

**OFFICE OF TREASURER OF STATE
IOWA EDUCATIONAL SAVINGS PLAN TRUST**

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2026



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

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Rob Sand
Auditor of State

October 14, 2026

Office of Treasurer of State, Iowa Educational Savings Plan Trust
Des Moines, Iowa

To the Honorable Roby Smith, Treasurer of State:

I am pleased to submit to you the financial and compliance audit report for the Office of Treasurer of State, Iowa Educational Savings Plan Trust for the year ended June 30, 2026. The audit was performed pursuant to Chapter 12D.8 of the Code of Iowa and 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.

I appreciate the cooperation and courtesy extended by the officials and employees of Office of Treasurer of State throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized, with the first letters of the first and last names being prominent.

Rob Sand
Auditor of State

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**Office of Treasurer of State
Iowa Educational Savings Plan Trust**

Officials

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Name	Title
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State	
Honorable Kim Reynolds	Governor
Kraig Paulsen	Director, Department of Management
Timothy McDermott	Director, Legislative Services Agency
Agency	
Honorable Roby Smith	Treasurer of State
Alicia Callanan	Deputy Treasurer



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Rob Sand
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Independent Auditor's Report

To the Honorable Roby Smith, Treasurer of State

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Office of Treasurer of State, Iowa Educational Savings Plan Trust (Trust) as of and for the year ended June 30, 2026, and the related Notes to Financial Statements, which collectively comprise the Trust's 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 fiduciary net position of the Office of Treasurer of State, Iowa Educational Savings Plan Trust as of June 30, 2026, and the respective changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. 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 Office of Treasurer of State, Iowa Educational Savings Plan Trust, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Office of Treasurer of State, Iowa Educational Savings Plan Trust are intended to present the financial position and results of operations of only the portion of the financial reporting entity of the State of Iowa attributable to the transactions of the Iowa Educational Savings Plan Trust. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2026 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Trust's 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 opinions. 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 Office of Treasurer of State, Iowa Educational Savings Plan Trust's 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 Office of Treasurer of State, Iowa Educational Savings Plan Trust's 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 7 through 9 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 opinions on the financial statements that collectively comprise the Office of Treasurer of State, Iowa Educational Savings Plan Trust's basic financial statements. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is 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 supplementary information in Schedules 1 through 4 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2026 on our consideration of the Office of Treasurer of State, Iowa Educational Savings Plan Trust's 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 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 Trust's 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 Office of Treasurer of State, Iowa Educational Savings Plan Trust's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

October 14, 2026

Management's Discussion and Analysis

The Office of Treasurer of State, Iowa Educational Savings Plan Trust (Trust) provides this Management's Discussion and Analysis of the Trust's annual financial statements. The purpose of the MD&A is to help readers understand what the financial statements and notes in this financial report say about the Trust's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the Trust Staff's knowledge of the Trust's finances.

If you have any questions about this report or require further information, contact the Office of Treasurer of State, State Capitol Building, Des Moines, IA, 50319.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Trust's financial statements, which consist of the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position (pages 11 and 12). They also include the Notes to Financial Statements which begin on page 13. These financial statements provide information about the activities of the Trust as a whole.

The financial statements are further described as follows:

- The Statement of Fiduciary Net Position presents the assets, liabilities and net position of the Trust.
- The Statement of Changes in Fiduciary Net Position summarizes the additions to, deductions from and the net increase or decrease in fiduciary net position for the year.
- The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the financial statements.

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

The Trust's financial statements use the flow of economic resources measurement focus and accrual basis of accounting. The flow of economic resources refers to all of the assets available to the Trust for the purpose of fulfilling its responsibilities to the other parties in the fiduciary relationship. In other words, they comprehensively report all types of financial statement elements:

- Assets – resources the Trust controls, from short-term assets like cash to long-term assets like equipment.
- Liabilities – amounts the Trust owes, from short-term liabilities such as accounts payable.
- Additions and deductions – inflows and outflows of economic resources, respectively, related to the current year.

More details about the measurement focuses and bases of accounting can be found in the first note to the financial statements, the summary of accounting policies.

