in time. For the funding agreement attributable to the Principal Plus Interest Portfolio, withdrawal requests initiated by the Board totaling more than \$1 million over a 30-day period that are not intended to satisfy account owner withdrawal requests will be paid out over a five-year period, as follows: 20% of the remaining balance will be paid 30 days after the written request is received by TIAA Life, and 25%, 33%, 50%, and 100% of the remaining balance, including accumulated interest, will be paid on each of the four anniversaries of the date the request was received. For the funding agreement attributable to the Enrollment Year Investment Portfolios, withdrawal requests initiated by the Board totaling more than \$1 million over a 30-day period that are not intended to satisfy account owner withdrawal requests will be paid out on the second anniversary of the date the request was received and accepted by TIAA Life.

The crediting rate on the funding agreements from July 1, 2020 through December 31, 2020 is 1.70%, and the crediting rate from January 1, 2021 through June 30, 2021 is 1.10%.

**(c) Investment Risk**

The mutual funds in which the Plan invests include various types of investment securities in their asset holdings, such as corporate debt and equity securities, obligations of the United States government and government agencies, and international securities. These securities are exposed to interest rate, market, and credit risk, and it is at least reasonably possible that changes in their fair values could occur in the near term, materially affecting account owner balances and the amounts reported in the Plan's basic financial statements.

Generally accepted accounting principles require that certain disclosures be made related to the Plan's investment policy and exposure to credit risk, interest rate risk, and foreign currency risk, which are included in the paragraphs that follow.

Investment Policy

The Plan does not have specific investment policies that address credit, interest rate, foreign currency, or custodial credit risk. The Plan's investment portfolios are managed based on specific investment objectives and strategies, which are disclosed in the current Plan Description and related supplements.

Custodial Credit Risk

Custodial credit risk represents the potential inability of a custodian to return Plan investments in the event of a failure. Mutual funds are not exposed to custodial credit risk.



**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 3: INVESTMENTS (Continued)**

**(c) Investment Risk (Continued)**

Credit Risk

Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The mutual funds investing primarily in fixed income securities are subject to credit risk. The mutual funds in which the Plan invests are not rated by a nationally recognized statistical rating organization. The funding agreements are a guaranteed insurance product issued by TIAA Life. While the funding agreements themselves are not rated by a nationally recognized statistical rating organization, TIAA Life has a Standard & Poor's credit rating of AA+ at June 30, 2021.

Interest Rate Risk

Interest rate risk represents the risk that changes in interest rates will adversely affect the fair value of an investment. Mutual funds that invest in fixed income securities indirectly expose the Plan to interest rate risk. As of June 30, 2021, the fair values and the weighted average maturities for the bond funds in which the Plan invests are as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
T. Rowe Price Institutional Floating Rate Fund	\$ 134,830,566	5.2 years
MetWest Total Return Bond Fund	\$ 677,344,155	8.1 years
PIMCO Real Return Fund	\$ 270,466,488	7.6 years
PIMCO Income Fund	\$ 269,753,133	3.1 years
TIAA-CREF Bond Index Fund	\$ 1,548,440,535	8.2 years
TIAA-CREF Inflation-Linked Bond Fund	\$ 413,775,294	4.9 years
TIAA-CREF High-Yield Fund	\$ 207,168,574	6.0 years

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan does not have any direct investment in foreign securities; however, certain investment portfolios invest in mutual funds that are exposed to foreign currency risk.

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 3: INVESTMENTS (Continued)**

**(c) Investment Risk (Continued)**  
Foreign Currency Risk (Continued)

At June 30, 2021, the following investments are exposed to foreign currency risk due to foreign securities in their underlying asset holdings:

	<u>Fair Value</u>
DFA Large Cap International Portfolio	\$ 450,596,631
DFA Emerging Markets Core Equity Portfolio	\$ 114,815,479
PIMCO Income Fund	\$ 269,753,133
TIAA-CREF International Equity Index Fund	\$ 789,851,518
TIAA-CREF Emerging Markets Equity Index Fund	\$ 201,238,730

**NOTE 4: SUBSCRIPTIONS AND REDEMPTIONS**

As explained in Note 2(e) and Note 2(f), subscriptions and redemptions include contributions to the Plan and withdrawals from the Plan as directed by account owners, respectively, as well as exchanges between investment portfolios and transfers between one beneficiary to another or from one account owner to another that result in a reinvestment of assets. Total subscriptions and redemptions during the year ended June 30, 2021 are as follows:

Contributions	\$ 1,086,655,781
Exchanges and transfers in	1,002,620,683
Total subscriptions	<u>\$ 2,089,276,464</u>
Withdrawals	\$ 694,805,293
Exchanges and transfers out	1,002,620,683
Total redemptions	<u>\$ 1,697,425,976</u>



**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

***NOTE 5: PLAN FEES AND UNDERLYING FUND EXPENSES***

**(a) Plan Fees**

Each investment portfolio (with the exception of the Principal Plus Interest Portfolio, which is not charged a fee) pays to the Plan Manager a fee equal to 0.01% of the average daily net position held in each respective investment portfolio for performing duties specified in the management agreement.

