



**West Virginia College Prepaid Tuition and Savings Program**  
*The Office of West Virginia State Treasurer John D. Perdue*

**Comprehensive Annual Financial Report**  
*Fiscal Year Ended June 30, 2016*



Cover photograph by Alison Adkins Photography

**State of West Virginia**  
**Office of the State Treasurer**  
**West Virginia College Prepaid Tuition and**  
**Savings Program**  
*A Program of the State of West Virginia*

**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**



**John D. Perdue**  
State Treasurer

**Tazuer Smith**  
Deputy Treasurer  
West Virginia College Prepaid Tuition and Savings Program

**David S. Thomas, CPA**  
Financial Director  
West Virginia College Prepaid Tuition and Savings Program

**Prepared by the Office of the Financial Director**

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The mission of the Prepaid College Plan is to offer a simple, convenient, safe and efficient college savings program that will:

- Make a college education more accessible and affordable to more West Virginians
- Encourage more families to save ahead for the costs of college
- Promote attendance at West Virginia's public and private institutions of higher learning
- Establish college attendance as the norm for more of West Virginia's youth
- Express the quality, user-friendliness, professionalism and innovation inherent in the Treasurer's Office.

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## State of West Virginia

OFFICE OF THE STATE TREASURER

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JOHN D. PERDUE  
STATE TREASURER

JOSH STOWERS  
ASSISTANT STATE TREASURER

The Honorable Members of the Legislature  
The Members of the Board of Trustees of the  
West Virginia College Prepaid Tuition and Savings Program  
The Prepaid Tuition Plan Contract Holders  
The Savings Plan Participants  
Citizens of West Virginia:

I am pleased to provide you with the Comprehensive Annual Financial Report (the "CAFR") of the West Virginia College Prepaid Tuition and Savings Program for the year ended June 30, 2016. The financial statements contained herein have been audited by an independent certified public accounting firm.

The CAFR exemplifies the Office of the State Treasurer's commitment to financial accountability and adheres to nationally recognized standards. The Program is committed to providing a safe and secure means for making college costs affordable. The CAFR is designed to provide the reader with clear, concise and complete financial data.

This report is made possible through the efforts of many people throughout the Treasurer's Office dedicated to providing reliable and credible financial information in conformity with accounting principles generally accepted in the United States. Their commitment and dedication to national reporting standards have resulted in the Program's achievement of a high level of financial accountability.

Sincerely,

A handwritten signature in blue ink that reads "John D. Perdue". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John D. Perdue

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# **West Virginia College Prepaid Tuition and Savings Program**

## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016**

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# Introductory Section

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Letter of Transmittal

Certificate of Achievement  
for Excellence in Financial  
Reporting

Organizational Chart

Principal Officials

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November 10, 2016

Honorable John D. Perdue, State Treasurer  
Office of the State Treasurer

Honorable Members of the West Virginia Legislature

Board of Trustees  
West Virginia College Prepaid Tuition and Savings Program

Contract Holders of the Prepaid Tuition Plan

Participants in the Savings Plan

Citizens of West Virginia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (“CAFR”) of the West Virginia College Prepaid Tuition and Savings Program (the “Program”) for the year ended June 30, 2016, is hereby respectfully submitted. This report was prepared by the Office of the Financial Director of the Program. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the Program. We believe the information, as presented, is accurate in all material respects, and that it is presented in a manner designed to fairly set forth the financial position of the enterprise funds and fiduciary fund of the Program and the respective changes in financial position and cash flows where applicable. All disclosures necessary to enable the reader to gain an understanding of the Program’s financial activities have been included.

Management is responsible for establishing and maintaining internal control designed to ensure that the assets of the Program are protected from loss, theft or misuse and that the preparation of the financial statements is in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from it, and (2) the valuation

of costs and benefits requires estimates and judgments by management. Management of the Program has established a comprehensive internal control framework that is designed to provide a reasonable basis for making representations concerning the finances of the Program. Because the cost of internal control should not outweigh its benefits, the Program's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Program's MD&A can be found immediately following the report of the independent auditors in the financial section of this report.

### ***Actuarial Soundness Review***

The Program's Prepaid Tuition Plan is required by Chapter 18, Article 30 of the West Virginia Code to have an annual actuarial soundness review performed by a qualified actuary. The firm Sherman Actuarial Services performed the review as of June 30, 2016. The report is available for public distribution and may be obtained from the Program.

### ***Audit***

The Program is required by Chapter 18, Article 30 of the West Virginia Code to have an annual audit by an independent certified public accounting firm. The firm of Gibbons & Kawash, A.C. performed the financial statement audit as of and for the fiscal year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America. The auditors' report on the Program's financial statements is included in the financial section of this report.

### **Profile of the Program**

The Program operates under the West Virginia State Code Chapter 18, Article 30, West Virginia College Prepaid Tuition and Savings Program Act. This Act was formerly known as the West Virginia Prepaid Tuition Trust Act until amended by the West Virginia Legislature on April 12, 2001. The State Treasurer under the direction of the nine-member West Virginia College Prepaid Tuition and Savings Program Board of Trustees (the "Board") administers the Program.

The purpose of the Program is to offer a Prepaid Tuition Trust Fund (the "Prepaid Tuition Plan") that provides individuals and organizations the opportunity to prepay tomorrow's college tuition and mandatory fees at West Virginia public and private colleges and universities, and to offer a Savings Plan Trust Fund (the "Savings Plan") that provides a means of saving to pay for the variety of costs of attending college.

The Program began operating its Prepaid Tuition Plan in July 1997 with the initial enrollment period commencing on October 1, 1998 and ending January 31, 1999. Approximately 9,730 Prepaid Tuition Plan contracts have been sold. The Savings Plan opened in March 2002. More than 177,000 Savings Plan accounts have been opened since inception through June 30, 2016.

As discussed in Note 10 in the Notes to Financial Statements, the West Virginia Legislature closed the Prepaid Tuition Plan to new enrollment effective March 8, 2003. Under State Code §18-30-6 (g), the Prepaid Tuition Plan will continue in existence, and closing the plan to new contracts shall not affect any contracts in effect on March 8, 2003. No Prepaid Tuition Plan contracts were sold in the year ended June 30, 2016. Also discussed in Note 10, the Board voted in fiscal year 2015 to close the Prepaid Tuition Plan on June 30, 2022. All funds remaining in the Prepaid Tuition Plan will be distributed to holders of accounts that are still open at that time.

The Program's Board selected Hartford Life Insurance Company ("Hartford Life") to provide records administration, cash management, and customer service for both plans, and investment management services for the Savings Plan. Both plans are known collectively as SMART529™ The College Savings Solution. The Program is an Internal Revenue Service Section 529 Qualified State Tuition Program. A more detailed description of the Program can be found in Note 1 in the Notes to Financial Statements in the financial section of this CAFR.

Revenues of the Prepaid Tuition Plan are recognized primarily from the present value of prepaid tuition contracts and from investment earnings. Expenses of the Prepaid Tuition Plan are for tuition contract benefits and for general and administrative operating activities. Additions to the Savings Plan come primarily from participant contributions and investment earnings; deductions are primarily the result of participant withdrawals and administrative expenses. Sources of revenue for operating the overall Program come from annual appropriations from the West Virginia State Legislature and from fees charged to Program participants.

As detailed in Note 2 in the Notes to Financial Statements, the Office of the State Treasurer includes appropriation requests for the Program in the State Treasurer's budgetary schedule that is submitted to the Secretary of the West Virginia Department of Administration each year. The schedule is subject to annual budget review and approval by the West Virginia State Legislature.

Budgetary control is maintained through legislative appropriation and the Executive Branch quarterly allotment process. Agencies submit budgetary requests to the State Department of Administration, which compiles the Executive Budget on behalf of the Governor, who submits it to the Legislature. After approval of the budget, the Department of Administration maintains control over the spending patterns of the state at the activity level and by use of the quarterly allotments. Annual appropriations are released for spending in quarterly installments or allotments. The State Auditor exercises control over spending at the annual appropriation level. All appropriations, except funds that are re-appropriated, expire 31 days after fiscal year end. All re-appropriated funds are available, in the aggregate, on the first day of the fiscal year. The State's fiscal year is July 1 through June 30.



## **Financial Condition & Other Information**

According to The College Board, published tuition and fees continue to rise for the 2016-17 academic year, and the rate of increase continues to exceed inflation. The College Board, which administers the Scholastic Aptitude Test (SAT) college entrance exam, is a national nonprofit membership association composed of more than 6,000 schools, colleges, universities, and other educational organizations. Between the academic years of 2015-16 and 2016-17, average published tuition and fees increased by 2.4% for in-state students in the public four-year sector. The increase is higher than the 1.0% increase in the Consumer Price Index between July 1, 2015 and June 30, 2016. The Prepaid Tuition Plan's weighted average benefit value for West Virginia public college and university tuition and fees for state residents increased 5.7% from academic year 2015-16 to 2016-17. By comparison, the previous weighted average benefit value increased 7.8% from academic year 2014-15 to 2015-16. In addition to the 2.4% increase nationwide for four-year public schools, in-state tuition at public two-year schools increased nationwide 2.3% from academic year 2015-16 to 2016-17. Total costs including tuition, fees, room and board increased 2.7% nationwide from academic year 2015-16 to 2016-17 for in-state students attending four-year public institutions, and 1.8% for in-state students attending two-year public institutions.

In the fall of 2015, approximately 54.7% of West Virginia high school students who graduated from a state high school the prior spring continued their education at an institution of higher education. This was a slight increase above the rate of 54.6% in the fall of 2014.

The weighted average tuition for West Virginia public college and university tuition and fees for state residents is \$3,329 per semester for the 2016-17 academic year, up from \$3,150 for the prior academic year. The actuarially determined tuition contract benefits liability is based on the weighted average tuition, current tuition value, estimated tuition growth, and the expected rate of return on investments. Current tuition value, which is the benefit paid to beneficiaries attending in-state private or out-of-state institutions, is \$3,627 per semester for the 2016-17 academic year, up from \$3,454 for the prior year. Tuition is assumed to grow 8.5% for the 2017-18 academic year and each year thereafter. An annual rate of return of 5.3% is assumed on Prepaid Tuition Plan investments for fiscal year 2017. Declining rates are assumed for each year thereafter through 2022 when the rate is assumed to be 2.3%. If any of those assumptions vary significantly from actual results, the liability will change accordingly as well as the net position deficiency. For example, if tuition growth for the next year is more than the assumed 8.5%, the tuition contract benefits liability will increase beyond actuarial expectations and the net position deficiency will increase accordingly. If the rate of return on investments is less than the assumed 5.3%, the liability will increase beyond actuarial expectations as well as the net position deficiency. In the same manner, if the tuition growth assumption exceeds actual growth or if the rate of return assumption is less than actual returns, the tuition contract benefits liability will decrease below actuarial expectations as well as the net position deficiency. See the MD&A in the financial section of this report for a more detailed discussion about actuarial assumptions.

The Prepaid Tuition Plan's investment portfolio had a total gain of 2.1% for the fiscal year ended June 30, 2016, a gain of 3.0% for the prior year and a gain of 13.7% for the year ended June 30, 2014. The Prepaid Tuition Plan's investment mix for most of the fiscal year was approximately

50% equity securities and 50% fixed income securities. The fiscal year was a mixed year for the Prepaid Tuition Plan's equity investments, with domestic stocks gaining 1.3% and international stocks losing 8.3%. The Prepaid Tuition Plan's fixed income investments gained 5.7%.

The Prepaid Tuition Plan has a net position deficiency – also referred to as an actuarial deficit or unfunded liability – of \$13.1 million at June 30, 2016. The deficiency was caused primarily by large investment losses, unexpected tuition increases in prior years, and changes in actuarial assumptions. The Prepaid Tuition Plan's financial condition is dependent on its investment earnings and adequate cash flows. As discussed in Note 10 in the Notes to the Financial Statements in the financial section of this report, steps have been taken to ensure financial stability, which includes closure of the plan to new enrollment and a pledge of funds from the State to support payment of benefits. Management believes the Prepaid Tuition Plan will have sufficient resources to meet its obligations as they become due.

The West Virginia Legislature established the Prepaid Tuition Escrow Account to be funded from the state's Unclaimed Property Trust Fund. The Escrow Account provides funding to support the deficit in the Prepaid Tuition Trust Fund, and the annual transfer is triggered by the actuarial unfunded liability at the end of the fiscal year. The Escrow Account is discussed further in Note 10 in the Notes to Financial Statements in the Financial Section of this report.

Approximately half of the Savings Plan's various investment options showed positive rates of return for the fiscal year, with a high of 7.6%. This was the twelfth year for the Savings Plan. Contributions to the Savings Plan were 8.1% less this fiscal year than last year. Net investment losses this year in the Savings Plan were \$26.1 million. There was a \$17.2 million net investment gain last fiscal year.

In January 2016, end-of-year individual account statements summarizing activity through December 31, 2015, were mailed to all Prepaid Tuition Plan and Savings Plan account owners.

A supplement was issued for The Hartford SMART529 College Savings Plan on September 18, 2015 regarding the removal of The Hartford Alternative Strategies Fund which was replaced with The Hartford Real Total Return Fund. In addition, the Hartford Capital Appreciation 529 Fund was removed as an Individual Fund Option.

The SMART529 Select Offering Statement was updated on September 25, 2015.

### ***Cash Management***

The West Virginia Investment Management Board, Hartford Life, and the Office of the State Treasurer manage the Prepaid Tuition Plan's cash and cash equivalents. Hartford Life and the Office of the State Treasurer manage the Savings Plan cash and cash equivalents.

### ***Certificate of Achievement for Excellence in Financial Reporting***

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Program for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the

sixteenth consecutive year that the Program has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ***Acknowledgments***

The Program's success would not be possible without the support and leadership of the State Treasurer, the Legislature and the Program's Board of Trustees. Their commitment and dedication to providing an affordable higher education has provided the Program with a blueprint for success. The Program's staff, Hartford Life, and the staff of the Office of the State Treasurer provided diligent and dedicated service in building the Program and establishing it as the national model of achievement that it is today. The preparation of this report was accomplished only through the many hours and long days of work generously given by Program staff and the many hardworking individuals at Hartford Life who are essential for the success of this program.

Respectfully, I hereby submit the Comprehensive Annual Financial Report of the West Virginia College Prepaid Tuition and Savings Program for the year ended June 30, 2016.

Sincerely,

A handwritten signature in cursive script that reads "Dave Thomas".

