

College **SAVE**[™]

Bank of North Dakota's 529 Plan

(A Fiduciary Fund of the State of North Dakota)

BASIC FINANCIAL STATEMENTS

December 31, 2020 and 2019

and

SUPPLEMENTARY INFORMATION

December 31, 2020

(With Independent Auditor's Report Thereon)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

TABLE OF CONTENTS

| | <u>Pages</u> |
|--|--------------|
| INDEPENDENT AUDITOR'S REPORT | 1 – 3 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) | 7 – 14 |
| BASIC FINANCIAL STATEMENTS | |
| Statements of Fiduciary Net Position | 17 |
| Statements of Changes in Fiduciary Net Position | 17 |
| Notes to Basic Financial Statements | 19 – 37 |
| SUPPLEMENTARY INFORMATION | |
| Schedule of Fiduciary Net Position by Investment Option as of December 31, 2020 | 40 – 41 |
| Schedule of Changes in Fiduciary Net Position by Investment Option for the Year Ended December 31, 2020 | 42 – 43 |
| INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 44 – 45 |



INDEPENDENT AUDITOR'S REPORT

Bank of North Dakota
Ascensus Broker Dealer Services, LLC, Plan Manager
College SAVE

Report on the Basic Financial Statements

We have audited the accompanying statements of fiduciary net position and statements of changes in fiduciary net position of **College SAVE** (the Plan), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

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

Bank of North Dakota
Ascensus Broker Dealer Services, LLC, Plan Manager
College SAVE

Opinion

In our opinion, the basic financial statements referred to on the preceding page present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2020 and 2019, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 1, the Plan is included in the state of North Dakota's financial reporting entity as a fiduciary fund. The assets of the Plan are held in the College SAVE Trust (the Trust). These basic financial statements present only the activities and balances attributable to the Plan and do not purport to, and do not, present fairly the fiduciary net position or changes in fiduciary net position of the Trust or any other fiduciary funds of the state of North Dakota as of and for the year ended December 31, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 7 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, as it is considered to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information in management's discussion and analysis because the limited procedures we performed do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the Plan's basic financial statements. The schedules of fiduciary net position and changes in fiduciary net position by investment option on pages 40 through 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the Plan's 2020 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 information in these schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bank of North Dakota
Ascensus Broker Dealer Services, LLC, Plan Manager
College SAVE

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 Plan's internal control over financial reporting and compliance.


Certified Public Accountants

Little Rock, Arkansas
May 14, 2021

(This page intentionally left blank)

Management's Discussion and Analysis
(Unaudited)

(This page intentionally left blank)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

This management's discussion and analysis is intended to provide readers an objective discussion of the basic financial statements of College SAVE (the Plan) as of and for the years ended December 31, 2020 and 2019. This discussion and analysis, which is supplementary information required by the Governmental Accounting Standards Board (GASB), is intended to provide a highly summarized overview of the Plan's assets, liabilities, fiduciary net position and changes in fiduciary net position and should be read in conjunction with the Plan's financial statements and notes thereto, which are included on pages 17 through 37. In addition, readers may find useful the supplementary information on pages 40 through 43, which include information about the investment options offered to account owners.

* * * * *

College SAVE was established in September of 2000, to encourage the investment of funds to be used for qualified higher education expenses at eligible institutions, as authorized under North Dakota Century Code Title 6, Chapter 9, Section 38. Plan assets are held for the benefit of account owners and their designated beneficiaries in the College SAVE Trust (the Trust), for which the Bank of North Dakota (the Bank) serves as Trustee. The Plan is administered as a "qualified tuition program" in compliance with Section 529 of the Internal Revenue Code of 1986, as amended, and both the Plan and the Trust are exempt from federal taxation.

The Bank has established rules to administer, manage, promote and market the Plan, which are set forth in North Dakota Administrative Code Title 12.5, Article 2, Chapter 1. As allowed under these rules, the Bank may contract with third-party service providers to perform administrative duties related to the Plan and to manage the Plan's investments.

Pursuant to the College SAVE Plan Management Agreement, as amended, Ascensus Broker Dealer Services, LLC (ABD) serves as the Plan Manager and Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as the recordkeeping and servicing agent. Collectively, ABD and ACSR are referred to as "Ascensus Government Savings (AGS)." The Vanguard Group, Inc. (Vanguard) provides investment advisory and related administrative services.

Financial Highlights

The following highlight some of the Plan's key financial results:

- At December 31, 2020, 2019 and 2018, the Plan's fiduciary net position totaled \$599.8 million, \$535.8 million and \$455.7 million, respectively. Fiduciary net position increased \$64.0 million, or 11.9%, from December 31, 2019, to December 31, 2020, after increasing \$80.2 million, or 17.6%, from December 31, 2018, to December 31, 2019.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

Financial Highlights (*Continued*)

- Contributions exceeded withdrawals by approximately \$5.6 million, \$6.3 million and \$8.0 million during the years ended December 31, 2020, 2019 and 2018, respectively.
- Contributions during the years ended December 31, 2020, 2019 and 2018, totaled \$50.5 million, \$50.9 million and \$47.9 million, respectively. Contributions decreased \$378.5 thousand, or 0.7%, from December 31, 2019, to December 31, 2020, after increasing \$3.0 million, or 6.3%, from December 31, 2018, to December 31, 2019.
- Withdrawals during the years ended December 31, 2020, 2019 and 2018, totaled \$44.9 million, \$44.5 million and \$39.8 million, respectively. Withdrawals increased \$356.8 thousand, or 0.8%, from December 31, 2019, to December 31, 2020, and increased \$4.7 million, or 11.8%, from December 31, 2018, to December 31, 2019.
- Administrative fees totaled \$3.7 million, \$3.5 million and \$3.4 million for the years ended December 31, 2020, 2019 and 2018, respectively. These fees, which are based on the Plan's fiduciary net position, are paid to the Bank, AGS and Vanguard for performing oversight, administrative and investment duties.
- For the year ended December 31, 2020, the Plan experienced net investment income of \$62.1 million, resulting from the net increase in the fair value of investments totaling \$50.0 million and dividends and interest totaling \$12.1 million. For the year ended December 31, 2019, the Plan experienced net investment income of \$77.4 million, resulting from the net increase in the fair value of investments totaling \$63.8 million and dividends and interest totaling \$13.6 million. For the year ended December 31, 2018, the Plan experienced a net investment loss of \$18.3 million, resulting from the net decrease in the fair value of investments totaling \$30.0 million, offset by dividends and interest totaling \$11.7 million.
- The number of active accounts has increased from 36,792 at December 31, 2018, to 39,309 at December 31, 2019, to 46,595 at December 31, 2020. The average active account balance increased from \$12,400 at December 31, 2018, to \$13,600 at December 31, 2019, but then decreased to \$12,900 at December 31, 2020.
- BND Match awards totaling \$206,062, \$211,385 and \$314,841 in 2020, 2019 and 2018, respectively, were granted to qualifying account owners.
- New Baby Match awards totaling \$206,890, \$214,590 and \$227,040 in 2020, 2019 and 2018, respectively, were granted to qualifying account owners.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

Overview of the Basic Financial Statements

The Plan's basic financial statements comprise the statement of fiduciary net position, the statement of changes in fiduciary net position and the related notes to the financial statements. The statement of fiduciary net position presents information on the Plan's assets and liabilities, with the difference between them representing net position held in trust for account owners and their beneficiaries. The statement of changes in fiduciary net position shows how the Plan's fiduciary net position changed during the year. The notes to the financial statements provide additional explanatory information about the amounts presented in the financial statements. It is essential that readers of this report consider the information in the notes to obtain a full understanding of the Plan's financial statements.

The Plan is included in the reporting entity of the state of North Dakota as a fiduciary fund. Assets are held in trust for account owners and beneficiaries and cannot be used to support other governmental programs.