ANALYSIS OF THE TRUST'S FINANCES

Fiduciary Net Position

Net Position	June 30, 2026	June 30, 2025	Total Change
Assets			
Cash and investments	\$ 8,263,445,960	7,383,424,345	11.9%
Capital assets, net	62,623	-	100.0%
Total assets	8,263,508,583	7,383,424,345	11.9%
Liabilities	222,663	173,641	28.2%
Net Position restricted for the payment of higher education costs for designated beneficiaries	\$ 8,263,285,920	7,383,250,704	11.9%

As of June 30, 2026 the Trust's total net position – assets minus liabilities was \$8,263,285,920, an increase of \$880,035,216, or 11.9% compared with 2025. This increase is primarily due to a \$1,101,014,738 net increase in the fair value of investments.

Changes in Fiduciary Net Position

Changes in Net Position	June 30, 2026	June 30, 2025	Total Change
Additions			
Contributions	\$ 538,494,717	518,120,320	3.9%
Net increase in fair value of investments	1,101,014,738	770,503,260	42.9%
Other	2,165,821	2,111,812	2.6%
Total additions	1,641,675,276	1,290,735,392	27.2%
Deductions			
Distributions	758,880,415	736,278,259	3.1%
Administrative expenses	2,759,645	2,789,558	-1.1%
Total deductions	761,640,060	739,067,817	3.1%
Net increase in fiduciary net position	880,035,216	551,667,575	59.5%
Net position beginning of year	7,383,250,704	6,831,583,129	8.1%
Net position end of year	\$ 8,263,285,920	7,383,250,704	11.9%

DETAILED ANALYSIS

The table shows additions continued to exceed deductions in the current year, resulting in an increase in net position. The total net position of the Trust's fiduciary activities was approximately \$8.3 billion, an increase of approximately \$880 million or 11.9% from 2025. Various events contributed to this increase in net position; however, the three primary factors affecting the change in net position are as follows:

- 1) Increase in accounts.
- 2) Net increase in fair value of investments.
- 3) Distributions.

Increase in accounts

As of June 30, 2026, there were 352,308 accounts, a 4,522, or 1.3%, increase in accounts over the prior year.

At June 30, 2026, the total number of participants, beneficiaries and accounts by plan were as follows:

Plan Type	Participants	Beneficiaries	Accounts
ISave 529 Plan	130,914	239,657	282,747
IAdvisor 529 Plan	27,974	40,328	69,561
Total	158,888	279,985	352,308

Net increase in the fair value of investments

Total additions increased primarily due to the investments registering a net increase in fair value of investments of \$1,101,014,738 during fiscal year 2026 compared to a net increase in fair value of investments of \$770,503,260 in fiscal year 2025. The increase in fair value of investments was due to changing market conditions.

Distributions

The increase in distributions of \$22,602,156 over the prior year is due to beneficiaries withdrawing funds for educational expenses (see Schedule 4). The growth was driven by beneficiaries withdrawing additional funds for educational expenses.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The Trust is aware of 1 development which will have an impact on the Trust's finances in the future.

- 1) One Big Beautiful Bill.

One Big Beautiful Bill

The One Big Beautiful Bill, which was signed on July 4, 2025, expanded 529's. As of July 4, 2025, qualified expenses were expanded to include postsecondary credentials, credential programs and associated expenses. Kindergarten through 12th grade qualified expenses were expanded to include books, testing fees, tutoring and educational therapies for students with disabilities. Beginning January 1, 2026, the annual federal withdrawal limit for kindergarten through 12th grade expenses increased from \$10,000 to \$20,000, and the ability to roll over funds from a 529 account to ABLE (Achieving a Better Life Experience) account, such as lable, became permanent.

Other than the matter described above and normal market volatility affecting investment values, management is not aware of any currently known facts, decisions or conditions expected to have a significant effect on the Trust's future position.

Basic Financial Statements

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Statement of Fiduciary Net Position

June 30, 2026

Account Balance		Total
Assets		
Cash	\$	2,749,102
Investments		8,260,696,858
Capital assets, net of accumulated depreciation		<u>62,623</u>
Total assets		8,263,508,583
Liabilities		
Accounts payable		<u>222,663</u>
Net Position		
Restricted for others		<u><u>\$ 8,263,285,920</u></u>

See notes to financial statements.

