LANDMARK
CERTIFIED PUBLIC ACCOUNTANTS

Members of the California ABLE Act Board and
Vestwell State Savings, LLC
California's 529A Qualified ABLE Program

We have audited the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position of the **California's 529A Qualified ABLE Program** (the Program) as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the Program's Basic Financial Statements, and have issued our report thereon dated August 30, 2024. Professional standards require that we advise you of following matters relating to our audit.

Our Responsibility in Relation to the Basic Financial Statement Audit

As communicated to Vestwell State Savings, LLC (the Program Manager) in in our engagement letter dated January 26, 2024, and in a separate letter to the members of the California ABLE Act Board (the Board) dated July 23, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the Basic Financial Statements that have been prepared by management subject to oversight by the Board are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit of the Basic Financial Statements does not relieve the Board or the Program Manager of any responsibilities with respect to the Program.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the Basic Financial Statements are free of material misstatement. An audit of the Basic Financial Statements includes consideration of the system of internal control over financial reporting as a basis of designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Program solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to the Board's and the Program Manager's responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to the Board or the Program Manager.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to the Board and to the Program Manager in our engagement letter dated January 26, 2024 and in a separate letter to the members of the Board dated July 23, 2024.

Landmark PLC, Certified Public Accountants
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Significant Risks Identified

We believe that the calculation of asset-based fees and any non-routine transactions, such as underlying fund changes; changes in asset-based fee accruals; and the creation, consolidation or elimination of investment options, are significant risks commonly encountered during audits of qualified ABLE Programs.

The State Administration Fee and Program Management Fee are asset-based fees that are accrued daily and remitted quarterly to the Board, the Program Manager and the state of California. We performed detailed substantive analytical procedures to recalculate the administrative fees for each investment option, as well as at a Program-wide level.

Until August 18, 2023 (the Conversion Date), TIAA-CREF Tuition Financing, Inc (TFI), a wholly owned direct subsidiary of Teachers Insurance and Annuity Association of America (TIAA), was responsible for day-to-day operations, including investment recommendations, recordkeeping, reporting and marketing. As of the close of business on the Conversion Date, the Board, as Administrator of the Program and Trustee of the Trust in which Program assets are held, transitioned accounts and assets totaling $109,893,525 and all Program management functions from TFI to the Program Manager. During our audit, we performed detailed testing procedures to verify that Program assets and account balances transitioned accurately from TFI and its subcontractors to the Program Manager and its subcontractors.

There were no other significant non-routine transactions identified during the audit period.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. As part of this engagement, we were requested to perform certain services that are above and beyond those required to perform an audit under professional standards, referred to as "nonattest services."

Specifically, we have performed the following nonattest services, as requested by the Program Manager:

- We have provided assistance with respect to the clerical aspects of typing the Basic Financial Statements, Management's Discussion and Analysis (MD&A) that accompanies the Basic Financial Statements as required supplementary information (RSI), and the Schedule of Fiduciary Net Position by Investment Option and Schedule of Changes in Fiduciary Net Position by Investment Option that accompany the Basic Financial Statements as other supplementary information (OSI).
- We have provided assistance in adjusting investment and account owner balances from settlement-date basis to trade-date basis, recording accrued account fees, adjusting interest and fees on the Program's FDIC-Insured Portfolio to report such amounts as gross, rather than net, reclassifying account fees from withdrawals, and eliminating exchange and cancelled transactions from contributions and withdrawals for purposes of financial reporting.

Compliance with All Ethics Requirements Regarding Independence *(Continued)*

- We have provided assistance to aggregate trial balance totals for the Program's FDIC-Insured Portfolio.
- We assisted in populating forms required by the state of California with unaudited data prior to our audit report date.

In addition to the nonattest services listed above, we were also requested to combine financial information associated with the period prior to the Conversion Date with financial information associated with the period from the Conversion Date through June 30, 2024, in order to ensure presentation of a complete fiscal year in the Program's Statement of Changes in Fiduciary Net Position.

All significant nonattest services were performed by an individual who was not part of the audit engagement team and were subject to detailed review by the engagement partner. In performing these nonattest services, we did not make any management decisions, complex calculations or significant estimates. The Program Manager has reviewed, approved and accepted responsibility for all nonattest services we provided.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Neither the Governmental Accounting Standards Board (GASB) nor the Financial Accounting Standards Board (FASB) has established authoritative guidance specific to accounting and reporting for qualified ABLE programs organized under Section 529A of the Internal Revenue Code of 1986, as amended. As the Program was established pursuant to the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 and the California Enabling Law, is subject to oversight by the Board, operates pursuant to relevant provisions of state law and is included in the State of California's financial reporting entity as a fiduciary fund, the Program's Basic Financial Statements are prepared following accounting and financial reporting standards set forth in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, applicable to fiduciary funds.

Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies adopted by the Program are described in Note 2 to the financial statements. There has been no initial selection of accounting policies, nor have there been any changes in significant accounting policies or their application during the year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions or the effect of significant accounting policies in controversial and emerging areas for which there is a lack of authoritative guidance or consensus, other than as discussed in the preceding paragraph.

Qualitative Aspects of the Entity's Significant Accounting Practices *(Continued)*

Significant Accounting Estimates

Accounting estimates and related disclosures are an integral part of the Basic Financial Statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the Basic Financial Statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. The most sensitive estimates affecting the Program's Basic Financial Statements are the fair values of investments.

While these fair values are determined based on published market prices, changing economic conditions, such as market fluctuations and changes in interest rates, could significantly impact amounts reported in the Program's Basic Financial Statements and the balances of account owners participating in the Program. We evaluated the fair values reported in the Program's Basic Financial Statements and determined they are reasonable in relation to the Basic Financial Statements taken as a whole.

Basic Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. Note 3 to the financial statements discloses information about the Program's investments, including required disclosures regarding investment policies, credit risk, interest rate risk and foreign currency risk. Note 4 to the financial statements discloses information about State Administration Fees, Program Management Fees and Account Fees.

The disclosures in the Basic Financial Statements are neutral, consistent and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures, other than the conversion transaction described in the *Significant Risks Identified* section of this letter.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Identified or Suspected Fraud

We have not identified, nor have we obtained information that indicates material fraud may have occurred.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also

Uncorrected and Corrected Misstatements *(Continued)*

communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the Basic Financial Statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period Basic Financial Statements to be materially misstated, even though the uncorrected misstatements are immaterial to the Basic Financial Statements currently under audit. In addition, professional standards require us to communicate all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements identified by us as a result of our audit.

Disagreements with Management

For purposes of this communication, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter, which could be significant to the Program's Basic Financial Statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this communication, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. An emphasis of matter paragraph is included following our opinion, alerting the reader that the Program is a fiduciary fund of the State of California, that the assets of the Program are held in the California ABLE Program Trust which consists of two funds: the Program fund and the Administrative fund, that the Basic Financial Statements of the Program include only balances and transactions attributable to the Program fund and that they are not intended to represent the basic financial statements of the Administrative fund, the Trust, the State of California or any other fiduciary funds of the State of California.

Our auditor's report includes an unmodified opinion on the Basic Financial Statements of the Program. Our report also contains paragraphs explaining that we do not express an opinion on the information in MD&A (see *Management's Discussion and Analysis* section that follows), and that we express an opinion on the information in the Supplementary Schedule of Fiduciary Net Position by Investment Option and the Supplementary Schedule of Changes in Fiduciary Net Position by Investment Option in relation to the Program's Basic Financial Statements as a whole (see *Other Supplementary Information* section that follows).

Representations Requested from Management

We have requested certain representations from the Program Manager, which are included in their management representation letter August 30, 2024. A copy of this letter is included in **Attachment A**.

Matters Resulting in Consultation Outside the Engagement Team

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Management's Discussion and Analysis

Pursuant to professional standards, our responsibilities as auditors does not extend to information presented in MD&A. However, in accordance with such standards, we have applied certain limited procedures to the information presented therein. Our procedures consisted of inquiries of management regarding the methods of preparing the information in MD&A and comparing the information therein to the Program's Basic Financial Statements. In addition, we considered the consistency of such information to management's responses to our inquiries 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 presented in MD&A because these limited procedures do not provide us with sufficient evidence on which to express an opinion or provide any assurance. We are responsible for communicating any information which we believe is a material misstatement of fact. However, no items came to our attention that caused us to believe the information in MD&A, or its manner of presentation, is materially inconsistent with the information appearing in the Basic Financial Statements.

Other Supplementary Information

We were engaged to report on the OSI. With respect to the information in these schedules, we made certain inquiries of management and evaluated the form, content and methods of preparing the information presented therein to determine that the information complies with U.S. GAAP, the method of preparing the information in these schedules has not changed from the prior period and the information in these schedules is appropriate and complete in relation to our audit of the Program's Basic Financial Statements. We compared and reconciled the information in these schedules to the underlying accounting records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Program, we generally discuss a variety of matters with management, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the Program, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Program's auditors.