David S. Thomas, CPA  
Financial Director  
West Virginia College Prepaid Tuition and Savings Program



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

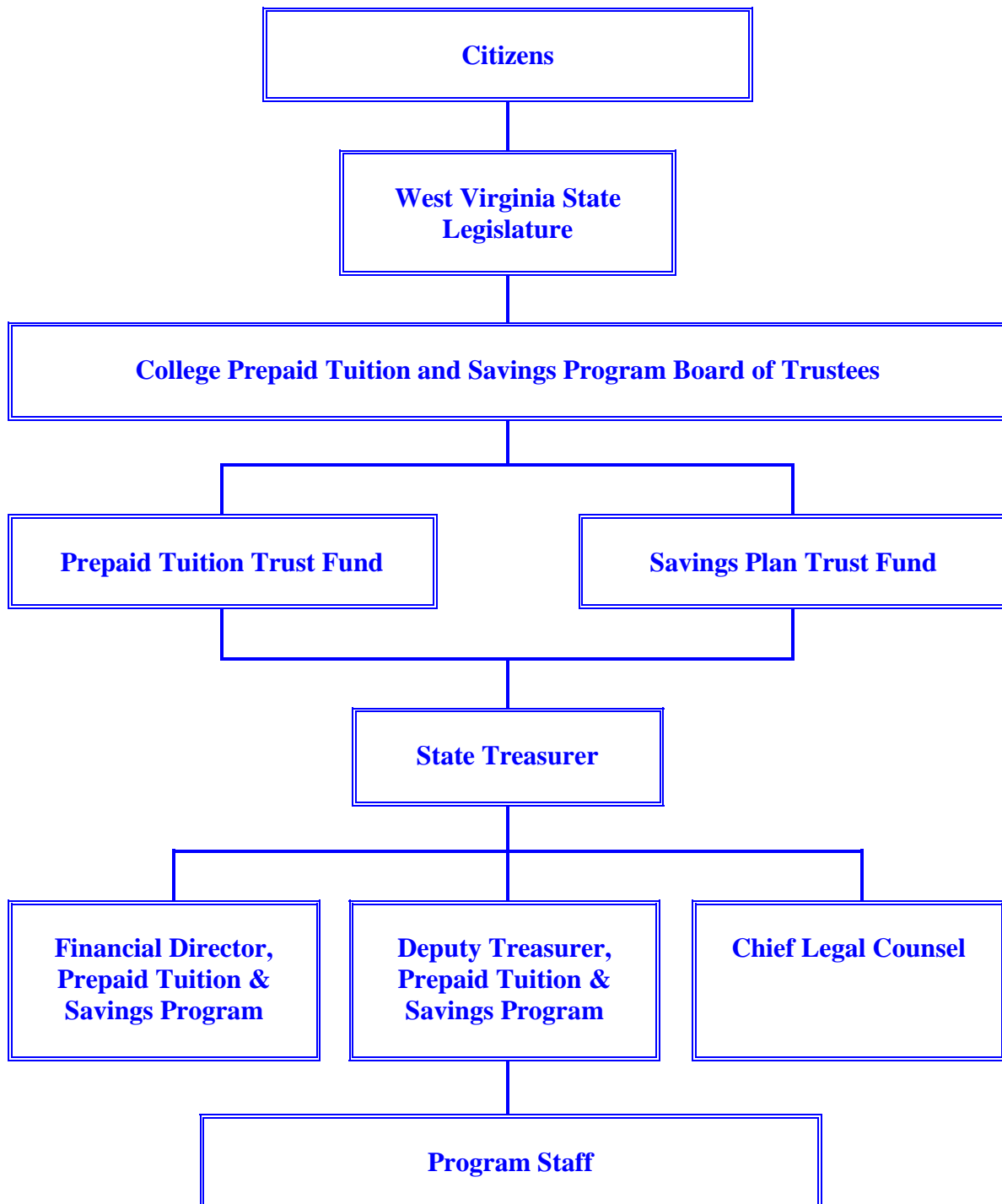
**West Virginia College  
Prepaid Tuition and Savings Program**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

**West Virginia College Prepaid Tuition and Savings Program  
Organizational Chart  
As of June 30, 2016**





# West Virginia College Prepaid Tuition and Savings Program

## Principal Official

**John D. Perdue, State Treasurer**

As authorized by §18-30 of the West Virginia Code, the State Treasurer administers all of the programs of the nine member Board of Trustees.

## Board of Trustees

### Ex Officio Members

**John D. Perdue, Chairman**

*WV State Treasurer*

**Dr. Keith Cotroneo**

*Representing the West Virginia Higher Education Policy Commission – Community & Technical Colleges*

**Kay Goodwin**

*Representing the State Department of Education and the Arts*

**Brian Weingart**

*Representing the West Virginia Higher Education Policy Commission – Colleges & Universities*

### Appointed Members

**Terri Underhill**

*Representing the interests of private institutions of higher education*

**Robert Galloway**

*Representing private citizens*

**Phyllis Arnold**

*Representing private citizens*

**Chuck Smith**

*Representing the general public*

**Jamie Dickenson**

*Representing the general public*

## Executive Staff

**Tazuer Smith, Deputy Treasurer**

West Virginia College Prepaid Tuition and Savings Program

**Christina Merbedone, Program Legal Counsel**

Office of the State Treasurer

**David S. Thomas, Financial Director**

West Virginia College Prepaid Tuition and Savings Program

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## Financial Section

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Independent Auditor's  
Report

Management's  
Discussion and Analysis

Basic Financial  
Statements

Supplemental Information

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## INDEPENDENT AUDITOR'S REPORT

To the West Virginia College Prepaid  
Tuition and Savings Program  
Charleston, West Virginia

We have audited the accompanying financial statements of the business type activities of the enterprise funds and the fiduciary fund of the West Virginia College Prepaid Tuition and Savings Program (the Program), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents. We did not audit the financial statements of the West Virginia College Prepaid Tuition and Savings Program Savings Plan Trust Fund (the Savings Plan Trust Fund), which represent 100% of the statement of fiduciary net position and the statement of changes in fiduciary net position.

### Management's Responsibility for the Financial Statements

Management 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Savings Plan Trust Fund, which represents 100% of the statement of fiduciary net position and the statement of changes in fiduciary net position. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Savings Plan Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the enterprise funds and the fiduciary fund of the Program, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## Emphasis-of-Matters

As discussed in Notes 3 and 11 to the financial statements, the Program adopted GASB Statement No. 72, *Fair Value Measurement and Application* for the year ended June 30, 2016. This statement requires the expanded disclosure of input levels to fair value measurement of the Program's carrying value of investments at June 30, 2016. Our opinion is not modified with respect to this matter.

Additionally, as discussed in Note 10 to the financial statements, the Board of the Program voted to close the Prepaid Tuition Plan portion of the Program on June 30, 2022. Management's plans concerning this matter are also discussed in Note 10. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 29, the Schedule of the Program's Proportionate Share of the Net Pension Liability and Schedule of the Program's Contributions to the West Virginia Public Employees Retirement System on pages 69 through 72 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 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 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Program's basic financial statements. The introductory section, the supplemental information included in the financial section, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, the supplemental information included in the financial section, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Charleston, West Virginia  
November 10, 2016

## West Virginia College Prepaid Tuition and Savings Program

### Management's Discussion and Analysis

June 30, 2016

As management of the West Virginia College Prepaid Tuition and Savings Program (the "Program"), we offer readers of the financial statements of the Program this discussion and analysis of the Program's financial performance for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented in this section in conjunction with the Program's financial statements, including notes to the financial statements, which follow this section.

#### **Financial Highlights**

Total net position of the Program's two enterprise funds decreased \$564,422 for the fiscal year ended June 30, 2016. The actuarially funded ratio of the Prepaid Tuition Trust Fund, which is the primary enterprise fund for investing assets and paying benefits, was 81.5%. The actuarially funded ratio represents the ability of assets to fund liabilities and is calculated by dividing assets by liabilities. The ratio was 85.0% for the fiscal year ended June 30, 2015. The decrease in net position of the Prepaid Tuition Trust Fund was driven by less than expected investment returns.

The investment portfolio of the Program's enterprise funds had a 2.1% gain for the fiscal year, which followed on the heels of a 3.0% gain for the prior year and a 13.7% gain for the fiscal year ended June 30, 2014.

Net position of the Program's fiduciary fund decreased \$32,292,243 for the fiscal year ended June 30, 2016. The decrease was driven by a \$26,135,145 net investment loss. Net position of the fiduciary fund represents funds held in trust for individual investors, and, as such, is not available to support operations of the enterprise funds.

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

This report presents the operating results and financial status of the Program, which is composed of two enterprise funds and a fiduciary fund. The enterprise funds are the Prepaid Tuition Trust Fund (the "Prepaid Tuition Plan") and the College Prepaid Tuition and Savings Program Administrative Account (the "Administrative Account"). The enterprise funds' financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. The Program's Savings Plan Trust Fund (the "Savings Plan"), is a fiduciary fund (private-purpose trust fund) and also is reported using the accrual basis of accounting in accordance with GAAP.

The State of West Virginia reports the combined Prepaid Tuition Plan and Administrative Account as enterprise funds of the Program and the Savings Plan as a fiduciary fund (private-purpose trust

fund) of the Program in its Comprehensive Annual Financial Report (“CAFR”). Enterprise fund reporting is used to report the functions of a governmental entity with business-type activities in which a fee is charged to external users for goods or services. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity, and those resources are not available to support operations of that entity.

The Statement of Net (Deficit) Position presents information on the enterprise funds’ assets and liabilities, with the difference between the two reported as either net position or net deficit. This statement is categorized into current and non-current assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within 12 months of the statement’s date. The plan’s net (deficit) position also represents the actuarially funded level of the plan, and, over time, increases or decreases in net (deficit) position may serve as a useful indicator of whether the plan’s funded level or financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net (Deficit) Position reflects the operating and non-operating revenues and expenses of the enterprise funds for the operating year. Operating revenues primarily consist of tuition contracts with major sources of operating expenses being tuition contract benefits and expenses and general and administrative expenses. Nonoperating revenues primarily consist of investment earnings/losses and appropriations from the State, which is the primary government.

The Statement of Cash Flows is presented on the direct method of reporting, which reflects the enterprise funds’ cash flows from operating, noncapital financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the year.

The Statement of Fiduciary Net Position presents information on the fiduciary fund’s assets and liabilities, with the difference between the two reported as net position held in trust for individuals or organizations.

The Statement of Changes in Fiduciary Net Position reports the additions and deductions to the fiduciary fund for the year. Additions are composed of contributions by investors in the Savings Plan and net investment earnings. Deductions represent redemptions by investors and operating expenses of the fund.

**Financial Analysis of the Prepaid Tuition Plan and Administrative Account**

**Net (deficit) position.** The following are combined, condensed Statements of Net (Deficit) Position of the enterprise funds, which are the Prepaid Tuition Plan and the Administrative Account, as of June 30, 2016 and 2015.

	2016	2015
Current assets	\$ 5,050,014	\$ 4,883,539
Noncurrent assets	55,034,496	66,623,016
Total assets	<u>60,084,510</u>	<u>71,506,555</u>
Deferred outflows of resources	<u>104,649</u>	<u>38,263</u>
Current liabilities	16,469,098	16,819,031
Noncurrent liabilities	55,123,260	65,575,658
Total liabilities	<u>71,592,358</u>	<u>82,394,689</u>
Deferred inflows of resources	<u>140,166</u>	<u>129,072</u>
Net position (deficit):		
Restricted	1,528,119	1,283,210
Unrestricted	<u>(13,071,484)</u>	<u>(12,262,153)</u>
Total net deficit	<u>\$ (11,543,365)</u>	<u>\$ (10,978,943)</u>

The net deficit increased 5.1%, or \$564,422. Net position is the excess of total assets and deferred outflows of resources over total liabilities and deferred inflows of resources, and a net deficit occurs when liabilities and deferred inflows exceed assets and deferred outflows. While the actuarially funded status (assets and deferred outflows divided by liabilities and deferred inflows) of total enterprise funds was 83.9% at June 30, 2016 and 86.8% at June 30, 2015, the funded status of the Prepaid Tuition Plan at June 30, 2016 and 2015, was 81.5% and 85.0%, respectively. The actuarially funded status represents the Prepaid Tuition Plan's ability to fund payment of its liabilities as of the date on which the value of the assets and liabilities are measured. Actuarial funding ratios above 100.0% provide financial support during down times in the economy and lower earnings levels from the Prepaid Tuition Plan's investment portfolio, and during brief periods of unexpectedly high increases in tuition costs. As the funding ratio decreases, the funding soundness level decreases, and as the funding ratio increases, the funding soundness level increases.

Current assets represent cash and cash equivalents and short-term receivables. Noncurrent assets represent investments and long-term receivables. See Note 2 for a discussion of investments being reported as noncurrent assets. Deferred outflows of resources relate to pension amounts described in Note 7 during the current fiscal year. Current liabilities represent short-term payables for administrative expenses and contract benefits. Noncurrent liabilities represent long-term payables

for administrative expenses and contract benefits. Deferred inflows of resources relate to pension amounts described in Note 7 during the current fiscal year.

The increase in the net deficit was primarily the result of lower than expected investment returns and miscellaneous actuarial losses. Although the Prepaid Tuition Plan had an investment return of 2.1%, the actuarially projected return was 5.3%, resulting in an actuarial loss.

**Changes in net (deficit) position.** The following are condensed Statements of Revenues, Expenses and Changes in Net (Deficit) Position of the enterprise funds for the years ended June 30, 2016 and 2015.

