



**Kathleen K. McGuinness, RPh, CFE**  
**Delaware State Auditor**

State of Delaware

# **529 QUALIFIED TUITION SAVINGS PLAN**

Financial Statement Audit for  
Calendar Years 2019 & 2020





KATHLEEN  
**McGUINNESS**  
DELAWARE  
STATE AUDITOR

## *State of Delaware 529 Qualified Tuition Savings Plan*

*Financial Statement Audit for  
CYs 2019 and 2020*

---

**What Was Performed?** A financial statement audit of the 529 Delaware Qualified Tuition Savings Plan for Calendar Years ended December 31, 2019 and 2020.

---

**Why This Engagement?** This engagement was conducted in accordance with 29 *Del. C.* §§ 2906 and 2722.

The Delaware Qualified Tuition Savings Plan, founded in 1998 through legislation, is a 529 college investment plan that offers federal and state tax benefits while saving for a child's education. The funds can be used for qualified education expenses of designated beneficiaries.

As of December 31, 2020, the Delaware Qualified Tuition Savings Plan had approximately 5,300 participants and a net position of about \$730 million.

**What Was Found?** It is my pleasure to report this audit contained an unmodified opinion.<sup>1</sup>

The Delaware Qualified Tuition Savings Plan Financial Statement Audit for Calendar Years ended December 31, 2019 and 2020, can be found on our website at [auditor.delaware.gov](http://auditor.delaware.gov).

Please do not reply to this email. For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at [Kathleen.Mcguinness@delaware.gov](mailto:Kathleen.Mcguinness@delaware.gov).

---

---

<sup>1</sup> An unmodified opinion is sometimes referred to as a "clean" opinion. It is one in which the auditor expresses an opinion that the financial statements present fairly, in all material respects, an entity's financial position, results of operations and cash flows in conformity with generally accepted accounting principles.

## **Delaware Qualified Tuition Savings Plan Trust**

---

Table of Contents  
December 31, 2020

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	4
<b>Financial Statements</b>	
Statement of Fiduciary Net Position	6
Statement of Changes in Fiduciary Net Position	7
Notes to Financial Statements	8
<b>Supplemental Information</b>	
<u>Statements by Portfolio</u>	
Statements of Fiduciary Net Position by Portfolio	20
Statements of Changes in Fiduciary Net Position by Portfolio	30
<b>Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	40



**BELFINT • LYONS • SHUMAN**  
Certified Public Accountants

---

[www.belfint.com](http://www.belfint.com)

---

***Independent Auditors' Report***

To the State of Delaware Plans Management Board  
Trustee of the Delaware Qualified Tuition Savings Plan Trust  
Dover, Delaware

***Report on the Financial Statements***

We have audited the accompanying financial statements of Delaware Qualified Tuition Savings Plan Trust, which comprise the statement of fiduciary net position as of December 31, 2020, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

***Trustee's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the plan's preparation and fair presentation of the financial

To the State of Delaware Plans Management Board  
Trustee of the Delaware Qualified Tuition Savings Plan Trust

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Delaware Qualified Tuition Savings Plan Trust as of December 31, 2020, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 and 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that comprise the Plan's basic financial statements. The accompanying supplemental information consisting of the 2020 statements of fiduciary net position and changes in fiduciary net position by portfolio on pages 20-39 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

To the State of Delaware Plans Management Board  
Trustee of the Delaware Qualified Tuition Savings Plan Trust

The accompanying supplemental information is the responsibility of the trustees and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021, on our consideration of the Delaware Qualified Savings Plan Trust's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 consideration of the Delaware Qualified Savings Plan Trust's internal control over financial reporting and compliance.

*Belfint, Lyons & Shuman, P.A.*

June 11, 2021  
Wilmington, Delaware

## **Delaware Qualified Tuition Savings Plan Trust**

---

Management's Discussion and Analysis  
December 31, 2020, 2019 , and 2018

This discussion and analysis of the financial performance of the Delaware Qualified Tuition Savings Plan Trust (Trust) provides an overview of the Trust's financial activities for the years ended December 31, 2020, 2019, and 2018. Please read this section in conjunction with the Trust's financial statements, which follow this section.

### **Financial Highlights**

- Fiduciary net position increased by \$44 million during 2020 from \$686 million at December 31, 2019 to \$730 million at December 31, 2020. This increase was primarily due to a net investment income of \$69 million. Fiduciary net position increased by \$60 million during 2019 from \$626 million at December 31, 2018, to \$686 million at December 31, 2019. This increase was primarily due to a net investment income of \$94 million.
- Subscriptions were \$120 million, \$243 million, and \$91 million for the years ended December 31, 2020, 2019, and 2018, respectively. The decrease in 2020 is primarily due to the transfer of assets during 2019 from Fidelity mutual funds to Fidelity Series mutual funds in addition to the new Fidelity Blend portfolios replacing the Fidelity Multi-Firm portfolios.
- Net investment income decreased to a gain of \$69 million in 2020 from a gain of \$94 million in 2019. Net investment income was a loss of \$26 million in 2018. Fluctuations in income are primarily due to fluctuations in the financial market from year to year.
- Redemptions were \$145 million, \$277 million, and \$121 million for the years ended December 31, 2020, 2019, and 2018, respectively. The decrease in 2020 is primarily due to the transfer of assets during 2019 from Fidelity mutual funds to Fidelity Series mutual funds in addition to sales of the underlying investments in the Fidelity Multi-firm portfolios. Fluctuations in the amount of redemptions from year to year are otherwise due to changes in the number of participants and beneficiaries receiving eligible distributions as well as the size of their account balances. There were approximately 5,300, 5,500, and 5,000 individuals who received a distribution from the Trust during the years ended December 31, 2020, 2019, and 2018, respectively.
- Investment expenses were \$3,574,564, \$1,751,894, and \$1,218,886 for the years ended December 31, 2020, 2019, and 2018, respectively. Fluctuations generally relate to fluctuations in investment balances since fees are charged as a percentage of assets.

### **Overview of the Financial Statements**

This financial report consists of the statement of fiduciary net position and the statement of changes in fiduciary net position. These statements provide information about the financial position and activities of the Trust as a whole. The notes to financial statements provide additional information that is essential to a full understanding of the financial statements.

## Delaware Qualified Tuition Savings Plan Trust

Management's Discussion and Analysis  
December 31, 2020, 2019 , and 2018

### Overview of the Financial Statements - Continued

The following analysis focuses on fiduciary net position (Table 1) and changes in fiduciary net position (Table 2):

**Table 1**  
**Fiduciary Net Position**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total Assets	\$ 737,647,934	\$ 694,767,369	\$ 634,808,163
Total Liabilities	7,873,847	8,846,705	8,573,190
Net Position	<u>\$ 729,774,087</u>	<u>\$ 685,920,664</u>	<u>\$ 626,234,973</u>

Investments make up more than 99% of total net position and consist of 36 investment portfolios in 2020, 2019, and 2018, each of which is invested in one or more underlying mutual funds. Net position represents cumulative contributions from participants plus net increases/decreases from investment earnings less redemptions and expenses. Liabilities consist of payables for securities purchased, payables for reinvestment of net investment income, and payables for accrued expenses.

