

STUDENT TUITION ASSISTANCE AND REVENUE TRUST PROGRAMS (START PROGRAMS)

**PRIVATE-PURPOSE TRUST FUNDS
OF THE STATE OF LOUISIANA**

FINANCIAL AUDIT SERVICES

**Financial Statement Audit for the
Year Ended December 31, 2024
Issued December 8, 2025**

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December 4, 2025

Independent Auditor's Report

**BOARD OF DIRECTORS OF THE LOUISIANA
TUITION TRUST AUTHORITY
STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAMS
STATE OF LOUISIANA**
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the fiduciary fund activities of the Student Tuition Assistance and Revenue Trust Programs (START Programs), private-purpose trust funds of the state of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the START Programs' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary fund activities of the START Programs as of December 31, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the START Programs and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in note 1, the financial statements present only the activity of the START Programs and do not purport to, and do not, present fairly the financial position of the state of Louisiana as of December 31, 2024, and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the START Programs' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include

examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 START Programs' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the START Programs' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the START Programs' basic financial statements. The accompanying supplementary information schedules, including the Combining Schedule of Fiduciary Net Position, the Combining Schedule of Changes in Fiduciary Net Position, and the Schedule of Investments on pages 29 through 33 are

presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining Schedule of Fiduciary Net Position, the Combining Schedule of Changes in Fiduciary Net Position, and the Schedule of Investments are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the START Programs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the START Programs' 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 START Programs' internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mike Waguespack', with a stylized flourish at the end.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

JS:CJH:RR:BQD:aa

START 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Student Tuition Assistance and Revenue Trust Programs (START Programs), we offer readers of the START Programs' financial statements this narrative overview and analysis of the financial activities of the START Programs for the year ended December 31, 2024. The START Programs are administered by the Louisiana Office of Student Financial Assistance, a Program under the Board of Regents, directed by the Louisiana Tuition Trust Authority. The responsibility for selection of the START Programs' investments and the investment of the START Programs' funds rests with the State Treasurer.

FINANCIAL HIGHLIGHTS

- The assets of the START Programs exceeded its liabilities at the close of the most recent fiscal year by \$1,659,368,225 (net position – restricted for START participants).
- The START Programs' total net position increased by \$209,046,570, from \$1,450,321,655 on December 31, 2023, to \$1,659,368,225 on December 31, 2024.
- The number of accounts increased by 3,374, from 81,333 on December 31, 2023, to 84,707 on December 31, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the START Programs' basic financial statements. The START Programs' basic financial statements are comprised of three components: (1) Statement of Fiduciary Net Position, (2) Statement of Changes in Fiduciary Net Position, and (3) Notes to the Financial Statements. These financial statements include the activities of the START Programs' fixed and variable investments.

The **Statement of Fiduciary Net Position** presents information on all of the START Programs' assets and liabilities, with the difference between the two reported as net position – restricted for START participants. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the START Programs is improving or deteriorating.

The **Statement of Changes in Fiduciary Net Position** presents information showing how the START Programs' net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs that gives rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., accrued interest receivable).

Notes to the Financial Statements. The accompanying notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents supplementary information of combining schedules of the START Programs' net position and changes in net position for the Louisiana Education Tuition and Savings Fund and the K12 Fund, as well as a schedule that lists and categorizes the investments held by the START Programs at the end of the year.

BASIC FINANCIAL ANALYSIS

As noted previously, net position may over time serve as a useful indicator of an entity's financial position. In the case of the START Programs, assets exceeded liabilities by \$1,659,368,225 at the close of the most recent year, December 31, 2024. By far the largest portion of the START Programs' net position (95.2%) reflects its investments at fair market value. The following is a comparison of the 2024 START Programs' net position with the prior year.

Table A-1
Comparative Statement of Fiduciary Net Position
As of December 31, 2024, and 2023

	2024	2023
Assets:		
Cash	\$153,660,442	\$119,779,911
Investments at fair market value	1,579,805,495	1,379,000,297
Participant deposits receivable	4,279,197	4,675,793
Accrued interest receivable	659,602	474,834
Total Assets	<u>1,738,404,736</u>	<u>1,503,930,835</u>
Liabilities:		
Interest payable	12,339	
Disbursements payable	1,784,649	1,327,341
Obligations under securities lending program	77,239,523	52,281,839
Total Liabilities	<u>79,036,511</u>	<u>53,609,180</u>
Net Position - Restricted for START Participants	<u>\$1,659,368,225</u>	<u>\$1,450,321,655</u>

Changes in Net Position. Investment activities and participants' transactions increased the START Programs' net position by \$209,046,570. Key elements of the increase are as follows:

Table A-2
Comparative Statement of Changes in Fiduciary Net Position
For the Years Ended December 31, 2024, and 2023

	2024	As Restated 2023
Additions:		
Participant deposits	\$135,894,131	\$127,269,327
From investment activities:		
Interest and dividend income	30,252,787	26,190,447
Change in the fair value of investments	162,756,292	165,830,635
Total additions	<u>328,903,210</u>	<u>319,290,409</u>
Deductions:		
Participant distributions	<u>(119,856,640)</u>	<u>(105,548,117)</u>
Increase in net position	209,046,570	213,742,292
Net position, beginning of year	<u>1,450,321,655</u>	<u>1,236,579,363</u>
Net position, end of year	<u><u>\$1,659,368,225</u></u>	<u><u>\$1,450,321,655</u></u>

Fiscal year 2023 interest and dividend income and change in the fair value of investments were restated to correct errors regarding the misclassification of realized gains as interest and dividend income. This misclassification error had no impact on the 2023 change in net position, 2023 net position, or 2024 beginning net position.

ECONOMIC OUTLOOK

Publicity for the START Programs, along with the payroll deduction option, contributed to an increase in accounts.

Currently, 53% of the START Programs' accounts and 21% of its investments are invested in the Louisiana Principal Protection Fund, which has a guaranteed rate of return established by the State Treasurer which, for 2024, was 2.00%. As the capital markets improve, generally, the percentage of account owners investing in equities will increase and the percentage investing in the Louisiana Principal Protection Fund option will decrease.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the START Programs' finances for all those with an interest in this information. For questions concerning any of the information provided in this report or requests for additional financial information, please call Amanda Cain, CPA, with the Board of Regents office at (225) 224-3238.

**STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAMS
STATE OF LOUISIANA
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS**

Statement of Fiduciary Net Position, December 31, 2024

ASSETS

Cash (note 2)	\$153,660,442
Investments (note 3)	1,579,805,495
Participant deposit receivable	4,279,197
Interest receivable	<u>659,602</u>

TOTAL ASSETS	<u>1,738,404,736</u>
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LIABILITIES

Interest payable	12,339
Disbursements payable	1,784,649
Obligations under securities lending program (note 4)	<u>77,239,523</u>

TOTAL LIABILITIES	<u>79,036,511</u>
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**NET POSITION - RESTRICTED
FOR START PARTICIPANTS**

<u>\$1,659,368,225</u>

The accompanying notes are an integral part of this statement.