	Year Ended June 30,	
	2016	2015
<b>Revenues</b>		
Operating revenues:		
Tuition contracts ( <i>See Note 5</i> )	\$ 103,404	\$ 19,889
Savings Plan administrative fee	1,284,497	1,329,262
	<u>1,387,901</u>	<u>1,349,151</u>
Nonoperating revenues:		
Investment gain	1,019,444	2,043,580
Appropriations from primary government	-	73,207
	<u>1,019,444</u>	<u>2,116,787</u>
Total revenues	<u>2,407,345</u>	<u>3,465,938</u>
<b>Expenses</b>		
Operating expenses:		
Tuition contract benefits and expenses ( <i>See Note 5</i> )	1,852,966	6,533,830
General and administrative expenses	1,118,801	1,069,268
Total expenses	<u>2,971,767</u>	<u>7,603,098</u>
Change in net position	(564,422)	(4,137,160)
Net deficit at beginning of year	<u>(10,978,943)</u>	<u>(6,841,783)</u>
Net deficit at end of year	<u>\$ (11,543,365)</u>	<u>\$ (10,978,943)</u>

Operating revenues for the Prepaid Tuition Plan reflect the interest effect of discounting future contract payments receivable and include an administrative fee received from the administrators of the Savings Plan and deposited into the Program's Administrative Account. As discussed in Note 10 to these financial statements, during fiscal year 2003 the West Virginia Legislature closed the Prepaid Tuition Plan to new enrollment. Because of the closure, no new prepaid tuition contracts were sold during fiscal years 2015 and 2016. Nonoperating revenues represent investment earnings, appropriations from the primary government, and payments made by the primary government for other postemployment benefits premiums on behalf of the Prepaid Tuition Plan. Investment gains for fiscal year 2016 were \$1,019,444 and the rate of return was 2.1%. For fiscal year 2015, the rate of return was 3.0%, resulting in an investment gain of \$2,043,580 for that year. The Prepaid Tuition Plan's finances are structured such that investment earnings are an



integral component of total revenues, and when the investment portfolio's performance is less than expected, net position can decrease significantly. Operating expenses represent prepaid tuition contract benefits and expenses and general and administrative expenses. Prepaid tuition contract benefits and expenses were \$1,852,966 and \$6,533,830 for 2016 and 2015, respectively. Prepaid tuition contract benefits and expenses are affected by actuarial factors such as the assumed rate of return and tuition growth, which are discussed in the Economic Factors section later in this discussion and analysis as well as in Note 5 to these financial statements. As noted on the previous page, lower than expected investment returns and miscellaneous actuarial losses increased the net deficit.

### Financial Analysis of the Savings Plan

**Net position.** The following are condensed Statements of Fiduciary Net Position of the Savings Plan as of June 30, 2016 and 2015.

	<u>2016</u>	<u>2015</u>
Assets	\$ 2,249,239,786	\$ 2,268,418,824
Liabilities	<u>16,699,057</u>	<u>3,585,852</u>
Net position	<u>\$ 2,232,540,729</u>	<u>\$ 2,264,832,972</u>

Net position decreased 1.4% or \$32,292,243 during the current fiscal year. Net position is the excess of total assets over total liabilities. The decrease was driven by a net investment loss of \$26,135,145. The net investment loss was primarily the result of a \$136,309,184 unrealized net decrease in the fair value of investments, which surpassed the \$115,945,512 total realized net increase from dividends, capital gains and gains from sales of investments. Investment expenses of \$5,771,473 added to the excess of the unrealized decrease to create the net investment loss.

Investments make up 99.3% of total assets, and the remaining assets includes receivables for units and securities sold, and dividends receivable. Approximately 94.0% of liabilities consists of payables for securities purchased and units redeemed, and the remaining amount represents accrued fees.

**Changes in net position.** The following are condensed Statements of Changes in Fiduciary Net Position of the Savings Plan for the years ended June 30, 2016 and 2015.

	Year Ended June 30,	
	2016	2015
<b>Additions</b>		
Contributions	\$ 187,384,693	\$ 203,787,404
Net investment gain (loss)	(26,135,145)	17,187,375
Total additions	161,249,548	220,974,779
<b>Deductions</b>		
Redemptions	187,295,938	181,828,669
Administrative expenses	6,245,853	6,401,168
Total deductions	193,541,791	188,229,837
Increase in net position	(32,292,243)	32,744,942
Net position at beginning of year	2,264,832,972	2,232,088,030
Net position at end of year	\$ 2,232,540,729	\$ 2,264,832,972

Contributions for the current fiscal year were down, decreasing 8.1% from those of the prior year. Redemptions increased 3.0% from the prior year. Overall investment performance was weak for the current fiscal year. Half of the various investment portfolios and funds that make up the Savings Plan had positive rates of return, ranging to a high of 7.6%, and half of the portfolios and funds had negative rates of return, ranging to a low of (18.6)%.

Administrative expenses for the Savings Plan represent charges related to investment management expenses; sales, marketing and distribution expenses; and other administration expenses.

### Economic Factors

**Prepaid Tuition Plan.** The actuarial valuation of tuition contracts receivable and accrued contract benefits liability as of June 30, 2016 is based on various actuarial assumptions. A key assumption is average tuition inflation of 8.5% for school years 2017-18 through 2021-22, corresponding to the closure of the Prepaid Tuition Plan June 30, 2022.

The actual weighted average tuition for in-state, full-time students increased 5.7% from school years 2015-16 to 2016-17, and increased 7.8% from school years 2014-15 to 2015-16. Another key assumption is a 5.3% rate of return on Prepaid Tuition Plan investments for the upcoming fiscal year 2017, and declining returns each year to 2022 when the assumption is 2.3%. The plan's actual rate of return on its investments was 2.1% for fiscal year 2016 and 3.0% for 2015.

Long-term variances in the assumptions can affect the Prepaid Tuition Plan's financial position. Program management, together with actuarial and investing consultants and the Program's Board of Trustees (the "Board"), review the assumptions annually. Prepaid Tuition Plan management

and its advisors believe that the key assumptions, while subject to sudden and unexpected changes in the future, were reasonable for the fiscal years ended June 30, 2016 and 2015.

As discussed in Note 10 to these financial statements, during fiscal year 2003 the West Virginia Legislature closed the Prepaid Tuition Plan to new enrollment. No new contracts were sold in fiscal years 2015 and 2016. The Prepaid Tuition Plan will continue in existence to service existing contracts and no current contracts will be affected by the closure.

Also during fiscal year 2003, as discussed in Note 10 to these financial statements, the Legislature created the Prepaid Tuition Trust Escrow Account to guarantee payment of Prepaid Tuition Plan contracts. The Escrow Account will receive transfers of up to \$1,000,000 from the State Unclaimed Property Trust Fund each year there is an actuarially determined unfunded liability of the Prepaid Tuition Plan. If the Prepaid Tuition Plan is unable to pay current tuition benefits, funds may be withdrawn from the Escrow Account to meet those payments. At June 30, 2016, there was \$19,818,812 in the Escrow Account, which consisted of \$18,254,008 in total transfers from the Unclaimed Property Trust Fund and net investment gains of \$1,564,804. There was a \$1,000,000 transfer in fiscal year 2016 because of the actuarial unfunded liability at the end of fiscal year 2015. Because there is an actuarially determined unfunded liability of \$13,071,484 in the Prepaid Tuition Plan at June 30, 2016, \$1,000,000 is expected to be transferred from the Unclaimed Property Trust Fund to the Escrow Account on or before December 15, 2016, in accordance with the provisions enacted by the Legislature. While the Board controls the Escrow Account, funds in the Escrow Account are not assets of either the Prepaid Tuition Plan or the Program and accordingly are not included in the basic financial statements included herein. The Escrow Account is reported in the general fund of the State's financial statements as unrestricted cash.

Also discussed in Note 10 to these financial statements, the board voted in fiscal year 2015 to close the Prepaid Tuition Plan on June 30, 2022. All funds remaining at that time will be distributed either to account holders or to the West Virginia Unclaimed Property Division where account holders can claim their rightful funds at any time. All funds remaining in the Prepaid Tuition Escrow Account will be transferred to the state.

**Savings Plan.** As an investment fund, the Savings Plan is subject to the same risks and consequent gains and losses as all publicly and privately offered investment funds. The Savings Plan is directly affected by all factors that affect the economic and investment arenas. Program management continuously monitors activity in the stock market as well as consulting regularly with its various investment advisors and analysts.

### **Requests for Information**

This financial report is designed to provide a general overview of the Program's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director's Office, West Virginia College Prepaid Tuition and Savings Program, 1900 Kanawha Boulevard East, Charleston, WV 25305.

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Enterprise Funds of the  
West Virginia College Prepaid Tuition and Savings Program

Statement of Net (Deficit) Position

June 30, 2016

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,561,939	\$ 2,289,805	\$ 4,851,744
Tuition contracts receivable	90,715	-	90,715
Other receivables	-	107,555	107,555
Total current assets	<u>2,652,654</u>	<u>2,397,360</u>	<u>5,050,014</u>
Noncurrent assets:			
Tuition contracts receivable	86,556	-	86,556
Investments	54,947,940	-	54,947,940
Total noncurrent assets	<u>55,034,496</u>	<u>-</u>	<u>55,034,496</u>
Total assets	<u>57,687,150</u>	<u>2,397,360</u>	<u>60,084,510</u>
<b>Deferred outflows of resources</b>			
Deferred outflows related to pensions	-	104,649	104,649
Total deferred outflows of resources	<u>-</u>	<u>104,649</u>	<u>104,649</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	110,212	110,212
Accrued contract benefits liability	16,199,520	-	16,199,520
Accrued contract expense liability	-	94,011	94,011
Compensated absences	-	65,355	65,355
Total current liabilities	<u>16,199,520</u>	<u>269,578</u>	<u>16,469,098</u>
Noncurrent liabilities:			
Accrued contract benefits liability	54,559,114	-	54,559,114
Accrued contract expense liability	-	221,850	221,850
Other postemployment benefits	-	229,759	229,759
Net pension liability	-	112,537	112,537
Total noncurrent liabilities	<u>54,559,114</u>	<u>564,146</u>	<u>55,123,260</u>
Total liabilities	<u>70,758,634</u>	<u>833,724</u>	<u>71,592,358</u>
<b>Deferred inflows of resources</b>			
Deferred inflows related to pensions	-	140,166	140,166
Total deferred inflows of resources	<u>-</u>	<u>140,166</u>	<u>140,166</u>
<b>Net (deficit) position</b>			
Restricted for payment of general and administrative expenses	-	1,528,119	1,528,119
Unrestricted	(13,071,484)	-	(13,071,484)
Total net (deficit) position	<u>\$ (13,071,484)</u>	<u>\$ 1,528,119</u>	<u>\$ (11,543,365)</u>

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

Enterprise Funds of the  
West Virginia College Prepaid Tuition and Savings Program  
Statement of Revenues, Expenses and Changes in Net (Deficit) Position

For the Year Ended June 30, 2016

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
<b>Operating revenues</b>			
Tuition contracts ( <i>See Note 5</i> )	\$ 24,191	\$ 79,213	\$ 103,404
Savings Plan administrative fee	-	1,284,497	1,284,497
Total operating revenues	24,191	1,363,710	1,387,901
<b>Operating expenses</b>			
Tuition contract benefits ( <i>See Note 5</i> )	1,852,966	-	1,852,966
General and administrative expenses	-	1,118,801	1,118,801
Total operating expenses	1,852,966	1,118,801	2,971,767
Operating (loss) gain	(1,828,775)	244,909	(1,583,866)
<b>Nonoperating revenues</b>			
Investment gain	1,019,444	-	1,019,444
Total nonoperating revenues	1,019,444	-	1,019,444
Change in net position	(809,331)	244,909	(564,422)
Net (deficit) position at beginning of year	(12,262,153)	1,283,210	(10,978,943)
Net (deficit) position at end of year	\$ (13,071,484)	\$ 1,528,119	\$ (11,543,365)

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

Enterprise Funds of the  
West Virginia College Prepaid Tuition and Savings Program

Statement of Cash Flows

For the Year Ended June 30, 2016

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
<b>Cash flows from operating activities</b>			
Cash received from contract purchasers	\$ 177,440	\$ -	\$ 177,440
Cash received from Savings Plan administrator	-	1,289,128	1,289,128
Tuition benefit payments	(12,624,139)	-	(12,624,139)
Payments to employees	-	(584,576)	(584,576)
Payments to suppliers	-	(541,463)	(541,463)
Net cash (used in) provided by operating activities	(12,446,699)	163,089	(12,283,610)
<b>Cash flows provided by noncapital financing activities</b>			
Appropriations from primary government	-	23,375	23,375
<b>Cash flows from investing activities</b>			
Investment earnings	917,103	-	917,103
Purchase of investments	(906,076)	-	(906,076)
Proceeds from sale of investments	12,500,000	-	12,500,000
Net cash provided by investing activities	12,511,027	-	12,511,027
Net increase in cash and cash equivalents	64,328	186,464	250,792
Cash and cash equivalents at beginning of year	2,497,611	2,103,341	4,600,952
Cash and cash equivalents at end of year	\$ 2,561,939	\$ 2,289,805	\$ 4,851,744

(Continued on next page)

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

Enterprise Funds of the  
West Virginia College Prepaid Tuition and Savings Program

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2016

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
<b>Reconciliation of operating (loss) gain to net cash (used in) provided by operating activities</b>			
Operating (loss) gain	\$ (1,828,775)	\$ 244,909	\$ (1,583,866)
Adjustments to reconcile operating (loss) gain to net cash (used in) provided by operating activities:			
Pension expense	-	10,750	10,750
Changes in assets, liabilities and deferred items:			
Tuition contracts receivable	153,249	-	153,249
Other receivables	-	4,630	4,630
Accounts payable	-	7,743	7,743
Accrued contract benefits liability	(10,771,173)	-	(10,771,173)
Accrued contract expense liability	-	(79,213)	(79,213)
Compensated absences	-	1,604	1,604
Other postemployment benefits	-	19,964	19,964
Deferred outflows of resources	-	(47,298)	(47,298)
Net cash (used in) provided by operating activities	<u>\$ (12,446,699)</u>	<u>\$ 163,089</u>	<u>\$ (12,283,610)</u>
<b>Noncash activities</b>			
Unrealized gain in investments	\$ 102,341	\$ -	\$ 102,341

(Concluded)

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



Fiduciary Fund of the  
West Virginia College Prepaid Tuition and Savings Program

Savings Plan Trust Fund

Statement of Fiduciary Net Position

June 30, 2016

**Assets**

Investments	\$ 2,232,967,521
Receivables for units and securities sold	16,052,589
Dividends receivable	<u>219,676</u>
Total assets	<u>2,249,239,786</u>

**Liabilities**

Payables for units redeemed and securities purchased	15,695,657
Accrued fees	<u>1,003,400</u>
Total liabilities	<u>16,699,057</u>

**Net Position**

Held in trust for individuals and organizations	<u>2,232,540,729</u>
Total net position	<u>\$ 2,232,540,729</u>

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

Fiduciary Fund of the  
West Virginia College Prepaid Tuition and Savings Program

Savings Plan Trust Fund

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2016

**Additions**

Contributions:

Account holders \$ 187,384,693

Total contributions 187,384,693

Investment earnings:

Net decrease in fair value of investments (136,309,184)

Dividends, capital gains and net realized gains 115,945,512

Total investment loss (20,363,672)

Investment expense 5,771,473

Net investment loss (26,135,145)

**Total additions** 161,249,548

**Deductions**

Redemptions:

Payments in accordance with trust agreements 187,295,938

Total redemptions 187,295,938

Administrative expense 6,245,853

**Total deductions** 193,541,791

Change in net position held in trust for individuals and organizations (32,292,243)

Net position at beginning of year 2,264,832,972

**Net position at end of year** \$ 2,232,540,729

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

## West Virginia College Prepaid Tuition and Savings Program

### Notes to Financial Statements

June 30, 2016

#### **1. Organization and Operations**

The West Virginia College Prepaid Tuition and Savings Program (the “Program”) operates under the West Virginia State Code Chapter 18, Article 30, West Virginia College Prepaid Tuition and Savings Act (the “Act”). The Act was adopted by the West Virginia State Legislature in 1997. The Act was amended April 12, 2001, to continue the Prepaid Tuition Trust Fund (the “Prepaid Tuition Plan”), which operates as a plan, not a trust fund, and to enhance and complement the Prepaid Tuition Plan by authorizing the creation of the Savings Plan Trust Fund (the “Savings Plan”), which operates as a plan, not a trust fund.