**Table 2**  
**Changes in Fiduciary Net Position**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total Additions	\$ 189,692,562	\$ 337,450,755	\$ 65,395,554
Total Deductions	145,839,139	277,765,064	121,511,199
Change in Net Position	<u>\$ 43,853,423</u>	<u>\$ 59,685,691</u>	<u>\$ (56,115,645)</u>

### Financial Contact

The Trust's financial statements are designed to present users with a general overview of the Trust's finances and to demonstrate the trustee's accountability. If you have questions about the report or need additional financial information, contact the State of Delaware Plans Management Board at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.



## Delaware Qualified Tuition Savings Plan Trust

---

Statement of Fiduciary Net Position

December 31, 2020

	<u>2020</u>
<b>Assets</b>	
Cash	\$ 1,550,507
Investments, at Fair Value (Cost - \$667,956,268)	<u>728,620,210</u>
Receivables	
Capital Shares	632,393
Securities Sold	6,420,768
Accrued Dividends	<u>424,056</u>
 Total Receivables	 <u>7,477,217</u>
 Total Assets	 <u>737,647,934</u>
<b>Liabilities</b>	
Capital Shares Payable	796,383
Securities Purchased Payable	6,672,731
Administrative and Management Fees Payable	<u>404,733</u>
 Total Liabilities	 <u>7,873,847</u>
 <b>Net Position</b>	 <u><u>\$ 729,774,087</u></u>

The accompanying notes are an integral part of these financial statements.

## Delaware Qualified Tuition Savings Plan Trust

### Statement of Changes in Fiduciary Net Position

December 31, 2020

	<u>2020</u>
<b>Additions</b>	
Subscriptions	\$ 120,009,860
Investment Income	
Net Increase in Fair Value of Investments	46,014,664
Interest and Dividends	26,948,264
Less: Investment Expenses	<u>(3,574,564)</u>
Net Investment Income	<u>69,388,364</u>
Other Income	<u>294,338</u>
Total Additions	<u>189,692,562</u>
<b>Deductions</b>	
Redemptions	145,421,990
Administrative Expenses	<u>417,149</u>
Total Deductions	<u>145,839,139</u>
<b>Net Increase in Net Position</b>	43,853,423
<b>Net Position, Beginning of Year</b>	<u>685,920,664</u>
<b>Net Position, End of Year</b>	<u><u>\$ 729,774,087</u></u>

The accompanying notes are an integral part of these financial statements.

# Delaware Qualified Tuition Savings Plan Trust

---

Notes to Financial Statements

December 31, 2020

## 1. Organization

### General

The following description of the Delaware Qualified Tuition Savings Plan Trust (Trust) provides only general information. Participants should refer to the Plan Fact Kit found at <https://www.fidelity.com/go/529-delaware/overview> and may also find additional information and details at <https://treasurer.delaware.gov/education-savings-plan/>.

The Trust was established April 16, 1998 and restated March 6, 2018 by the Delaware Qualified Tuition Savings Board (subsequently changed to the Plans Management Board (Board)), as trustees, to carry out the purposes of the Delaware College Investment Plan (Plan). The Plan was created by the State of Delaware General Assembly under State of Delaware Title 14, Chapter 34, pursuant to Internal Revenue Code (IRC) Section 529 to allow residents of Delaware and other states to make contributions to accounts established for the purpose of meeting qualified education expenses of designated beneficiaries of such accounts. The Board serves as a trustee of the Trust, administers the Plan and is authorized to establish investment policies, select investment managers and the program manager, adopts regulations, and provides for the performance of other functions necessary for the operation of the Plan. The Board is composed of 11 members, including the State Treasurer, Secretary of Finance, Director of Office of Management and Budget, Insurance Commissioner, Secretary of Education, two state employees designated by the Governor, and four public members.

Account owners can choose among 36 portfolios, grouped based on strategies, including age-based, static, individual fund portfolios, and a Bank Deposit Portfolio. Age-based portfolios are designed considering a beneficiary's year of birth and the approximate year the beneficiary is anticipated to start college. Static portfolios have investment objectives with corresponding target class allocations that do not change over time. Individual fund portfolios have the same investment objective as the underlying mutual fund in which they invest. The Bank Deposit Portfolio seeks the preservation of principal.

These financial statements provide the combined financial results of the Fidelity-designed investment options (Portfolios) offered to account owners under the Plan. The supplemental information provides the financial results of the individual Portfolios.

Plan assets are held for the benefit of account owners and their designated beneficiaries in the Trust.

### Plan Administration

Fidelity Management and Research Company LLC and Fidelity Brokerage Services LLC (Program Managers) and the Board have entered into a management and administrative services agreement in which the Program Managers will provide services, including investment management services, in order to meet the administrative and investment obligations of the Trust.

# **Delaware Qualified Tuition Savings Plan Trust**

---

Notes to Financial Statements

December 31, 2020

## **2. Summary of Significant Accounting Policies**

### **Basis of Accounting**

The Plan prepares its financial statements in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The Plan's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America applicable to special-purpose governments engaged in fiduciary activities. Under this method of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

### **Investment Valuation and Income Recognition**

Investment portfolios are reported at fair value. Fair value is the price that should be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The portfolios are crafted as investment pools with individual underlying investment allocations based on the strategy of the portfolio.

Investments in the underlying investments are valued each business day at the closing net asset value per share of each underlying investment determined as of the close of the New York Stock Exchange on the day of valuation. Net realized and unrealized gains and losses are reported as net appreciation or depreciation in fair value of investments in the statements of changes in fiduciary net position. Purchases and sales of underlying investment shares are recorded on a trade date basis. Dividend income and any capital gain distributions are recorded on the ex-dividend date as an accrual and are automatically reinvested in additional shares of the respective underlying investment.

### **Cash**

Cash represents amounts deposited into a PNC account used to pay trust expenses.

### **Subscriptions and Redemptions**

Subscriptions on the statements of changes in fiduciary net position include any contributions to the Trust made by account owners and any exchanges within the Trust that result in a reinvestment of assets. Redemptions on the statements of changes in fiduciary net position include any withdrawals from the Trust made by account owners and any exchanges within the Trust that result in a reinvestment of assets.

## **Delaware Qualified Tuition Savings Plan Trust**

---

Notes to Financial Statements

December 31, 2020

### **2. Summary of Significant Accounting Policies - Continued**

#### **Subscriptions and Redemptions - Continued**

Individuals that have properly executed a participation agreement with the Plan may establish an account to which cash contributions may be made, subject to certain account balance limitations. Account owners may elect to invest their contributions in one or more portfolios, including age-based portfolios, target risk portfolios, individual portfolios, and an interest-bearing deposit account. The age-based portfolios allow account owners to choose a predetermined investment strategy based on the beneficiary's expected date of college enrollment. Over time, assets will transition from a heavier weight in equities in earlier years to more conservative investments in fixed-income securities and cash as the beneficiary approaches college enrollment. The target risk portfolios seek to meet a specific investment goal and risk tolerance. The risk profile of each target risk portfolio will be fixed over time. The individual portfolios are structured for exposure to a single type of asset class.