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2026

Class of Transaction	Amount
Additions:	
Contribution from participants	\$ 538,494,717
Net increase in fair value of investments	1,101,014,738
Administrative fees	2,059,915
Investment income	105,906
Total additions	1,641,675,276
Deductions:	
Distributions to participants and beneficiaries	758,880,415
Administrative expenses:	
Salaries	265,969
Travel	16,713
Supplies	118,105
Contractual services for outside consultants and independent contractors	136,712
Other contractual services	33,588
Software maintenance	4,222
Depreciation	14,567
Marketing	2,169,769
Total administrative expenses	2,759,645
Total deductions	761,640,060
Net increase in fiduciary net position	880,035,216
Net position beginning of year	7,383,250,704
Net position end of year	\$ 8,263,285,920

See notes to financial statements.

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Notes to Financial Statements

June 30, 2026

(1) Summary of Significant Accounting Policies

The Iowa Educational Savings Plan Trust (Trust) is a part of the Office of Treasurer of State of Iowa. The Trust was created in 1998 by the General Assembly under Chapter 12D of the Code of Iowa, with the Treasurer of State as the trustee. According to Chapter 12D of the Code of Iowa, the General Assembly finds the general welfare and well-being of the state are directly related to educational levels and skills of the citizens of the state and a vital and valid public purpose is served by the creation and implementation of programs which encourage and make possible the attainment of higher education by the greatest number of citizens of the state.

The purpose of the Trust is to allow participants to invest money for future payment of education costs for designated beneficiaries. In 2018, Chapter 12D of the Code of Iowa was amended to include elementary and secondary school expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school.

Two 529 plans are administered under the Trust. The ISave Plan was established in 1998 to be sold directly to the public. The IAdvisor 529 Plan was established in 2006 to be sold through financial advisors.

The financial statements of the Trust are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, the Trust has included all funds, organizations, agencies, boards, commissions and authorities. The Trust has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Trust are such that exclusion would cause the Trust's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Trust to impose its will on the organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Trust. The Trust has no component units which meet the Governmental Accounting Standards Board criteria.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Trust is accounted for using the economic resources measurement focus and the accrual basis of accounting. Additions are recorded when earned and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Trust is a fiduciary fund type and is classified as a private purpose trust for financial statement purposes. A private purpose trust is used to report a trust arrangement under which principal and income benefit individuals, private organizations or other governments. The Trust is used to account for resources which may be expended only for education costs of designated beneficiaries.

C. Capital Assets

Capital assets are defined by the Trust as assets with initial, individual costs in excess of \$10,000. Such assets are recorded at historical cost. Depreciation of all exhaustible assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Capital assets are depreciated over a five-year life.

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

(2) **Deposits and Investments**

The Trust's administrative funds deposited at Wells Fargo are insured up to \$250,000 through federal depository insurance. The Trust's remaining cash and investments are not bank deposits and are not insured by federal depository insurance or any other government agency. Investments are stated at fair value. Due to the nature of investments in mutual funds, there is no assurance the accounts under the Trust will generate any specific rate of return and there is no assurance the accounts will not decrease in value. Mutual funds are not subject to risk categorization.

Although money contributed to the Trust is invested in portfolios which hold mutual funds, neither the Trust nor any of its portfolios is itself a mutual fund. Each portfolio invests in one or more mutual funds, which are actively traded publicly.

The portfolios' investments valuation is based on the fair value hierarchy established by accounting principles generally accepted in the United States of America, based on the valuation inputs used, to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2026, the portfolios' investments, except for the interest accumulation portfolio, were classified as Level 1.

The interest accumulation portfolio in the ISave 529 Plan directs all of its assets into the Vanguard Short-Term Reserves Account. This account is composed of traditional and synthetic funding agreements with insurance companies and Vanguard Federal Money Market Fund. The funding agreements, which are held in the name of the Trustee for the Trust, are unallocated insurance contracts that are nonparticipating interest-earning investment contracts, as defined in Governmental Accounting Standards Board, Statement No. 59 Financial Instruments Omnibus and Governmental Accounting Standards Board, Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Accordingly, these agreements are reported at contract value for purposes of determining the ISave 529 Plan's value in the investment pool due to the fact that the terms of the funding agreements are such that the contract value does not change when interest rates increase or decline. Contract value is equal to the initial required contribution amount, plus interest credited each month at the contractual rate, less withdrawals and expenses. As of June 30, 2026, the interest accumulation portfolio investments were classified as Level 2.