The Active Enrollment Year Investment Portfolios, Active Multi-Fund Investment Portfolios, and Social Choice Portfolio pay a fee equal to 0.05% of the average daily net position held in each respective investment portfolio to the Board to cover expenses related to the administration of the Plan. None of the other investment portfolios are charged the Board administrative fee.

These amounts are reflected in expenses on the Statement of Changes in Fiduciary Net Position.

The Board reserves the right to change the fees and/or to impose additional fees in the future.

**(b) Underlying Fund Expenses**

Expenses related to management of the Underlying Funds reduce the amount of income available for distribution to the Plan. These Underlying Funds expenses are not direct expenses paid from the Plan's assets, and therefore, are not reflected in expenses on the Statement of Changes in Fiduciary Net Position.

***NOTE 6 : COVID-19 PANDEMIC***

As of the date of the independent auditor's report, the COVID-19 pandemic continues to impact both domestic and global financial markets. Management of the Plan is unable to accurately predict how the COVID-19 pandemic will impact the Plan, account owner savings behavior, or the volume of withdrawals due to uncertainties surrounding the severity of the disease and the duration of its outbreak.

## **Supplementary Information**

The following supplementary information, which summarizes balances and transactions related to each investment portfolio, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the ScholarShare College Savings Plan (the Plan).



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF FIDUCIARY NET POSITION June 30, 2021

	Active Enrollment Year Investment Portfolios				
	2038/2039	2036/2037	2034/2035	2032/2033	2030/2031
	Enrollment	Enrollment	Enrollment	Enrollment	Enrollment
	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
<b>ASSETS</b>					
Investments	\$ 502,245	\$ 27,943,105	\$ 74,415,836	\$ 160,797,750	\$ 225,626,216
Cash (cash overdraft)	12,082	39,975	(398)	36,129	(44,590)
Receivables from securities sold	-	-	-	-	-
<b>Total Assets</b>	<u>514,327</u>	<u>27,983,080</u>	<u>74,415,438</u>	<u>160,833,879</u>	<u>225,581,626</u>
<b>LIABILITIES</b>					
Accrued Plan Manager fee	-	225	605	1,311	1,840
Accrued Board administrative fee	5	1,125	3,026	6,555	9,200
Payables for securities purchased	12,170	45,320	20,239	43,915	36,467
Withdrawals payable	-	-	126	3,527	-
<b>Total Liabilities</b>	<u>12,175</u>	<u>46,670</u>	<u>23,996</u>	<u>55,308</u>	<u>47,507</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES</b>					
	<u>\$ 502,152</u>	<u>\$ 27,936,410</u>	<u>\$ 74,391,442</u>	<u>\$ 160,778,571</u>	<u>\$ 225,534,119</u>
<b>UNITS OUTSTANDING <sup>(1)</sup></b>					
	<u>50,165</u>	<u>2,182,532</u>	<u>5,885,399</u>	<u>12,821,258</u>	<u>18,129,752</u>
<b>NET ASSET VALUE PER UNIT <sup>(2)</sup></b>					
	<u>\$ 10.01</u>	<u>\$ 12.80</u>	<u>\$ 12.64</u>	<u>\$ 12.54</u>	<u>\$ 12.44</u>

<sup>(1)</sup> Rounded to the nearest whole unit.

<sup>(2)</sup> Rounded to the nearest hundredth.

*(Continued)*

See Independent Auditor's Report.