The Plan's basic financial statements are prepared in accordance with accounting and financial reporting standards for governmental entities set forth by the GASB. As required under generally accepted accounting principles applicable to fiduciary fund types, the Plan's basic financial statements are prepared using the accrual basis of accounting. Mutual funds are reported at fair value, and investment contracts are reported at contract value. All investment transactions are recorded on a trade-date basis. Realized and unrealized gains and losses are reported as "net increase (decrease) in the fair value of investments" on the statements of changes in fiduciary net position. Dividends and capital gain distributions are recorded on the ex-dividend date rather than when they are received. Contributions are recognized when they are 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. Administrative fees are recognized in the period when the related services are provided, regardless of when cash is paid.

Financial Analysis

Fiduciary Net Position

The following condensed statements of fiduciary net position provide a "snapshot" of the overall financial position of the Plan:

| | <u>December 31, 2020</u> | <u>December 31, 2019</u> | <u>December 31, 2018</u> |
|--|--------------------------|--------------------------|--------------------------|
| Total assets | \$ 601,283,674 | \$ 537,585,863 | \$ 456,998,365 |
| Total liabilities | <u>1,456,619</u> | <u>1,748,490</u> | <u>1,338,351</u> |
| Net position held in trust for account owners and beneficiaries | <u>\$ 599,827,055</u> | <u>\$ 535,837,373</u> | <u>\$ 455,660,014</u> |

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

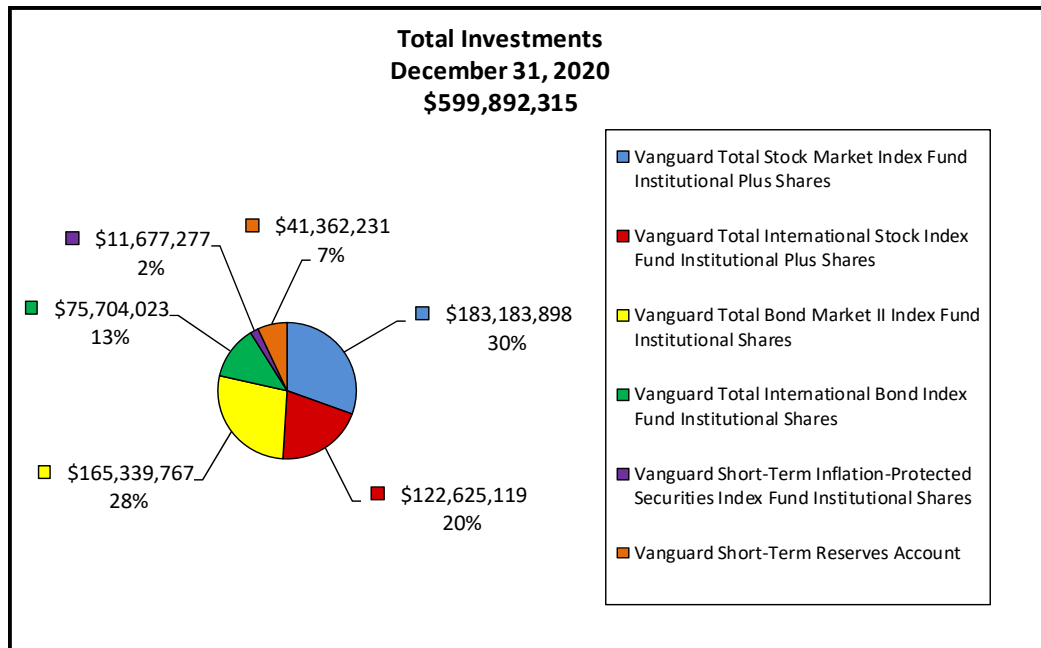
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

Financial Analysis (Continued)

Fiduciary Net Position (Continued)

The reported balance of net position held in trust for account owners and their beneficiaries represents the cumulative total of contributions since the Plan's inception, increased (decreased) by net investment income (loss), and decreased by withdrawals and administrative fees.

Investments, which totaled \$599.9 million, \$535.8 million, and \$456.0 million at December 31, 2020, 2019 and 2018, respectively, represent over 99% of the Plan's total assets. Account owners are able to direct investment of their contributions into one or more investment options and unit classes (subject to eligibility), each of which is invested in one or more Vanguard mutual funds or investment contracts (the Underlying Funds) in accordance with a predetermined asset allocation strategy approved by the Bank. At December 31, 2020, 2019 and 2018, the Plan's Underlying Funds are as follows:



Note: Percentages are stated as a percent of total investment value.

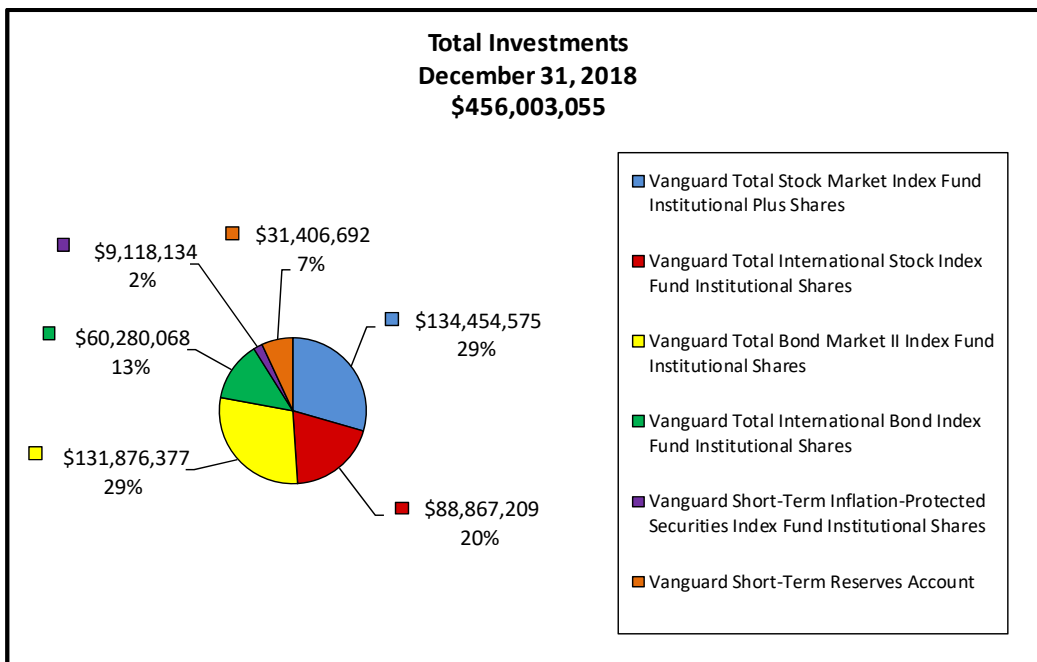
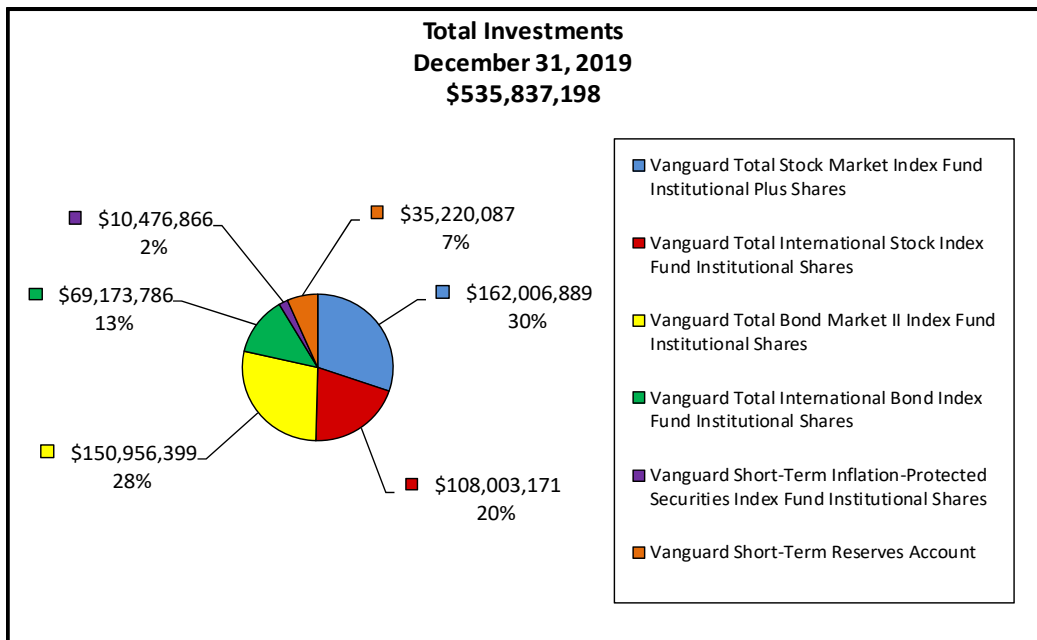
College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