ISave 529 Plan

The Office of Treasurer of State has an agreement with the Vanguard Group to invest funds for the Trust in specified investment portfolios. The Trust's investments at June 30, 2026 are all invested in portfolios which hold Vanguard mutual funds for the ISave 529 Plan.

Effective May 15, 2026, the ISave 529 Age-Based Saving Tracks were replaced by Enrollment-Based Portfolios. Under the previous Age-Based Tracks, the assets moved to a different portfolio as the beneficiary aged. Under the new Enrollment-Based Portfolios, the portfolio's target asset allocation changes as the beneficiary approaches their expected enrollment date for school or another eligible program. This provides for more frequent and smoother adjustments to the asset allocation over time as the beneficiary approaches enrollment. The new Enrollment-Based Portfolios are available in both Aggressive and Moderate Tracks, to further broaden the investment approaches available.

At June 30, 2026, the ISave 529 Plan had investments in the following portfolios:

Investment Portfolio	Fair Value at June 30, 2026
Fair Value:	
Aggressive Growth	\$ 888,935,089
Growth	293,166,385
Moderate Growth	180,682,924
Conservative Growth	86,564,594
Income	663,981,080
Conservative Income	452,531,530
Short-term bond index	17,413,729
Bond index	55,057,054
Domestic Stock Index	924,335,150
International Bond Index	2,412,385
International Stock Index	115,082,248
Aggressive Commencement *	214,709,106
Moderate Commencement *	9,081,561
Large-Cap Stock Index	4,689,805
Small-Cap Stock Index	1,329,142
2026 Aggressive Enrollment *	507,567,515
2026 Moderate Enrollment *	103,745,876
2028 Aggressive Enrollment *	470,932,281
2028 Moderate Enrollment *	83,629,521
2030 Aggressive Enrollment *	420,376,517
2030 Moderate Enrollment *	69,136,425
2032 Aggressive Enrollment *	311,147,488
2032 Moderate Enrollment *	54,706,541
2034 Aggressive Enrollment *	247,732,368
2034 Moderate Enrollment *	43,675,082
2036 Aggressive Enrollment *	229,216,370
2036 Moderate Enrollment *	34,162,684
2038 Aggressive Enrollment *	156,905,271
2038 Moderate Enrollment *	20,810,509
2040 Aggressive Enrollment *	103,630,504
2040 Moderate Enrollment *	11,862,989
2042 Aggressive Enrollment *	48,083,417
2042 Moderate Enrollment *	4,876,233
2044 Aggressive Enrollment *	6,561,761
2044 Moderate Enrollment *	1,203,188
Contract Value:	
Interest Accumulation	509,300,848
Total	<u>\$ 7,349,235,170</u>

* Not available as an individual portfolio option.

IAdvisor 529 Plan

Accounts for the IAdvisor 529 Plan are invested at the direction of the account owner with the assistance of a financial advisor.

The Office of Treasurer of State has an agreement with Voya Investment Management Co. LLC (Voya IM) to invest funds for the Iowa Educational Savings Plan Trust in specified investment portfolios. Currently, account owners in the IAdvisor 529 Plan have 20 investment options, all of which are managed by Voya IM.

The options open to investors as of June 30, 2026 include 11 single fund options, 4 static allocation options (investments remain in the same investment option) and 5 age-based options (the investments automatically become more conservative as the child ages).

At June 30, 2026, the IAdvisor 529 Plan had investments in the following portfolios.