In addition to the various portfolios, account owners investing in age-based portfolios and target risk portfolios must select whether their portfolios will invest in Fidelity Funds, Fidelity Index Funds, and/or Fidelity Blend Funds. Fidelity Funds invest in a variety of equity, fixed income, or money market funds that coincide with the portfolio's investment objective. Index mutual funds invest in stocks or bonds that make a portfolio constructed to match or track the components of a financial market index. Fidelity Blend Funds invest in a combination of investments that coincide with the portfolio's investment objective and investments that match or track the components of a financial market index. The Fidelity Blend Funds option is only available for age-based portfolios, while the Fidelity Funds and Fidelity Index Funds are available for both age-based portfolios and target risk portfolios.

Contributions by a participant are evidenced through the issuance of units in a particular portfolio. Although money contributed to the Plan is invested in portfolio options that hold mutual funds, the Plan units themselves are not direct investments in the mutual funds. The units issued by the Trust are not insured by the Federal Deposit Insurance Corporation (FDIC), Fidelity, or the State of Delaware, nor have they been registered with the Securities and Exchange Commission or any state commission. Although the account owners can direct the portfolio options in which their contributions are invested, they cannot direct the selection or allocation of the underlying investments comprising each portfolio option.

#### **Unit Valuation**

Each account owner's full and/or fractional interest in a portfolio option is evidenced by a unit. The net position value of a unit in a portfolio option is calculated daily based on the fair market value of the underlying investments, adjusted for the effects of such transactions as accrued administrative fees, contributions and withdrawal requests that have been approved but have not yet been processed, and investment income that has not been reinvested in the underlying investments. The value of any individual account is determined by multiplying the number of units in a portfolio attributable to that account holder by the net position value per unit of that portfolio.

## Delaware Qualified Tuition Savings Plan Trust

Notes to Financial Statements

December 31, 2020

### 2. Summary of Significant Accounting Policies - Continued

#### Administration

State of Delaware Title 14, Chapter 34, Subchapter 12 charges the Board with implementing and maintaining the Plan. The Board has entered into a management and services agreement with Fidelity Management and Research Company LLC and Fidelity Brokerage Services LLC to provide administration, marketing services, and management services for the Plan.

#### Subsequent Events

The Plan has evaluated subsequent events for recognition or disclosure through the date the financial statements were available to be issued.

### 3. Investments

The underlying investment allocations as of December 31, 2020, were as follows:

	Units	Value
Fidelity 500 Index	273,232	\$ 35,566,637
Fidelity Cash Reserves	20,560,269	20,560,269
Fidelity Global EX US	1,841,774	26,411,043
Fidelity Intermediate Treasury	569,043	6,669,179
Fidelity Total Market Index	3,076,682	39,719,968
Fidelity Series All-Sector Equity	247,360	2,839,699
Fidelity Series Blue Chip Growth	279,654	4,689,802
Fidelity Series Bond Index Fund	4,136,714	44,593,775
Fidelity Series Canada	347,654	4,015,402
Fidelity Series Commodity Strategy	2,488,022	11,420,024
Fidelity Series Corporate Bond	23,724	271,407
Fidelity Series Emerging Markets	369,479	4,189,896
Fidelity Series Emerging Markets Debt	288,955	2,756,637
Fidelity Series Emerging Markets Debt Local Currency	80,854	874,845
Fidelity Series Emerging Markets Opportunity	1,489,007	37,165,609
Fidelity Series Floating Rate High Income	68,746	624,904
Fidelity Series Global EX US Index	415,100	6,048,005
Fidelity Series Government Bond Index	29,361	321,500
Fidelity Series Growth Company	492,713	11,219,081
Fidelity Series High Income	345,984	3,273,006
Fidelity Series Inflation-Protected Bond	5,243,778	56,265,742
Fidelity Series International Growth	672,969	11,965,395

## Delaware Qualified Tuition Savings Plan Trust

Notes to Financial Statements

December 31, 2020

### 3. Investments - Continued

	Units	Value
Fidelity Series International Index	6,317	\$ 71,324
Fidelity Series International Small Cap	190,154	3,903,865
Fidelity Series International Value	1,178,465	11,890,708
Fidelity Series Intrinsic Opportunities	628,820	11,601,723
Fidelity Series Investment Grade Bond	11,102,423	132,340,886
Fidelity Series Investment Grade Securitized	23,402	244,781
Fidelity Series Investment Money Market Government	93,388,106	93,388,106
Fidelity Series Large Cap Growth Index	11,594	181,211
Fidelity Series Large Cap Stock	627,307	10,319,208
Fidelity Series Large Cap Value Index	313,262	4,138,195
Fidelity Series Long-Term Treasury Bond	1,555,594	14,264,794
Fidelity Series Opportunistic Insights	288,010	5,832,206
Fidelity Series Overseas	960,575	11,911,134
Fidelity Series Real Estate Income	180,860	1,899,031
Fidelity Series Short-Term Credit	2,165,837	22,178,165
Fidelity Series Small Cap Discovery	101,967	1,266,423
Fidelity Series Small Cap Opportunities	265,868	4,261,869
Fidelity Series Stock Selector Large Cap Value	675,990	8,612,113
Fidelity Series Total Market Index	160,521	17,291,280
Fidelity Series Treasury Bill Index	2,325,048	23,250,478
Fidelity Series Value Discovery	471,369	6,754,724
Wells Fargo Bank FDIC Insured Deposit Account	11,556,161	11,556,161
		<u>\$ 728,620,210</u>

### Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

## Delaware Qualified Tuition Savings Plan Trust

---

Notes to Financial Statements

December 31, 2020

### 4. Fair Value Measurement - Continued

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

#### **Underlying Registered Investment Companies of the Portfolios**

Underlying registered investment companies of the Portfolios are valued at the daily closing price as reported by the fund. Mutual funds held in each portfolio are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds are deemed to be actively traded. The Portfolios are Level 2 investments comprised of mutual funds quoted in active markets as enumerated below. Those values constitute the significant other observable inputs at which the Portfolios are valued.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



## Delaware Qualified Tuition Savings Plan Trust

Notes to Financial Statements

December 31, 2020

### 4. Fair Value Measurement - Continued

#### Underlying Registered Investment Companies of the Portfolios - Continued

The following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value as of December 31:

	2020			Total
	Level 1	Level 2	Level 3	
Registered Investment Companies	\$ 635,232,104	\$ -	\$ -	\$ 635,232,104
Money Market Funds	93,388,106	-	-	93,388,106
Total Investments, at Fair Value	\$ 728,620,210	\$ -	\$ -	\$ 728,620,210

### 5. Investment Risk

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of fiduciary net position.

#### Credit Risk

Certain underlying investments invest in bonds issued by corporations and the U.S. government and its agencies and instrumentalities. The Plan may be indirectly exposed to credit risk, which is the risk that a bond issuer will fail to pay interest and principal when due as a result of adverse market or economic conditions. The underlying investments in which the Trust invests are not rated as to credit quality by a nationally recognized statistical rating organization.

#### Concentration of Credit Risk

This is the risk of loss attributed to a portfolio being exposed to securities of a single country, region, industry, structure, or size. Its performance may be unduly affected by factors common to the type of securities included.