Financial Analysis (Continued)

Fiduciary Net Position (Continued)



Note: Percentages are stated as a percent of total investment value.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

Financial Analysis (Continued)

Fiduciary Net Position (Continued)

Other assets, which totaled \$1.4 million at December 31, 2020, \$1.7 million at December 31, 2019 and \$995.3 thousand at December 31, 2018, comprise amounts to be invested or distributed on behalf of account owners and their beneficiaries and receivables for proceeds from Underlying Fund sales transactions. The Plan's liabilities, which totaled \$1.5 million at December 31, 2020, \$1.7 million at December 31, 2019 and \$1.3 million at December 31, 2018, comprise accrued administrative fees, payables for withdrawals approved but not yet paid and payables for Underlying Fund purchase transactions.

Changes in Fiduciary Net Position

The following condensed statements of changes in fiduciary net position summarize how the Plan's net position held in trust for account owners and their beneficiaries changed during the years presented:

| | <u>Year Ended</u> <u>December 31, 2020</u> | <u>Year Ended</u> <u>December 31, 2019</u> | <u>Year Ended</u> <u>December 31, 2018</u> |
|--|---|---|---|
| Contributions | \$ 50,478,295 | \$ 50,856,817 | \$ 47,864,276 |
| Net investment income (loss) | 62,094,639 | 77,396,003 | (18,303,035) |
| Withdrawals | (44,903,502) | (44,546,693) | (39,828,488) |
| Administrative fees | <u>(3,679,750)</u> | <u>(3,528,768)</u> | <u>(3,359,862)</u> |
| Net increase (decrease) | 63,989,682 | 80,177,359 | (13,627,109) |
| Net position held in trust for account owners and beneficiaries, beginning of year | <u>535,837,373</u> | <u>455,660,014</u> | <u>469,287,123</u> |
| Net position held in trust for account owners and beneficiaries, end of year | <u>\$ 599,827,055</u> | <u>\$ 535,837,373</u> | <u>\$ 455,660,014</u> |

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

Investment Commentary

The following section provides a brief description of each of the Plan's investments. More complete information can be found in the College SAVE Plan Disclosure Statement and Participation Agreement document or in each mutual fund's prospectus and annual report.

The Vanguard Total Stock Market Index Fund Institutional Plus Share Class is passively managed, using index sampling. This fund invests in large-, mid- and small-capitalization stocks diversified across growth and value investment styles and seeks to track the performance of the CRSP US Total Market Index. This fund experienced returns of 21.02%, 30.82% and (5.15%) for the years ended December 31, 2020, 2019 and 2018, respectively. The share price of this fund increased from \$116.47 at December 31, 2018, to \$149.46 at December 31, 2019, and further increased to \$177.69 at December 31, 2020.

At December 31, 2019 and 2018, and until March 31, 2020, multiple investment options included the Vanguard Total International Stock Index Fund Institutional Share Class in their asset holdings. Effective March 31, 2020, holdings in the Vanguard Total International Stock Index Fund Institutional Share Class were transferred to the Vanguard Total International Stock Index Fund Institutional Plus Share Class. Both funds employ an indexing investment approach and seek to track the performance of the FTSE Global All Cap ex US Index, which is designed to measure equity market performance in developed and emerging markets, excluding the United States. The Vanguard Total International Stock Index Fund Institutional Share Class experienced returns of (24.29%), 21.56% and (14.39%) for the period from January 1, 2020 through March 31, 2020, and for the years ended December 31, 2019 and 2018, respectively. The Vanguard Total International Stock Index Fund Institutional Plus Share Class experienced returns of 35.59% for the period from March 31, 2020 through December 31, 2020. The share price of the Vanguard Total International Stock Index Fund Institutional Share Class increased from \$101.46 at December 31, 2018, to \$119.47 at December 31, 2019, but decreased to \$90.19 at March 31, 2020. The share price of the Vanguard Total International Stock Index Fund Institutional Plus Share Class increased from \$90.21 at March 31, 2020, to \$129.82 at December 31, 2020.

The Vanguard Total Bond Market II Index Fund Institutional Share Class is passively managed, using index sampling and seeks to track the performance of the Bloomberg Barclays US Aggregate Float Adjusted Index. This fund provides broadly diversified exposure to the entire US investment grade bond market and is intermediate in duration. This fund experienced returns of 7.38%, 8.69% and (0.03%) for the years ended December 31, 2020, 2019 and 2018, respectively. The share price of this fund increased from \$10.42 at December 31, 2018, to \$11.01 at December 31, 2019, and further increased to \$11.46 at December 31, 2020.

The Vanguard Total International Bond Index Fund Institutional Share Class fund is passively managed, using index sampling and seeks to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This fund provides broad exposure to non-US investment grade

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2020 and 2019

Investment Commentary (*Continued*)

bonds, primarily bonds issued by developed countries, but also some from emerging markets countries. This fund experienced returns of 4.59%, 7.89% and 2.96% for the years ended December 31, 2020, 2019 and 2018, respectively. The share price of this fund increased from \$32.54 on December 31, 2018, to \$33.94 on December 31, 2019, and further increased to \$35.10 on December 31, 2020.

The Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Share Class employs an indexing investment approach designed to track the performance of the Bloomberg Barclays US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. This index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the US Treasury with remaining maturities of less than five years. This fund experienced returns of 4.99%, 4.82% and 0.59% for the years ended December 31, 2020, 2019 and 2018, respectively. The share price of this fund increased from \$24.03 at December 31, 2018, to \$24.70 at December 31, 2019, and further increased to \$25.62 at December 31, 2020.

The Vanguard Short-Term Reserves Account seeks to provide current and stable income while maintaining a \$1 net asset value. This fund seeks to achieve its objective by diversifying among high-credit-quality investments and investment contracts that are structured to smooth market gains and losses over time. This fund experienced returns of 2.27%, 2.52% and 2.11% for the years ended December 31, 2020, 2019, and 2018 respectively.

Recent Developments

Plan Management Fee Reductions

Effective March 1, 2020, the plan management fees for all Direct Class investment options, which ranged from 0.40% to 0.41% prior to March 1, 2020, were reduced to 0.35% to 0.36%, and were further reduced to 0.34% to 0.35% effective December 1, 2020. Effective December 1, 2020, the plan management fees for all Advisor Class investment options, which ranged from 0.40% to 0.41% prior to December 1, 2020, were reduced to 0.39% to 0.40%.

COVID-19 Impact

As of the date of the independent auditor's report, the COVID-19 pandemic has had an adverse impact on 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.