Investment Portfolio	Fair Value at June 30, 2026
IAdvisor 529 Aggressive Option	\$ 166,753,791
IAdvisor 529 Growth Option	130,645,505
IAdvisor 529 Moderate Option	44,577,752
IAdvisor 529 Conservative Option	17,834,968
IAdvisor 529 Age 0-5 Option	38,999,158
IAdvisor 529 Age 6-10 Option	82,877,640
IAdvisor 529 Age 11-15 Option	101,342,728
IAdvisor 529 Age 16-17 Option	41,849,265
IAdvisor 529 Age 18+ Option	49,563,817
Voya Large Cap Value Option	22,225,772
Voya Large Cap Growth Option	80,530,368
Voya Mid Cap Opportunities Option	15,374,147
Voya Multi-Manager Mid Cap Value Option	7,204,434
Voya Intermediate Bond Option	8,408,245
Voya Short Term Bond Option	2,860,911
Voya Government Money Market Option	25,082,246
Voya International Index Option *	3,341,064
Voya US Stock Index Option	53,407,463
Voya Multi-Manager International Equity Option	9,263,928
Voya JPMorgan Small Cap Core Equity Option	9,318,486
Total	<u>\$ 911,461,688</u>

* Not available to new investors.

Credit Risk – Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment.

The various investment portfolios hold mutual funds, most of which contain investments not subject to credit risk. Certain portfolios hold mutual funds which contain investments subject to credit risk disclosure. However, the various investment portfolios are unrated.

Concentration of Credit Risk – The various portfolios hold mutual funds and, accordingly, disclosure of concentration of credit risk is not applicable.

Interest Rate Risk – Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the applicable portfolios using the effective duration methodology, which is widely used in the management of fixed income portfolios because it quantifies to a much greater degree the risk of interest rate changes. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve.

Certain investment portfolios of the ISave 529 Plan and the IAdvisor 529 Plan contain underlying fixed income investments subject to interest rate risk disclosure. The exposure is summarized using the effective duration methodology, as follows:

Underlying Fixed Income Funds

ISave 529 Plan Investment Portfolio	Vanguard Total Bond Market Index	Vanguard Total Bond Market II Index	Vanguard Short-term Inflation Protected Securities Index	Vanguard Short-term Bond Index	Vanguard Total International Bond Index	Fair Value of Fixed Income Funds at June 30,2026
Growth	\$ -	40,751,011	-	-	17,586,557	58,337,568
Moderate Growth	-	50,322,289	-	-	21,642,858	71,965,147
Conservative Growth	-	36,171,644	-	-	15,600,472	51,772,116
Income	-	371,574,793	-	-	159,897,690	531,472,483
Conservative Income	-	155,775,529	81,438,557	-	101,822,023	339,036,109
Bond Index	54,804,980	-	-	-	-	54,804,980
Total International Bond Index	-	-	-	-	2,411,044	2,411,044
Short Term Bond Index	-	-	-	17,137,536	-	17,137,536
Moderate Commencement	-	1,791,807	-	-	768,647	2,560,454
2026 Moderate Enrollment	-	30,755,286	-	-	13,208,424	43,963,710
2028 Moderate Enrollment	-	30,226,468	-	-	12,962,213	43,188,681
2030 Moderate Enrollment	-	26,806,639	-	-	11,497,813	38,304,452
2032 Moderate Enrollment	-	20,106,233	-	-	8,578,456	28,684,689
2034 Moderate Enrollment	-	13,735,021	-	-	5,891,310	19,626,331
2036 Moderate Enrollment	-	8,351,663	-	-	3,580,369	11,932,032
2038 Moderate Enrollment	-	3,341,528	-	-	1,434,927	4,776,455
2040 Moderate Enrollment	-	1,070,419	-	-	463,045	1,533,464
2042 Moderate Enrollment	-	169,638	-	-	72,676	242,314
2044 Moderate Enrollment	-	41,027	-	-	17,611	58,638
Aggressive Commencement	-	31,526,726	-	-	13,616,684	45,143,410
2026 Aggressive Enrollment	-	132,310,163	-	-	57,128,345	189,438,508
2028 Aggressive Enrollment	-	144,573,709	-	-	62,198,594	206,772,303
2030 Aggressive Enrollment	-	107,218,423	-	-	45,979,560	153,197,983
2032 Aggressive Enrollment	-	58,774,514	-	-	25,113,950	83,888,464
2034 Aggressive Enrollment	-	31,251,128	-	-	13,436,669	44,687,797
2036 Aggressive Enrollment	-	15,266,426	-	-	6,528,750	21,795,176
2038 Aggressive Enrollment	-	3,853,765	-	-	1,658,631	5,512,396
Total	\$ 54,804,980	1,315,765,849	81,438,557	17,137,536	603,097,318	2,072,244,240
Effective Duration (Years) as of June 30, 2026:	<u>5.8</u>	<u>5.8</u>	<u>2.3</u>	<u>2.6</u>	<u>6.6</u>	