Statement B**STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAMS
STATE OF LOUISIANA
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS****Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2024****ADDITIONS**

Participant deposits	\$135,894,131
Investment income:	
Interest and dividends	30,252,787
Net increase in the fair value of investments	<u>162,756,292</u>
Total additions	<u>328,903,210</u>

DEDUCTIONS

Disbursements to participants	<u>(119,856,640)</u>
Total deductions	<u>(119,856,640)</u>

Change in net position	<u>209,046,570</u>
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NET POSITION, BEGINNING OF YEAR	<u>1,450,321,655</u>
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NET POSITION, END OF YEAR	<u><u>\$1,659,368,225</u></u>
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The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Louisiana Student Tuition Assistance and Revenue Trust Programs (START Programs) are private-purpose trust funds of the state of Louisiana created under the provisions of Louisiana Revised Statutes (R.S.) 17:3091 *et seq.* The START Programs are administered by the Louisiana Office of Student Financial Assistance (LOSFA), a program within the Louisiana Board of Regents (BOR) and are governed by the Louisiana Tuition Trust Authority (LATTA). LATTA is comprised of 21 members, including all members of the BOR, the Commissioner of Higher Education, a representative of the banking community, the State Treasurer, a representative of the Louisiana House of Representatives, and a representative of the Louisiana Senate.

The START Programs consist of savings plans for both postsecondary education and kindergarten through grade twelve education.

The Postsecondary Education Savings Plan was created to help make higher education affordable and accessible to all residents of Louisiana, to encourage savings, and to enhance the ability of residents to obtain access to institutions of postsecondary education. The Postsecondary Education Savings Plan allows individuals to save for qualified higher education expenses for beneficiaries. To encourage college savings, the state of Louisiana matches a portion of an account owner's annual deposits and does not tax earnings in the Postsecondary Education Savings Plan when used to pay for qualified higher education expenses.

Qualified higher education expenses are:

- (1) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary at an eligible educational institution;
- (2) room and board; and
- (3) expenses for special needs services in the case of a special needs beneficiary, which are incurred in connection with such enrollment or attendance.

The Kindergarten Through Grade Twelve Savings Plan (K12 Plan) was created to allow families to save for tuition expenses related to attendance at eligible Louisiana schools that provide kindergarten through twelfth-grade instruction. An eligible school is "a public or approved nonpublic elementary or secondary school in Louisiana that contains any of the grades kindergarten through twelve." Qualified expenses are limited to tuition for enrollment or attendance of a designated beneficiary at an eligible educational institution.

Both programs are qualified tuition programs under Section 529 of the Internal Revenue Code (IRC) of 1986, as amended. Participation in the START Programs is voluntary.

Under each program, an account owner may open only one account per beneficiary; however, multiple account owners may establish an account for one beneficiary. An account may be opened by an individual, a legal entity, or a custodian who meets the following requirements:

- Both the account owner and the beneficiary are United States citizens, permanent residents of the United States, and/or are lawfully residing in the United States and have valid Social Security numbers.
- Either the account owner or the beneficiary must be a Louisiana resident.
- Individual account owners must be at least 18 years old at the time the account is opened.
- An authorized representative of a legal entity must open the account in the name of the legal entity.
- Custodians for minors under the Uniform Transfers to Minors Act and custodians of minors appointed by courts of competent jurisdiction may open accounts in the name of the minor.

Account owners may withdraw their entire account balance at any time and for any purpose; however, if the withdrawal is not for qualified education expenses, the account owners are responsible for any resulting income tax liability.

The START Programs' disclosure statements and participation agreements can be obtained at the START Programs' website, www.startsaving.la.gov, or by calling the START Programs' office at (225) 219-1012 or toll-free at (800) 259-5626.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards* published by GASB. The accompanying financial statements have been prepared in accordance with such principles.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the state of Louisiana. The START Programs are private-purpose trust

funds of the state of Louisiana. The activity of the postsecondary education savings plan is reported in the Louisiana Education Tuition and Savings Fund (LETSF) and the activity of the Kindergarten Through Grade Twelve Savings Plan is reported in the K12 Fund. The state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) LATTA's members include all members of the BOR, the Commissioner of Higher Education, a representative of the banking community, the State Treasurer, a representative of the Louisiana House of Representatives, and a representative of the Louisiana Senate; and (2) the state has control and exercises authority because the START Programs' are administered by LOSFA, a program under the BOR.

The accompanying financial statements present information only as to the balances of the START Programs. Annually, the state of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements. The financial statements are audited by the Louisiana Legislative Auditor.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The financial statements of the START Programs are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, additions are recognized when earned and deductions are recognized when incurred.

D. CASH AND INVESTMENTS

Cash represents amounts on deposit with the custodian, fiscal agent banks, and/or investment advisors. Under state law, the START Programs may deposit funds with a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. The START Programs provide broad guidelines for acceptable investments by authorizing any investments in which Louisiana public retirement boards are authorized by law to invest and by authorizing investment of up to 100% of deposits in equity securities, based on the investment options chosen by account owners. All deposits are invested on behalf of the program by the State Treasurer. The START Programs' permissible investments are limited to the investment options selected by the State Treasurer. The investments are stated at fair value based on actual value and quoted market values. The fair value of investments is determined on a business-day basis.

Deposits in fixed earnings investment options are invested by the State Treasurer, and deposits in variable earnings investment options are invested by the State Treasurer in one or more mutual funds managed by the Vanguard Group. Account holders own an interest in the investments held by the START Programs, but do not own shares of the underlying Vanguard funds.