Underlying Fund Expenses

The mutual funds in which the Program's assets are invested are subject to underlying fund expenses, which include investment advisory fees, administrative and other expenses of those funds and are paid to the managers of those funds. These underlying fund expenses are not reported as expenses in the Program's Basic Financial Statements since they reduce the amount of income distributable by the mutual funds to the Program in the form of dividends and capital gain distributions and are not paid from Program assets. These underlying fund expenses are subject to audit by the auditors of each fund. We did not perform any audit procedures with respect to the underlying fund expenses.

Other Significant Matters, Findings or Issues *(Continued)*

Administrative and Marketing Services

The Board incurs certain costs associated with marketing and administration of the Program. These costs are not paid from Program assets, are not reported as expenses in the Program’s Basic Financial Statements and were not subject to our audit procedures.

Restriction on Use

This information is intended solely for the use of the Board and the Program Manager and is not intended to be, and should not be, used by anyone other than these specified parties.

Landmark PLC

Little Rock, Arkansas
August 30, 2024

Attachment A

August 30, 2024

Landmark PLC
200 W. Capitol Ave., Suite 1700
Little Rock, Arkansas 72201

Vestwell State Savings, LLC (Vestwell), as Program Manager for the *California's 529A Qualified ABLE Program* (the Program), is providing this representation letter in connection with your audit of the Program's June 30, 2024 Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position for period from July 1, 2023 through June 30, 2024 and the related Notes to the Financial Statements (collectively, the "Basic Financial Statements") for the purpose of expressing an opinion as to whether the Basic Financial Statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the information in the Basic Financial Statements.

To the best of our knowledge and belief, we confirm the following representations, having made such inquiries as we considered necessary for appropriately informing ourselves with respect to the matters listed below:

Basic Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 26, 2024.
2) The Basic Financial Statements referred to above are fairly presented in conformity with U.S. GAAP applicable to fiduciary fund types of governmental entities and include all assets, liabilities, contributions, other revenues, withdrawals and other expenses attributable to the Program.
3) We acknowledge our responsibility for the design, implementation and maintenance of our internal controls to the extent they are relevant to the preparation and fair presentation of Basic Financial Statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation and maintenance of our internal controls to provide reasonable assurance that fraud is prevented and detected.
5) Significant assumptions we used in making accounting estimates are reasonable.
6) We have disclosed to you the identities of the Program's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions, including revenues, expenses and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

Basic Financial Statements (*Continued*)

7) No events or instances of material noncompliance with laws, regulations, contracts or agreements that are relevant to the Program have occurred subsequent to June 30, 2024, and through the date of this letter that would require adjustment to or disclosure in the Program's Basic Financial Statements.

8) As Program Manager, we are responsible for compliance with laws, regulations and provisions of contracts and other agreements applicable to the Program. We have identified and disclosed to you the laws, regulations and provisions of contracts and other agreements that could have a direct and material effect on amounts reported in the Basic Financial Statements. The Program has materially complied with all relevant laws, regulations, and the provisions of contracts and other agreements relevant to the Program. We are not aware of any known or suspected instances of material violations or material noncompliance with laws, regulations or provisions of contracts or other agreements applicable to the Program, the effects of which should be considered when preparing the Basic Financial Statements.

9) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the Basic Financial Statements, and we have not consulted a lawyer concerning litigation, claims or assessments against the Program or against Vestwell with respect to Program management services. There are no guarantees, whether written or oral, under which the Program is contingently liable.

10) We are not aware of any material uncorrected misstatements in the Basic Financial Statements. All transactions have been recorded in the accounting records and are reflected in the Basic Financial Statements.

11) Credit risk, custodial credit risk, interest rate risk and foreign currency risk relevant to the Program's deposit accounts maintained in financial institutions and investments have been accurately disclosed in accordance with U.S. GAAP.

12) With regard to investments:

    (a) We have reviewed the note disclosures regarding the Program's mutual funds, and we believe them to be appropriate and accurate.

    (b) The Program's mutual funds are reported at fair value, based on net asset values determined as of the close of the New York Stock Exchange on the reporting date.

    (c) We are not aware of any litigation pertaining to the mutual funds in which the Program invests that could have a material impact on balances reported in the financial statements or that would require disclosure under U.S. GAAP.

    (d) We are not aware of any subsequent events that would require adjustment to fair value measurements or investment-related disclosures included in the notes to the Basic Financial Statements.

Information Provided

13) We have provided you with:

    (a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the Basic Financial Statements, such as records, documentation and audit or relevant monitoring reports, if any, received from regulatory agencies.

    (b) Additional information that you have requested from us for the purpose of the audit.

    (c) Unrestricted access to employees of Vestwell or third-party service organizations providing services to the Program from whom you determined it necessary to obtain audit evidence.