Underlying Fixed Income Funds

IAdvisor 529 Plan Investment Portfolio	VY BlackRock Inflation Protected Bond Fund	Voya High Yield Bond Fund	Voya Intermediate Bond Fund	Voya Short Term Bond Fund	VY Brandywine Global-Bond Portfolio	Fair Value of Fixed Income Funds at June 30, 2026
IAdvisor 529 Aggressive	\$ -	3,346,751	8,378,097	-	-	11,724,848
IAdvisor 529 Growth	-	5,252,468	14,437,325	-	3,926,117	23,615,910
IAdvisor 529 Moderate	1,328,951	1,794,229	8,512,724	1,342,364	2,235,165	15,213,433
IAdvisor 529 Conservative	530,995	896,253	5,021,978	1,609,249	1,429,021	9,487,496
IAdvisor Age 0-5 Option	-	-	3,519,847	-	1,170,400	4,690,247
IAdvisor Age 6-10 Option	2,464,992	2,496,122	13,313,784	1,659,989	2,487,649	22,422,536
IAdvisor Age 11-15 Option	4,018,604	3,052,097	27,484,739	7,103,948	8,111,019	49,770,407
IAdvisor Age 16-17 Option	1,656,836	1,677,915	12,180,901	10,022,302	4,180,174	29,718,128
IAdvisor Age 18+ Option	2,454,480	2,982,953	14,436,386	19,812,083	4,954,077	44,639,979
Voya Intermediate Bond	-	-	8,413,545	-	-	8,413,545
Voya Short Term Bond	-	-	-	2,861,362	-	2,861,362
Total	\$ 12,454,858	21,498,788	115,699,326	44,411,297	28,493,622	222,557,891
Effective Duration (Years) as of June 30, 2026:	<u>6.34</u>	<u>3.57</u>	<u>6.00</u>	<u>2.58</u>	<u>5.49</u>	

(3) Participant Contributions

Any United States citizen age 18 years or older with a valid social security number and a desire to save for the educational expenses of a person may be a participant. The amount a participant may contribute is unlimited, except no contribution may cause the aggregate balance of all accounts held on behalf of a single beneficiary to exceed \$505,000 (in 2026). The minimum amount of any one contribution is \$25 (\$15 when investing through a payroll deduction plan) under the ISave 529 Plan and \$50 (\$25 when investing through a payroll deduction plan) under the IAdvisor 529 Plan. Contributions are not required to be made each year.

Participant contributions up to \$6,100 per account in 2026 are deductible for State of Iowa income tax purposes. Earnings are tax exempt for Iowa state income tax purposes. A similar federal tax deduction does not exist for the participant's contributions. Earnings are exempt for federal income tax purposes if funds are spent for specified qualified education expenses. Earnings on non-qualified withdrawals are subject to federal income tax and a 10% federal penalty, as well as applicable state and local income tax.

(4) Capital Assets

A summary of capital assets activity for the year ended June 30, 2026 is as follows:

Class of Capital Asset	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Equipment	\$ 20,716	77,190	20,716	77,190
Less accumulated depreciation	(20,716)	(14,567)	(20,716)	(14,567)
Capital assets, net	\$ -	62,623	-	62,623

(5) Administrative Fees

Chapter 12D.2(14) of the Code of Iowa allows the Treasurer of State, as trustee, to establish, impose and collect administrative fees and charges in connection with transactions of the Trust. The assets of the Trust shall at all times be preserved, invested and expended solely and only for the purposes of the Trust and shall be held in trust for the participants and beneficiaries. The assets of the Trust shall not be transferred or used by the state for any purposes other than the purposes of the Trust.