The Program is administered by the Office of the State Treasurer on behalf of the Program’s nine-member Board of Trustees (the “Board”). The purpose of the Program is to provide individuals and organizations the opportunity to prepay future college tuition and mandatory fees at West Virginia public and private colleges and universities and to offer a comprehensive state-sponsored college savings plan. Collectively, the Prepaid Tuition Plan and the Savings Plan are marketed as SMART529™ The College Savings Solution. The Board selected Hartford Life Insurance Company (“Hartford Life”) to provide records administration, cash management, and customer service for both the Prepaid Tuition Plan and the Savings Plan. Hartford Life also provides investment management services for the Savings Plan.

All funds paid into or invested through the Program in the Prepaid Tuition Plan and the Savings Plan will be available for use at any post-secondary program or two- or four-year college or university in the country, with refund and transfer options available. West Virginia state income tax deductions are available to state residents for contributions to the Program. Since the Program is an Internal Revenue Service Section 529 Qualified Tuition Program, earnings on the funds are federally tax deferred until used for college. Additionally, benefits of the Prepaid Tuition and Savings plans are exempt from federal income tax for qualified payouts.

The accompanying financial statements include business-type activities of the Program reported as enterprise funds, and a private-purpose trust fund reported as a fiduciary fund.

#### **Enterprise Funds: Prepaid Tuition Plan and Administrative Account**

Operations of the Prepaid Tuition Plan began in July 1997 with the initial enrollment period commencing on October 1, 1998, and ending January 31, 1999. The Prepaid Tuition Plan has sold approximately 9,730 prepaid tuition contracts since inception. As mentioned earlier in this note, the Prepaid Tuition Plan is administered by the Office of the State Treasurer under the direction of the Program’s Board. Hartford Life provides records administration, cash management, and

customer service for the Prepaid Tuition Plan, and provides investment management services for the Savings Plan.

Effective March 8, 2003, the West Virginia Legislature closed the Prepaid Tuition Plan to new contracts until the Legislature authorizes the Prepaid Tuition Plan to reopen. According to State Code (§18-30-6 (g)), closing the Prepaid Tuition Plan to new contracts shall not mean that the Prepaid Tuition Plan is closed and shall not affect any contracts in effect on March 8, 2003. All contract holders will continue to pay any amounts due, including monthly installments, penalties and fees, and the Prepaid Tuition Plan will continue to pay all benefits due. No contracts were sold in fiscal year 2016.

During fiscal year 2015, the board voted to close the Prepaid Tuition Plan on June 30, 2022. Any funds not distributed to account holders or beneficiaries who cannot be located at that time will be transferred to the West Virginia Unclaimed Property Division where the rightful owner can claim the funds at any time. The unclaimed funds will cease to be the responsibility of the Program.

Contract payments of all Prepaid Tuition Plan participants are combined into a single investment fund in order to maximize benefits. The fund is invested in a professionally managed portfolio of stocks, bonds, and other types of investments through the West Virginia Investment Management Board (the “IMB”). Under State Code, the investments must be made with the care, skill, and prudence and diligence under the circumstances prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Prepaid Tuition Plan investments shall be diversified to the extent permitted by law so as to minimize the risk of a large loss. Monies from the investment fund are used to pay Prepaid Tuition Plan benefits and expenses.

When the beneficiary is accepted to an eligible college or university, the contract becomes redeemable.

Benefits can be transferred to any fully accredited private or out-of-state college or university within the United States in an amount based on the weighted average cost of tuition and fees then charged by West Virginia public colleges and universities. However, there is no guarantee that the tuition benefit available will cover the actual cost of tuition and fees charged by the private or out-of-state institution.

Under current policy, the beneficiary has up to three years in addition to the years purchased to use his or her Prepaid Tuition Plan benefit. For example, if a beneficiary has a plan for four years of benefits, he or she has seven years to exercise the benefits once the account matures. If the plan is for two years of benefits, they must be exercised within five years once the account matures. The other options available are: 1) at any time four years or more after the beneficiary’s expected college entrance date, the purchaser may request a refund of the contract benefit value, less a termination fee and an earnings penalty required by federal law; 2) at any time, the purchaser may cancel the contract and receive a refund of the contract value, less administrative fees and any benefits already paid; or 3) the purchaser may transfer the prepaid contract cancellation value at the time of transfer to the Program’s Savings Plan in accordance with state and federal regulations.

Any funds not claimed before the exercise period ends will be transferred to the West Virginia Unclaimed Property Division where the rightful owner can claim the funds at any time.

If the beneficiary is awarded a scholarship for tuition and fees, the benefit value of the contract will be paid in accordance with state and federal regulations.

The College Prepaid Tuition and Savings Program Administrative Account (the “Administrative Account”) was created by State Code to implement, operate and maintain the Prepaid Tuition and Savings Plans and the overall Program. Sources of funds for the Administrative Account come from fees charged to participants in both the Prepaid Tuition Plan and Savings Plan and from appropriations from the State, which is the primary government. Expenses of the Administrative Account cover administrative operations of the overall Program such as wages and benefits, consulting services, and office supplies.

The accompanying financial statements report the financial position, results of operations, and cash flows for the fiscal year ended June 30, 2016, of the Program’s enterprise funds, which includes the Prepaid Tuition Plan and the Administrative Account. The Program’s enterprise funds are enterprise funds of the primary government of the State of West Virginia.

### **Fiduciary Fund: Savings Plan**

Beginning March 1, 2002, the Savings Plan has been available in conjunction with the Program’s Prepaid Tuition Plan. Investment options have been developed in partnership with Hartford Life. As mentioned earlier in this note, the Savings Plan is administered by the Office of the State Treasurer under the direction of the Program’s Board. Hartford Life provides records administration, cash management, investment management and customer service for the Savings Plan.

The Savings Plan currently is composed of 53 different investment portfolios and individual funds. These financial statements report on the total of all portfolios and individual funds.

The Savings Plan is a fiduciary fund (private-purpose trust fund) of the primary government of the State of West Virginia.

## **2. Significant Accounting Policies – Enterprise Funds**

### **Basis of Accounting**

As enterprise funds, the financial statements of the Prepaid Tuition Plan and Administrative Account are presented on the flow of economic resources measurement focus and accrual basis accounting in conformity with accounting principles generally accepted in the United States of America. 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. Enterprise funds are used to account for operations that are financed and operated in a manner similar to

private business enterprises where the intent is that the costs of providing services to the general public and others on a continuing basis be financed or recovered primarily through user charges.

The enterprise funds distinguish operating revenues and expenses from nonoperating. Operating revenues and expenses generally result from providing services in connection with the enterprise funds' principal ongoing operations. The principal operating revenues and expenses relate to tuition contract revenues, tuition contract benefits and expenses, and general and administrative expenses. Net investment earnings and appropriations from the State, which is the primary government, are reported as nonoperating revenues.

It is the Program's policy to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

As a private-purpose trust fund, which is a type of fiduciary fund, assets of the Savings Plan are held in a trustee capacity for individuals and entities invested in the plan, and those assets cannot be used to support the Program. Because the Savings Plan assets are not available to support the Program's operations, the Savings Plan is discussed separately in Note 11 to these financial statements. Assets of the Program's enterprise funds (the "Prepaid Tuition Plan" and the "Administrative Account") are available to support the Program's operations.

Certain estimates and assumptions are required by management in the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The significant estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows/inflows of resources at the statement of net position date and revenues and expenses for the years then ended are those required in the estimation of tuition contracts receivable, accrued contract benefits liability, accrued contract expense liability, net pension liability, deferred outflows and inflows related to pensions, tuition contract revenues, and tuition contract benefits expenses. Actual results in the near-term could differ from the estimates used to prepare these financial statements.

### **Budgetary Information**

The Office of the State Treasurer submits a detailed budgetary schedule of administrative expenses to the Budget Director of the West Virginia Department of Revenue prior to the beginning of each fiscal year. The budgetary schedule is prepared on the cash basis of accounting. Appropriation requests for the Program are included in the Treasurer's schedule. The budgetary schedule is subject to the annual budget review and approval process of the West Virginia State Legislature. In accordance with GAAP, budgetary financial schedules or statements are not required to be presented in the Program's basic financial statements.

### **Cash and Cash Equivalents**

Cash equivalents are short-term investments with maturities when acquired of 90 days or less. Cash and cash equivalents of the enterprise funds principally consist of interest-earning deposits in certain investment pools maintained by the IMB. Such funds are available to the Program with

overnight notice. Earnings from these investments are distributed to investment pool participants based on their pro rata participation in the pools.

### **Investments**

Investments are funds invested with the IMB. The invested funds are used to pay contract benefits liabilities as they become due. The intent of the investment allocation is to invest funds in the longest terms possible. The current maturity dates of such investments require that the investments be reported as noncurrent assets. However, investments will be liquidated, as needed, to cover current liabilities.

### **Revenue Recognition**

The Plan recognizes revenue for tuition contracts in the year the contracts are entered into with the purchaser, with future contract payments being recognized at their present value. The Plan uses its expected return on investments as the discount rate in calculating such present value. A rate of 5.3% is assumed for the upcoming fiscal year 2017. Declining rates are then assumed for each year through 2022 when the rate is assumed to be 2.3%. Contracts receivable are reduced by the annual amounts of contract payments received, and the remaining contracts receivable is recorded at present value. Changes in the present value of the remaining contracts receivable are recognized in revenue in the year of the change. The Administrative Account records Savings Plan administrative fee revenue from Hartford Life in the period that administrative services are provided.

### **Tuition Contracts Receivable**

Tuition contracts receivable of the Prepaid Tuition Plan at the statement of net (deficit) position date represents Program management's best estimate of the present value of future contract payments using the discount rates discussed above.

### **Accrued Contract Benefits Liability**

Accrued contract benefits liability of the Prepaid Tuition Plan is recorded at the actuarial present value of future tuition obligations. The valuation method reflects the present value of estimated tuition benefits that will be paid in future years and is adjusted for the effects of projected tuition and fee increases and termination of contracts.

### **Compensated Absences, Including Other Postretirement Benefits**

Employees fully vest in all earned but unused annual leave to maximum amounts ranging from 240 to 320 hours depending on years of service, and the Program accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. In accordance with personnel policies of the State, employees vest in any remaining unused sick leave only upon retirement, at which time any unused sick and annual leave time either can be converted into employer-paid premiums for post-retirement health care coverage through the West



Virginia Public Employees Insurance Agency (the “PEIA”), or can be converted into a greater retirement benefit under the State of West Virginia Public Employees Retirement System (the “PERS”). The Program accrues for other postretirement benefits that may arise in connection with unused sick leave that may be converted to employer-paid premiums for post-retirement health care coverage, and for the employer portion of all post-retirement health care coverage regardless of whether the retiree has unused sick leave.

### **Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources**

Net pension liability represents the Program’s proportionate share of the net pension liability of the PERS as of the measurement date of June 30, 2015. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from the PERS’s fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

### **Restricted Assets and Net Position**

Restricted assets are subject to constraints imposed by creditors or by law. The Act restricts the Prepaid Tuition Plan’s assets to be used specifically for the Prepaid Tuition Plan’s obligations; however, the Prepaid Tuition Plan has a deficiency in net position as of June 30, 2016. Accordingly, such deficiency is included in the unrestricted net (deficit) position. Assets of the Administrative Account are restricted for the purposes of implementing, operating and maintaining the Program.

### **Federal Income Taxes**

The Program has been designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code. Therefore, no federal income tax provision is required.

### **Effect of New Accounting Pronouncements**

The GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions of this statement are effective for periods beginning after June 15, 2017. Program management has not determined the effect, if any, this statement will have on its financial statements.

## **3. Investments and Cash and Cash Equivalents**

The Program invests its enterprise funds in investment pools maintained by the IMB. The funds are invested in longer term securities and subject to market fluctuations. Investments are reported by the IMB at fair value, which is the same as the value of the pool shares, and are accounted for by the Program accordingly, with changes in the fair value included in investment earnings. The



earnings from these pooled investments are distributed to investment pool participants based on their pro rata participation in the pools.

The Program has adopted an investment policy for the Prepaid Tuition Plan that mandates that investments shall be diversified so as to minimize the risk of large losses. Under the investment policy, a long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms. A prudently allocated investment program possesses a significant level of diversification, which results in risk reduction. Diversification is considered in regard to asset classes, geography/country, industry, and maturity. In order to preserve risk control, the Program has adopted a formal review schedule in which investment performance is reviewed at least quarterly, broad asset allocation and within-class asset allocation are reviewed every three years, and the Program's investment policy is reviewed every year.