The Postsecondary Education Savings Plan currently offers the following investment options, to be selected by the account holders:

- Louisiana Principal Protection Fund - 100% of deposits and interest earned thereon are invested in the Louisiana Fixed Return Investments portfolio managed by the State Treasurer. The state guarantees the return of the account owners' principal and interest earned thereon.
- Age-Based Moderate Track Fund - Deposits are placed in the Vanguard LifeStrategy Moderate Growth Fund, which seeks to provide capital appreciation and a low to moderate level of current income. When the beneficiary reaches six (6) years of age, the Moderate Track transitions to the Vanguard LifeStrategy Conservative Growth Fund. When the beneficiary reaches eleven (11) years of age, the Moderate Track transitions to the Vanguard LifeStrategy Income Fund. When the beneficiary reaches sixteen (16) years of age, all monies invested in the Moderate Track move to the Louisiana Principal Protection Fund.
- Age-Based Growth Track Fund - Deposits are placed in the Vanguard LifeStrategy Growth Fund, which seeks to provide capital appreciation and some current income. This fund is somewhat more aggressive than the Moderate Track. When the beneficiary reaches six (6) years of age, the Growth Track transitions to the Vanguard LifeStrategy Moderate Growth Fund. When the beneficiary reaches eleven (11) years of age, the Growth Track transitions to the Vanguard LifeStrategy Conservative Growth Fund, which seeks to provide current income and low to moderate capital appreciation. When the beneficiary reaches sixteen (16) years of age, all monies invested in the Growth Track move to the Louisiana Principal Protection Fund.
- Age-Based Aggressive Track Fund - Deposits are placed in the Vanguard LifeStrategy Growth Fund, which seeks to provide capital appreciation and some current income. This fund is the most aggressive of the three Age-Based Investment Tracks and is designed for Account Owners who are willing to accept greater risk in exchange for the possibility of a higher rate of return. The Aggressive Track uses the same funds used by the Growth Track Fund but allows the principal to remain in the riskier funds longer. When the beneficiary reaches nine (9) years of age, the Aggressive Track transitions to the Vanguard LifeStrategy Moderate Growth Fund. When the beneficiary reaches thirteen (13) years of age, the Aggressive Track transitions to the Vanguard LifeStrategy Conservative Growth Fund, which seeks to provide current income and low to moderate capital appreciation. When the beneficiary reaches sixteen (16) years of age, all

monies invested in the Aggressive Track move to the Louisiana Principal Protection Fund.

- Vanguard Total World Stock Index Fund, Institutional Shares - Seeks to track the performance of a benchmark index that measures the investment return of global stocks. This fund provides shareholders low-cost exposure to stock markets around the globe, including the United States, developed foreign markets, and emerging markets. In addition to stock market risk, the fund is also subject to currency risk and country risk. Long-term investors seeking global equity exposure who are comfortable with the volatility inherent in stock market investing may wish to consider this fund.
- Vanguard Institutional Total Stock Market Index Fund, Institutional Plus Shares - Seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. Invests in large-, mid-, and small-cap stocks diversified across growth and value styles. Passively managed, using index sampling.
- Vanguard Total International Stock Index Fund, Institutional Shares - Seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. This fund offers investors a low-cost way to gain equity exposure to both developed and emerging international economies. The fund tracks stock markets all over the globe, with the exception of the United States. Because it invests in non-U.S. stocks, including those in developed and emerging markets, the fund can be more volatile than a domestic fund. Long-term investors who want to add a diversified international equity position to their portfolio might want to consider this fund as an option.
- Vanguard Small-Cap Index Fund, Institutional Shares - Seeks to track an index of small-sized companies. This fund provides broad exposure to the small-capitalization U.S. equity market. One of the fund's primary risks is its focus on the small-cap arena, which is an often-volatile segment of the market. Investors looking to add a small-cap equity allocation to an already diversified portfolio may wish to consider this option.
- Vanguard Mid-Cap Index Fund, Institutional Shares - Employs an indexing investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of mid-size U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets

in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the index.

- Vanguard Institutional Index Fund, Institutional Shares - Seeks to track the performance of the Standard & Poor's 500 Index, which measures the investment return of large-capitalization stocks. Using full replication, the portfolio holds all stocks in the same capitalization weighting as the index.
- Vanguard Large-Cap Index Fund, Institutional Shares - Seeks to track the investment performance of the CRSP US Large Cap Index, an unmanaged benchmark representing predominantly large U.S. firms. Using full replication, the portfolio holds each index stock in approximately the same proportion as its weighting in the index.
- Vanguard Value Index Fund, Institutional Shares - Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Value Index, a broadly diversified index predominantly made up of value stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.
- Vanguard Growth Index Fund, Institutional Shares - Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fund may become nondiversified, as defined under the Investment Company Act of 1940, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index.

The K12 Plan currently offers the following investment options:

- Vanguard Institutional Index Fund, Institutional Shares - Seeks to track the performance of the Standard & Poor's 500 Index, which measures the investment return of large-capitalization stocks. Using full replication, the portfolio holds all stocks in the same capitalization weighting as the index.

- Vanguard LifeStrategy Conservative Growth Fund - Seeks to provide current income and low to moderate capital appreciation by investing in four other Vanguard funds. The fund holds 60% of its assets in bonds, a portion of which is allocated to international bonds, and 40% in stocks, a portion of which is allocated to international stocks. Investors with a long-term time horizon who can accept modest movement in share price and can tolerate the risk that comes from the volatility of the stock and bond markets may wish to consider this fund.
- Vanguard LifeStrategy Growth Fund - Seeks to provide long-term capital appreciation and some current income by investing in four other Vanguard funds. The fund holds 80% of its assets in stocks, a portion of which is allocated to international stocks, and 20% in bonds, a portion of which is allocated to international bonds.
- Vanguard LifeStrategy Income Fund - Seeks to provide current income and some capital appreciation by investing in four other Vanguard funds. The fund holds 80% of its assets in bonds, a portion of which is allocated to international bonds and 20% in stocks, a portion of which is allocated to international stocks.
- Vanguard LifeStrategy Moderate Growth Fund - Seeks to provide capital appreciation and a low to moderate level of current income by investing in four other Vanguard funds. The fund holds 60% of its assets in stocks, a portion of which is allocated to international stocks, and 40% in bonds, a portion of which is allocated to international bonds.
- Vanguard Federal Money Market Fund - Seeks to provide current income and preserve shareholders' principal investment by maintaining a share price of \$1. As such it is considered one of the most conservative investment options offered by Vanguard. Although the fund invests in short-term U.S. government securities, the amount of income that a shareholder may receive will be largely dependent on the current interest rate environment.
- Vanguard Short-Term Bond Index Fund, Admiral Shares - Offers a low-cost, diversified approach to bond investing, providing broad exposure to U.S. investment-grade bonds with maturities from one to five years. Reflecting this goal, the fund invests about 30% of assets in corporate bonds and 70% in U.S. government bonds within that maturity range. A key risk of the fund is the fact that changes in interest rates can eventually lead to a decrease in income for the fund.
- Vanguard Intermediate-Term Bond Index Fund, Admiral Shares - Offers a low-cost, diversified approach to bond investing,

providing broad exposure to U.S. investment-grade bonds with maturities from five to ten years. Reflecting this goal, the fund invests about 50% of assets in corporate bonds and 50% in U.S. government bonds within that maturity range. Risks of the fund include the fact that changes in interest rates, both up and down, can affect the fund by resulting in lower bond prices or an eventual decrease in income for the fund. Investors looking to add a diversified bond fund to their portfolio may wish to consider this fund.