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF FIDUCIARY NET POSITION June 30, 2021

	Active Enrollment Year Investment Portfolios				
	2028/2029	2026/2027	2024/2025	2022/2023	Enrollment
	Enrollment	Enrollment	Enrollment	Enrollment	Year Portfolio
	Portfolio	Portfolio	Portfolio	Portfolio	Active
<b>ASSETS</b>					
Investments	\$ 316,328,862	\$ 448,884,689	\$ 557,205,237	\$ 386,371,871	\$ 584,923,189
Cash (cash overdraft)	158,723	43,665	(115,738)	150,845	51,320
Receivables from securities sold	-	-	-	-	168,542
<b>Total Assets</b>	<b>316,487,585</b>	<b>448,928,354</b>	<b>557,089,499</b>	<b>386,522,716</b>	<b>585,143,051</b>
<b>LIABILITIES</b>					
Accrued Plan Manager fee	2,583	3,664	4,553	3,158	4,823
Accrued Board administrative fee	12,917	18,318	22,764	15,791	24,117
Payables for securities purchased	26,628	186,718	83,374	215,566	-
Withdrawals payable	18,445	146	21,348	1,594	376,941
<b>Total Liabilities</b>	<b>60,573</b>	<b>208,846</b>	<b>132,039</b>	<b>236,109</b>	<b>405,881</b>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES</b>					
	<b>\$ 316,427,012</b>	<b>\$ 448,719,508</b>	<b>\$ 556,957,460</b>	<b>\$ 386,286,607</b>	<b>\$ 584,737,170</b>
<b>UNITS OUTSTANDING<sup>(1)</sup></b>					
	<b>25,851,880</b>	<b>37,612,700</b>	<b>47,643,923</b>	<b>34,336,587</b>	<b>53,942,543</b>
<b>NET ASSET VALUE PER UNIT<sup>(2)</sup></b>					
	<b>\$ 12.24</b>	<b>\$ 11.93</b>	<b>\$ 11.69</b>	<b>\$ 11.25</b>	<b>\$ 10.84</b>

<sup>(1)</sup> Rounded to the nearest whole unit.

<sup>(2)</sup> Rounded to the nearest hundredth.

See Independent Auditor's Report.



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF FIDUCIARY NET POSITION June 30, 2021

	Passive Enrollment Year Investment Portfolios				
	2038/2039 Enrollment Portfolio	2036/2037 Enrollment Portfolio	2034/2035 Enrollment Portfolio	2032/2033 Enrollment Portfolio	2030/2031 Enrollment Portfolio
<b>ASSETS</b>					
Investments	1,064,284	223,823,397	249,634,103	250,685,908	278,658,491
Cash (cash overdraft)	93,044	355,004	10,077	77,888	65,091
Receivables from securities sold	-	-	-	-	-
<b>Total Assets</b>	<u>1,157,328</u>	<u>224,178,401</u>	<u>249,644,180</u>	<u>250,763,796</u>	<u>278,723,582</u>
<b>LIABILITIES</b>					
Accrued Plan Manager fee	-	1,800	2,026	2,037	2,266
Accrued Board administrative fee	-	-	-	-	-
Payables for securities purchased	92,662	316,990	53,691	148,859	44,038
Withdrawals payable	-	685	36,959	8,924	15,016
<b>Total Liabilities</b>	<u>92,662</u>	<u>319,475</u>	<u>92,676</u>	<u>159,820</u>	<u>61,320</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES</b>	<u>\$ 1,064,666</u>	<u>\$ 223,858,926</u>	<u>\$ 249,551,504</u>	<u>\$ 250,603,976</u>	<u>\$ 278,662,262</u>
<b>UNITS OUTSTANDING <sup>(1)</sup></b>	<u>106,466</u>	<u>17,808,984</u>	<u>20,092,714</u>	<u>20,341,232</u>	<u>22,710,861</u>
<b>NET ASSET VALUE PER UNIT <sup>(2)</sup></b>	<u>\$ 10.00</u>	<u>\$ 12.57</u>	<u>\$ 12.42</u>	<u>\$ 12.32</u>	<u>\$ 12.27</u>

<sup>(1)</sup> Rounded to the nearest whole unit.

<sup>(2)</sup> Rounded to the nearest hundredth.

*(Continued)*

See Independent Auditor's Report.



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF FIDUCIARY NET POSITION June 30, 2021