The investment policy establishes that the Program's enterprise funds are to be allocated 50.0% to fixed income securities, 27.5% to U.S. equities, and 22.5% to international equities for the fiscal year ended June 30, 2017. The allocation will shift each year after that toward more fixed income securities to a total of 100% in fiscal year 2022. At June 30, 2016, the Program's enterprise funds were invested in the following pools at the IMB:

IMB Investment Pools	Fair Value of Program's Enterprise Fund Investments	Percent of Total Program's Enterprise Fund Investments
Large Cap Domestic Equity	\$ 12,168,814	22.1%
Non-Large Cap Domestic Equity	3,012,616	5.5
Core Fixed Income	13,425,305	24.4
Total Return Fixed Income	12,676,086	23.1
Short-Term Fixed Income	1,003,164	1.8
Opportunistic Debt	635,061	1.2
International Equity	8,990,133	16.4
International Nonqualified	3,036,761	5.5
Total	<u>\$ 54,947,940</u>	<u>100.0%</u>

### ***Investments Measured at Fair Value***

The IMB considers investment pools in which the Program's enterprise funds are invested as investment companies in accordance with GAAP, and the IMB follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board *Accounting Standards Codification 946 – Financial Services – Investment Companies*, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the GASB. There are no material differences in the reported amounts

in the IMB pools of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. The Program categorizes fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America in accordance with GASB Statement No. 72. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 inputs – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs – Unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following table summarizes the ratio of recurring fair value measurements of the investment securities in the IMB pools in which the Program's enterprise fund holds shares as of June 30, 2016:

IMB Investment Pools	Fair Value Measurement as Percent of the Program's Enterprise Fund Total			
	Level 1	Level 2	Level 3	Total
Large Cap Domestic Equity	88.7%	11.3%	0.0%	100.0%
Non-Large Cap Domestic Equity	74.4%	25.6%	0.0%	100.0%
Core Fixed Income	3.3%	96.7%	0.0%	100.0%
Total Return Fixed Income - Assets	4.6%	95.4%	0.0%	100.0%
Total Return Fixed Income - Liabilities	(23.5)%	(76.5)%	0.0%	(100.0)%
Short-Term Fixed Income	23.3%	76.7%	0.0%	100.0%
Opportunistic Debt *	0.1%	0.0%	0.0%	0.1%
International Equity - Assets	95.0%	5.0%	0.0%	100.0%
International Equity - Liabilities	0.0%	(100.0)%	0.0%	(100.0)%
International Nonqualified *	N/A	N/A	N/A	N/A

\* The Opportunistic Debt Pool and International Nonqualified Pool investments are measured using net asset value per share. GASB Statement No. 72 does not require categorization of investments for which fair value is measured using net asset value per share. In addition to securities measured at net asset value per share, the Opportunistic Debt Pool holds shares in a money market mutual fund.

The following represents a calculation of the net change in the carrying value of investments during the year ended June 30, 2016:

Carrying value at end of year	\$ 54,947,940
Less cost of investments purchased during year	(906,076)
Plus cost of investments redeemed during year	12,500,000
Less carrying value at beginning of year	(66,439,523)
Change in carrying value of investments during year	<u>\$ 102,341</u>

### ***Investment and Deposit Risk Disclosures***

Although the Program's investment policy does not specifically address custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk, the various investment pools at the IMB can be exposed to these investment risks.

#### **Custodial Credit Risk**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Program will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The IMB investment pools in which the Program invests its enterprise funds were exposed to no or minimal custodial credit risk at June 30, 2016.

#### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Neither the IMB nor its investment pools have been rated for credit risk by any organization. The credit risks of the IMB investment pools in which the Program invests its enterprise funds are described as follows.

**Large Cap Domestic Equity Pool** – This pool is exposed to credit risk from investments made with cash collateral for securities loaned. This risk is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase. At June 30, 2016, total rated investments exposed to credit risk made up only 10.7% of the pool, while unrated investments in common stock, which are not exposed to credit risk, made up 89.3%.

**Non-Large Cap Domestic Equity Pool** – This pool is exposed to credit risk from investments made with cash collateral for securities loaned. This risk is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase. At June 30, 2016, total rated investments exposed to credit risk made up only 23.7% of the pool, while unrated investments in common stock, which are not exposed to credit risk, made up 76.3%.

International Nonqualified Pool – This pool invests in a collective trust fund that invests in equities denominated in foreign currencies. This pool is not exposed to credit risk.

International Equity Pool – This pool is exposed to credit risk from investments made with cash collateral for securities loaned. This risk is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase. At June 30, 2016, total rated investments exposed to credit risk made up only 5.4% of the pool, while unrated investments in common and preferred stock, which are not exposed to credit risk, made up 94.6%.

Short-Term Fixed Income Pool – The IMB limits the exposure to credit risk in the Short-Term Fixed Income Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor's and P-1 by Moody's. Additionally, the pool must have at least 15% of its assets in United States Treasury issues. The following table provides information on the weighted average credit ratings of the pool's investments at June 30, 2016. The table includes U.S. Treasury notes received as collateral for a repurchase agreement.

Security Type	Moody's	S&P	Percent of Pool Assets
Commercial paper	P-1	A-1	14.9%
Money market mutual fund	Aaa	AAA	23.2
U.S. Treasury bonds *	Aaa	AA	24.9
U.S. government agency bonds *	P-1	A-1	37.0
Total rated investments			<u>100.0%</u>

\* Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The ratings are shown for the reader's information.

Core Fixed Income Pool – The IMB limits the exposure to credit risk in the Core Fixed Income Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides information on the weighted average credit ratings of the pool's asset types at June 30, 2016. The table includes investments received as collateral for repurchase agreements.

Security Type	Moody's	S&P	Percent of Pool Assets
Corporate asset backed issues	Aa	AA	6.7%
Corporate CMO	A	A	5.5
Corporate CMO interest-only	Ba	AAA	0.1
Corporate CMO principal-only	B	AA	0.0
Foreign asset backed issues	Aa	AA	0.2
Foreign corporate bonds	A	A	4.2
Foreign government bonds	Aa	A	0.7
Money market mutual funds	Aa	AAA	3.3
Municipal bonds	Aa	AA	0.9
Time deposits	P-1	A-1	1.2
U.S. corporate bonds	A	A	21.1
U.S. government agency bonds *	Aaa	AA	2.2
U.S. government agency CMO *	Aaa	AA	12.3
U.S. government agency CMO interest-only *	Aaa	AA	0.5
U.S. government agency CMO principal-only *	Aaa	AA	0.8
U.S. government agency MBS *	Aaa	AA	19.0
U.S. Treasury bonds *	Aaa	AA	19.3
U.S. Treasury inflation protected security *	Aaa	AA	0.0
Total rated investments			<u>98.0%</u>

\* Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The ratings are shown for the reader's information.

Unrated securities include common stock valued at 2.0% of the fair value of the Pool's investments.

Total Return Fixed Income Pool – The IMB limits the exposure to credit risk in the Total Return Fixed Income Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides information on the weighted average credit ratings of the pool's asset types at June 30, 2016. The table includes investments received as collateral for repurchase agreements.

Security Type	Moody's	S&P	Percent of Pool Assets
Bank loan	B	B	0.0%
Corporate asset backed issues	A	A	1.7
Corporate CMO	Ba	BB	1.3
Corporate preferred securities	Ba	BB	0.5
Foreign asset backed issues	A	A	0.5
Foreign corporate bonds	Baa	BBB	13.6
Foreign government bonds	Ba	BB	10.1
Money market mutual funds	Aaa	AAA	3.1
Municipal bonds	A	A	1.9
Time deposits	P-1	A-1	0.9
U.S. corporate bonds	Baa	BBB	25.2
U.S. government agency bonds *	Aaa	AA	0.2
U.S. government agency CMO *	Aaa	AA	3.0
U.S. government agency CMO interest-only *	Aaa	AA	0.3
U.S. government agency MBS *	Aaa	AA	12.8
U.S. government TBA	Aaa	AA	0.0
U.S. Treasury bonds *	Aaa	AA	5.0
U.S. Treasury inflation protected security *	Aaa	AA	1.2
Total rated investments			<u>81.3%</u>

\* Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The ratings are shown for the reader's information.

Unrated securities include common stock, corporate ABS residual, investments in other funds, and options contracts purchased valued at 18.7% of the fair value of the Pool's investments.

Opportunistic Debt Pool – This pool is exposed to credit risk from investments in unrated direct lending funds. This risk is limited by requiring that underlying fund holdings are at least 90% collateralized by one or more assets of the issuer. The pool also holds shares of a money market mutual fund with the highest credit rating.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Program's investment in a single corporate issuer. Except for the Opportunistic Debt Pool, none of the IMB pools in which the Program participates held securities of any one issuer in excess of 5% of the value of the pools in accordance with West Virginia statutes and are not exposed to concentration of credit risk. Due to being in the infancy stage of the lending program, the Opportunistic Debt Pool is exposed to concentration of credit risk. Approximately 32% of committed capital has been called. As the lending program becomes fully funded, the concentration of credit risk will be mitigated. Each asset manager is restricted from investing more than 10% of the capital commitment in a single issuer for investments that are expected to be held longer than one year. At June 30, 2016, the pool was in compliance with this restriction.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The International Nonqualified Pool is not exposed to interest rate risk. The following pools are exposed to interest rate risk.

Large Cap Domestic Equity Pool – This pool is exposed to interest rate risk from investments made with cash collateral for securities loaned. The weighted average maturity (the “WAM”) for investments made with cash collateral for securities loaned is not to exceed 90 days. The following table provides the WAM for the investments made with cash collateral for securities loaned as of June 30, 2016.

Security Type	Percent of Pool Assets	WAM (Days)
Repurchase agreements	8.5%	2
Time deposits	2.8	1
	<u>11.3%</u>	<u>1</u>

Non-Large Cap Domestic Equity Pool – This pool is exposed to interest rate risk from investments made with cash collateral for securities loaned. The weighted average maturity WAM for investments made with cash collateral for securities loaned is not to exceed 90 days. The maturity of floating rate notes is assumed to be the next interest reset date. The following table provides the WAM for the investments made with cash collateral for securities loaned as of June 30, 2016.

Security Type	Percent of Pool Assets	WAM (Days)
Repurchase agreements	19.2%	2
Time deposits	6.4	1
	<u>25.6%</u>	<u>1</u>

International Equity Pool – This pool is exposed to interest rate risk from investments made with cash collateral for securities loaned. The weighted average maturity WAM for investments made with cash collateral for securities loaned is not to exceed 90 days. The following table provides the WAM for the investments made with cash collateral for securities loaned as of June 30, 2016.

Security Type	Percent of Pool Assets	WAM (Days)
Repurchase agreements	3.7%	2
Time deposits	1.3	1
	<u>5.0%</u>	<u>1</u>

Short-Term Fixed Income Pool – The WAM of the investments in this pool is not to exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the WAM for the various asset types in the Short-Term Pool as of June 30, 2016.

Security Type	Percent of Pool Assets	WAM (Days)
Repurchase agreements	3.7%	1
Commercial paper	14.9	22
Money market mutual fund	23.3	N/A
U.S. government agency bonds	36.9	55
U.S. Treasury bond	21.2	28
	<u>100.0%</u>	<u>39</u>



Core Fixed Income Pool – The IMB monitors interest rate risk of this pool by evaluating the effective duration of the investments in the pool. The following table provides the weighted average effective duration for the various asset types in the pool as of June 30, 2016.

Security Type	Percent of Pool Assets	Effective Duration (Years)
Corporate asset backed issues	6.7%	2.1
Corporate CMO	5.5	2.5
Corporate CMO interest-only	0.1	(17.4)
Corporate CMO principal-only	0.0	4.2
Foreign asset backed issues	0.2	0.1
Foreign corporate bonds	4.2	5.7
Foreign government bonds	0.7	9.0
Money market mutual funds	3.3	N/A
Municipal bonds	0.9	14.4
Repurchase agreements	3.7	0.0
Time deposits	1.2	0.0
U.S. corporate bonds	20.9	6.3
U.S. government agency bonds	2.2	3.8
U.S. government agency CMO	12.3	3.0
U.S. government agency CMO interest-only	0.5	5.9
U.S. government agency CMO principal-only	0.8	7.2
U.S. government agency MBS	17.7	4.4
U.S. Treasury bonds	19.0	8.5
U.S. Treasury inflation protected security	0.1	3.4
	<u>100.0%</u>	4.9

The Core Fixed Income Pool invests in commercial and residential mortgage-backed and asset-backed securities and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions, and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2016, these securities were approximately 44.0% of the value of the Core Fixed Income Pool.

Total Return Fixed Income Pool – The IMB monitors interest rate risk of this pool by evaluating the effective duration of the investments in the pool. The following table provides the weighted average effective duration for the various asset types in the pool as of June 30, 2016.

Security Type	Percent of Pool Assets	Effective Duration (Years)
Bank loan	0.0%	0.1
Corporate ABS residual	0.3	N/A
Corporate asset backed issues	1.7	1.8
Corporate CMO	1.3	1.9
Corporate preferred securities	0.5	0.1
Foreign asset backed issues	0.6	2.4
Foreign corporate bonds	13.6	6.6
Foreign government bonds	10.1	6.0
Investment in other funds	16.8	2.9
Money market mutual funds	3.1	N/A
Municipal bonds	1.9	10.4
Options contracts purchased	0.1	N/A
Repurchase agreements	2.8	0.0
Time deposits	0.9	0.0
U.S. corporate bonds	25.1	8.3
U.S. government agency bonds	0.1	3.3
U.S. government agency CMO	3.0	0.9
U.S. government agency CMO interest-only	0.3	34.0
U.S. government agency MBS	11.9	1.7
U.S. government agency TBA	0.0	0.0
U.S. Treasury bonds	4.7	3.0
U.S. Treasury inflation protected security	1.2	19.5
	<u>100.0%</u>	<u>5.1</u>

Opportunistic Debt Pool – This pool is exposed to interest rate risk from investments in direct lending funds. The IMB manages interest rate risk of the pool by requiring at least 80% of the fund holdings that mature in more than one year to have variable or floating interest rate structures.

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The following IMB pools in which the Program participates are exposed to no or minimal foreign currency risk: Large Cap Domestic Equity Pool, Non-Large Cap Domestic Equity Pool, Short-Term Fixed Income Pool, Core Fixed Income Pool and Total Return Fixed Income Pool. The following pools are exposed to foreign currency risk.

International Nonqualified Pool – This pool invests in a collective trust fund that invests in equities denominated in foreign currencies. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments.

International Equity Pool – This pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks.

Opportunistic Debt Pool – The investments in direct lending funds in this pool might be indirectly exposed to foreign currency risk.

### Deposit Risk

The carrying value in the Administrative Account of cash on deposit with the State Treasurer's Office was \$2,289,805 at June 30, 2016. The cash is pooled with other deposits from the State's agencies, departments, boards and commissions and is subject to coverage by the Federal Deposit Insurance Corporation (the "FDIC") or collateralized by securities held by the State or its agents in the State's name. Other cash deposits held in outside bank accounts were \$2,561,939. Such deposits are insured by the FDIC or collateralized by the State or its agents in the State's name. Custodial credit risk in regard to deposits is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Program does not have a deposit policy for custodial credit risk. Program management does not believe any of its deposits are exposed to custodial credit risk.