## Delaware Qualified Tuition Savings Plan Trust

Notes to Financial Statements

December 31, 2020

### 5. Investment Risk - Continued

#### Interest Rate Risk

Interest rate risk is the risk that 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. As of December 31, 2020, the underlying mutual funds exposed to interest rate risk were as follows:

	<u>Value</u>	<u>Average Duration</u>
Fidelity Intermediate Treasury Bond	\$ 6,669,179	6.65 years
Fidelity Series Bond Index Fund	44,593,775	5.78 years
Fidelity Series Corporate Bond	271,407	8.28 years
Fidelity Series Emerging Markets Debt	2,756,637	5.89 years
Fidelity Series Emerging Markets Debt Local Currency	874,845	4.84 years
Fidelity Series Floating Rate High Income	624,904	0.16 years
Fidelity Series Government Bond Index	321,500	6.95 years
Fidelity Series High Income	3,273,006	3.25 years
Fidelity Series Inflation-Protected Bond	56,265,742	3.21 years
Fidelity Series Investment Grade Bond	132,340,886	5.92 years
Fidelity Series Investment Grade Securitized	244,781	1.72 years
Fidelity Series Long Term Treasury Bond	14,264,794	19.19 years
Fidelity Series Real Estate Income	1,899,031	2.85 years
Fidelity Series Short-Term Credit Bond	22,178,165	1.83 years
Fidelity Series Treasury Bill Index	23,250,478	0.26 years
	<u>\$ 309,829,130</u>	

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure, the portfolios' deposits and investments may not be returned. The portfolios' investments consist of shares in the underlying investments rather than individual securities and, therefore, are not exposed to custodial credit risk. The Trust's cash balance held by PNC was insured by the FDIC up to \$250,000 as of December 31, 2020. The uninsured balance of cash as of December 31, 2020, was \$1,296,452.

Investments are held in a trust account for the benefit of the Plan. As a result, the investments of the Plan are not exposed to custodial credit risk.

## Delaware Qualified Tuition Savings Plan Trust

Notes to Financial Statements

December 31, 2020

### 5. Investment Risk - Continued

#### Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The portfolios do not have any direct investment in foreign securities. Certain portfolios allocate assets to underlying mutual funds that are exposed to foreign currency risk. As of December 31, 2020, the value of investments in underlying mutual funds that invest in foreign denominated investments were as follows:

	<u>Value</u>
Fidelity Global EX US	\$ 26,411,043
Fidelity Series Canada	4,015,402
Fidelity Series Emerging Markets	4,189,896
Fidelity Series Emerging Markets Debt	2,756,637
Fidelity Series Emerging Markets Debt Local Currency	874,845
Fidelity Series Emerging Markets Opportunity	37,165,609
Fidelity Series Global EX US	26,411,043
Fidelity Series Global EX US Index	6,048,005
Fidelity Series International Growth	11,965,395
Fidelity Series International Index	71,324
Fidelity Series International Small Cap	3,903,865
Fidelity Series International Value	11,890,708
Fidelity Series Overseas	11,911,134
	<u>\$ 147,614,906</u>

### 6. Fees and Expenses

#### Fees

The Trustee has entered into a management and administrative services agreement with Fidelity Brokerage Services LLC (FBS) to provide administrative, recordkeeping, distribution, and marketing services to the Trust. According to this agreement and a related investment advisory agreement with Fidelity Management & Research Company LLC (FMRCo), an investment adviser registered under the Investment Advisers Act of 1940 that provides investment management services to the Trust, a management and administration fee is charged to the Portfolios at an annual rate based on the net assets of each Portfolio. The management and administration fee has up to four components: a program manager fee that is paid to FMRCo, a bank administration fee that is paid to FBS, a fee that is paid to the Trustee (a state fee), and a portfolio management fee that is paid to FMRCo.

## **Delaware Qualified Tuition Savings Plan Trust**

---

Notes to Financial Statements

December 31, 2020

### **6. Fees and Expenses - Continued**

#### **Fees - Continued**

For Fidelity Fund Portfolios that invest in underlying actively managed funds, the program manager fee is charged at an annual rate of .15%. For Fidelity Index Portfolios that invest in underlying index funds, the program manager fee is charged at an annual rate of .08%. For Fidelity Blend Portfolios that invest in a combination of actively managed funds and index funds, the program manager fee is charged at an annual rate of .10%. For the Delaware Bank Deposit Portfolio, the program manager fee is charged at an annual rate ranging from .00% to .05%, depending on the daily federal funds target rate.

The bank administration fee paid to Fidelity for its administration services in connection with the Delaware Bank Deposit Portfolio is charged at an annual rate ranging from .00% to .40%, depending on the daily federal funds target rate. The bank administration fee is charged only to the Bank Deposit Portfolio.

For Fidelity Funds Portfolios that invest in underlying actively managed funds, the state fee is charged at an annual rate of .05%. For Fidelity Index Portfolios that invest in underlying index funds, the state fee is charged at an annual rate of .01%. For Fidelity Blend Portfolios that invest in a combination of actively managed funds and index funds, the state fee is charged at an annual rate of .04%. For the Delaware Bank Deposit Portfolio, the state fee is charged at an annual rate of .05%.

For Fidelity Fund Portfolios that invest in underlying actively managed funds, the portfolio management fee ranges from .30% to .79%. For Fidelity Index Portfolios that invest in underlying index funds, the portfolio management fee ranges from .02% to .0%. For Fidelity Blend Portfolios that invest in a combination of actively managed funds and index funds, the portfolio management fee ranges from .28% to .49%. The portfolio management fee for age-based Fidelity Fund portfolios and Fidelity Blend portfolios is reduced annually until the portfolio's asset allocation aligns and merges with the college portfolio.

### **7. Related-Party Transactions**

Two State of Delaware employees are required to serve on the Plan's Management Board.

Four members of the public are required to serve on the Plan's Management Board.

Employees of the State of Delaware, Office of State Treasurer, and Plans Management Board may participate in the Plan.

### **8. Income Taxes**

The Plan has been designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the IRC and is exempt from federal and state income tax. Therefore, no provision for income tax is required.

## **Delaware Qualified Tuition Savings Plan Trust**

---

Notes to Financial Statements

December 31, 2020

### **8. Income Taxes - Continued**

Account owners may request withdrawals for qualified or nonqualified expenses. It is the responsibility of the account owner to determine whether the withdrawal is for qualified or nonqualified purposes and to calculate the applicable amount of federal or state tax or penalties for withdrawals, if any.