	Passive Enrollment Year Investment Portfolios				
	2028/2029	2026/2027	2024/2025	2022/2023	Enrollment
	Enrollment	Enrollment	Enrollment	Enrollment	Year Portfolio
	Portfolio	Portfolio	Portfolio	Portfolio	Passive
<b>ASSETS</b>					
Investments	356,568,083	474,909,967	609,785,986	778,287,561	1,690,119,395
Cash (cash overdraft)	129,142	219,435	51,476	276,015	184,225
Receivables from securities sold	-	-	-	-	613,313
<b>Total Assets</b>	<u>356,697,225</u>	<u>475,129,402</u>	<u>609,837,462</u>	<u>778,563,576</u>	<u>1,690,916,933</u>
<b>LIABILITIES</b>					
Accrued Plan Manager fee	2,905	3,870	4,980	6,372	13,920
Accrued Board administrative fee	-	-	-	-	-
Payables for securities purchased	93,219	86,372	132,886	63,420	-
Withdrawals payable	50,955	4,285	16,720	13,481	1,506,618
<b>Total Liabilities</b>	<u>147,079</u>	<u>94,527</u>	<u>154,586</u>	<u>83,273</u>	<u>1,520,538</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES</b>	<u>\$ 356,550,146</u>	<u>\$ 475,034,875</u>	<u>\$ 609,682,876</u>	<u>\$ 778,480,303</u>	<u>\$ 1,689,396,395</u>
<b>UNITS OUTSTANDING</b> <sup>(1)</sup>	<u>29,540,194</u>	<u>40,291,338</u>	<u>53,015,902</u>	<u>69,569,285</u>	<u>157,446,076</u>
<b>NET ASSET VALUE PER UNIT</b> <sup>(2)</sup>	<u>\$ 12.07</u>	<u>\$ 11.79</u>	<u>\$ 11.50</u>	<u>\$ 11.19</u>	<u>\$ 10.73</u>

<sup>(1)</sup> Rounded to the nearest whole unit.

<sup>(2)</sup> Rounded to the nearest hundredth.

See Independent Auditor's Report.





# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF FIDUCIARY NET POSITION June 30, 2021

	Active Multi-Fund Investment Portfolios					
	Active Diversified Equity Portfolio	Active Growth Portfolio	Active Moderate Growth Portfolio	Active Conservative Portfolio	Active International Growth Portfolio	Active Diversified Fixed Income Portfolio
<b>ASSETS</b>						
Investments	\$ 415,640,289	\$ 277,594,344	\$ 87,224,289	\$ 44,398,298	\$ 41,499,326	\$ 36,969,996
Cash (cash overdraft)	410,779	244,125	151,007	26,944	36,763	35,934
Receivables from securities sold	-	-	-	-	-	-
<b>Total Assets</b>	<u>416,051,068</u>	<u>277,838,469</u>	<u>87,375,296</u>	<u>44,425,242</u>	<u>41,536,089</u>	<u>37,005,930</u>
<b>LIABILITIES</b>						
Accrued Plan Manager fee	3,384	2,264	706	364	344	302
Accrued Board administrative fee	16,919	11,322	3,528	1,818	1,718	1,509
Payables for securities purchased	322,569	156,937	138,130	5,471	20,763	12,064
Withdrawals payable	56,135	44,807	23,762	35,248	18,190	20,342
<b>Total Liabilities</b>	<u>399,007</u>	<u>215,330</u>	<u>166,126</u>	<u>42,901</u>	<u>41,015</u>	<u>34,217</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES</b>	<u>\$ 415,652,061</u>	<u>\$ 277,623,139</u>	<u>\$ 87,209,170</u>	<u>\$ 44,382,341</u>	<u>\$ 41,495,074</u>	<u>\$ 36,971,713</u>
<b>UNITS OUTSTANDING <sup>(1)</sup></b>	<u>12,104,020</u>	<u>10,091,717</u>	<u>3,991,266</u>	<u>3,403,554</u>	<u>2,047,118</u>	<u>2,446,837</u>
<b>NET ASSET VALUE PER UNIT <sup>(2)</sup></b>	<u>\$ 34.34</u>	<u>\$ 27.51</u>	<u>\$ 21.85</u>	<u>\$ 13.04</u>	<u>\$ 20.27</u>	<u>\$ 15.11</u>

<sup>(1)</sup> Rounded to the nearest whole unit.

<sup>(2)</sup> Rounded to the nearest hundredth.

See Independent Auditor's Report.



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF FIDUCIARY NET POSITION June 30, 2021