### ***Derivative Financial Instruments***

The Program indirectly holds derivative financial instruments by its participation in two investment pools at the IMB. In the Large Cap Domestic Equity Pool, futures contracts are the only derivative financial instrument held and represent less than 0.1% of the pool's total assets as of June 30, 2016. In the Total Return Fixed Income Pool, derivative financial instruments may include foreign exchange contracts, futures, options, credit default swaps, interest rate swaps, and currency swaps. Derivative instruments represent less than 0.4% of total assets and less than 19.3% of total liabilities in the Total Return Fixed Income Pool. As the Program does not hold any direct investments in derivative financial instruments, no further disclosure or consideration of their impact on the Program's financial position and results of operations is required.

## **4. Accrued Contract Benefits Liability**

The total actuarial present value of accrued contract benefits liability of \$70,758,634 as of June 30, 2016, was based on the provision for contract benefits since inception of the Prepaid Tuition Plan. Current liabilities of \$16,199,520 represent obligations that will become due within a year from June 30, 2016. Noncurrent liabilities of \$54,559,114 represent obligations that will become due more than a year after June 30, 2016.

Under the actuarial evaluation, tuition and fees are assumed to increase an average of 8.5% for the 2017-18 school year and each year thereafter to the end of the Prepaid Tuition Plan on June 30,

2022. Investments are assumed to earn 5.3% for the year ending June 30, 2017. Declining rates are assumed for each year thereafter through 2022 when the rate is assumed to be 2.3%.

The accrued contract benefits liability at June 30, 2016, and changes for the fiscal year then ended are as follows:

Beginning balance, June 30, 2015	\$ 81,529,807
Interest cost	3,986,540
Actuarial gain	(2,023,275)
Miscellaneous factors	(110,299)
Tuition benefit payments and refunds	(12,624,139)
Ending balance, June 30, 2016	<u>\$ 70,758,634</u>

The actuarial gain was the result of tuition increases for the 2016-17 school year being less than expected. Weighted average tuition had been assumed to increase 8.5% but instead increased 5.7%.

## 5. Tuition Contract Benefits and Expenses

The tuition contract benefits and expenses represent current expenses of the Prepaid Tuition Plan. Such amounts are determined by the time value of money as a result of changes in actuarial assumptions year over year. Because the Prepaid Tuition Plan is closed to new enrollments, the revenues and expenses related to such accounts are determined directly and solely by actuarial assumptions, estimations, and economic factors, such as the actuarial interest rate, tuition growth projections, account cancellations, economic inflation, beneficiaries' choices of schools, and actual experience versus actuarial expectations. In any given year, fluctuations in actuarial assumptions and/or actual experience can significantly change revenues and expenses, and, under certain circumstances, create negative revenues and expenses. An actuarial gain in the accrued contract expense liability in the Administrative Account at June 30, 2016 created a negative tuition contract expense, which is reported as a gain, or operating revenue, of \$79,213 for the year ended June 30, 2016.

The following represents components of tuition contract benefits and expenses reported on the Statement of Revenues, Expenses and Changes in Net (Deficit) Position for the Year Ended June 30, 2016:

### Tuition contract benefits

Interest growth in actuarially estimated tuition contract benefits for the year ended June 30, 2016	\$ 3,986,540
Decrease in accrued contract benefits liability due to lower tuition growth than estimated for the 2016-17 school year	(2,023,275)
Decrease in accrued contract benefits liability due to miscellaneous factors	<u>(110,299)</u>
Tuition contract benefits for the year ended June 30, 2016 (an actuarial loss on accrued contract benefits liability)	<u>\$ 1,852,966</u>

Tuition contract expenses

Interest growth in actuarially estimated tuition contract expenses for the year ended June 30, 2016	\$ 17,932
Decrease in accrued contract expense liability due to assumed actuarial payments during the year ended June 30, 2016	(113,478)
Increase in accrued contract benefits liability due to changes in Prepaid Tuition Plan provisions and miscellaneous factors	<u>16,333</u>
Tuition contract expenses for the year ended June 30, 2016 (an actuarial gain on accrued contract benefits liability and reported as operating revenue)	<u><u>\$ (79,213)</u></u>

**6. Compensated Absences and Other Postemployment Benefits****Compensated Absences**

The accruals for compensated absences represent obligations that may arise for earned but unused annual leave as of June 30, 2016. Current liabilities of \$63,355 represent obligations for compensated absences that can become due within a year from June 30, 2016.

The accrued compensated absences liability at June 30, 2016, and changes for the fiscal year then ended are as follows:

Beginning balance, June 30, 2015	\$ 63,751
Addition: Annual leave earned	33,659
Reduction: Annual leave used	(31,236)
Reduction: Decrease in employer contribution for the year ended June 30, 2017	<u>(819)</u>
Ending balance, June 30, 2016	<u><u>\$ 65,355</u></u>

**Other Postemployment Benefits Plan Description**

The State of West Virginia sponsors the West Virginia Other Postemployment Benefits Plan (the “OPEB Plan”), a cost-sharing multiple-employer defined benefit postemployment plan administered by the West Virginia Public Employees Insurance Agency (the “PEIA”), to provide medical benefits to retired state and local government employees. Chapter 5, Article 16D of the West Virginia Code created the West Virginia Retiree Health Benefits Trust Fund (the “RHBT”) and assigns the authority to administer the plan to PEIA. The PEIA issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. That report can be obtained by writing to PEIA, 1900 Kanawha Boulevard East, Charleston, WV 25305, or by calling (304) 558-7850.

## **Other Postemployment Benefits Plan Funding Policy**

The State Code requires the OPEB Plan to bill the participating employers 100.0% of the Annual Required Contribution (“ARC”), an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month. The latest OPEB actuarial valuation was performed as of June 30, 2015, and the ARC amounts were applied prospectively to the fiscal year beginning July 1, 2015.

The Program’s ARC to the OPEB Plan was \$30,888, \$23,340, and \$22,680, and the Program paid premiums of \$10,925, \$12,236, and \$11,792, which represented 35.4%, 52.4%, and 52.0%, of the ARC, respectively, for the years ending June 30, 2016, 2015, and 2014. As of June 30, 2016 the Program has recorded an OPEB liability of \$229,759.

## **7. Retirement Benefits**

### ***General Information about the Retirement Plan***

#### *Retirement Plan Description*

The Program contributes to the Public Employees Retirement System (the “PERS”), a cost-sharing multiple-employer defined benefit pension plan administered by the West Virginia Consolidated Public Retirement Board (the “CPRB”) pursuant to Chapter 5, Article 10D of the West Virginia Code. The CPRB issues a publicly available financial report that includes financial statements and required supplementary information for the PERS. That report can be obtained at the CPRB’s internet address <http://www.wvretirement.com/> or by writing to CPRB, 4101 MacCorkle Avenue Southeast, Charleston, WV 25304.

#### *Benefits Provided*

The PERS provides retirement, disability and death benefits to plan members and beneficiaries.

Qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. For all employees hired July 1, 2015 and later, qualification for normal retirement is age 62 with 10 years of service or at least age 55 with age and service equal to 80 or greater. The straight-life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. Average salary is the average of the highest annual compensation during any period of three consecutive years within the last fifteen years of earnings. For all employees hired July 1, 2015 and later, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired July 1, 2015 and later, this age increases to 64.

Disability benefits shall not be less than 50% of a member's FAS. At age 65 the benefit is calculated on actual years of service and may be reduced, but the straight life benefit or equivalent may not be less than 20% of FAS.

For death benefits, the PERS members may select beneficiary options based only upon the specific category that describes his or her particular circumstance at the time a beneficiary form is completed (i.e., date of hire, years of service and marital status).

#### *Contributions*

The PERS is funded by employee or member contributions and employer contributions. Although contributions are not actuarially determined, actuarial valuations are performed to assist the Legislature in establishing appropriate contribution rates. Current funding policy requires contributions, consisting of member contributions of 4.5% of covered payroll and employer contributions of 13.5%, 14.0%, and 14.5% for the years ended June 30, 2016, 2015, and 2014, respectively. All members hired July 1, 2015 and later, will contribute 6% of annual earnings. Effective July 1, 2016 employer contributions will be 12%. The Program's contribution to the PERS was \$47,298, \$38,263 and \$49,346 for the years ended June 30, 2016, 2015 and 2014, respectively.

#### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2016, the Program reported a liability of \$112,537 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The Program's proportion of the net pension liability was based on a projection of the Program's long-term share of contributions to the PERS relative to the projected contributions of all participating employers in the PERS. At June 30, 2015, the Program's proportion was 0.0249%, which was a decrease from its proportion of 0.0254% as of June 30, 2014.



For the year ended June 30, 2016, the Program recognized pension expense of \$10,750. At June 30, 2016, the Program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,016	\$ -
Changes of assumptions	-	13,536
Net difference between projected and actual earnings on pension plan investments	34,335	59,012
Changes in proportion and differences between Program contributions and proportionate share of contributions	-	67,618
Program contributions subsequent to the measurement date	47,298	-
Total	<u>\$ 104,649</u>	<u>\$ 140,166</u>

The \$47,298 reported as deferred outflows of resources related to pensions resulting from Program contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (30,725)
2018	(30,725)
2019	(29,950)
2020	8,585

*Actuarial Assumptions*

The total pension liabilities in the June 30, 2015 and 2014 actuarial valuations were determined using the following assumptions, applied to all periods included in the measurement:

	<u>2015</u>	<u>2014</u>
Inflation	1.9%	2.2%
Salary increases	3.0 – 6.0%	4.25 – 6.0%
Investment rate of return	7.5%	7.5%

Mortality rates in the June 30, 2015 and 2014 actuarial valuations were determined using the following assumptions:

	<u>2015</u>	<u>2014</u>
Healthy males	110% of RP-2000 Non-Annuitant, Scale AA	1983 GAM male
Healthy females	101% of RP-2000 Non-Annuitant, Scale AA	1971 GAM female, set back 1 year
Disabled males	96% of RP-2000 Disabled Annuitant, Scale AA	1971 GAM male, set forward 8 years
Disabled females	107% of RP-2000 Disabled Annuitant, Scale AA	Revenue Ruling 96-7 disabled female table

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014, while the assumptions for the June 30, 2014 valuation were based on the period July 1, 2004 through June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	27.5%	7.6%
International equity	27.5	8.5%
Fixed income	15.0	2.9% - 4.8%
Real estate	10.0	6.8%
Private equity	10.0	9.9%
Hedge funds	10.0	5.0%
Total	<u>100.0%</u>	

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of the pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were

applied to all periods of projected benefit payments to determine the total pension liabilities. There were no changes in the discount rates between measurement dates.

*Sensitivity of the Program's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Program's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Program's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Program's proportionate share of the net pension liability (asset)	\$ 259,539	\$ 112,537	\$ (11,658)

## 8. Transactions with State Treasurer's Office

The State Treasurer's Office provides various administrative services at no cost to the Program and pays certain administrative costs on behalf of the Program. Such administrative services and costs were not determinable for the year ended June 30, 2016 because they were blended in with the overall operations of the State Treasurer's Office.

## 9. Risk Management

The Program is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters.

The Program has obtained health coverage for its employees through PEIA. PEIA provides the following basic employee benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death, and prescription drug coverage for active and retired employees of the State of West Virginia and various related State and non-State agencies. Additionally, the Program has obtained coverage for job-related injuries through its participation in the private, employer-owned mutual insurance company BrickStreet Insurance. There have been no workers' compensation claims since the inception of the Program.

Furthermore, the Program uses the West Virginia State Board of Risk and Insurance Management, which provides a public entity risk pool, to obtain coverage in the amount of \$1,000,000 per occurrence for general liability and property damage. There have been no claims since the inception of the Program.

## **10. Net Position Deficiency**

The Prepaid Tuition Plan has a net position deficiency of approximately \$13,071,484 as of June 30, 2016. This deficiency was largely caused by investment losses in fiscal years 2002, 2008 and 2009, unexpected tuition increases in the 2002-2003 and 2004-2005 school years, changes in prior years of estimates of future investment rate of return and tuition growth, and significant adjustments in actuarial assumptions in fiscal year 2008. Although the Prepaid Tuition Plan was on the road to recovery from the impact of those past economic events, the deficit grew in fiscal years 2015 and 2016 primarily because of actuarial losses related to investment performance being less than projected, and because of changes in actuarial assumptions in fiscal year 2015 related to projected high tuition increases for the next seven years.

The Program's ability to pay obligations of the Prepaid Tuition Plan is dependent on long-term investment programs and adequate levels of future cash flows. Management sought and received support from the State Legislature in the form of a pledge of assets from the State Unclaimed Property Trust Fund to support payment of Prepaid Tuition Plan benefits. In March 2003, the Legislature created the Prepaid Tuition Trust Escrow Account to guarantee payment of Prepaid Tuition Plan contracts. Under the legislation, the Escrow Account will receive transfers of \$1,000,000 from the State Unclaimed Property Trust Fund each year there is an actuarially determined unfunded liability of the Prepaid Tuition Plan. An additional one-time transfer of \$8,000,000 from the Unclaimed Property Trust Fund was authorized for July 2009. All earnings on the transferred funds will remain in the Escrow Account. In the event the Prepaid Tuition Plan is unable to cover the amount of money needed to meet its current obligations, funds may be withdrawn from the Escrow Account to meet those obligations. The independent actuarial valuation as of June 30, 2016 estimates that the Prepaid Tuition Plan will exhaust its investment funds during fiscal year 2021 and will then need to begin drawing from the Escrow Account to pay its obligations.

Beginning in December 2003, funds totaling \$18,254,008 have been transferred to the Escrow Account because the Prepaid Tuition Plan had actuarial deficits in fiscal years 2003-15. The funds were invested and have had a net investment gain of \$1,564,804 for the thirteen years ended June 30, 2016, leaving the account with a balance of \$19,818,812 at June 30, 2016. There was \$1,000,000 transferred in fiscal year 2016 because of the actuarial unfunded liability at the end of fiscal year 2015. Because there was an actuarially determined unfunded liability of \$13,071,552 in the Prepaid Tuition Plan as of June 30, 2016, an additional \$1,000,000 is expected to be transferred from the Unclaimed Property Trust Fund to the Escrow Account on or before December 15, 2016, in accordance with the provisions enacted by the Legislature. Funds transferred or to be transferred into the Escrow Account do not affect the actuarial valuation of the Prepaid Tuition Plan and are not included in the Prepaid Tuition Plan's basic financial statements. The State reports the Escrow Account in the general fund in its financial statements as unrestricted cash.