## **SUPPLEMENTAL INFORMATION**

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio**  
**December 31, 2020**

	<b>Age-Based Fidelity Funds Portfolios</b>				
	<b>Delaware College Portfolio</b>	<b>Delaware Portfolio 2021</b>	<b>Delaware Portfolio 2024</b>	<b>Delaware Portfolio 2027</b>	<b>Delaware Portfolio 2030</b>
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	137,644,487	131,152,509	74,805,044	36,535,081	21,739,739
Receivables					
Capital Shares	16,258	72,905	29,532	7,747	9,564
Securities Sold	995,244	1,424,755	1,024,283	513,047	304,068
Accrued Dividends	116,334	105,276	60,295	24,666	11,781
Total Receivables	1,127,836	1,602,936	1,114,110	545,460	325,413
Total Assets	138,772,323	132,755,445	75,919,154	37,080,541	22,065,152
<b>Liabilities</b>					
Capital Shares Payable	355,685	36,309	21,236	6,001	4,996
Securities Purchased Payable	772,170	1,566,617	1,092,864	539,454	320,410
Administrative and Management Fee Payable	74,952	75,514	46,189	24,011	15,145
Total Liabilities	1,202,807	1,678,440	1,160,289	569,466	340,551
<b>Net Position</b>	<u>\$ 137,569,516</u>	<u>\$ 131,077,005</u>	<u>\$ 74,758,865</u>	<u>\$ 36,511,075</u>	<u>\$ 21,724,601</u>
<b>Unit Information</b>					
Units Outstanding	5,509,662	4,840,267	2,932,517	1,742,619	891,652
Net Position Value per Unit, Ending	<u>\$ 24.97</u>	<u>\$ 27.08</u>	<u>\$ 25.49</u>	<u>\$ 20.95</u>	<u>\$ 24.36</u>

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Funds Portfolios</b>			
	<b>Delaware Portfolio 2033</b>	<b>Delaware Portfolio 2036</b>	<b>Delaware Portfolio 2039</b>	<b>Total Age-Based Fidelity Fund Portfolios</b>
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	10,057,191	5,166,421	682,240	417,782,712
Receivables				
Capital Shares	50,338	49,052	6,325	241,721
Securities Sold	108,038	29,677	1,727	4,400,839
Accrued Dividends	4,191	978	21	323,542
Total Receivables	162,567	79,707	8,073	4,966,102
Total Assets	10,219,758	5,246,128	690,313	422,748,814
<b>Liabilities</b>				
Capital Shares Payable	14,253	-	-	438,480
Securities Purchased Payable	148,314	79,707	8,073	4,527,609
Administrative and Management Fee Payable	7,313	3,880	483	247,487
Total Liabilities	169,880	83,587	8,556	5,213,576
<b>Net Position</b>	\$ 10,049,878	\$ 5,162,541	\$ 681,757	\$ 417,535,238
<b>Unit Information</b>				
Units Outstanding	523,275	304,179	57,393	
Net Position Value per Unit, Ending	\$ 19.21	\$ 16.97	\$ 11.88	



**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Index Funds Portfolios</b>				
	<b>Delaware College Portfolio</b>	<b>Delaware Portfolio 2021</b>	<b>Delaware Portfolio 2024</b>	<b>Delaware Portfolio 2027</b>	<b>Delaware Portfolio 2030</b>
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	16,576,731	22,016,832	26,542,211	21,402,353	11,074,181
Receivables					
Capital Shares	7,004	5,500	735	3,013	7,445
Securities Sold	105,297	224,997	353,479	295,518	150,144
Accrued Dividends	10,924	14,206	18,298	12,637	5,566
Total Receivables	123,225	244,703	372,512	311,168	163,155
Total Assets	16,699,956	22,261,535	26,914,723	21,713,521	11,237,336
<b>Liabilities</b>					
Capital Shares Payable	58,871	19,246	15,208	4,496	-
Securities Purchased Payable	64,356	225,452	357,284	306,665	163,152
Administrative and Management Fee Payable	2,037	2,601	3,115	2,474	1,290
Total Liabilities	125,264	247,299	375,607	313,635	164,442
<b>Net Position</b>	\$ 16,574,692	\$ 22,014,236	\$ 26,539,116	\$ 21,399,886	\$ 11,072,894
<b>Unit Information</b>					
Units Outstanding	950,502	1,097,319	1,213,159	998,877	449,765
Net Position Value per Unit, Ending	\$ 17.44	\$ 20.06	\$ 21.88	\$ 21.42	\$ 24.62

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Index Funds Portfolios</b>			
	<b>Delaware Portfolio 2033</b>	<b>Delaware Portfolio 2036</b>	<b>Delaware Portfolio 2039</b>	<b>Total Age-Based Fidelity Index Fund Portfolios</b>
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	8,724,495	4,308,164	547,093	111,192,060
Receivables				
Capital Shares	5,940	7,173	-	36,810
Securities Sold	101,622	33,038	1,663	1,265,758
Accrued Dividends	3,582	971	25	66,209
Total Receivables	111,144	41,182	1,688	1,368,777
Total Assets	8,835,639	4,349,346	548,781	112,560,837
<b>Liabilities</b>				
Capital Shares Payable	-	-	-	97,821
Securities Purchased Payable	111,142	41,180	1,688	1,270,919
Administrative and Management Fee Payable	1,012	493	37	13,059
Total Liabilities	112,154	41,673	1,725	1,381,799
<b>Net Position</b>	\$ 8,723,485	\$ 4,307,673	\$ 547,056	\$ 111,179,038
<b>Unit Information</b>				
Units Outstanding	470,810	263,601	46,605	
Net Position Value per Unit, Ending	\$ 18.53	\$ 16.34	\$ 11.74	

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Blend Funds Portfolios</b>				
	<b>Delaware College Portfolio</b>	<b>Delaware Portfolio 2021</b>	<b>Delaware Portfolio 2024</b>	<b>Delaware Portfolio 2027</b>	<b>Delaware Portfolio 2030</b>
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	556,270	754,978	977,733	761,025	361,084
Receivables					
Capital Shares	2,100	5,000	123	126,415	60,175
Securities Sold	3,257	7,191	13,742	-	-
Accrued Dividends	374	327	683	365	133
Total Receivables	5,731	12,518	14,548	126,780	60,308
Total Assets	562,001	767,496	992,281	887,805	421,392
<b>Liabilities</b>					
Capital Shares Payable	-	-	-	-	-
Securities Purchased Payable	5,729	12,518	14,546	126,780	60,308
Administrative and Management Fee Payable	191	178	395	265	123
Total Liabilities	5,920	12,696	14,941	127,045	60,431
<b>Net Position</b>	\$ 556,081	\$ 754,800	\$ 977,340	\$ 760,760	\$ 360,961
<b>Unit Information</b>					
Units Outstanding	50,761	68,049	84,668	63,508	29,434
Net Position Value per Unit, Ending	\$ 10.95	\$ 11.09	\$ 11.54	\$ 11.98	\$ 12.26

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Blend Funds Portfolios</b>			
	<b>Delaware Portfolio 2033</b>	<b>Delaware Portfolio 2036</b>	<b>Delaware Portfolio 2039</b>	<b>Total Age-Based Fidelity Blend Fund Portfolios</b>
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	431,904	1,096,749	299,810	5,239,553
Receivables				
Capital Shares	1,550	32,751	3,401	231,515
Securities Sold	4,949	-	722	29,861
Accrued Dividends	159	131	10	2,182
Total Receivables	6,658	32,882	4,133	263,558
Total Assets	438,562	1,129,631	303,943	5,503,111
<b>Liabilities</b>				
Capital Shares Payable	-	-	-	-
Securities Purchased Payable	6,657	31,230	4,133	261,901
Administrative and Management Fee Payable	197	356	140	1,845
Total Liabilities	6,854	31,586	4,273	263,746
<b>Net Position</b>	\$ 431,708	\$ 1,098,045	\$ 299,670	\$ 5,239,365
<b>Unit Information</b>				
Units Outstanding	34,214	84,912	25,241	
Net Position Value per Unit, Ending	\$ 12.62	\$ 12.93	\$ 11.87	