### Passive Multi-Fund Investment Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive Index International Equity Portfolio	Passive Diversified Fixed Income Portfolio
<b>ASSETS</b>						
Investments	\$ 777,626,620	\$ 209,011,622	\$ 90,126,846	\$ 65,760,045	\$ 159,709,241	\$ 35,205,212
Cash (cash overdraft)	149,676	72,766	43,994	55,305	51,756	(17,457)
Receivables from securities sold	86,508	-	-	15,003	-	34,111
<b>Total Assets</b>	<u>777,862,804</u>	<u>209,084,388</u>	<u>90,170,840</u>	<u>65,830,353</u>	<u>159,760,997</u>	<u>35,221,866</u>
<b>LIABILITIES</b>						
Accrued Plan Manager fee	6,351	1,702	735	539	1,325	288
Accrued Board administrative fee	-	-	-	-	-	-
Payables for securities purchased	-	10,499	17,571	-	42,223	-
Withdrawals payable	243,423	77,384	11,571	71,417	8,547	18,652
<b>Total Liabilities</b>	<u>249,774</u>	<u>89,585</u>	<u>29,877</u>	<u>71,956</u>	<u>52,095</u>	<u>18,940</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES</b>	<u>\$ 777,613,030</u>	<u>\$ 208,994,803</u>	<u>\$ 90,140,963</u>	<u>\$ 65,758,397</u>	<u>\$ 159,708,902</u>	<u>\$ 35,202,926</u>
<b>UNITS OUTSTANDING <sup>(1)</sup></b>	<u>23,614,122</u>	<u>8,141,597</u>	<u>4,606,079</u>	<u>5,368,032</u>	<u>7,918,141</u>	<u>2,631,011</u>
<b>NET ASSET VALUE PER UNIT <sup>(2)</sup></b>	<u>\$ 32.93</u>	<u>\$ 25.67</u>	<u>\$ 19.57</u>	<u>\$ 12.25</u>	<u>\$ 20.17</u>	<u>\$ 13.38</u>

<sup>(1)</sup> Rounded to the nearest whole unit.

<sup>(2)</sup> Rounded to the nearest hundredth.

See Independent Auditor's Report.



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF FIDUCIARY NET POSITION June 30, 2021

### Single Fund Investment Portfolios

	Social Choice Portfolio	Index Bond Portfolio	Index U.S. Large Cap Equity Portfolio	Index U.S. Equity Portfolio	Principal Plus Interest Portfolio	Plan Total
<b>ASSETS</b>						
Investments	\$ 277,922,081	\$ 98,621,637	\$ 857,573,876	\$ 761,110,766	\$ 597,324,192	\$ 12,529,854,855
Cash (cash overdraft)	269,763	171,900	281,946	75,565	393,048	4,247,224
Receivables from securities sold	-	6,186	-	33,353	406,138	1,363,154
<b>Total Assets</b>	<u>278,191,844</u>	<u>98,799,723</u>	<u>857,855,822</u>	<u>761,219,684</u>	<u>598,123,378</u>	<u>12,535,465,233</u>
<b>LIABILITIES</b>						
Accrued Plan Manager fee	2,242	808	6,924	6,152	-	97,368
Accrued Board administrative fee	11,212	-	-	-	-	161,844
Payables for securities purchased	206,868	-	31,285	-	-	2,666,914
Withdrawals payable	79,814	212,302	164,596	156,364	799,215	4,117,539
<b>Total Liabilities</b>	<u>300,136</u>	<u>213,110</u>	<u>202,805</u>	<u>162,516</u>	<u>799,215</u>	<u>7,043,665</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES</b>	<u>\$ 277,891,708</u>	<u>\$ 98,586,613</u>	<u>\$ 857,653,017</u>	<u>\$ 761,057,168</u>	<u>\$ 597,324,163</u>	<u>\$ 12,528,421,568</u>
<b>UNITS OUTSTANDING <sup>(1)</sup></b>	<u>7,114,483</u>	<u>7,519,955</u>	<u>20,756,365</u>	<u>18,436,462</u>	<u>52,350,935</u>	
<b>NET ASSET VALUE PER UNIT <sup>(2)</sup></b>	<u>\$ 39.06</u>	<u>\$ 13.11</u>	<u>\$ 41.32</u>	<u>\$ 41.28</u>	<u>\$ 11.41</u>	

<sup>(1)</sup> Rounded to the nearest whole unit.

<sup>(2)</sup> Rounded to the nearest hundredth.

See Independent Auditor's Report.