Effective March 8, 2003, the West Virginia Legislature closed the Prepaid Tuition Plan to new contracts. According to State Code (§18-30-6 (g)), closing the plan to new contracts shall not mean that the Prepaid Tuition Plan is closed and shall not affect any contracts in effect on March

8, 2003. Contract holders will continue to pay any amounts due, and the Prepaid Tuition Plan will continue to pay all benefits due.

During fiscal year 2015, the board voted to close the Prepaid Tuition Plan on June 30, 2022. Any funds not distributed to account holders or beneficiaries who cannot be located at that time will be transferred to the West Virginia Unclaimed Property Division where the rightful owner can claim the funds at any time. The unclaimed funds will cease to be the responsibility of the Program. If at any time on or before June 30, 2022, the Prepaid Tuition Plan should exhaust its funds, any funds needed to pay benefits and terminations will be drawn from the Escrow Account. Once the Prepaid Tuition Plan is terminated and all rightful unclaimed funds are transferred out of the Program, the Escrow Account will be dissolved and all remaining funds in the account will be transferred to the State.

Management believes that the Prepaid Tuition Plan will continue to have sufficient liquid resources to meet its obligations as they become due through June 30, 2017. The accompanying financial statements do not reflect any adjustments that might result should management's actions to eliminate the net position deficiency fail to be successful.

## **11. Significant Accounting Policies - Savings Plan**

### **Basis of Accounting**

As a fiduciary fund, the Savings Plan's financial statements are presented on the flow of economic resources measurement focus and the accrual basis of accounting. As mentioned in Note 2, the Savings Plan is a private-purpose trust fund, which is a type of fiduciary fund. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support a government's own programs. A private-purpose trust fund is a fiduciary fund used to report all trust arrangements, other than pension (and other employee benefit) trust funds and investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. Revenues mainly are derived from investment income. Expenses consist primarily of investment expenses and administrative costs associated with the Savings Plan.

### **Security Transactions and Investment Income**

Security transactions of the Savings Plan are recorded on the trade date (date the order to buy or sell is executed). Dividend income and capital gain distribution from the underlying funds, if any, are recorded on the ex-dividend date. Realized gains and losses on securities transactions are computed on the basis of identified cost.

Investments in the underlying funds are carried at the closing net asset value per share of each underlying fund on the day of valuation.

The Savings Plan contains a guaranteed investment contract named the SMART529 Stable Value Fund. This fund is managed by INVESCO International. The contract has a guaranteed interest

rate that resets quarterly. Following the guidance and provisions of GAAP, the guaranteed investment contract is a nonparticipating contract in which the redemption terms of the contract do not consider current market rates. The nonparticipating guaranteed investment contract is valued at contract value (i.e., cost plus accrued interest) as required under the current governmental accounting standards.

### **Units**

Contributions by a participant are evidenced through the issuance of units in the particular portfolio or fund. Contributions and withdrawals are subject to terms and limitations defined in the participation agreement between the participant and the Savings Plan. Contributions are invested in units of the assigned portfolio or fund on the same day as the credit of the contribution to the participant's account. Withdrawals are based on the unit value calculated for such portfolio or fund on the day that the withdrawal request is accepted. The earnings portion of non-qualified withdrawals, in addition to applicable federal and state income tax, may be subject to a 10% non-qualified withdrawal penalty to be withheld from the withdrawal.

### **Expenses**

Expenses in the Savings Plan financial statements reflect investment management fees, and distribution and administrative charges.

### **Fair Value Measurement**

Hartford Life invests and manages the Savings Plan investments in 53 different portfolios for the Program. Each portfolio, in turn, is either a mutual fund or contains multiple mutual funds. Except for the SMART529 Stable Value Fund, as discussed below, investments are reported at fair value, which is the same as the value of the pool shares, and are accounted for by the Savings Plan accordingly, with changes in the fair value included in investment earnings.

As discussed in Note 3, GASB Statement No. 72 establishes classification of fair value measurements of investments within a fair value hierarchy, which categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 inputs – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs – Unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As of the year ended June 30, 2016, all investment securities within the portfolios, except for the SMART529 Stable Value Fund, were measured at fair value using Level 1 inputs.

The SMART529 Stable Value Fund is a synthetic guaranteed investment contract, which is a form of derivative instrument, and accordingly is reported at contract value in accordance with GAAP. Changes in contract value are included in investment earnings. The fair value and the contract value of the SMART529 Stable Value Fund as of June 30, 2016 are as follows:

	Fair Value	Contract Value
Underlying investments	\$ 363,436,933	\$ 351,474,805
Wrap contract	-	-
Total SMART529 Stable Value Fund	<u>\$ 363,436,933</u>	<u>\$ 351,474,805</u>

Various portfolios include the SMART529 Stable Value Fund as part of their families of underlying investments. Additionally, the SMART529 Direct Stable Value Fund and The Hartford SMART529 Stable Value Fund are standalone investment options that contain only the SMART529 Stable Value Fund.

The following represents a calculation of the net change in the carrying value of investments during the year ended June 30, 2016:

Carrying value at end of year	\$ 2,232,967,521
Less cost of investments purchased during year	(604,220,276)
Plus cost of investments redeemed during year	500,230,945
Less carrying value at beginning of year	<u>(2,265,287,374)</u>
Change in carrying value of investments during year	<u>\$ (136,309,184)</u>

The Program has adopted an investment policy for the Savings Plan that requires blended benchmarks for the various funds and portfolios. While the diversified benchmarks represent the diversification of the funds and portfolios – and diversification in general results in risk reduction – the investment policy does not specifically address custodial credit risk, credit risk, concentration credit risk, interest rate risk or foreign currency risk. Investments in the Savings Plan represent units of mutual funds rather than specific securities, and as such are not exposed to those risks. Neither the Program, the Savings Plan, nor the funds and portfolios have been rated for credit risk by any organization.

### **Related Parties and Fund Managers and Advisors**

**SMART529 WV Direct College Savings Plan** The Vanguard Group, Inc. (“Vanguard”), through its Equity Investment Group, serves as the investment adviser to all of the underlying funds, except for the SMART529 Stable Value Fund, which is managed by Invesco Advisers, Inc. (“Invesco”). Hartford Funds Management Company, LLC (“HFMC”), which is a wholly owned indirect subsidiary of The Hartford, is the principal underwriter and distributor for the plan.



**The Hartford SMART529 College Savings Plan** All of the underlying funds except the SMART529 Stable Value Portfolio and the MFS Global Equity Fund are managed by HFMC. The SMART529 Stable Value portfolio is managed by Invesco. Massachusetts Financial Services Company is the investment advisor for the MFS Global Equity Fund.

Wellington Management Company, LLP (“Wellington Management”) is investment sub-advisor to The Hartford Total Return Bond Fund, The Hartford Inflation Plus Fund, The Hartford High Yield Fund, The Hartford Capital Appreciation Fund, The Hartford Small Cap Growth Fund, The Hartford MidCap Fund, The Hartford MidCap Value Fund, The Hartford Dividend and Growth Fund, The Hartford Growth Opportunities Fund, The Hartford Small Company Fund, The Hartford Equity Income Fund, The Hartford International Opportunities Fund, The Hartford International Small Company Fund, The Hartford Global Real Asset Fund, The Hartford Global All Asset Fund, The Hartford Emerging Markets Research Fund, The Hartford Balanced Income Fund, The Hartford Strategic Income Fund, The Hartford Unconstrained Bond Fund, and The Hartford World Bond Fund.

**SMART529 Select College Savings Plan** Dimensional Fund Advisors is investment advisor to the underlying DFA portfolios in the SMART529 Select College Savings Plan.

Hartford Life and the West Virginia State Treasurer’s Office provide administrative services.



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## Required Supplementary Information

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Schedule of the West Virginia College Prepaid Tuition and Savings Program's  
Proportionate Share of the Net Pension Liability

	Fiscal Year Ended June 30	
	2016	2015
Program's proportion of the net pension liability	0.0202%	0.0254%
Program's proportionate share of the net pension liability	\$ 112,537	\$ 93,793
Program's covered-employee payroll	\$ 415,043	\$ 428,032
Program's proportionate share of net pension liability as a percentage of its covered-employee payroll	27.11%	21.91%
Public Employees Retirement System net position as a percentage of the total pension liability	91.29%	93.98%

All amounts reported are presented as of the measurement date, which is one year prior to the fiscal year dates indicated.

*See Independent Auditor's Report and Notes to Required Supplementary Information*

Schedule of the West Virginia College Prepaid Tuition and Savings Program's Contributions to  
the West Virginia Public Employees Retirement System

	Fiscal Year Ended June 30			
	2016	2015	2014	2013
Contractually required contribution	\$ 47,298	\$ 38,263	\$ 49,346	\$ 54,023
Contributions in relation to the contractually required contribution	(47,298)	(38,263)	(49,346)	(54,023)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Program's covered-employee payroll	\$ 353,317	\$ 375,043	\$ 408,032	\$ 450,816
Contributions as a percentage of covered-employee payroll	13.39%	10.20%	12.09%	11.98%

*See Independent Auditor's Report and Notes to Required Supplementary Information*

## West Virginia College Prepaid Tuition and Savings Program

### Notes to Required Supplementary Information

#### **1. Trend Information Presented**

The accompanying schedules of the Program's proportionate share of the net pension liability and contributions to PERS are required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedules for those years for which information is available.

#### **2. Plan Amendment**

The PERS was amended to make changes which apply to new employees hired after July 1, 2015 as follows:

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. For employees hired after July 1, 2015, qualification for normal retirement is 62 with 10 years of service or at least age 55 with age and service equal to 80 or greater.
- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired after July 1, 2015 average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.
- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired after July 1, 2015, this age increases to 64.
- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired after July 1, 2015, are required to contribute 6% of annual earnings.

*See Independent Auditor's Report*

### 3. Changes in Assumptions

An experience study, which was based on the years 2009 through 2014, was completed prior to the 2015 actuarial valuation. As a result, several assumptions were changed for the actuarial valuation for the year ending June 30, 2015 as follows:

	2015	2014
Projected salary increases:		
State	3.0 – 4.6%	4.25 – 6.0%
Nonstate	3.35 – 6.0%	4.25 – 6.0%
Inflation rate	1.9%	2.2%
Mortality rates:		
Healthy males	110% of RP-2000 Non-Annuitant, Scale AA	1983 GAM male
Healthy females	101% of RP-2000 Non-Annuitant, Scale AA	1971 GAM female, set back 1 year
Disabled males	96% of RP-2000 Disabled Annuitant, Scale AA	1971 GAM male, set forward 8 years
Disabled females	107% of RP-2000 Disabled Annuitant, Scale AA	Revenue Ruling 96-7 disabled female table
Withdrawal rates:		
State	1.75 – 35.1%	1.0 – 26.0%
Nonstate	2.0 – 35.8%	2.0 – 31.2%
Disability rates	0.0 – 0.675%	0.0 – 0.8%

*See Independent Auditor's Report*

## Supplemental Information

The following information is presented for the purpose of additional analysis and is not a required part of the financial statements of the Program. This section shows financial information of each investment portfolio and individual fund of the Savings Plan, which is a fiduciary fund of the Program.



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West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position  
June 30, 2016

	SMART529 WV Direct Age-Based Portfolio 0-8	SMART529 WV Direct Age-Based Portfolio 9-13	SMART529 WV Direct Age-Based Portfolio 14-15	SMART529 WV Direct Age-Based Portfolio 16-17	SMART529 WV Direct Age-Based Portfolio 18+
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ —	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio	—	—	—	—	—
DFA Global Real Estate Securities Portfolio	—	—	—	—	—
DFA Inflation Protected Securities Portfolio	—	—	—	—	—
DFA International Core Equity Portfolio	—	—	—	—	—
DFA Investment Grade Portfolio	—	—	—	—	—
DFA One-Year Fixed Income Portfolio	—	—	—	—	—
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	—	—	—	—	—
DFA US Core 2 Equity Portfolio	—	—	—	—	—
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—	—	—
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	—	—
The Hartford International Growth Fund	—	—	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—	—	—
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	1,275,458	3,785,324	1,973,454	782,890	1,157,884
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	3,724,827	6,452,147	3,617,985	870,829	1,158,071
Vanguard Total International Stock Index Fund - Institutional	6,177,146	7,236,252	2,308,644	1,138,843	892,182
Vanguard Total Stock Market Index Fund - Institutional	14,414,431	16,886,648	5,386,956	2,657,539	2,083,520
Total Investments	\$ 25,591,862	\$ 34,360,371	\$ 13,287,039	\$ 5,450,101	\$ 5,291,657
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	2,375,010	1,880,203	9,394,250	14,060,520
Receivables for investments sold	—	—	—	—	3,418
Receivables for capital shares sold	1,281	1,075	354	723	1,113
Dividends receivable	7,542	12,892	7,174	1,733	2,293
Total assets	25,600,685	36,749,348	15,174,770	14,846,807	19,359,001
<b>Liabilities:</b>					
Payables for investments purchased	8,359	13,967	7,529	2,456	2,293
Payables for capital shares redeemed	464	—	—	—	4,531
Accrued distribution fees	—	—	—	—	—
Accrued savings plan manager fees	5,237	6,867	2,590	730	476
Accrued administration fees	—	—	—	—	—
Total liabilities	14,060	20,834	10,119	3,186	7,300
Fiduciary Net Position	\$ 25,586,625	\$ 36,728,514	\$ 15,164,651	\$ 14,843,621	\$ 19,351,701
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class B					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class C					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class D					
Net Position	\$ 25,586,625	\$ 36,728,514	\$ 15,164,651	\$ 14,843,621	\$ 19,351,701
Units outstanding	1,032,040	1,654,559	704,588	1,152,749	1,250,395
Net Position Value	\$ 24.79	\$ 22.20	\$ 21.52	\$ 12.88	\$ 15.48
Class E					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
* Identified Cost	\$ 23,548,967	\$ 33,278,631	\$ 14,389,036	\$ 14,242,546	\$ 18,949,367