Requests for Information

This financial report is designed to provide a general overview of the Plan's financial status and changes in financial status. Additional information can be found at www.collegesave4u.com. If you have any questions about the information provided, please call the Plan's customer service representatives at 1-866-728-3529.

Basic Financial Statements

(This page intentionally left blank)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

STATEMENTS OF FIDUCIARY NET POSITION December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Investments | \$ 599,892,315 | \$ 535,837,198 |
| Cash and cash equivalents | 1,087,606 | 1,255,646 |
| Receivables for investments sold | 303,753 | 493,019 |
| Total Assets | <u>601,283,674</u> | <u>537,585,863</u> |
| LIABILITIES | | |
| Payables for investments purchased | 426,598 | 404,714 |
| Withdrawals payable | 697,833 | 1,028,180 |
| Accrued administrative fees | 332,188 | 315,596 |
| Total Liabilities | <u>1,456,619</u> | <u>1,748,490</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | <u>\$ 599,827,055</u> | <u>\$ 535,837,373</u> |

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------|-----------------------|
| ADDITIONS | | |
| Contributions | \$ 50,478,295 | \$ 50,856,817 |
| Investment income: | | |
| Dividends and interest | 12,099,419 | 13,560,733 |
| Net increase in the fair value of investments | 49,995,220 | 63,835,270 |
| Net investment income | 62,094,639 | 77,396,003 |
| Total Additions | <u>112,572,934</u> | <u>128,252,820</u> |
| DEDUCTIONS | | |
| Withdrawals | 44,903,502 | 44,546,693 |
| Administrative fees | 3,679,750 | 3,528,768 |
| Total Deductions | <u>48,583,252</u> | <u>48,075,461</u> |
| NET INCREASE | 63,989,682 | 80,177,359 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | <u>535,837,373</u> | <u>455,660,014</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | <u>\$ 599,827,055</u> | <u>\$ 535,837,373</u> |

See accompanying notes to basic financial statements.

(This page intentionally left blank)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

The following provides a brief description of College SAVE (the Plan). For more information and disclosures about the Plan, refer to the College SAVE Plan Disclosure Statement and Participation Agreement available on the Plan's website (www.collegesave4u.com) or call 1-866-728-3529.

(a) General

The Plan was created in September of 2000, pursuant to North Dakota Century Code Title 6, Chapter 9, Section 38 to enable residents of North Dakota (and other states) to save on a tax-favored basis for qualified higher education expenses. The Plan is designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder.

The College SAVE Trust (the Trust) was created to hold the assets of the Plan. The Bank of North Dakota (the Bank), an enterprise fund of the state of North Dakota, is the designated Trustee. Assets of the Plan can only be used for the benefit of account owners and their designated beneficiaries and cannot be used by the state of North Dakota or the Bank to finance their operations.

The Plan is included in the reporting entity of the state of North Dakota as a fiduciary fund. Assets are held in trust for account owners and beneficiaries cannot be used to support other governmental programs.

(b) Administration

As Trustee, the Bank is the authority responsible for oversight and overall administration of the Plan. Rules governing the operation of the Plan, as adopted by the Bank, are set forth in the North Dakota Administrative Code Title 12.5, Article 2, Chapter 1 (the Administrative Code). The Administrative Code allows the Bank to enter into contracts with service providers, agents or third-party contractors to administer the Plan, provide investment advice for the Plan, provide accounting and recordkeeping services for the Plan, enroll participants, process account owner transactions and market the Plan.

Pursuant to the College SAVE Plan Management Agreement, as amended (the Management Agreement), Ascensus Broker Dealer Services, LLC (ABD) serves as the Plan Manager and Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as the recordkeeping and servicing agent. Collectively, ABD and ACSR are referred to as "Ascensus Government Savings (AGS)."

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)

(b) Administration (Continued)

Pursuant to the terms of the North Dakota 529 Program Operational Agreement, as amended (the Operational Agreement), The Vanguard Group, Inc. (Vanguard) provides investment advisory and related administrative services.

The Bank of New York Mellon Corporation (BNY Mellon) is the custody agent for the Plan, responsible for maintaining a custody account to provide for the safekeeping and recordkeeping of certain assets invested in the Plan.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

In accordance with accounting principles generally accepted in the United States of America 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.

(b) Income Taxes

The Plan has been designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations or other guidance issued thereunder. As such, the Plan is exempt from federal and state income tax.

(c) Estimates

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

(d) Investments

The Plan's investments consist of Vanguard mutual funds and investment contracts (the Underlying Funds).

The mutual funds are reported at fair value, determined by Vanguard based on the net asset value per share of each mutual fund as of the close of the New York Stock Exchange (NYSE) on the reporting date. Net realized and unrealized gains (losses) are included in "net increase (decrease) in the fair value of investments" on the statements of changes in fiduciary net position. Purchase and sales of shares of mutual funds are recorded on a trade-date basis. Dividends and capital gain distributions are recorded on the ex-dividend date and are automatically reinvested in additional shares of the respective mutual fund.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments (Continued)

The investment contracts, which include contracts issued by financial institutions and insurance companies, are fully benefit-responsive and are reported at contract value, which is equal to contributions, plus interest credited at a guaranteed rate, less withdrawals and any applicable fees and expenses. Interest is accrued as it is earned.

Accounting standards categorize fair value measurements according to a hierarchy that is based on valuation inputs that are 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 market prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable. The fair values of the Plan's mutual funds are determined using Level 1 inputs. The fair value standards are not applicable to the investment contracts, since they are reported at contract value, rather than fair value.

(e) Cash and Cash Equivalents

Cash and cash equivalents generally include 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.

Contribution and withdrawal transactions are processed through a non-interest bearing account maintained at BNY Mellon in the Plan's name. The bank balances of this account at December 31, 2020 and 2019, were \$2,220,020 and \$100,287, respectively. Balances in this account are insured by the Federal Deposit Insurance Corporation (FDIC), along with any other accounts maintained at BNY Mellon under the same taxpayer identification number, in the aggregate, up to the maximum amount available by federal law. Amounts in excess of FDIC insurance limits are not collateralized or covered by supplementary insurance.

Prior to December 31, 2020, excess cash balances were swept daily from the BNY Mellon account described in the preceding paragraph into an account where they were invested in the Dreyfus Government Cash Management Institutional Fund, which is a money market mutual structured to maintain a net asset value per share equal to \$1. The balance of this account as of December 31, 2019, was \$2,069,529.

Cash and cash equivalents also include the Plan's equity position in a pooled account maintained by Vanguard to facilitate the processing of investment buy and sell transactions on behalf of their 529 plan clients. In December 2020, clearing accounts were set up within the accounting system to separate the Plan's cash balances with the pooled account. The Plan's equity position in the pooled account at December 31, 2019, was (\$88,307), and at December 31, 2020, the cash balance in the clearing account for the Plan was \$133,036.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributions

An individual, or entity, meeting eligibility requirements who executes a participation agreement with the Plan may establish an account to which cash contributions may be made, subject to certain minimum contribution requirements and limitations on the aggregate amount of contributions that may be made. Contributions received by AGS prior to the close of the NYSE are recorded as increases in fiduciary net position on the date they are received, provided that all related documentation is found to be in good order and approved by AGS.

Account owners may elect to invest their contributions in one or more investment options offered by the Plan, consisting of six Individual Portfolios and three Age-Based Options. The Individual Portfolios are structured for various time horizons and levels of risk tolerance and are designed to allow account owners flexibility in managing their asset allocations. The Age-Based Options allow account owners to choose a predetermined investment strategy based on their risk tolerance and the age of the beneficiary. Over time, as the beneficiary approaches college age, the asset allocation becomes more conservative.

In addition to the various investment options, the Plan offers two unit classes, the Direct Class (available to account owners who do not utilize a financial advisor to invest in the Plan) and the Advisor Class (available to account owners who utilize a financial advisor to invest in the Plan). As more fully disclosed in Note 4, each unit class is subject to a different fee structure.