**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**Year Ended June 30, 2021**

	<b>Active Enrollment Year Investment Portfolios</b>				
	<b>2038/2039</b>	<b>2036/2037</b>	<b>2034/2035</b>	<b>2032/2033</b>	<b>2030/2031</b>
	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>	<b>Enrollment</b>
	<b>Portfolio</b>	<b>Portfolio</b>	<b>Portfolio</b>	<b>Portfolio</b>	<b>Portfolio</b>
<b>ADDITIONS</b>					
Subscriptions	\$ 502,341	\$ 13,322,384	\$ 14,439,610	\$ 22,856,846	\$ 25,506,782
Net investment income (loss)	(6)	5,449,967	17,509,104	37,746,676	51,690,306
Total Additions	<u>502,335</u>	<u>18,772,351</u>	<u>31,948,714</u>	<u>60,603,522</u>	<u>77,197,088</u>
<b>DEDUCTIONS</b>					
Redemptions	178	2,004,234	3,085,250	6,495,113	8,248,197
Expenses:					
Plan Manager fee	-	1,858	5,967	13,378	19,153
Board administrative fee	5	9,297	29,836	66,891	95,760
Total expenses	<u>5</u>	<u>11,155</u>	<u>35,803</u>	<u>80,269</u>	<u>114,913</u>
Total Deductions	<u>183</u>	<u>2,015,389</u>	<u>3,121,053</u>	<u>6,575,382</u>	<u>8,363,110</u>
<b>INVESTMENT PORTFOLIO CONVERSION IN (OUT)</b>	-	-	-	-	-
<b>NET INCREASE (DECREASE)</b>	502,152	16,756,962	28,827,661	54,028,140	68,833,978
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	<u>-</u>	<u>11,179,448</u>	<u>45,563,781</u>	<u>106,750,431</u>	<u>156,700,141</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u>\$ 502,152</u>	<u>\$ 27,936,410</u>	<u>\$ 74,391,442</u>	<u>\$ 160,778,571</u>	<u>\$ 225,534,119</u>

*(Continued)*

See Independent Auditor's Report.



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2021

	Active Enrollment Year Investment Portfolios					
	2028/2029	2026/2027	2024/2025	2022/2023	2020/2021	Enrollment
	Enrollment	Enrollment	Enrollment	Enrollment	Enrollment	Year Portfolio
	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Active
<b>ADDITIONS</b>						
Subscriptions	\$ 32,568,618	\$ 40,362,753	\$ 50,216,868	\$ 40,918,709	\$ 32,322,852	\$ 32,441,539
Net investment income (loss)	68,266,420	85,956,936	88,659,865	47,304,318	27,891,858	24,802,011
Total Additions	100,835,038	126,319,689	138,876,733	88,223,027	60,214,710	57,243,550
<b>DEDUCTIONS</b>						
Redemptions	12,843,461	20,764,971	25,015,043	23,223,206	46,347,497	102,517,698
Expenses:						
Plan Manager fee	27,398	39,862	50,396	35,637	24,761	35,087
Board administrative fee	136,990	199,313	251,977	178,188	123,804	175,433
Total expenses	164,388	239,175	302,373	213,825	148,565	210,520
Total Deductions	13,007,849	21,004,146	25,317,416	23,437,031	46,496,062	102,728,218
<b>INVESTMENT PORTFOLIO CONVERSION IN (OUT)</b>	-	-	-	-	(304,637,217)	304,637,217
<b>NET INCREASE (DECREASE)</b>	87,827,189	105,315,543	113,559,317	64,785,996	(290,918,569)	259,152,549
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	228,599,823	343,403,965	443,398,143	321,500,611	290,918,569	325,584,621
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	\$ 316,427,012	\$ 448,719,508	\$ 556,957,460	\$ 386,286,607	\$ -	\$ 584,737,170

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# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2021

	Passive Enrollment Year Investment Portfolios				
	2038/2039 Enrollment Portfolio	2036/2037 Enrollment Portfolio	2034/2035 Enrollment Portfolio	2032/2033 Enrollment Portfolio	2030/2031 Enrollment Portfolio
<b>ADDITIONS</b>					
Subscriptions	\$ 1,062,644	\$ 106,139,395	\$ 59,618,737	\$ 51,692,502	\$ 53,271,622
Net investment income (loss)	2,173	38,699,779	51,099,732	50,324,122	54,431,028
Total Additions	<u>1,064,817</u>	<u>144,839,174</u>	<u>110,718,469</u>	<u>102,016,624</u>	<u>107,702,650</u>
<b>DEDUCTIONS</b>					
Redemptions	151	7,870,049	7,921,500	8,780,568	12,292,473
Expenses:					
Plan Manager fee	-	14,907	19,766	20,333	23,043
Board administrative fee	-	-	-	-	-
Total expenses	-	14,907	19,766	20,333	23,043
Total Deductions	<u>151</u>	<u>7,884,956</u>	<u>7,941,266</u>	<u>8,800,901</u>	<u>12,315,516</u>
<b>INVESTMENT PORTFOLIO CONVERSION IN (OUT)</b>	-	-	-	-	-
<b>NET INCREASE (DECREASE)</b>	1,064,666	136,954,218	102,777,203	93,215,723	95,387,134
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	-	86,904,708	146,774,301	157,388,253	183,275,128
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u>\$ 1,064,666</u>	<u>\$ 223,858,926</u>	<u>\$ 249,551,504</u>	<u>\$ 250,603,976</u>	<u>\$ 278,662,262</u>