For the ISave 529 Plan, Ascensus provides an administrative fee of 0.02% of assets under management by Vanguard for the ISave 529 Plan. For the IAdvisor 529 Plan, Voya IM provides an administrative fee of 0.10% of assets under management. The administrative fees received by the Trust for fiscal year 2026 totaled \$2,059,915.

Supplementary Information

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Combining Schedule of Fiduciary Net Position

June 30, 2026

Account Balance	ISave 529 Plan	IAdvisor 529 Plan	Administrative Account	Total
Assets				
Cash	\$ -	-	2,749,102	2,749,102
Investments	7,349,235,170	911,461,688	-	8,260,696,858
Capital assets, net of accumulated depreciation	-	-	62,623	62,623
Total assets	7,349,235,170	911,461,688	2,811,725	8,263,508,583
Liabilities				
Accounts payable	-	-	222,663	222,663
Net Position				
Restricted for others	\$ 7,349,235,170	911,461,688	2,589,062	8,263,285,920

See accompanying independent auditor's report.

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Combining Schedule of Changes in Fiduciary Net Position

Year ended June 30, 2026

Class of Transactions	ISave 529 Plan	IAdvisor 529 Plan	Administrative Account	Total
Additions:				
Contribution from participants	\$ 454,146,196	84,348,521	-	538,494,717
Net increase in fair value of investments	980,317,393	120,697,345	-	1,101,014,738
Administrative fees	-	-	2,059,915	2,059,915
Investment income	-	-	105,906	105,906
Total additions	1,434,463,589	205,045,866	2,165,821	1,641,675,276
Deduction:				
Distributions to participants and beneficiaries	682,602,031	76,278,384	-	758,880,415
Administrative expenses:				
Salaries	-	-	265,969	265,969
Travel	-	-	16,713	16,713
Supplies	-	-	118,105	118,105
Contractual services for outside consultants and independent contractors	-	-	136,712	136,712
Other contractual services	-	-	33,588	33,588
Software maintenance	-	-	4,222	4,222
Depreciation	-	-	14,567	14,567
Marketing	-	-	2,169,769	2,169,769
Total deductions	682,602,031	76,278,384	2,759,645	761,640,060
Net increase in fiduciary net position	751,861,558	128,767,482	(593,824)	880,035,216
Net position beginning of year	6,597,373,612	782,694,206	3,182,886	7,383,250,704
Net position end of year	\$ 7,349,235,170	911,461,688	2,589,062	8,263,285,920

See accompanying independent auditor's report.

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Summary of Expenses for Outside Consultants and Independent Contractors

Year ended June 30, 2026

Type of Service	Amount
Legal consulting services	\$ 27,366
Other professional services	<u>109,346</u>
Total	<u>\$ 136,712</u>

See accompanying independent auditor's report.

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Summary of Distributions to Participants and Beneficiaries

Year ended June 30, 2026

Type of Distribution	ISave 529 Plan	IAdvisor 529 Plan	Total
Withdrawals from the plan	\$ 635,136,209	38,476,284	673,612,493
Rollover withdrawals to other qualified state tuition plans	47,465,822	6,460,061	53,925,883
Omnibus - All distribution types	-	31,342,039	31,342,039
Total	<u>\$ 682,602,031</u>	<u>76,278,384</u>	<u>758,880,415</u>

See accompanying independent auditor's report.



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

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Rob Sand
Auditor of State

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

To the Honorable Roby Smith, Treasurer of State:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Office of Treasurer of State, Iowa Educational Savings Plan Trust, as of and for the year ended June 30, 2026, and the related Notes to Financial Statements, which collectively comprise the Trust's basis financial statements, and have issued our report thereon dated October 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office of Treasurer of State, Iowa Educational Savings Plan Trust'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office of Treasurer of State, Iowa Educational Savings Plan Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office of Treasurer of State, Iowa Educational Savings Plan Trust'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 Trust'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office of Treasurer of State, Iowa Educational Savings Plan Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters which 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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Office of Treasurer of State, Iowa Educational Savings Plan Trust during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Brian R. Brustkern, CPA
Deputy Auditor of State

October 14, 2026

Office of Treasurer of State
Iowa Educational Savings Plan Trust

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Alex N. Kawamura, CPA, Manager
Enoch Duval, Senior Auditor
Matthew W. Beerman, Staff Auditor