In exchange for contributions to the Plan, account owners receive full and/or fractional interests, or units, issued by the Trust. These units are municipal fund securities. Although money contributed to the Plan is invested in investment options that hold mutual funds or investment contracts, the units themselves are not direct investments in the mutual funds or the investment contracts. These units are not insured by the FDIC, the Bank or the state of North Dakota, nor have they been registered with the Securities and Exchange Commission or any state commission.

In addition, although account owners can select the investment options in which their contributions are invested, they cannot direct the selection or allocation of the Underlying Funds composing each investment option.

The Trustee allows North Dakota resident account owners who meet certain eligibility requirements to be considered for a BND Match award. Once all requirements are met, and the account owner has contributed to the account within 12 months from the enrollment date, a dollar for dollar match up to \$300 will be awarded. A separate matching account is opened by the Bank on behalf of the account owner and designated beneficiary when their application for the match is verified. The Bank retains ownership of the assets in the matching account until the account owner submits a request in good order for a qualified withdrawal to an eligible educational institution. BND Match awards totaled \$206,062 and \$211,385 for the years ended December 31, 2020 and 2019, respectively, and are included in contributions on the statements of changes in fiduciary net position.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributions (Continued)

New Baby Match allows North Dakota newborns to be considered for one-time award. To be eligible to receive this award, interested persons must complete and return an enrollment form during the time the beneficiary, who must be a North Dakota resident, is 12 months old or younger. In addition, the account owner has up to 12 months from enrollment date to contribute to the account in order to be eligible to receive a dollar for dollar match in an amount of up to \$200. A separate matching account is opened by the Bank on behalf of the account owner and designated beneficiary when their application for the match is verified. The Bank retains ownership of the assets in the matching account until the account owner submits a request in good order for a qualified withdrawal to an eligible educational institution. New Baby Match awards totaled \$206,890 and \$214,590 for the years ended December 31, 2020 and 2019, respectively, and are included in contributions on the statements of changes in fiduciary net position.

(g) Withdrawals

Account owners may request withdrawals for qualified or non-qualified expenses. It is the responsibility of the account owner to determine whether or not the withdrawal is for qualified educational expenses and to calculate the applicable amount of federal or state tax or penalties for non-qualified withdrawals, if any. Withdrawals are recorded as deductions from fiduciary net position on the date the withdrawal request is found to be in good order and approved by AGS.

Withdrawals presented on the statements of changes in fiduciary net position include annual account maintenance fees, which are \$20 for each account and are assessed annually during the anniversary month of the account opening. This fee is not charged to BND Match or New Baby Match accounts nor to those accounts for which the account owner or the beneficiary is a North Dakota resident. In addition, accounts established prior to February 28, 2002, where either the account owner or the beneficiary was a resident of South Dakota at the time of account opening, are not subject to this fee. Withdrawals also include service fees for other transactions, such as returned checks, overnight delivery charges, outgoing wire transfers and requests for historical statements. These annual account maintenance fees and service fees, which totaled approximately \$192,000 and \$198,000 for the years ended December 31, 2020 and 2019, respectively, are paid to AGS.

(h) Exchanges and Transfers

For each of the Age-Based Options, account balances will automatically be exchanged from one investment option to another more conservative investment option as the beneficiary approaches college age. In addition, subject to certain limitations and restrictions, account owners may generally direct that their account balance be reinvested in one or more different investment options twice per calendar year. Transfers of funds between investment options are referred to as "exchanges." Under certain conditions, account assets may be transferred from one beneficiary to another or from one account owner to another. These transactions are referred to as "transfers." The amounts of

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Exchanges and Transfers (Continued)

contributions and withdrawals reported on the statements of changes in fiduciary net position do not include exchanges or transfers, as these transactions have no impact on the net position of the Plan.

(i) Unit Valuation

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

(j) Indemnification

Neither the Bank, AGS, Vanguard nor any other person, indemnifies any account owner against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of management of the Plan. The Plan has entered into contracts that contain a variety of representations and warranties that provide general indemnifications. 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, AGS expects the risk of loss to be remote.

NOTE 3: INVESTMENTS

(a) Investments by Type

At December 31, 2020 and 2019, investments held in the various investment options are detailed in the schedules that follow. Percentages are rounded to the nearest tenth of a percent.

| 2020 | | | |
|--|---------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2020 | Percent of Total Balance |
| Aggressive Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | \$ 70,482,718 | 59.9% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 47,103,169 | 40.1% |
| | | <u>117,585,887</u> | <u>100.0%</u> |

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2020 | | | |
|---|---------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2020 | Percent of Total Balance |
| Aggressive Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | \$ 23,279,991 | 52.5% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 15,565,002 | 35.1% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 3,873,582 | 8.7% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 1,655,682 | 3.7% |
| | | <u>44,374,257</u> | <u>100.0%</u> |
| Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 30,208,158 | 45.2% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 20,294,047 | 30.3% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 11,476,730 | 17.2% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 4,898,538 | 7.3% |
| | | <u>66,877,473</u> | <u>100.0%</u> |
| Blended Growth Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 12,646,096 | 37.5% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 8,474,064 | 25.1% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 8,829,542 | 26.2% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 3,769,247 | 11.2% |
| | | <u>33,718,949</u> | <u>100.0%</u> |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2020 | | | |
|---|---------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2020 | Percent of Total Balance |
| Moderate Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | \$ 20,714,989 | 30.0% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 13,906,605 | 20.2% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 24,033,065 | 34.9% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 10,266,643 | 14.9% |
| | | <u>68,921,302</u> | <u>100.0%</u> |
| Blended Moderate Growth Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 10,760,996 | 22.7% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 7,229,193 | 15.3% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 20,588,954 | 43.4% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 8,800,100 | 18.6% |
| | | <u>47,379,243</u> | <u>100.0%</u> |
| Conservative Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 10,469,492 | 15.1% |
| Vanguard Institutional Total Stock Market Index Fund Institutional Shares | Large Blend | | 10.0% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 6,977,883 | 10.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 36,495,871 | 52.5% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 15,607,738 | 22.4% |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2020 | | | |
|--|---------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2020 | Percent of Total Balance |
| Conservative Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | \$ 4,621,458 | 7.5% |
| Vanguard Total International Stock Index Fund Institutional Plus Shares | International Large Blend | 3,075,156 | 5.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 37,650,014 | 61.3% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | <u>16,114,369</u> | <u>26.2%</u> |
| | | <u>61,460,997</u> | <u>100.0%</u> |
| Income Portfolio | | | |
| Vanguard Short-Term Reserves Account | Stable Value | 15,609,635 | 25.0% |
| Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares | Inflation-Protected Bond | 11,247,793 | 18.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 21,565,508 | 34.5% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | <u>14,055,183</u> | <u>22.5%</u> |
| | | <u>62,478,119</u> | <u>100.0%</u> |
| Balanced Income Portfolio ⁽¹⁾ | | | |
| Vanguard Short-Term Reserves Account | Stable Value | 1,040,807 | 49.9% |
| Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares | Inflation-Protected Bond | 250,048 | 12.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 482,080 | 23.1% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | <u>312,368</u> | <u>15.0%</u> |
| | | <u>2,085,303</u> | <u>100.0%</u> |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2020 | | | |
|--|--------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2020 | Percent of Total Balance |
| Conservative Income Portfolio ⁽¹⁾ | | | |
| Vanguard Short-Term Reserves Account | Stable Value | \$ 2,240,962 | 75.0% |
| Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares | Inflation-Protected Bond | 179,436 | 6.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 344,421 | 11.5% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 224,155 | 7.5% |
| | | <u>2,988,974</u> | <u>100.0%</u> |
| Interest Accumulation Portfolio | | | |
| Vanguard Short-Term Reserves Account | Stable Value | 22,470,827 | 100.0% |
| Total Investments | | <u>\$ 599,892,315</u> | |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2019 | | | |
|--|---------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2019 | Percent of Total Balance |
| Aggressive Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | \$ 60,443,246 | 60.0% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 40,268,673 | 40.0% |
| | | <u>100,711,919</u> | <u>100.0%</u> |
| Aggressive Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 19,372,285 | 52.5% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 12,911,747 | 35.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 3,223,542 | 8.7% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 1,380,345 | 3.8% |
| | | <u>36,887,919</u> | <u>100.0%</u> |
| Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 27,236,798 | 45.2% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 18,160,567 | 30.1% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 10,459,249 | 17.3% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 4,480,244 | 7.4% |
| | | <u>60,336,858</u> | <u>100.1%</u> |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio Option.