- Vanguard Institutional Total Stock Market Index Fund, Institutional Plus Shares - Seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. Invests in large-, mid-, and small-cap stocks diversified across growth and value styles. Passively managed, using index sampling.
- Vanguard Total International Stock Index Fund, Institutional Shares - Seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. This fund offers investors a low-cost way to gain equity exposure to both developed and emerging international economies. The fund tracks stock markets all over the globe, with the exception of the United States. Because it invests in non-U.S. stocks, including those in developed and emerging markets, the fund can be more volatile than a domestic fund. Long-term investors who want to add a diversified international equity position to their portfolio might want to consider this fund as an option.
- Vanguard Value Index Fund, Institutional Shares - Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Value Index, a broadly diversified index predominantly made up of value stocks of large U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.
- Vanguard Growth Index Fund, Institutional Shares - Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The fund employs an indexing investment approach designed to track the performance of the CRSP US Large Cap Growth Index, a broadly diversified index predominantly made up of growth stocks of large

U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fund may become nondiversified, as defined under the Investment Company Act of 1940, solely as a result of a change in relative market capitalization or index weighting of one or more constituents of the index.

Account owners are allowed to redistribute their existing account balances over any and all funds, provided the percentages are in whole digits and the total of all percentages equal 100%. All existing funds are liquidated and the proceeds are used to purchase shares in the funds based on the account owner's instructions. Future deposits will be allocated according to the last distribution instructions received from the account owner, unless changed by the account owner. Account owners may change their investment selection(s) for each new deposit. Investment selections for previous deposits can be changed twice each calendar year.

E. NET POSITION

Net position comprises the net earnings from additions and deductions. Net position is classified as restricted as these amounts can only be withdrawn per account holder instruction.

F. ESTIMATES

The preparation of 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 could differ from those estimates.

G. ADOPTION OF NEW ACCOUNTING STANDARD

GASB Statement No. 100, Accounting Changes and Error Corrections, was issued in June 2022 and is effective for fiscal years beginning after June 15, 2023. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The adoption of this statement did have an impact as reflected in Table A-2 in the START Programs' management discussion and analysis related to information presented for fiscal year 2023 due to the misclassification of realized gains as interest and dividends. This misclassification error had no impact on the 2023 change in net position, 2023 net position, or 2024 beginning net position.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions consist of demand deposits and funds received from participants for investment in a zero-balance bank account. The START Programs' deposits are pooled with all deposits in the state of Louisiana's general fund and special funds, separately managed funds, state of Louisiana bond issue funds, et cetera, and are carried at cost.

As reflected on the Statement of Fiduciary Net Position (Statement A), the START Programs had deposits (cash) totaling \$153,660,442 at December 31, 2024. These deposits are held and controlled by the State Treasurer and are secured from risk by the State Treasurer through separate custodial agreements, and the risk disclosures required by accounting principles generally accepted in the United States of America are included within the state's basic financial statements. Cash on deposit with the State Treasurer is invested in various instruments in the pooled investment account of the State Treasurer. The investments are not identifiable by fund.

Custodial credit risk is the risk that, in the event of a bank failure, the START Programs' deposits may not be recovered. Under state law, the START Programs' deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. A quarterly review of uncollateralized funds is performed by the State Treasurer. In addition, the State Treasurer reviews the collateral at least monthly between the quarterly reviews and takes appropriate action as necessary to ensure collateral is sufficient for cash deposits.

3. INVESTMENTS

Investments of \$1,579,805,495, as presented on Statement A, are reported at fair value. The following table itemizes the investments, the range of maturity dates, and fair market value of investments at December 31, 2024, and the change in investments during the year.

<u>Investment Securities</u>	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 to 5	6 to 10	>10
Corporate Bonds	\$48,777,375	\$12,863,730	\$33,718,655	\$2,194,990	
Federal Farm Credit Bank Bonds	40,538,311	1,582,196	35,984,945	2,971,170	
Federal Home Loan Bank Bonds	26,642,879	12,391,945	14,250,934		
Federal Home Loan Mortgage Corporation Bonds and Notes	37,107,404	24,680,950	7,200,700	3,859,700	\$1,366,054
Federal National Mortgage Association Notes	9,520,275		5,475,717	2,693,319	1,351,239
U. S. Treasury Securities	95,994,860	37,493,040	58,501,820		
Total Investment Securities	\$258,581,104	\$89,011,861	\$155,132,771	\$11,719,179	\$2,717,293
Collateral Held Under Securities Lending	\$77,239,523				
Vanguard Mutual Funds	1,243,984,868				
Total Investments	\$1,579,805,495				

During 2024, the START Programs' realized a net gain of \$22,915,411 from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments during 2024 was \$162,756,292. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end was \$139,840,881.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the START Programs will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As explained in Note 1D, the START Programs' investments are a part of the state's total investment portfolio. Funds invested in the Louisiana Principal Protection Fund option

are registered in the name of the state of Louisiana and are held in JP Morgan Chase Bank. The Vanguard Group manages funds invested in the START Programs' equity options.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. R.S. 17:3099 permits the START Programs to invest its funds in any investments in which public retirement boards are authorized by law to invest, provided that up to 100% of deposits to an account may be invested in equity securities when an account owner has selected an equity investment option and that such investments in equity securities shall not be included in any limitation on investment in equity securities. Ratings issued by Standard and Poor's, which indicate the level of credit risk for the START Programs' investments as of December 31, 2024, are in the table below. Unrated money market funds totaling \$4,106,465, and U.S. Treasury Securities and Government Sponsored Entity Securities (GSES) totaling \$102,343,939 are not included in the table below. The U.S. government explicitly guarantees GSES and they are not exposed to credit risk.

<u>Rating</u>	<u>Fair Value</u>
AAA	\$21,022,086
AA+	121,542,260
AA	5,549,215
AA-	4,129,700
A+	1,912,290
A	8,831,788
A-	2,952,540
BBB+	7,369,030
BBB	37,857,228
Total	<u><u>\$211,166,137</u></u>

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The START Programs' account owners have several options from which to choose for investment of their deposits. For the Postsecondary Education Savings Plan, these options range from 100% equity investments, which are not guaranteed by the state, to 100% invested in the Louisiana Principal Protection Fund option. (These deposits and the interest earned thereon are guaranteed by the state.) Investment options for the K12 Plan are limited to equity investments or a federal money market fund. Investment options may be changed twice per calendar year. Account owners assume the risk associated with the investment option they select, which ranges from very conservative to very aggressive.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasury has no specific policies to limit interest rate risk for the START Programs' investments.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;
- Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability; and
- Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data. In developing unobservable inputs, a government may begin with its own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Assets classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

Fair values of assets measured on a recurring basis at December 31, 2024, are as follows:

	Fair Market Value	Quoted Prices In Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt securities:				
Corporate Bonds	\$48,777,375		\$48,777,375	
Federal Farm Credit Bank Bonds	40,538,311		40,538,311	
Federal Home Loan Bank Bonds	26,642,879		26,642,879	
Federal Home Loan Mortgage Corporation Bonds and Notes	37,107,404		37,107,404	
Federal National Mortgage Association Notes	9,520,275		9,520,275	
U. S. Treasury Securities	95,994,860		95,994,860	
Collateral held under Securities Lending	77,239,523		77,239,523	
Total Debt Securities	335,820,627	NONE	335,820,627	NONE
Equity securities:				
Vanguard Mutual Funds	1,243,984,868	\$1,243,984,868		
Total Investments	\$1,579,805,495	\$1,243,984,868	\$335,820,627	NONE

Fair values for investments categorized in Level 2 have been obtained from the State Treasury, which obtains fair values from various external sources and that are based on other observable inputs.