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Target Risk Fidelity Funds Portfolios</b>			
	<b>Delaware Conservative Growth Portfolio</b>	<b>Delaware Moderate Growth Portfolio</b>	<b>Delaware Aggressive Growth Portfolio</b>	<b>Total Target Risk Fidelity Fund Portfolios</b>
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	7,573,507	18,303,162	35,350,398	61,227,067
Receivables				
Capital Shares	41	2,939	13,963	16,943
Securities Sold	19,220	184,668	229,748	433,636
Accrued Dividends	6,432	8,363	-	14,795
Total Receivables	25,693	195,970	243,711	465,374
Total Assets	7,599,200	18,499,132	35,594,109	61,692,441
<b>Liabilities</b>				
Capital Shares Payable	15,034	7,848	16,648	39,530
Securities Purchased Payable	10,657	188,119	227,059	425,835
Administrative and Management Fee Payable	3,164	13,361	29,003	45,528
Total Liabilities	28,855	209,328	272,710	510,893
<b>Net Position</b>	\$ 7,570,345	\$ 18,289,804	\$ 35,321,399	\$ 61,181,548
<b>Unit Information</b>				
Units Outstanding	439,004	540,257	1,031,207	
Net Position Value per Unit, Ending	\$ 17.24	\$ 33.85	\$ 34.25	

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Target Risk Fidelity Index Funds Portfolios</b>			
	<b>Delaware Conservative Growth Portfolio</b>	<b>Delaware Moderate Growth Portfolio</b>	<b>Delaware Aggressive Growth Portfolio</b>	<b>Total Target Risk Fidelity Index Fund Portfolios</b>
<b>Assets</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	6,574,639	12,275,083	16,637,565	35,487,287
Receivables				
Capital Shares	425	19,608	7,035	27,068
Securities Sold	6,090	117,947	50,881	174,918
Accrued Dividends	3,978	4,925	-	8,903
Total Receivables	10,493	142,480	57,916	210,889
Total Assets	6,585,132	12,417,563	16,695,481	35,698,176
<b>Liabilities</b>				
Capital Shares Payable	2,642	30,335	21,514	54,491
Securities Purchased Payable	7,851	105,762	36,405	150,018
Administrative and Management Fee Payable	755	1,333	1,803	3,891
Total Liabilities	11,248	137,430	59,722	208,400
<b>Net Position</b>	\$ 6,573,884	\$ 12,280,133	\$ 16,635,759	\$ 35,489,776
<b>Unit Information</b>				
Units Outstanding	444,465	461,632	586,230	
Net Position Value per Unit, Ending	\$ 14.79	\$ 26.60	\$ 28.38	

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Individual Funds Portfolios</b>				
	<b>Delaware Money Market Portfolio</b>	<b>Delaware Intermediate Treasury Index Portfolio</b>	<b>Delaware International Index Portfolio</b>	<b>Delaware Fidelity 500 Index Portfolio</b>	<b>Delaware Total Market Index Portfolio</b>
<b>Assets</b>					
Cash	\$ 4,024	\$ -	\$ -	\$ -	\$ -
Investments, at Fair Value	20,560,269	6,669,179	6,048,005	35,566,637	17,291,280
Receivables					
Capital Shares	30,250	313	37,775	6,793	3,200
Securities Sold	19,813	43,906	-	7,934	26,378
Accrued Dividends	184	6,832	-	-	-
Total Receivables	50,247	51,051	37,775	14,727	29,578
Total Assets	20,614,540	6,720,230	6,085,780	35,581,364	17,320,858
<b>Liabilities</b>					
Capital Shares Payable	50,064	44,222	9,741	14,726	29,578
Securities Purchased Payable	184	6,827	28,029	-	-
Administrative and Management Fee Payable	3,674	513	433	2,627	1,283
Total Liabilities	53,922	51,562	38,203	17,353	30,861
<b>Net Position</b>	<u>\$ 20,560,618</u>	<u>\$ 6,668,668</u>	<u>\$ 6,047,577</u>	<u>\$ 35,564,011</u>	<u>\$ 17,289,997</u>
<b>Unit Information</b>					
Units Outstanding	1,826,288	352,545	375,042	996,625	470,542
Net Position Value per Unit, Ending	<u>\$ 11.26</u>	<u>\$ 18.92</u>	<u>\$ 16.13</u>	<u>\$ 35.68</u>	<u>\$ 36.74</u>

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<u>Individual Funds</u>			
	<u>Total Individual Fund Portfolios</u>	<u>Interest -Bearing Bank Deposit Fund</u>	<u>Administrative Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash	\$ 4,024	\$ 31	\$ 1,546,452	\$ 1,550,507
Investments, at Fair Value	86,135,370	11,556,161	-	728,620,210
Receivables				
Capital Shares	78,331	5	-	632,393
Securities Sold	98,031	17,725	-	6,420,768
Accrued Dividends	7,016	1,409	-	424,056
Total Receivables	183,378	19,139	-	7,477,217
Total Assets	86,322,772	11,575,331	1,546,452	737,647,934
<b>Liabilities</b>				
Capital Shares Payable	148,331	17,730	-	796,383
Securities Purchased Payable	35,040	1,409	-	6,672,731
Administrative and Management Fee Payable	8,530	505	83,888	404,733
Total Liabilities	191,901	19,644	83,888	7,873,847
<b>Net Position</b>	<u>\$ 86,130,871</u>	<u>\$ 11,555,687</u>	<u>\$ 1,462,564</u>	<u>\$ 729,774,087</u>
<b>Unit Information</b>				
Units Outstanding		1,101,675		
Net Position Value per Unit, Ending		<u>\$ 10.49</u>		



**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio**  
**December 31, 2020**

	<b>Age-Based Fidelity Funds Portfolios</b>				
	<b>Delaware College Portfolio</b>	<b>Delaware Portfolio 2021</b>	<b>Delaware Portfolio 2024</b>	<b>Delaware Portfolio 2027</b>	<b>Delaware Portfolio 2030</b>
<b>Additions</b>					
Subscriptions	\$ 11,091,039	\$ 7,980,847	\$ 4,612,344	\$ 3,104,140	\$ 2,259,017
Investment Income					
Net Increase in Fair Value of Investments	5,948,052	5,499,459	4,012,471	2,375,549	1,619,906
Interest and Dividends	5,274,909	5,044,404	3,605,027	1,964,898	1,288,200
Less: Investment Expenses	(938,195)	(867,553)	(499,862)	(251,315)	(152,233)
Net Investment Income	10,284,766	9,676,310	7,117,636	4,089,132	2,755,873
Other Income	-	-	-	-	-
Total Additions	21,375,805	17,657,157	11,729,980	7,193,272	5,014,890
<b>Deductions</b>					
Redemptions	47,956,526	14,954,055	3,583,930	1,327,953	467,252
Administrative Expenses	-	-	-	-	-
Total Deductions	47,956,526	14,954,055	3,583,930	1,327,953	467,252
Net Increase (Decrease) in Net Position	(26,580,721)	2,703,102	8,146,050	5,865,319	4,547,638
<b>Net Position, Beginning of Year</b>	164,150,237	128,373,903	66,612,815	30,645,756	17,176,963
<b>Net Position, End of Year</b>	\$ 137,569,516	\$ 131,077,005	\$ 74,758,865	\$ 36,511,075	\$ 21,724,601