(Continued)

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# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2021

	Passive Enrollment Year Investment Portfolios					
	2028/2029	2026/2027	2024/2025	2022/2023	2020/2021	Enrollment
	Enrollment	Enrollment	Enrollment	Enrollment	Enrollment	Year Portfolio
	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Passive
<b>ADDITIONS</b>						
Subscriptions	\$ 57,863,698	\$ 66,394,149	\$ 78,152,376	\$ 79,101,598	\$ 64,820,781	\$ 83,168,014
Net investment income (loss)	65,503,767	76,504,057	80,454,798	80,088,725	61,643,032	63,509,519
Total Additions	<u>123,367,465</u>	<u>142,898,206</u>	<u>158,607,174</u>	<u>159,190,323</u>	<u>126,463,813</u>	<u>146,677,533</u>
<b>DEDUCTIONS</b>						
Redemptions	<u>16,467,251</u>	<u>21,653,911</u>	<u>29,175,465</u>	<u>41,195,347</u>	<u>105,803,073</u>	<u>296,823,729</u>
Expenses:						
Plan Manager fee	30,320	41,608	54,816	72,455	66,787	107,716
Board administrative fee	-	-	-	-	-	-
Total expenses	<u>30,320</u>	<u>41,608</u>	<u>54,816</u>	<u>72,455</u>	<u>66,787</u>	<u>107,716</u>
Total Deductions	<u>16,497,571</u>	<u>21,695,519</u>	<u>29,230,281</u>	<u>41,267,802</u>	<u>105,869,860</u>	<u>296,931,445</u>
<b>INVESTMENT PORTFOLIO CONVERSION IN (OUT)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(813,138,966)</u>	<u>813,138,966</u>
<b>NET INCREASE (DECREASE)</b>	106,869,894	121,202,687	129,376,893	117,922,521	(792,545,013)	662,885,054
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	<u>249,680,252</u>	<u>353,832,188</u>	<u>480,305,983</u>	<u>660,557,782</u>	<u>792,545,013</u>	<u>1,026,511,341</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u>\$ 356,550,146</u>	<u>\$ 475,034,875</u>	<u>\$ 609,682,876</u>	<u>\$ 778,480,303</u>	<u>\$ -</u>	<u>\$ 1,689,396,395</u>

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# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2021

	Active Multi-Fund Investment Portfolios					
	Active Diversified Equity Portfolio	Active Growth Portfolio	Active Moderate Growth Portfolio	Active Conservative Portfolio	Active International Equity Portfolio	Active Diversified Fixed Income Portfolio
<b>ADDITIONS</b>						
Subscriptions	\$ 89,398,130	\$ 66,729,957	\$ 25,097,064	\$ 12,861,922	\$ 12,719,817	\$ 13,831,967
Net investment income (loss)	120,410,219	62,487,732	13,580,422	1,398,434	10,134,727	1,755,970
Total Additions	<u>209,808,349</u>	<u>129,217,689</u>	<u>38,677,486</u>	<u>14,260,356</u>	<u>22,854,544</u>	<u>15,587,937</u>
<b>DEDUCTIONS</b>						
Redemptions	54,433,222	37,245,960	17,392,658	13,789,323	7,482,365	12,743,352
Expenses:						
Plan Manager fee	33,175	23,011	7,571	4,477	3,360	3,645
Board administrative fee	165,870	115,058	37,851	22,389	16,796	18,220
Total expenses	199,045	138,069	45,422	26,866	20,156	21,865
Total Deductions	<u>54,632,267</u>	<u>37,384,029</u>	<u>17,438,080</u>	<u>13,816,189</u>	<u>7,502,521</u>	<u>12,765,217</u>
<b>INVESTMENT PORTFOLIO CONVERSION IN (OUT)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE)</b>	155,176,082	91,833,660	21,239,406	444,167	15,352,023	2,822,720
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	<u>260,475,979</u>	<u>185,789,479</u>	<u>65,969,764</u>	<u>43,938,174</u>	<u>26,143,051</u>	<u>34,148,993</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u>\$ 415,652,061</u>	<u>\$ 277,623,139</u>	<u>\$ 87,209,170</u>	<u>\$ 44,382,341</u>	<u>\$ 41,495,074</u>	<u>\$ 36,971,713</u>

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# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2021