4. SECURITIES LENDING

As explained in note 1D, the State Treasurer manages the START Programs' investments. In accordance with its authority under R.S. 49:321.1 the State Treasurer (on behalf of the state of Louisiana) has entered into a securities lending agreement with Deutsche Bank, which acts as an agent for the State in lending the State's securities to multiple counterparties. These transactions can be for a fixed or variable period, for different fees/spreads, and for various amounts of securities. These securities lending transactions are executed pursuant to the terms of an agency securities lending agreement between the State and Deutsche Bank, with the Bank of New York Mellon acting as an independent third party custodian for securities collateral. State statute requires cash collateral received should be equal or greater than the securities on loan. Cash collateral in excess of the securities that it lends through Deutsche Bank is reinvested for the State by Deutsche Bank in securities authorized by statute for investment by Treasury.

In each security lending transaction, Deutsche Bank lent the State's securities and received cash collateral in exchange. Deutsche Bank then reinvested the cash collateral in securities that are authorized by State statutes.

The Postsecondary Education Savings Plan's U.S. Government securities are included in the State Treasurer's securities lending program. At December 31, 2024, the fair market value of the Postsecondary Education Savings Plan's securities on loan totaled \$73,960,991, and the cash collateral provided totaled \$75,377,740. The Postsecondary Education Savings Plan had limited credit risk exposure because the value of the collateral securities pledged exceeded the value of the securities on loan by \$1,416,749.

At December 30, 2024, the received cash collateral of \$75,377,740, was reinvested in reverse repurchase agreements with a fair market value of \$77,239,523, that were either open overnight repurchase agreements or had stated maturities of less than one year. The risk to the State is further mitigated because loss indemnification is provided to the State in the securities lending contract with Deutsche Bank, which has agreed to purchase replacement securities or return cash collateral in the event a borrower failed to return a loaned security or pay distributions. There were no such failures by any borrowers during the fiscal year. The State had limited interest rate exposure to borrowers because the duration of the loans generally matches the duration of the investments made with the cash collateral. All of these investments mature in less than a year.

5. INVESTMENT INCOME

Investment income is recognized when earned using the full accrual method of accounting. The investments in the START Programs are stated at fair value based on quoted market rates, and any increases or decreases are reported as net increase (decrease) in the fair value of investments. The fair value of investments is determined on a business-day basis.

Interest is calculated on a daily basis and is credited to accounts and reported to account owners after the conclusion of the calendar year in which the interest was earned. For purposes of determining account owners' shares sold and redeemed, and for financial statement purposes, investments are valued and reported at fair market value, respectively. Realized gains/losses are a part of investment income.

The START Programs' objectives include providing safety of the principal and daily liquidity with a competitive rate of return to account owners by pooling monies. The following table shows the START Programs' annual return for the one-year, three-year, and five-year periods ending December 31, 2024:

Portfolio	Average Annual Return		
	One Year	Three Years	Five Years
<u>Postsecondary Education Savings Plan Investments:</u>			
Vanguard:			
Growth Index Fund, Institutional Shares	32.68%	9.20%	18.37%
Institutional Index Fund, Institutional Shares	24.97%	8.90%	14.49%
Institutional Total Stock Market Index Fund, Institutional Plus Shares	23.77%	7.90%	13.83%
Large-Cap Index Fund, Institutional Shares	25.12%	8.55%	14.49%
LifeStrategy Conservative Growth Fund	7.54%	0.93%	3.99%
LifeStrategy Growth Fund	13.18%	3.61%	7.99%
LifeStrategy Income Fund	4.66%	(0.46%)	1.87%
LifeStrategy Moderate Growth Fund	10.31%	2.29%	6.00%
Mid-Cap Index Fund, Institutional Shares	15.23%	2.81%	9.86%
Small-Cap Index Fund, Institutional Shares	14.23%	3.63%	9.31%
Total International Stock Index Fund, Institutional Shares	5.18%	0.69%	4.31%
Total World Stock Index Fund, Institutional Shares	16.47%	5.20%	9.94%
Value Index Fund, Institutional Shares	15.98%	7.47%	9.94%
Louisiana Fixed Return Investments (Louisiana Principal Protection Fund)	2.00%	1.47%	1.35%
<u>K12 Plan Investments:</u>			
Vanguard:			
Federal Money Market Fund	5.23%	3.94%	2.44%
Growth Index Fund, Institutional Shares	32.68%	9.20%	18.37%
Institutional Index Fund, Institutional Shares	24.97%	8.90%	14.49%
Institutional Total Stock Market Index Fund, Institutional Plus Shares	23.77%	7.90%	13.83%
Intermediate-Term Bond Index Fund, Admiral Shares	1.51%	(2.26%)	0.02%
LifeStrategy Conservative Growth Fund	7.54%	0.93%	3.99%
LifeStrategy Growth Fund	13.18%	3.61%	7.99%
LifeStrategy Income Fund	4.66%	(0.46%)	1.87%
LifeStrategy Moderate Growth Fund	10.31%	2.29%	6.00%
Short-Term Bond Index Fund, Admiral Shares	3.73%	0.91%	1.25%
Total International Stock Index Fund, Institutional Shares	5.18%	0.69%	4.31%
Value Index Fund, Institutional Shares	15.98%	7.47%	9.94%

6. SAVINGS ENHANCEMENT FUND

R.S. 17:3129.4(C) established the Savings Enhancement Fund to receive funds appropriated by the legislature or donated from any other source for the purpose of funding earnings enhancements. Earnings enhancements are annually appropriated by the legislature and represent payments credited to a Postsecondary Education Savings Plan account to help offset the beneficiary's qualified higher education expenses. The amount of the earnings enhancements credited to an account is based on the account owner's annual income and annual deposits of principal. Earnings enhancements and the interest earned thereon may only be disbursed for qualified higher education expenses and may not be refunded to the account owner if an account is closed. Earnings enhancements appropriated by the legislature to the Postsecondary Education Savings Plan for the state's fiscal year ending June 30, 2024, totaled \$2,900,000. The activity of the Savings Enhancement Fund is recorded

in the state of Louisiana's General Fund. This activity is not reported in the START Programs' fiduciary fund financial statements. The K12 Plan does not receive earnings enhancements.