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2019 | | | |
|--|---------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2019 | Percent of Total Balance |
| Blended Growth Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | \$ 10,947,683 | 37.6% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 7,298,572 | 25.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 7,643,789 | 26.2% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 3,275,246 | 11.2% |
| | | <u>29,165,290</u> | <u>100.0%</u> |
| Moderate Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 19,750,242 | 30.1% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 13,173,525 | 20.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 22,959,869 | 34.9% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 9,824,182 | 15.0% |
| | | <u>65,707,818</u> | <u>100.0%</u> |
| Blended Moderate Growth Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 10,433,472 | 22.6% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 6,967,424 | 15.1% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 20,132,382 | 43.6% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 8,616,258 | 18.7% |
| | | <u>46,149,536</u> | <u>100.0%</u> |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2019 | | | |
|--|---------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2019 | Percent of Total Balance |
| Conservative Growth Portfolio | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | \$ 9,891,330 | 15.0% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 6,599,196 | 10.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 34,482,120 | 52.5% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 14,768,703 | 22.5% |
| | | <u>65,741,349</u> | <u>100.0%</u> |
| Conservative Portfolio ⁽¹⁾ | | | |
| Vanguard Total Stock Market Index Fund Institutional Plus Shares | Domestic Large Blend | 3,931,833 | 7.5% |
| Vanguard Total International Stock Index Fund Institutional Shares | International Large Blend | 2,623,467 | 5.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 32,009,917 | 61.2% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 13,737,155 | 26.3% |
| | | <u>52,302,372</u> | <u>100.0%</u> |
| Income Portfolio | | | |
| Vanguard Short-Term Reserves Account | Stable Value | 13,965,928 | 25.0% |
| Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares | Inflation-Protected Bond | 10,054,807 | 18.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 19,238,196 | 34.5% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 12,564,810 | 22.5% |
| | | <u>55,823,741</u> | <u>100.0%</u> |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio Option.

(Continued)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| 2019 | | | |
|--|--------------------------|------------------------------------|--------------------------------|
| Underlying Fund | Designation | Balance as of December 31, 2019 | Percent of Total Balance |
| Balanced Income Portfolio ⁽¹⁾ | | | |
| Vanguard Short-Term Reserves Account | Stable Value | \$ 1,226,799 | 50.0% |
| Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares | Inflation-Protected Bond | 294,469 | 12.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 563,413 | 23.0% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 367,781 | 15.0% |
| | | <u>2,452,462</u> | <u>100.0%</u> |
| Conservative Income Portfolio ⁽¹⁾ | | | |
| Vanguard Short-Term Reserves Account | Stable Value | 1,593,562 | 75.0% |
| Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares | Inflation-Protected Bond | 127,590 | 6.0% |
| Vanguard Total Bond Market II Index Fund Institutional Shares | Intermediate-Term Bond | 243,922 | 11.5% |
| Vanguard Total International Bond Index Fund Institutional Shares | World Bond | 159,062 | 7.5% |
| | | <u>2,124,136</u> | <u>100.0%</u> |
| Interest Accumulation Portfolio | | | |
| Vanguard Short-Term Reserves Account | Stable Value | 18,433,798 | 100.0% |
| Total Investments | | <u>\$ 535,837,198</u> | |

⁽¹⁾ Age-Based Option portfolio only. Not available for investment as an Individual Portfolio.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(b) Vanguard Short-Term Reserves Account

The Plan maintains a stable value separate account that serves as an underlying asset for certain investment options. This account, which is managed by Vanguard, invests in traditional and synthetic (wrap) contracts issued by insurance companies, bank investment contracts issued by financial institutions and a money market mutual fund. The underlying holdings of this account at December 31, 2020 and 2019, are as follows:

| | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| Investment contracts, at contract value | | |
| Traditional contracts: | | |
| Metropolitan Life | \$ 3,280,831 | \$ 3,170,497 |
| New York Life Insurance Company | - | 1,577,622 |
| Total traditional contracts | <u>3,280,831</u> | <u>4,748,119</u> |
| Wrap contracts: | | |
| American General Life Insurance Company | 3,403,040 | 3,583,831 |
| Lincoln National Life Insurance Company | 3,365,980 | - |
| Massachusetts Mutual Life Insurance Company | 4,038,095 | 2,953,604 |
| Metropolitan Life | 2,483,180 | 2,424,581 |
| Nationwide Life | 3,600,180 | 3,225,597 |
| New York Life Insurance Company | 4,058,906 | 2,111,528 |
| Pacific Life | 3,806,382 | 3,583,612 |
| Prudential Insurance Company | 4,114,181 | 3,583,789 |
| State Street Bank | 4,303,715 | 4,406,067 |
| Transamerica | 3,552,487 | 3,581,820 |
| Total wrap contracts | <u>36,726,146</u> | <u>29,454,429</u> |
| Vanguard Federal Money Market Fund | <u>1,355,254</u> | <u>1,017,539</u> |
| Total Vanguard Short-Term Reserves Account | <u>\$ 41,362,231</u> | <u>\$ 35,220,087</u> |

The crediting rates on these contracts ranged from 1.48% to 3.50% at December 31, 2020, and from 2.02% to 3.50% at December 31, 2019. These rates may reset periodically.

The underlying assets of the wrap contracts are set forth in the related agreements and are the Vanguard Institutional Short-Term Bond Fund and the Vanguard Institutional Intermediate-Term Bond Fund. The fair value of these underlying assets at December 31, 2020 and 2019 totaled \$38,194,631 and \$29,815,501, respectively.

The bank investment contracts are not insured by the FDIC or otherwise covered by collateral or supplementary insurance.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(c) Net Increase in the Fair Value of Investments

The following table calculates the net increase in the fair value of investments during the years ended December 31, 2020 and 2019:

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Fair value of investments, end of year | \$ 599,892,315 | \$ 535,837,198 |
| Less cost of investments purchased and investment income reinvested during the year | (274,779,178) | (107,791,991) |
| Plus proceeds from investments sold during the year | 260,719,281 | 91,793,118 |
| Less fair value of investments, beginning of year | <u>(535,837,198)</u> | <u>(456,003,055)</u> |
| Net increase in the fair value of investments | <u>\$ 49,995,220</u> | <u>\$ 63,835,270</u> |

(d) 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 US government and government agencies and international debt and equity 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 Underlying Funds in which the Plan's assets are invested and the allocation of the Underlying Funds within each investment option are specified in the Management Agreement and the Operational Agreement and may not be changed without approval of the Bank. There is no separate investment policy that specifically addresses credit risk, interest rate risk, concentrations of credit risk or foreign currency risk.

Credit Risk

Certain mutual funds invest in bonds issued by corporations, foreign governments, the US government, its agencies and instrumentalities. Through its investment in bond funds, the Plan is indirectly exposed to credit risk, which is the risk that a bond issuer will fail to pay interest and principal, when due, as a result of adverse market or economic conditions. The bond funds in which the Plan invests are not rated as to credit quality by a nationally recognized statistical rating organization.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 3: INVESTMENTS (Continued)

(d) Investment Risk (Continued)

Credit Risk (Continued)

The Plan's mutual funds are not subject to classification by custodial credit risk, which is the risk the Plan will not recover the value of investments that are in the possession of an outside party.