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Funds Portfolios</b>			
	<b>Delaware Portfolio 2033</b>	<b>Delaware Portfolio 2036</b>	<b>Delaware Portfolio 2039</b>	<b>Total Age-Based Fidelity Fund Portfolios</b>
<b>Additions</b>				
Subscriptions	\$ 1,896,622	\$ 1,881,758	\$ 595,145	\$ 33,420,912
Investment Income				
Net Increase in Fair Value of				
Investments	858,666	505,742	68,023	20,887,868
Interest and Dividends	641,995	337,706	38,712	18,195,851
Less: Investment Expenses	(70,318)	(35,023)	(2,306)	(2,816,805)
Net Investment Income	1,430,343	808,425	104,429	36,266,914
Other Income	-	-	-	-
Total Additions	3,326,965	2,690,183	699,574	69,687,826
<b>Deductions</b>				
Redemptions	441,875	640,821	18,814	69,391,226
Administrative Expenses	-	-	-	-
Total Deductions	441,875	640,821	18,814	69,391,226
Net Increase (Decrease) in Net Position	2,885,090	2,049,362	680,760	296,600
<b>Net Position, Beginning of Year</b>	7,164,788	3,113,179	997	417,238,638
<b>Net Position, End of Year</b>	\$ 10,049,878	\$ 5,162,541	\$ 681,757	\$ 417,535,238

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Index Funds Portfolios</b>				
	<b>Delaware College Portfolio</b>	<b>Delaware Portfolio 2021</b>	<b>Delaware Portfolio 2024</b>	<b>Delaware Portfolio 2027</b>	<b>Delaware Portfolio 2030</b>
<b>Additions</b>					
Subscriptions	\$ 3,396,854	\$ 2,996,370	\$ 3,590,101	\$ 2,694,756	\$ 1,414,660
Investment Income					
Net Increase in Fair Value of Investments	873,409	1,083,951	1,871,943	1,787,998	1,094,102
Interest and Dividends	388,871	488,531	633,520	496,646	254,056
Less: Investment Expenses	(24,164)	(29,120)	(34,132)	(26,257)	(13,103)
Net Investment Income	1,238,116	1,543,362	2,471,331	2,258,387	1,335,055
Other Income	-	-	-	-	-
Total Additions	4,634,970	4,539,732	6,061,432	4,953,143	2,749,715
<b>Deductions</b>					
Redemptions	5,438,527	3,136,183	2,641,309	1,593,742	331,271
Administrative Expenses	-	-	-	-	-
Total Deductions	5,438,527	3,136,183	2,641,309	1,593,742	331,271
Net Increase (Decrease) in Net Position	(803,557)	1,403,549	3,420,123	3,359,401	2,418,444
<b>Net Position, Beginning of Year</b>	17,378,249	20,610,687	23,118,993	18,040,485	8,654,450
<b>Net Position, End of Year</b>	\$ 16,574,692	\$ 22,014,236	\$ 26,539,116	\$ 21,399,886	\$ 11,072,894

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Index Funds Portfolios</b>			
	<b>Delaware Portfolio 2033</b>	<b>Delaware Portfolio 2036</b>	<b>Delaware Portfolio 2039</b>	<b>Total Age-Based Fidelity Index Fund Portfolios</b>
<b>Additions</b>				
Subscriptions	\$ 1,371,881	\$ 1,397,959	\$ 496,372	\$ 17,358,953
Investment Income				
Net Increase in Fair Value of Investments	934,572	528,782	49,398	8,224,155
Interest and Dividends	197,075	88,650	5,446	2,552,795
Less: Investment Expenses	(9,960)	(4,444)	(176)	(141,356)
Net Investment Income	1,121,687	612,988	54,668	10,635,594
Other Income	-	-	-	-
Total Additions	2,493,568	2,010,947	551,040	27,994,547
<b>Deductions</b>				
Redemptions	393,821	144,843	4,981	13,684,677
Administrative Expenses	-	-	-	-
Total Deductions	393,821	144,843	4,981	13,684,677
Net Increase (Decrease) in Net Position	2,099,747	1,866,104	546,059	14,309,870
<b>Net Position, Beginning of Year</b>	6,623,738	2,441,569	997	96,869,168
<b>Net Position, End of Year</b>	\$ 8,723,485	\$ 4,307,673	\$ 547,056	\$ 111,179,038

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Blend Funds Portfolios</b>				
	<b>Delaware College Portfolio</b>	<b>Delaware Portfolio 2021</b>	<b>Delaware Portfolio 2024</b>	<b>Delaware Portfolio 2027</b>	<b>Delaware Portfolio 2030</b>
<b>Additions</b>					
Subscriptions	\$ 811,449	\$ 835,493	\$ 493,513	\$ 676,371	\$ 248,062
Investment Income					
Net Increase in Fair Value of Investments	24,637	31,579	52,152	65,639	20,881
Interest and Dividends	13,601	13,363	35,267	25,466	12,654
Less: Investment Expenses	(1,631)	(1,484)	(3,191)	(1,838)	(928)
Net Investment Income	36,607	43,458	84,228	89,267	32,607
Other Income	-	-	-	-	-
Total Additions	848,056	878,951	577,741	765,638	280,669
<b>Deductions</b>					
Redemptions	308,096	147,703	6,470	13,234	2,707
Administrative Expenses	-	-	-	-	-
Total Deductions	308,096	147,703	6,470	13,234	2,707
Net Increase (Decrease) in Net Position	539,960	731,248	571,271	752,404	277,962
<b>Net Position, Beginning of Year</b>	16,121	23,552	406,069	8,356	82,999
<b>Net Position, End of Year</b>	\$ 556,081	\$ 754,800	\$ 977,340	\$ 760,760	\$ 360,961

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Age-Based Fidelity Blend Funds Portfolios</b>			
	<b>Delaware Portfolio 2033</b>	<b>Delaware Portfolio 2036</b>	<b>Delaware Portfolio 2039</b>	<b>Total Age-Based Fidelity Blend Fund Portfolios</b>
<b>Additions</b>				
Subscriptions	\$ 241,845	\$ 860,284	\$ 275,458	\$ 4,442,475
Investment Income				
Net Increase in Fair Value of				
Investments	47,067	77,104	18,066	337,125
Interest and Dividends	22,454	42,202	13,273	178,280
Less: Investment Expenses	(1,532)	(2,545)	(401)	(13,550)
Net Investment Income	67,989	116,761	30,938	501,855
Other Income	-	-	-	-
Total Additions	309,834	977,045	306,396	4,944,330
<b>Deductions</b>				
Redemptions	9,683	19,526	7,722	515,141
Administrative Expenses	-	-	-	-
Total Deductions	9,683	19,526	7,722	515,141
Net Increase (Decrease) in Net Position	300,151	957,519	298,674	4,429,189
<b>Net Position, Beginning of Year</b>	131,557	140,526	996	810,176
<b>Net Position, End of Year</b>	\$ 431,708	\$ 1,098,045	\$ 299,670	\$ 5,239,365