7. ADMINISTRATIVE CHARGES

The Vanguard Group charges investment fees to the START Programs for the funds it manages and invests. These investment fees vary for each mutual fund and are subject to change at any time without notice. Earnings credited to the accounts invested in Vanguard mutual funds are net of these investment fees. For 2024, the maximum fee charged was 0.14% for the Postsecondary Education Savings Plan's mutual funds and 0.14% for the K12 Plan's mutual funds. Costs incurred by LATTA, LOSFA, and the State Treasurer to administer the START Programs are paid by those agencies and are not charged to the accounts.

8. SUBSEQUENT EVENT

After the fiscal year-end, the Louisiana Office of Student Financial Assistance, a program of the Louisiana Board of Regents, experienced a cyber incident that disrupted the operations of its information technology (IT) systems. IT functionality has been restored since being taken offline during the investigation of the incident. According to a third-party forensic analysis, the systems associated with the application or environment supporting Louisiana's 529 START savings programs do not appear to have been involved in the incident.

SUPPLEMENTARY INFORMATION

Combining Schedule of Fiduciary Net Position, December 31, 2024

Schedule 1 presents the Combining Schedule of Fiduciary Net Position for the Louisiana Education Tuition and Savings Fund and the K12 Fund.

Combining Schedule of Changes in Fiduciary Net Position, for the Year Ended December 31, 2024

Schedule 2 presents the Combining Schedule of Changes in Fiduciary Net Position for the Louisiana Education Tuition and Savings Fund and the K12 Fund.

Schedule of Investments, December 31, 2024

Schedule 3 presents the face amount, maturity date, yield (where applicable), and the fair value of investments held by the START Programs at December 31, 2024.

**STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAMS
STATE OF LOUISIANA
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS**

Combining Schedule of Fiduciary Net Position, December 31, 2024

	LOUISIANA EDUCATION TUITION AND SAVINGS FUND	K12 FUND	TOTAL
ASSETS			
Cash	\$153,425,205	\$235,237	\$153,660,442
Investments	1,544,053,479	35,752,016	1,579,805,495
Participant deposit receivable	3,481,652	797,545	4,279,197
Interest receivable	659,602		659,602
TOTAL ASSETS	1,701,619,938	36,784,798	1,738,404,736
LIABILITIES			
Interest payable		12,339	12,339
Disbursements payable	1,749,155	35,494	1,784,649
Obligations under securities lending program	77,239,523		77,239,523
TOTAL LIABILITIES	78,988,678	47,833	79,036,511
NET POSITION - RESTRICTED FOR START PARTICIPANTS	<u>\$1,622,631,260</u>	<u>\$36,736,965</u>	<u>\$1,659,368,225</u>

**STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAMS
STATE OF LOUISIANA
FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS**

**Combining Schedule of Changes in Fiduciary Net Position
For the Year Ended December 31, 2024**

	LOUISIANA EDUCATION TUITION AND SAVINGS FUND	K12 FUND	TOTAL
ADDITIONS			
Participant deposits	\$123,395,126	\$12,499,005	\$135,894,131
Investment income:			
Interest and dividends	29,567,225	685,562	30,252,787
Net increase in the fair value of investments	158,999,693	3,756,599	162,756,292
Total additions	<u>311,962,044</u>	<u>16,941,166</u>	<u>328,903,210</u>
DEDUCTIONS			
Disbursements to participants	<u>(113,421,435)</u>	<u>(6,435,205)</u>	<u>(119,856,640)</u>
CHANGE IN NET POSITION	198,540,609	10,505,961	209,046,570
NET POSITION, BEGINNING OF YEAR	<u>1,424,090,651</u>	<u>26,231,004</u>	<u>1,450,321,655</u>
NET POSITION, END OF YEAR	<u><u>\$1,622,631,260</u></u>	<u><u>\$36,736,965</u></u>	<u><u>\$1,659,368,225</u></u>

**STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAM
STATE OF LOUISIANA
Schedule of Investments, December 31, 2024**

FACE AMOUNT	DESCRIPTION	MATURITY DATE	COUPON RATE	FAIR VALUE
POSTSECONDARY EDUCATION SAVINGS PLAN FIXED EARNINGS INVESTMENTS				
Corporate Bonds:				
\$3,000,000	3M Company	02/14/2025	2.000	\$2,989,860
2,000,000	Alphabet, Inc.	08/15/2027	0.800	1,829,780
1,000,000	Amazon.com, Inc.	12/01/2025	4.600	1,001,320
1,000,000	Amazon.com, Inc.	12/01/2027	4.550	1,006,080
2,000,000	Amazon.com, Inc.	05/12/2031	2.100	1,708,080
1,000,000	Amgen, Inc.	03/02/2028	5.150	1,007,200
3,000,000	Apple, Inc.	08/20/2025	0.550	2,928,690
5,000,000	Apple, Inc.	02/08/2026	0.700	4,804,200
5,000,000	Apple, Inc.	02/08/2028	1.200	4,519,800
1,000,000	AT&T	06/01/2027	2.300	943,680
500,000	HP, Inc.	01/15/2028	4.750	499,295
1,000,000	Intel Corp.	08/12/2028	1.600	882,130
2,000,000	International Business Machines Corp.	05/15/2026	3.300	1,964,120
1,000,000	International Business Machines Corp.	07/27/2027	4.150	988,420
5,000,000	Johnson and Johnson	09/01/2027	0.950	4,583,150
1,000,000	Lowe's Companies, Inc.	04/01/2027	3.350	971,350
500,000	McDonald's Corp.	09/09/2032	4.600	486,910
5,000,000	Microsoft Corp.	11/03/2025	3.125	4,947,850
1,000,000	Packaging Corporation of America	12/15/2027	3.400	963,280
5,000,000	Proctor and Gamble Co.	10/29/2030	1.200	4,129,700
1,000,000	Texas Instruments, Inc.	02/15/2028	4.600	1,001,800
1,000,000	The Coca-Cola Company	03/05/2028	1.500	910,490
1,000,000	The Goldman Sachs Group, Inc.	08/15/2025	4.300	996,010
2,000,000	Walmart, Inc.	09/22/2028	1.500	1,796,480
1,000,000	Westlake Corp.	06/15/2030	3.375	917,700
<u>\$52,000,000</u>	Total Corporate Bonds			<u>\$48,777,375</u>

Federal Agency Bonds and Notes:

Federal Farm Credit Bank Bonds:

\$1,100,000		06/23/2025	1.170	\$1,083,346
500,000		12/12/2025	4.125	498,850
5,000,000		03/25/2026	1.050	4,792,500
1,000,000		03/30/2026	4.375	1,001,670
2,000,000		06/23/2026	4.820	2,001,040
1,000,000		06/23/2026	4.375	1,001,350
1,000,000		07/13/2026	3.750	990,190
1,000,000		08/17/2026	3.960	992,840
500,000		12/01/2026	5.060	502,670
1,000,000		06/01/2027	3.450	975,440
1,000,000		07/29/2027	5.000	1,003,070
1,000,000		09/23/2027	4.100	989,700
1,000,000		10/07/2027	4.060	988,920
500,000		11/24/2027	5.120	500,675
1,000,000		02/28/2028	5.100	997,330
1,000,000		03/13/2028	5.350	998,330
5,000,000		04/03/2028	4.620	4,973,750
2,000,000		06/30/2028	5.000	1,993,300
1,000,000		07/14/2028	5.430	1,001,670
1,000,000		11/06/2028	5.340	999,990
1,000,000		03/12/2029	5.340	1,000,170
1,000,000		03/27/2029	4.970	995,680
1,000,000		07/23/2029	5.140	1,002,270
1,000,000		07/25/2029	4.330	987,610
1,000,000		12/10/2029	4.760	996,550
1,000,000		01/25/2030	3.750	968,630
4,000,000		06/24/2030	1.150	3,329,600
1,000,000		08/20/2031	5.370	998,980
1,000,000		08/19/2032	5.580	997,080
1,000,000		03/03/2033	4.375	975,110
<u>\$41,600,000</u>	Total Federal Farm Credit Bank Bonds			<u>\$40,538,311</u>

Federal Home Loan Bank Bonds:

\$2,000,000		03/28/2025	2.230	\$1,990,400
1,000,000		04/28/2025	4.000	999,020
2,000,000		05/16/2025	4.000	1,996,000
5,000,000		06/13/2025	0.500	4,914,450
2,500,000		08/28/2025	4.000	2,492,075
3,140,000		01/28/2026	0.500	3,016,284
1,000,000		04/15/2027	5.000	1,003,580
5,000,000		06/04/2027	1.070	4,624,600
5,000,000		06/25/2027	1.000	4,607,300

(Continued)

**STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAM
STATE OF LOUISIANA
Schedule of Investments, December 31, 2024**

FACE AMOUNT	DESCRIPTION	MATURITY DATE	COUPON RATE	FAIR VALUE
POSTSECONDARY EDUCATION SAVINGS PLAN FIXED EARNINGS INVESTMENTS (Continued)				
Federal Agency Bonds and Notes (Continued)				
Federal Home Loan Bank Bonds (Continued):				
<u>\$1,000,000</u>		06/30/2027	4.700	<u>\$999,170</u>
<u>\$27,640,000</u>	Total Federal Home Loan Bank Bonds			<u>\$26,642,879</u>
Federal Home Loan Mortgage Corporation Bonds and Notes:				
\$5,000,000		02/12/2025	1.500	\$4,983,750
5,000,000		05/28/2025	0.750	4,926,250
1,000,000		06/27/2025	3.560	995,750
5,000,000		07/21/2025	0.375	4,892,050
1,000,000		07/25/2025	4.050	998,570
2,000,000		08/28/2025	3.800	1,992,900
1,000,000		08/28/2025	4.050	998,400
1,000,000		08/28/2025	4.200	999,400
4,000,000		09/24/2025	0.570	3,893,880
1,000,000		10/08/2027	4.000	988,350
1,000,000		07/24/2029	5.500	1,000,520
1,000,000		10/10/2029	4.030	974,280
5,000,000		12/07/2029	1.100	4,237,550
5,000,000		10/19/2032	1.320	3,859,700
813,173		03/01/2042	2.000	672,966
<u>816,859</u>		04/01/2042	2.500	<u>693,088</u>
<u>\$39,630,032</u>	Total Federal Home Loan Mortgage Corporation Bonds and Notes			<u>\$37,107,404</u>
Federal National Mortgage Association Notes:				
\$5,000,000		10/08/2027	0.750	\$4,537,250
977,560		12/01/2029	4.000	938,467
623,545		03/01/2032	1.500	569,178
621,285		04/01/2032	2.000	576,086
962,578		06/01/2032	3.830	902,369
731,035		03/01/2037	2.000	645,687
798,330		03/01/2042	2.000	661,105
<u>780,888</u>		04/01/2042	3.000	<u>690,133</u>
<u>\$10,495,221</u>	Total Federal National Mortgage Association Notes			<u>\$9,520,275</u>
U. S. Treasury Securities:				
\$3,000,000	U. S. Treasury Bills	01/23/2025	0.000	\$2,992,590
5,000,000	U. S. Treasury Bills	08/07/2025	0.000	4,876,750
5,000,000	U. S. Treasury Bills	10/02/2025	0.000	4,847,200
5,000,000	U. S. Treasury Bills	11/28/2025	0.000	4,818,200
5,000,000	U. S. Treasury Notes	04/30/2025	0.375	4,936,550
5,000,000	U. S. Treasury Notes	05/31/2025	4.250	4,998,750
5,000,000	U. S. Treasury Notes	07/31/2025	4.750	5,013,750
5,000,000	U. S. Treasury Notes	11/15/2025	4.500	5,009,250
5,000,000	U. S. Treasury Notes	01/31/2026	0.375	4,797,450
4,000,000	U. S. Treasury Notes	02/15/2026	4.000	3,989,360
5,000,000	U. S. Treasury Notes	04/30/2026	0.750	4,775,600
5,000,000	U. S. Treasury Notes	06/30/2026	0.875	4,757,250
5,000,000	U. S. Treasury Notes	09/30/2026	3.500	4,936,700
5,000,000	U. S. Treasury Notes	10/31/2026	4.125	4,988,300
5,000,000	U. S. Treasury Notes	04/30/2027	0.500	4,585,950
5,000,000	U. S. Treasury Notes	05/31/2027	0.500	4,571,300
5,000,000	U. S. Treasury Notes	07/31/2027	0.375	4,527,950
8,000,000	U. S. Treasury Notes	04/30/2028	1.250	7,246,560
5,000,000	U. S. Treasury Notes	05/31/2028	1.250	4,515,050
<u>5,000,000</u>	U. S. Treasury Notes	09/30/2029	3.500	<u>4,810,350</u>
<u>\$100,000,000</u>	Total U. S. Treasury Securities			<u>\$95,994,860</u>
<u>\$271,365,253</u>	Total Postsecondary Education Savings Plan Fixed Earnings Investments			<u>\$258,581,104</u>
Collateral held under securities lending program				\$77,239,523
<u>\$271,365,253</u>	Total Postsecondary Education Savings Plan Fixed Earnings Investments and Collateral Held Under Securities Lending Program			<u>\$335,820,627</u>