### Passive Multi-Fund Investment Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive International Equity Portfolio	Passive Diversified Fixed Income Portfolio
<b>ADDITIONS</b>						
Subscriptions	\$ 112,275,138	\$ 53,796,775	\$ 26,950,663	\$ 24,889,192	\$ 35,404,722	\$ 15,823,666
Net investment income (loss)	219,753,637	41,974,010	11,854,513	1,165,640	38,444,556	720,526
Total Additions	<u>332,028,775</u>	<u>95,770,785</u>	<u>38,805,176</u>	<u>26,054,832</u>	<u>73,849,278</u>	<u>16,544,192</u>
<b>DEDUCTIONS</b>						
Redemptions	<u>108,503,420</u>	<u>31,829,083</u>	<u>18,583,424</u>	<u>26,219,395</u>	<u>28,170,107</u>	<u>14,928,481</u>
Expenses:						
Plan Manager fee	66,231	17,503	8,052	6,772	13,802	3,617
Board administrative fee	-	-	-	-	-	-
Total expenses	<u>66,231</u>	<u>17,503</u>	<u>8,052</u>	<u>6,772</u>	<u>13,802</u>	<u>3,617</u>
Total Deductions	<u>108,569,651</u>	<u>31,846,586</u>	<u>18,591,476</u>	<u>26,226,167</u>	<u>28,183,909</u>	<u>14,932,098</u>
<b>INVESTMENT PORTFOLIO CONVERSION IN (OUT)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE)</b>	223,459,124	63,924,199	20,213,700	(171,335)	45,665,369	1,612,094
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	<u>554,153,906</u>	<u>145,070,604</u>	<u>69,927,263</u>	<u>65,929,732</u>	<u>114,043,533</u>	<u>33,590,832</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u>\$ 777,613,030</u>	<u>\$ 208,994,803</u>	<u>\$ 90,140,963</u>	<u>\$ 65,758,397</u>	<u>\$ 159,708,902</u>	<u>\$ 35,202,926</u>

See Independent Auditor's Report.



# ScholarShare 529<sup>SM</sup>

(A Fiduciary Fund of the State of California)

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2021

	Single Fund Investment Portfolios					Plan Total
	Social Choice Portfolio	Index Bond Portfolio	Index U.S. Large Cap Equity Portfolio	Index U.S. Equity Portfolio	Principal Plus Interest Portfolio	
<b>ADDITIONS</b>						
Subscriptions	\$ 47,842,063	\$ 35,399,614	\$ 171,997,938	\$ 144,637,400	\$ 192,875,618	\$ 2,089,276,464
Net investment income (loss)	80,392,759	(536,357)	237,178,231	220,844,354	9,024,266	2,148,121,826
Total Additions	<u>128,234,822</u>	<u>34,863,257</u>	<u>409,176,169</u>	<u>365,481,754</u>	<u>201,899,884</u>	<u>4,237,398,290</u>
<b>DEDUCTIONS</b>						
Redemptions	33,116,948	40,053,689	112,750,968	94,096,537	247,558,679	1,697,425,976
Expenses:						
Plan Manager fee	22,672	10,416	70,712	62,156	-	1,062,420
Board administrative fee	113,354	-	-	-	-	1,757,032
Total expenses	<u>136,026</u>	<u>10,416</u>	<u>70,712</u>	<u>62,156</u>	<u>-</u>	<u>2,819,452</u>
Total Deductions	<u>33,252,974</u>	<u>40,064,105</u>	<u>112,821,680</u>	<u>94,158,693</u>	<u>247,558,679</u>	<u>1,700,245,428</u>
<b>INVESTMENT PORTFOLIO CONVERSION IN (OUT)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE)</b>	94,981,848	(5,200,848)	296,354,489	271,323,061	(45,658,795)	2,537,152,862
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR</b>	<u>182,909,860</u>	<u>103,787,461</u>	<u>561,298,528</u>	<u>489,734,107</u>	<u>642,982,958</u>	<u>9,991,268,706</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u>\$ 277,891,708</u>	<u>\$ 98,586,613</u>	<u>\$ 857,653,017</u>	<u>\$ 761,057,168</u>	<u>\$ 597,324,163</u>	<u>\$ 12,528,421,568</u>

See Independent Auditor's Report.



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

To the Trustee of the Golden State ScholarShare College Savings Trust

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the ScholarShare College Savings Plan, which comprise the statement of fiduciary net position as of June 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 1, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the ScholarShare College Savings Plan's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ScholarShare College Savings Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the ScholarShare College Savings Plan's internal control.

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

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



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the ScholarShare College Savings Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*PricewaterhouseCoopers LLP*

Baltimore, Maryland  
September 1, 2021