14) We have provided you with a copy of *BNY Mellon Technology* and *BNY Mellon Asset Servicing Custody and Securities Lending Services* (SOC1) Reports for the period April 1, 2023 through March 31, 2024, and *BNY Mellon Full-Service Subaccounting Cash and Transaction Processing Operations and Information Systems System and Organization Controls* (SOC1) Report for the period October 1, 2022 through September 30, 2023. As of the date of this letter, new reports are not available. We represent that there have been no significant changes in processes, procedures or controls described in these reports through the date of this letter.

Other Specific Representations

15) We have no knowledge of any fraud or suspected fraud affecting the Program involving—

    (a) Management of Vestwell,

    (b) Employees of Vestwell or its affiliates who have significant roles in internal control or

    (c) Others, such as third-party service organizations providing services to the Program, where the fraud could have a material effect on the Basic Financial Statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Program's Basic Financial Statements communicated by employees or former employees of Vestwell, members of the California ABLE Act Board (the Board) or others. We have assessed the risk that fraud may occur and have a material impact on the Program's Basic Financial Statements, and we have disclosed to you any material concerns that may have significance to your audit.

17) We are not aware of any known instances of noncompliance or suspected noncompliance with provisions of laws, regulations or contracts applicable to the Program, nor are we aware of any instances of abuse, whose effects should be considered when preparing the Basic Financial Statements.

18) We have disclosed to you all significant estimates known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year.

Other Specific Representations (*Continued)*

19) There are no material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

20) We have no knowledge of any communications from the Board or regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21) We have identified to you any previous audits, compliance examinations, attestation engagements and other studies related to the objectives of this audit engagement that are relevant to the preparation and fair presentation of the Basic Financial Statements, and have provided our views on reported findings, conclusions and recommendations, as well as our planned corrective actions.

22) We are not aware of any plans or intentions that may materially affect the current structure of the Program that should be disclosed in the notes to the financial statements. We are not aware of any plans, intentions or changes in laws or regulations that would result in discontinuance of the Program.

23) The Program is exempt from income taxes under Section 115 of the Internal Revenue Code. The Program has not engaged in any activities of which we are aware that would be subject to tax on unrelated business income or excise or other tax.

24) Together, Vestwell and the Program are responsible for compliance with the laws, regulations and provisions of contracts and agreements applicable to the Investment Program; and we have identified and disclosed to you all laws, regulations and provisions of contracts and agreements that we believe have a direct and material effect on the determination of financial statement amounts.

25) We are not aware of any violations or possible violations of laws, regulations or provisions of contracts whose effects should be considered for disclosure in the Basic Financial Statements, or as a basis for recording a loss contingency or for reporting on noncompliance.

26) The Program has complied with all aspects of contractual agreements that would have a material effect on the Basic Financial Statements in the event of noncompliance.

27) There have been no complaints filed in regard to the Program during the period from June 30, 2024, and through the date of this letter that would have significance to the Basic Financial Statements or indicate material noncompliance with the provisions of the Program Disclosure Booklet.

28) We have disclosed to you all relevant contracts or other agreements with third-party service organizations, and we have not received any relevant communications from the service organizations relating to control deficiencies or material noncompliance with laws, regulations, contracts or agreements that may impact the Basic Financial Statements of the Program.

Non-Attest Services

29) Although you have assisted us with the clerical aspects of preparing the Basic Financial Statements and related notes, as well as Management's Discussion and Analysis (MD&A), and you have provided technical advice regarding the contents of MD&A, we have designated one or more individual(s) with suitable skill, knowledge or experience to oversee your services and have made any necessary management decisions and performed all requisite management functions. We have reviewed, approved and accepted responsibility for the Basic Financial Statements and related notes and MD&A.

30) We understand that, at our request, you prepared certain adjusting entries necessary to report investments and account owner transactions on a trade-date basis, to eliminate exchange transactions and cancelled transactions from contributions and withdrawals and to accrue account-based fees based on information provided by us and the Program's custodian. We have reviewed and approved those entries and accept responsibility for the accuracy of those entries.

31) We understand that, at our request, you have aggregated trial balance data for the period from July 1, 2023 through August 19, 2023, based on information provided by the prior Program manager, and you have aggregated trial balance data for the FDIC Insured Option, based on information provided by us. We have reviewed and approved the aggregated amounts, which are included in the Program's Basic Financial Statements, and we accept responsibility for the accuracy of the trial balance data.

32) We acknowledge our responsibility for MD&A, which is required supplementary information (RSI) prescribed by the Governmental Accounting Standards Board (GASB). The RSI is measured and presented within guidelines prescribed by the GASB, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

James Balsan

James Balsan
Senior Vice President - Operations
Vestwell State Savings, LLC