Interest Rate Risk

The Plan is indirectly exposed to interest rate risk through its investment in bond funds. Interest rate risk is the risk that changes in interest rates will adversely impact the fair value of an investment. Average maturity is the average length of time until fixed-income securities held by a fund reach maturity and will be repaid, taking into consideration the possibility that the issuer may call a bond before its maturity date. In general, the longer the average maturity, the more a fund's share price will fluctuate in response to changes in interest rates. Average duration is also a measure of how much the value of the bonds held by a fund will fluctuate in response to changes in interest rates. As of December 31, 2020, the average maturity and average duration of the bond funds in which the Plan invests are as follows:

| | <u>Average Maturity</u> | <u>Average Duration</u> |
|---|-----------------------------|-----------------------------|
| Vanguard Total Bond Market II Index Fund Institutional Shares | 8.5 years | 6.7 years |
| Vanguard Total International Bond Index Fund Institutional Shares | 9.9 years | 8.4 years |
| Vanguard Short-Term Inflation-Protected Securities Index Fund Institutional Shares | 2.6 years | 2.5 years |
| Vanguard Federal Money Market Fund | 58 days | N/A |

Foreign Currency Risk

The Vanguard Total International Stock Index Fund Institutional Plus Shares invests in a diversified index of non-US stocks representing the major developed and emerging equity markets, and the Vanguard Total International Bond Index Fund Institutional Shares invests in diversified investment grade, fixed-income investments issued in currencies other than the US dollar. There are certain inherent risks involved when investing in international securities that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention or delay of currency exchange due to foreign governmental laws or restrictions.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 4: ADMINISTRATIVE FEES AND OTHER EXPENSES

(a) Administrative Fees

As provided in the Management Agreement and the Operational Agreement, AGS, Vanguard and the Bank are entitled to service fees, including plan management fees and state administrative fees, which are calculated based on the fiduciary net position of each investment option, accrued daily and paid monthly.

In addition, Advisor Class units of each investment option, excluding the Interest Accumulation Portfolio, are subject to an ongoing distribution and service fee, which is calculated based on net position of Advisor Class units in each investment option and accrued daily. This fee is paid monthly to AGS, and on a quarterly basis is distributed to financial advisors for certain distribution and account-related services. Direct Class units are not subject to the distribution and service fee.

Administrative fees related to the years ended December 31, 2020 and 2019, are as follows:

| | <u>2020</u> | <u>2019</u> |
|---------------------------|-----------------------------|-----------------------------|
| AGS | \$ 2,629,636 ⁽¹⁾ | \$ 2,521,311 ⁽¹⁾ |
| Vanguard | 509,148 | 505,841 |
| Bank | <u>540,966</u> | <u>501,616</u> |
| Total administrative fees | <u>\$ 3,679,750</u> | <u>\$ 3,528,768</u> |

⁽¹⁾ Includes distribution and service fees ultimately paid to financial advisors.

(b) Underlying Fund Expenses

Vanguard also receives expenses for management of the mutual funds in which the Plan invests, which reduce the amount of income available for distribution to the Plan. These expenses are not direct expenses paid from Plan assets and are not reported as expenses in the accompanying basic financial statements.

(c) Other Administrative Expenses

The Bank incurs certain costs in performing administrative, marketing and oversight services for the Plan and funding BND Match and New Baby Match for qualifying account owners. These costs, which totaled \$674,827 and \$708,415 for the years ended December 31, 2020 and 2019, respectively, are not paid directly from Plan assets and are not reported as expenses in the accompanying basic financial statements.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2020 and 2019

NOTE 4: ADMINISTRATIVE FEES AND OTHER EXPENSES (Continued)

(c) Other Administrative Expenses (Continued)

Pursuant to the terms of the Management Agreement, AGS is required, on an annual basis, to provide a cash marketing commitment to the Bank for marketing of the Plan and a marketing support commitment for the design, production and distribution of collateral marketing materials, including the Plan Disclosure Statement, and for phone and email sales and service support. The commitment amounts vary each year. The annual cash marketing commitment and marketing support commitment, which totaled \$299,761 and \$291,030 for the years ended December 31, 2020 and 2019, respectively, are not paid directly from Plan assets and are not reported as expenses in the accompanying basic financial statements.

NOTE 5: COVID-19 PANDEMIC

As of the date of the independent auditor's report, the COVID-19 pandemic has had an adverse impact on both domestic and global financial markets. Management of the Plan is unable to accurately predict how the COVID-19 pandemic will continue to 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

(This page intentionally left blank)

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

SCHEDULE OF FIDUCIARY NET POSITION BY INVESTMENT OPTION December 31, 2020

| | Aggressive Growth Portfolio | Aggressive Portfolio | Growth Portfolio | Blended Growth Portfolio | Moderate Growth Portfolio | Blended Moderate Growth Portfolio | Conservative Growth Portfolio |
|--|-----------------------------------|-------------------------|----------------------|--------------------------------|---------------------------------|--|-------------------------------------|
| ASSETS | | | | | | | |
| Investments | \$ 117,585,887 | \$ 44,374,257 | \$ 66,877,473 | \$ 33,718,949 | \$ 68,921,302 | \$ 47,379,243 | \$ 69,550,984 |
| Cash and cash equivalents | 302,839 | 146,337 | 126,311 | 40,927 | 113,858 | 76,755 | 64,832 |
| Receivables for investments sold | - | - | 19,149 | - | - | - | 111,786 |
| Total Assets | <u>117,888,726</u> | <u>44,520,594</u> | <u>67,022,933</u> | <u>33,759,876</u> | <u>69,035,160</u> | <u>47,455,998</u> | <u>69,727,602</u> |
| LIABILITIES | | | | | | | |
| Payables for investments purchased | 168,604 | 56,474 | 25,581 | 20,347 | 50,536 | 21,695 | 4,875 |
| Withdrawals payable | 23,924 | 7,884 | 48,806 | 1,569 | 14,662 | 155 | 122,407 |
| Accrued administrative fees | 63,042 | 21,823 | 36,389 | 17,151 | 37,647 | 27,236 | 41,523 |
| Total Liabilities | <u>255,570</u> | <u>86,181</u> | <u>110,776</u> | <u>39,067</u> | <u>102,845</u> | <u>49,086</u> | <u>168,805</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | <u>\$ 117,633,156</u> | <u>\$ 44,434,413</u> | <u>\$ 66,912,157</u> | <u>\$ 33,720,809</u> | <u>\$ 68,932,315</u> | <u>\$ 47,406,912</u> | <u>\$ 69,558,797</u> |
| UNIT INFORMATION⁽¹⁾⁽²⁾ | | | | | | | |
| Advisor Class | | | | | | | |
| Units outstanding | 2,509,506 | 1,465,008 | 1,500,136 | 1,263,349 | 1,772,221 | 2,651,859 | 2,624,319 |
| Net asset value per unit | \$ 26.79 | \$ 12.79 | \$ 25.74 | \$ 12.46 | \$ 22.36 | \$ 12.09 | \$ 19.10 |
| Direct Class | | | | | | | |
| Units outstanding | 3,353,526 | 1,993,558 | 1,991,460 | 1,429,211 | 2,185,343 | 1,258,895 | 1,548,550 |
| Net asset value per unit | \$ 15.03 | \$ 12.89 | \$ 14.21 | \$ 12.58 | \$ 13.41 | \$ 12.19 | \$ 12.55 |

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

See Independent Auditor's Report.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