(Continued)

Schedule 3

**STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAM
STATE OF LOUISIANA
Schedule of Investments, December 31, 2024**

FACE AMOUNT	DESCRIPTION	MATURITY DATE	COUPON RATE	FAIR VALUE
POSTSECONDARY EDUCATION SAVINGS PLAN VARIABLE EARNINGS INVESTMENTS				
The Vanguard Group (Mutual Funds):				
	Growth Index Fund, Institutional Shares			\$11,535,436
	Institutional Index Fund, Institutional Shares			10,564,134
	Institutional Total Stock Market Index Fund, Institutional Plus Shares			426,365,163
	Large-Cap Index Fund, Institutional Shares			149,462,397
	LifeStrategy Conservative Growth Fund			137,639,250
	LifeStrategy Growth Fund			96,228,942
	LifeStrategy Income Fund			40,681,422
	LifeStrategy Moderate Growth Fund			138,592,461
	Mid-Cap Index Fund, Institutional Shares			64,684,172
	Small-Cap Index Fund, Institutional Shares			55,652,512
	Total International Stock Index Fund, Institutional Shares			39,009,550
	Total World Stock Index Fund, Institutional Shares			34,903,130
	Value Index Fund, Institutional Shares			<u>2,914,283</u>
	Total Postsecondary Education Savings Plan Vanguard Mutual Funds			<u>\$1,208,232,852</u>
	Total Postsecondary Education Savings Plan Investments			<u>\$1,544,053,479</u>
K12 PLAN VARIABLE EARNINGS INVESTMENTS				
The Vanguard Group (Mutual Funds):				
	Federal Money Market Fund			\$4,106,465
	Growth Index Fund, Institutional Shares			688,373
	Institutional Index Fund, Institutional Shares			469,636
	Institutional Total Stock Market Index Fund, Institutional Plus Shares			20,063,557
	Intermediate-Term Bond Index Fund, Admiral Shares			2,752,830
	LifeStrategy Conservative Growth Fund			321,815
	LifeStrategy Growth Fund			1,111,715
	LifeStrategy Income Fund			224,444
	LifeStrategy Moderate Growth Fund			568,910
	Short-Term Bond Index Fund, Admiral Shares			1,901,659
	Total International Stock Index Fund, Institutional Shares			3,448,240
	Value Index Fund, Institutional Shares			<u>94,372</u>
	Total K12 Plan Vanguard Mutual Funds			<u>\$35,752,016</u>
	Total K12 Plan Investments			<u>\$35,752,016</u>
	Total Postsecondary Education Savings Plan and K12 Plan Investments			<u>\$1,579,805,495</u>

(Concluded)

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain our report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

December 4, 2025

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

Independent Auditor's Report

**BOARD OF DIRECTORS OF THE LOUISIANA
TUITION TRUST AUTHORITY
STUDENT TUITION ASSISTANCE AND
REVENUE TRUST PROGRAMS
STATE OF LOUISIANA**
Baton Rouge, Louisiana

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 (*Government Auditing Standards*), the financial statements of the fiduciary fund activities of the Student Tuition Assistance and Revenue Trust Programs (START Programs), private-purpose trust funds of the state of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the START Programs' basic financial statements, and have issued our report thereon dated December 4, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the START Programs' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the START Programs' internal control. Accordingly, we do not express an opinion on the effectiveness of the START Programs' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control described below that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the START Programs' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Noncompliance and Control Weakness over GEAR UP Scholarships

The START program currently maintains 3,266 START accounts totaling \$2,668,155 that were originally created with scholarship funds awarded under the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) federal program, with no mechanism to ensure compliance with federal regulations over the redistribution and/or return of these scholarship funds that have gone unused by the scholarship recipient (account beneficiary) within the prescribed number of years.

Per 34 CFR 694.16, funds held in reserve that are not used by an eligible student within six years of the student's scheduled completion of secondary school may be redistributed by the grantee to other eligible students; however, any scholarship funds that are not used by eligible students within six years of the students' scheduled completion of secondary school and not redistributed by the grantee to other eligible students, must be returned to the federal grantor within 45 days after the six-year period for expending the scholarship funds expires.

START currently has no written policies or procedures in place to monitor or track the account beneficiary's completion of secondary school, when a

beneficiary's funds become eligible for redistribution to other eligible students, or when the unused funds are required to be returned to the federal grantor. START relies on the account beneficiary to inform START if they are not going to use the funds in the account before START personnel redistribute the funds to the remaining active accounts.

Noncompliance with program requirements has resulted in questioned costs totaling \$2,668,155 that may need to be returned to the federal grantor.

START should develop written policies and procedures in accordance with federal regulations and provide additional training to staff over the monitoring of account beneficiary's completion of secondary school and status after secondary school to ensure compliance with federal regulations for the redistribution and/or return of GEAR UP funds. Management concurred with the finding and provided a corrective action plan. (see Appendix A).

Management of the START Programs Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on management of the START Programs (Management's) response to the finding identified in our audit and described previously. Management's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mike Waguespack', with a stylized flourish at the end.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

JS:CJH:RR:BQD:aa

START 2024

APPENDIX A – MANAGEMENT’S RESPONSE



Student Tuition Assistance and Revenue Trust Program
Louisiana's 529 College Savings Program
A Program of the Board of Regents
602 North Fifth Street
Baton Rouge, LA 70802
(800) 259-5626 (225) 219-1012
www.startsaving.la.gov

September 22, 2025

Michael J. Waguespack, CPA
Louisiana Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804

Re: Noncompliance and Control Weakness Over Gear Up Scholarships

Dear Mr. Waguespack,

Thank you for your diligence in conducting the recent audit of the Student Tuition Assistance and Revenue Trust Programs (START).

We have carefully reviewed the audit finding and concur with the assessment of "Noncompliance and Control Weakness Over Gear Up Scholarship" for the period ending December 31, 2024.

Management has contacted the grantor for further instructions for returning the unspent scholarship funds to the grantor. Porsche Harris, START Director, will be responsible to ensure compliance with federal regulations for the return of GEAR UP funds or the redistribution as well as the development of written policies and procedures and staff compliance with that information in accordance with federal regulations. Anticipated completion date is December 31, 2025.

We value your ongoing partnership and appreciate the cooperation of your staff throughout the audit process. Please let me know if you have any questions or require further information.

Sincerely,

Dr. Kim Hunter-Reed
Commissioner of Higher Education, Board of Regents
Chair, Louisiana Tuition Trust Authority