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Target Risk Fidelity Funds Portfolios</b>			
	<b>Delaware Conservative Growth Portfolio</b>	<b>Delaware Moderate Growth Portfolio</b>	<b>Delaware Aggressive Growth Portfolio</b>	<b>Total Target Risk Fidelity Fund Portfolios</b>
<b>Additions</b>				
Subscriptions	\$ 1,778,159	\$ 1,877,651	\$ 4,674,635	\$ 8,330,445
Investment Income				
Net Increase in Fair Value of				
Investments	156,128	1,443,299	3,320,828	4,920,255
Interest and Dividends	214,483	1,255,579	2,671,636	4,141,698
Less: Investment Expenses	(37,792)	(144,014)	(308,457)	(490,263)
Net Investment Income	332,819	2,554,864	5,684,007	8,571,690
Other Income	-	-	-	-
Total Additions	2,110,978	4,432,515	10,358,642	16,902,135
<b>Deductions</b>				
Redemptions	2,127,893	4,085,870	10,862,604	17,076,367
Administrative Expenses	-	-	-	-
Total Deductions	2,127,893	4,085,870	10,862,604	17,076,367
Net Increase (Decrease) in Net Position	(16,915)	346,645	(503,962)	(174,232)
<b>Net Position, Beginning of Year</b>	7,587,260	17,943,159	35,825,361	61,355,780
<b>Net Position, End of Year</b>	\$ 7,570,345	\$ 18,289,804	\$ 35,321,399	\$ 61,181,548

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Target Risk Fidelity Index Funds Portfolios</b>			
	<b>Delaware Conservative Growth Portfolio</b>	<b>Delaware Moderate Growth Portfolio</b>	<b>Delaware Aggressive Growth Portfolio</b>	<b>Total Target Risk Fidelity Index Fund Portfolios</b>
<b>Additions</b>				
Subscriptions	\$ 4,043,688	\$ 3,329,948	\$ 2,810,501	\$ 10,184,137
Investment Income				
Net Increase in Fair Value of Investments	104,860	1,235,348	2,243,899	3,584,107
Interest and Dividends	125,821	281,985	305,310	713,116
Less: Investment Expenses	(8,149)	(13,296)	(18,737)	(40,182)
Net Investment Income	222,532	1,504,037	2,530,472	4,257,041
Other Income	-	-	-	-
Total Additions	4,266,220	4,833,985	5,340,973	14,441,178
<b>Deductions</b>				
Redemptions	1,889,276	3,804,268	3,754,517	9,448,061
Administrative Expenses	-	-	-	-
Total Deductions	1,889,276	3,804,268	3,754,517	9,448,061
Net Increase (Decrease) in Net Position	2,376,944	1,029,717	1,586,456	4,993,117
<b>Net Position, Beginning of Year</b>	4,196,940	11,250,416	15,049,303	30,496,659
<b>Net Position, End of Year</b>	\$ 6,573,884	\$ 12,280,133	\$ 16,635,759	\$ 35,489,776



**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<b>Individual Funds Portfolios</b>				
	<b>Delaware Money Market Portfolio</b>	<b>Delaware Intermediate Treasury Index Portfolio</b>	<b>Delaware International Index Portfolio</b>	<b>Delaware Fidelity 500 Index Portfolio</b>	<b>Delaware Total Market Index Portfolio</b>
<b>Additions</b>					
Subscriptions	\$ 16,398,725	\$ 4,829,497	\$ 1,253,612	\$ 9,931,586	\$ 4,836,203
Investment Income					
Net Increase in Fair Value of Investments	-	281,131	381,437	4,836,132	2,562,454
Interest and Dividends	41,232	203,019	96,886	535,119	245,077
Less: Investment Expenses	(8,154)	(5,855)	(4,846)	(25,560)	(12,718)
Net Investment Income	33,078	478,295	473,477	5,345,691	2,794,813
Other Income	-	-	-	-	-
Total Additions	16,431,803	5,307,792	1,727,089	15,277,277	7,631,016
<b>Deductions</b>					
Redemptions	10,345,535	3,532,251	1,868,176	7,473,529	4,612,291
Administrative Expenses	-	-	-	-	-
Total Deductions	10,345,535	3,532,251	1,868,176	7,473,529	4,612,291
Net Increase (Decrease) in Net Position	6,086,268	1,775,541	(141,087)	7,803,748	3,018,725
<b>Net Position, Beginning of Year</b>	14,474,350	4,893,127	6,188,664	27,760,263	14,271,272
<b>Net Position, End of Year</b>	\$ 20,560,618	\$ 6,668,668	\$ 6,047,577	\$ 35,564,011	\$ 17,289,997

**Delaware Qualified Tuition Savings Plan Trust**  
**Statements of Changes in Fiduciary Net Position by Portfolio - Continued**  
**December 31, 2020**

	<u>Individual Funds</u>			
	<u>Total Individual Fund Portfolios</u>	<u>Interest -Bearing Bank Deposit Fund</u>	<u>Administrative Fund</u>	<u>Total</u>
<b>Additions</b>				
Subscriptions	\$ 37,249,623	\$ 9,023,315	\$ -	\$ 120,009,860
Investment Income				
Net Increase in Fair Value of Investments	8,061,154	-	-	46,014,664
Interest and Dividends	1,121,333	45,191	-	26,948,264
Less: Investment Expenses	(57,133)	(15,275)	-	(3,574,564)
Net Investment Income	9,125,354	29,916	-	69,388,364
Other Income	-	-	294,338	294,338
Total Additions	46,374,977	9,053,231	294,338	189,692,562
<b>Deductions</b>				
Redemptions	27,831,782	7,474,736	-	145,421,990
Administrative Expenses	-	417,149	-	417,149
Total Deductions	27,831,782	7,891,885	-	145,421,990
Net Increase (Decrease) in Net Position	18,543,195	1,161,346	294,338	43,853,423
<b>Net Position, Beginning of Year</b>	67,587,676	9,977,192	1,585,375	685,920,664
<b>Net Position, End of Year</b>	\$ 86,130,871	\$ 11,138,538	\$ 1,879,713	\$ 729,774,087



BELFINT • LYONS • SHUMAN  
Certified Public Accountants

[www.belfint.com](http://www.belfint.com)

---

***Independent Auditors' 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 State of Delaware Plans Management Board  
Trustee of the Delaware Qualified Tuition Savings Plan Trust  
Dover, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Delaware Qualified Tuition Savings Plan Trust as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Delaware Qualified Tuition Savings Plan Trust's basic financial statements, and have issued our report thereon dated June 11, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audits of the financial statements, we considered the Delaware Qualified Tuition Savings Plan Trust's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Delaware Qualified Tuition Savings Plan Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Delaware Qualified Tuition 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 Plan'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.

To the State of Delaware Plans Management Board  
Trustee of the Delaware Qualified Tuition Savings Plan Trust  
Dover, Delaware

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Delaware Qualified Tuition 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 agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Belfint, Lyons & Shuman, P.A.*

June 11, 2021  
Wilmington, Delaware