SCHEDULE OF FIDUCIARY NET POSITION BY INVESTMENT OPTION December 31, 2020

| | Conservative Portfolio | Income Portfolio | Balanced Income Portfolio | Conservative Income Portfolio | Interest Accumulation Portfolio | Plan Total |
|--|---------------------------|----------------------|---------------------------------|-------------------------------------|---------------------------------------|-----------------------|
| ASSETS | | | | | | |
| Investments | \$ 61,460,997 | \$ 62,478,119 | \$ 2,085,303 | \$ 2,988,974 | \$ 22,470,827 | \$ 599,892,315 |
| Cash and cash equivalents | 40,304 | 41,111 | 12,011 | 50,653 | 71,668 | 1,087,606 |
| Receivables for investments sold | 71,461 | 99,051 | - | - | 2,306 | 303,753 |
| Total Assets | 61,572,762 | 62,618,281 | 2,097,314 | 3,039,627 | 22,544,801 | 601,283,674 |
| LIABILITIES | | | | | | |
| Payables for investments purchased | 3,086 | - | 214 | 45,622 | 29,564 | 426,598 |
| Withdrawals payable | 120,527 | 337,313 | 146 | 792 | 19,648 | 697,833 |
| Accrued administrative fees | 37,478 | 38,303 | 1,073 | 1,513 | 9,010 | 332,188 |
| Total Liabilities | 161,091 | 375,616 | 1,433 | 47,927 | 58,222 | 1,456,619 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | | | | | | |
| | \$ 61,411,671 | \$ 62,242,665 | \$ 2,095,881 | \$ 2,991,700 | \$ 22,486,579 | \$ 599,827,055 |
| UNIT INFORMATION^{(1) (2)} | | | | | | |
| Advisor Class | | | | | | |
| Units outstanding | 4,022,074 | 3,169,098 | 96,769 | 143,611 | 1,310,828 | |
| Net asset value per unit | \$ 11.69 | \$ 14.82 | \$ 10.83 | \$ 10.60 | \$ 10.61 | |
| Direct Class | | | | | | |
| Units outstanding | 1,221,869 | 1,354,312 | 96,047 | 137,586 | 808,548 | |
| Net asset value per unit | \$ 11.78 | \$ 11.28 | \$ 10.91 | \$ 10.68 | \$ 10.61 | |

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

See Independent Auditor's Report.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY INVESTMENT OPTION Year Ended December 31, 2020

| | Aggressive Growth Portfolio | Aggressive Portfolio | Growth Portfolio | Blended Growth Portfolio | Moderate Growth Portfolio | Blended Moderate Growth Portfolio | Conservative Growth Portfolio |
|---|-----------------------------------|-------------------------|----------------------|--------------------------------|---------------------------------|--|-------------------------------------|
| ADDITIONS | | | | | | | |
| Contributions | \$ 14,437,603 | \$ 6,484,146 | \$ 5,935,220 | \$ 3,561,085 | \$ 4,929,001 | \$ 3,055,172 | \$ 3,931,660 |
| Investment income: | | | | | | | |
| Dividends and interest | 1,999,632 | 775,830 | 1,271,139 | 664,968 | 1,446,075 | 1,068,732 | 1,606,749 |
| Net increase in the fair value of investments | 15,584,969 | 5,247,567 | 7,315,593 | 3,168,252 | 5,923,101 | 3,549,018 | 4,467,757 |
| Net investment income | 17,584,601 | 6,023,397 | 8,586,732 | 3,833,220 | 7,369,176 | 4,617,750 | 6,074,506 |
| Exchanges and transfers in | 6,640,249 | 6,935,195 | 12,823,375 | 14,726,936 | 20,572,526 | 22,287,682 | 30,808,191 |
| Total Additions | 38,662,453 | 19,442,738 | 27,345,327 | 22,121,241 | 32,870,703 | 29,960,604 | 40,814,357 |
| DEDUCTIONS | | | | | | | |
| Withdrawals | 5,482,732 | 495,266 | 2,100,223 | 335,670 | 2,978,070 | 956,081 | 6,783,973 |
| Administrative fees | 654,889 | 225,294 | 392,440 | 185,716 | 429,666 | 321,996 | 480,306 |
| Exchanges and transfers out | 15,634,175 | 11,277,806 | 18,295,536 | 17,052,484 | 26,234,711 | 27,503,058 | 29,699,090 |
| Total Deductions | 21,771,796 | 11,998,366 | 20,788,199 | 17,573,870 | 29,642,447 | 28,781,135 | 36,963,369 |
| NET INCREASE (DECREASE) | 16,890,657 | 7,444,372 | 6,557,128 | 4,547,371 | 3,228,256 | 1,179,469 | 3,850,988 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | 100,742,499 | 36,990,041 | 60,355,029 | 29,173,438 | 65,704,059 | 46,227,443 | 65,707,809 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | \$ 117,633,156 | \$ 44,434,413 | \$ 66,912,157 | \$ 33,720,809 | \$ 68,932,315 | \$ 47,406,912 | \$ 69,558,797 |

See Independent Auditor's Report.

College SAVE™

Bank of North Dakota's 529 Plan
(A Fiduciary Fund of the State of North Dakota)

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY INVESTMENT OPTION Year Ended December 31, 2020

| | Conservative Portfolio | Income Portfolio | Balanced Income Portfolio | Conservative Income Portfolio | Interest Accumulation Portfolio | Plan Total |
|---|---------------------------|---------------------|---------------------------------|-------------------------------------|---------------------------------------|----------------|
| ADDITIONS | | | | | | |
| Contributions | \$ 2,632,104 | \$ 2,814,123 | \$ 473,895 | \$ 487,787 | \$ 1,736,499 | \$ 50,478,295 |
| Investment income: | | | | | | |
| Dividends and interest | 1,397,914 | 1,288,146 | 48,141 | 55,570 | 476,523 | 12,099,419 |
| Net increase in the fair value of investments | 2,990,878 | 1,677,176 | 47,642 | 23,267 | - | 49,995,220 |
| Net investment income | 4,388,792 | 2,965,322 | 95,783 | 78,837 | 476,523 | 62,094,639 |
| Exchanges and transfers in | 27,379,152 | 17,403,514 | 1,271,124 | 2,256,843 | 11,204,188 | 174,308,975 |
| Total Additions | 34,400,048 | 23,182,959 | 1,840,802 | 2,823,467 | 13,417,210 | 286,881,909 |
| DEDUCTIONS | | | | | | |
| Withdrawals | 8,712,986 | 11,694,862 | 294,011 | 494,366 | 4,575,262 | 44,903,502 |
| Administrative fees | 409,460 | 445,027 | 14,950 | 16,510 | 103,496 | 3,679,750 |
| Exchanges and transfers out | 16,009,876 | 4,583,051 | 1,888,949 | 1,447,634 | 4,682,605 | 174,308,975 |
| Total Deductions | 25,132,322 | 16,722,940 | 2,197,910 | 1,958,510 | 9,361,363 | 222,892,227 |
| NET INCREASE (DECREASE) | 9,267,726 | 6,460,019 | (357,108) | 864,957 | 4,055,847 | 63,989,682 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | 52,143,945 | 55,782,646 | 2,452,989 | 2,126,743 | 18,430,732 | 535,837,373 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | \$ 61,411,671 | \$ 62,242,665 | \$ 2,095,881 | \$ 2,991,700 | \$ 22,486,579 | \$ 599,827,055 |

See Independent Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Bank of North Dakota
Ascensus Broker Dealer Services, LLC, Plan Manager
College SAVE

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **College SAVE** (the Plan), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated May 14, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Bank of North Dakota
Ascensus Broker Dealer Services, LLC, Plan Manager
College SAVE

Compliance and Other Matters

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

Purpose of this Report

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


Certified Public Accountants

Little Rock, Arkansas
May 14, 2021