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	SMART529 WV Direct Conservative Balanced Portfolio	SMART529 WV Direct Conservative Bond Portfolio	SMART529 WV Direct Stable Value Fund	SMART529 WV Direct Balanced Portfolio	SMART529 WV Direct Growth Portfolio
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ —	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio	—	—	—	—	—
DFA Global Real Estate Securities Portfolio	—	—	—	—	—
DFA Inflation Protected Securities Portfolio	—	—	—	—	—
DFA International Core Equity Portfolio	—	—	—	—	—
DFA Investment Grade Portfolio	—	—	—	—	—
DFA One-Year Fixed Income Portfolio	—	—	—	—	—
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	—	—	—	—	—
DFA US Core 2 Equity Portfolio	—	—	—	—	—
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—	—	—
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	—	—
The Hartford International Growth Fund	—	—	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—	—	—
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	277,622	316,822	—	1,237,178	910,048
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	277,404	693,767	—	2,109,464	2,659,376
Vanguard Total International Stock Index Fund - Institutional	214,212	—	—	2,359,175	4,406,018
Vanguard Total Stock Market Index Fund - Institutional	499,758	—	—	5,509,384	10,289,382
Total Investments	\$ 1,268,996	\$ 1,010,589	\$ —	\$ 11,215,201	\$ 18,264,824
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	3,367,526	2,350,777	13,107,782	776,470	—
Receivables for investments sold	—	7,019	37,436	18,957	6,450
Receivables for capital shares sold	353	981	78	256	1,152
Dividends receivable	547	1,369	—	4,267	5,380
Total assets	4,637,422	3,370,735	13,145,296	12,015,151	18,277,806
<b>Liabilities:</b>					
Payables for investments purchased	900	1,369	—	4,267	5,380
Payables for capital shares redeemed	—	8,000	37,514	19,213	7,602
Accrued distribution fees	—	—	—	—	—
Accrued savings plan manager fees	113	111	—	2,273	3,739
Accrued administration fees	—	—	—	—	—
Total liabilities	1,013	9,480	37,514	25,753	16,721
Fiduciary Net Position	\$ 4,636,409	\$ 3,361,255	\$ 13,107,782	\$ 11,989,398	\$ 18,261,085
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class B					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class C					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class D					
Net Position	\$ 4,636,409	\$ 3,361,255	\$ 13,107,782	\$ 11,989,398	\$ 18,261,085
Units outstanding	312,124	224,215	881,106	555,687	775,242
Net Position Value	\$ 14.85	\$ 14.99	\$ 14.88	\$ 21.58	\$ 23.56
Class E					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
* Identified Cost	\$ 4,490,768	\$ 3,262,605	\$ 12,519,715	\$ 10,839,598	\$ 15,855,142

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	SMART529 WV Direct Aggressive Growth Portfolio	SMART529 WV Direct 500 Index Fund	The Hartford SMART529 Age- Based Portfolio 0-8	The Hartford SMART529 Age- Based Portfolio 9-13	The Hartford SMART529 Age- Based Portfolio 14-15
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ —	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio	—	—	—	—	—
DFA Global Real Estate Securities Portfolio	—	—	—	—	—
DFA Inflation Protected Securities Portfolio	—	—	—	—	—
DFA International Core Equity Portfolio	—	—	—	—	—
DFA Investment Grade Portfolio	—	—	—	—	—
DFA One-Year Fixed Income Portfolio	—	—	—	—	—
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	—	—	—	—	—
DFA US Core 2 Equity Portfolio	—	—	—	—	—
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	6,600,983	11,799,947	4,246,938
Hartford Real Total Return Fund, Class Y	—	—	9,304,425	25,435,468	13,717,110
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	13,153,369	20,917,063	8,460,506
The Hartford Dividend and Growth Fund, Class Y	—	—	14,344,074	23,524,034	9,865,168
The Hartford Equity Income Fund, Class Y	—	—	10,780,911	18,317,964	7,059,569
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	5,946,316	25,988,297	14,011,266
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	7,616,473	6,844,415
The Hartford International Growth Fund	—	—	3,599,996	—	—
The Hartford International Opportunities Fund, Class Y	—	—	25,083,432	49,662,475	19,018,501
The Hartford International Small Company Fund, Class Y	—	—	7,721,052	12,986,324	5,602,831
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	5,990,856	9,161,726	4,239,754
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	4,826,050	7,910,646	3,560,476
The Hartford Strategic Income Fund, Class Y	—	—	5,844,457	12,779,135	13,782,524
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	7,629,369	5,487,273
The Hartford World Bond Fund, Class Y	—	—	5,805,372	10,152,003	6,845,759
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	12,481,888	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	8,276,406	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	19,321,862	—	—	—	—
Total Investments	\$ 27,598,268	\$ 12,481,888	\$ 119,001,293	\$ 243,880,924	\$ 122,742,090
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	—	—	15,184,568	16,381,222
Receivables for investments sold	2,033	—	7,669	16,319	—
Receivables for capital shares sold	375	2,842	115,167	107,216	23,053
Dividends receivable	—	—	—	25,546	18,271
Total assets	27,600,676	12,484,730	119,124,129	259,214,573	139,164,636
<b>Liabilities:</b>					
Payables for investments purchased	—	2,813	—	25,546	21,418
Payables for capital shares redeemed	2,408	29	14,880	34,096	—
Accrued distribution fees	—	—	38,080	77,436	40,904
Accrued savings plan manager fees	5,652	2,541	17,592	38,143	20,397
Accrued administration fees	—	—	6,841	14,832	7,932
Total liabilities	8,060	5,383	77,393	190,053	90,651
Fiduciary Net Position	\$ 27,592,616	\$ 12,479,347	\$ 119,046,736	\$ 259,024,520	\$ 139,073,985
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ —	\$ —	\$ 88,714,503	\$ 192,472,597	\$ 105,132,449
Units outstanding	—	—	3,966,075	9,845,683	5,521,117
Net Position Value	\$ —	\$ —	\$ 22.37	\$ 19.55	\$ 19.04
Class B					
Net Position	\$ —	\$ —	\$ 6,105,986	\$ 19,572,365	\$ 7,609,919
Units outstanding	—	—	293,512	1,077,496	430,320
Net Position Value	\$ —	\$ —	\$ 20.80	\$ 18.16	\$ 17.68
Class C					
Net Position	\$ —	\$ —	\$ 19,398,731	\$ 31,144,843	\$ 18,034,155
Units outstanding	—	—	956,149	1,758,184	1,046,660
Net Position Value	\$ —	\$ —	\$ 20.29	\$ 17.71	\$ 17.23
Class D					
Net Position	\$ 27,592,616	\$ 12,479,347	\$ —	\$ —	\$ —
Units outstanding	1,153,082	734,449	—	—	—
Net Position Value	\$ 23.93	\$ 16.99	\$ —	\$ —	\$ —
Class E					
Net Position	\$ —	\$ —	\$ 4,827,516	\$ 15,834,715	\$ 8,297,462
Units outstanding	—	—	207,818	780,128	419,730
Net Position Value	\$ —	\$ —	\$ 23.23	\$ 20.30	\$ 19.77
* Identified Cost	\$ 23,357,786	\$ 10,287,107	\$ 127,898,490	\$ 274,800,470	\$ 147,424,308

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	The Hartford SMART529 Age- Based Portfolio 16-17	The Hartford SMART529 Age- Based Portfolio 18+	The Hartford SMART529 Conservative Balanced Portfolio	The Hartford SMART529 Stable Value Fund	The Hartford SMART529 Aggressive Growth Portfolio
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ —	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio	—	—	—	—	—
DFA Global Real Estate Securities Portfolio	—	—	—	—	—
DFA Inflation Protected Securities Portfolio	—	—	—	—	—
DFA International Core Equity Portfolio	—	—	—	—	—
DFA Investment Grade Portfolio	—	—	—	—	—
DFA One-Year Fixed Income Portfolio	—	—	—	—	—
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	—	—	—	—	—
DFA US Core 2 Equity Portfolio	—	—	—	—	—
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	4,326,649
Hartford Real Total Return Fund, Class Y	6,496,087	8,704,023	485,557	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	6,669,195	3,559,036	496,399	—	9,294,075
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	9,621,854
The Hartford Equity Income Fund, Class Y	9,365,373	5,359,196	695,427	—	7,309,118
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	9,297,986	8,866,566	690,412	—	3,298,075
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	6,482,784	8,686,238	485,436	—	—
The Hartford International Growth Fund	—	—	—	—	2,662,615
The Hartford International Opportunities Fund, Class Y	9,346,384	3,563,220	694,154	—	17,237,604
The Hartford International Small Company Fund, Class Y	—	—	—	—	5,269,958
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	2,674,426	—	198,723	—	3,987,780
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	3,339,909
The Hartford Strategic Income Fund, Class Y	2,614,439	8,745,223	194,731	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—	—	—
Total Investments	\$ 52,946,674	\$ 47,483,502	\$ 3,940,839	\$ —	\$ 66,347,637
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	77,645,171	126,536,379	5,824,497	59,359,072	—
Receivables for investments sold	16,258	76,516	—	—	11,470
Receivables for capital shares sold	14,718	6,978	74,714	131,858	2,466
Total assets	130,622,821	174,103,375	9,840,050	59,490,930	66,361,573
<b>Liabilities:</b>					
Payables for investments purchased	—	—	68,010	59,489	—
Payables for capital shares redeemed	24,289	78,514	6,128	23,982	13,299
Accrued distribution fees	39,536	56,957	3,128	19,966	19,082
Accrued savings plan manager fees	19,223	25,588	1,422	8,712	9,812
Accrued administration fees	7,475	9,950	553	2,420	3,816
Total liabilities	90,523	171,009	79,241	114,569	46,009
Fiduciary Net Position	\$ 130,532,298	\$ 173,932,366	\$ 9,760,809	\$ 59,376,361	\$ 66,315,564
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ 98,920,326	\$ 125,921,483	\$ 7,110,782	\$ 36,707,210	\$ 42,206,635
Units outstanding	8,171,463	8,890,285	623,295	2,585,133	1,934,875
Net Position Value	\$ 12.11	\$ 14.16	\$ 11.41	\$ 14.20	\$ 21.81
Class B					
Net Position	\$ 6,123,428	\$ 7,656,716	\$ —	\$ 2,317,771	\$ 4,409,130
Units outstanding	522,561	582,525	—	175,497	217,162
Net Position Value	\$ 11.72	\$ 13.14	\$ —	\$ 13.21	\$ 20.30
Class C					
Net Position	\$ 18,643,673	\$ 32,394,316	\$ 2,053,605	\$ 13,484,510	\$ 9,183,423
Units outstanding	1,609,152	2,527,774	187,319	1,047,415	463,858
Net Position Value	\$ 11.59	\$ 12.82	\$ 10.96	\$ 12.87	\$ 19.80
Class D					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class E					
Net Position	\$ 6,844,871	\$ 7,959,851	\$ 596,422	\$ 6,866,870	\$ 10,516,376
Units outstanding	557,094	541,270	51,605	466,197	464,456
Net Position Value	\$ 12.29	\$ 14.71	\$ 11.56	\$ 14.73	\$ 22.64
* Identified Cost	\$ 130,422,954	\$ 172,419,215	\$ 9,798,562	\$ 55,375,532	\$ 68,941,823

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	The Hartford SMART529 Balanced Income Portfolio	The Hartford SMART529 Balanced Portfolio	The Hartford SMART529 Growth Portfolio	The Hartford SMART529 Checks and Balances Portfolio	The Hartford SMART529 Dividend and Growth 529 Fund
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ —	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio	—	—	—	—	—
DFA Global Real Estate Securities Portfolio	—	—	—	—	—
DFA Inflation Protected Securities Portfolio	—	—	—	—	—
DFA International Core Equity Portfolio	—	—	—	—	—
DFA Investment Grade Portfolio	—	—	—	—	—
DFA One-Year Fixed Income Portfolio	—	—	—	—	—
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	—	—	—	—	—
DFA US Core 2 Equity Portfolio	—	—	—	—	—
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	2,503,750	4,942,728	—	—
Hartford Real Total Return Fund, Class Y	—	5,397,330	6,970,280	—	—
The Hartford Balanced Income Fund, Class Y	17,640,673	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	4,439,036	9,856,408	13,140,852	—
The Hartford Dividend and Growth Fund, Class Y	—	4,992,408	10,747,725	13,141,247	202,732,595
The Hartford Equity Income Fund, Class Y	—	3,887,443	8,078,032	—	—
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	5,514,762	4,455,014	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	1,617,892	—	—	—
The Hartford International Growth Fund	—	—	2,697,435	—	—
The Hartford International Opportunities Fund, Class Y	—	10,538,656	18,791,871	—	—
The Hartford International Small Company Fund, Class Y	—	2,755,711	5,783,925	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	1,944,339	4,488,764	—	—
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	1,682,222	3,605,281	—	—
The Hartford Strategic Income Fund, Class Y	—	2,711,663	4,378,016	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	12,773,007	—
The Hartford Unconstrained Bond Fund, Class Y	—	1,621,878	—	—	—
The Hartford World Bond Fund, Class Y	—	2,156,222	4,349,099	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—	—	—
Total Investments	\$ 17,640,673	\$ 51,763,312	\$ 89,144,578	\$ 39,055,106	\$ 202,732,595
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	3,231,358	—	—	—
Receivables for investments sold	—	—	18,598	7,329	121,094
Receivables for capital shares sold	315	61,551	22,840	23,422	108,517
Dividends receivable	—	5,433	—	34,404	—
Total assets	17,640,988	55,061,654	89,186,016	39,120,261	202,962,206
<b>Liabilities:</b>					
Payables for investments purchased	55	21,220	—	34,404	—
Payables for capital shares redeemed	—	39,771	22,963	27,448	145,959
Accrued distribution fees	5,395	18,355	27,735	11,261	59,547
Accrued savings plan manager fees	2,544	8,123	13,162	5,756	29,863
Accrued administration fees	989	3,159	5,118	2,239	11,613
Total liabilities	8,983	90,628	68,978	81,108	246,982
Fiduciary Net Position	\$ 17,632,005	\$ 54,971,026	\$ 89,117,038	\$ 39,039,153	\$ 202,715,224
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ 12,919,848	\$ 39,613,020	\$ 66,129,699	\$ 30,990,952	\$ 145,592,774
Units outstanding	935,444	2,081,519	3,114,586	1,625,947	5,652,895
Net Position Value	\$ 13.81	\$ 19.03	\$ 21.23	\$ 19.06	\$ 25.76
Class B					
Net Position	\$ —	\$ 1,987,727	\$ 3,455,959	\$ 1,091,438	\$ 9,333,689
Units outstanding	—	112,424	175,091	61,650	389,840
Net Position Value	\$ —	\$ 17.68	\$ 19.74	\$ 17.70	\$ 23.94
Class C					
Net Position	\$ 3,523,287	\$ 10,978,731	\$ 14,655,788	\$ 5,182,579	\$ 29,151,816
Units outstanding	262,892	637,163	761,564	300,491	1,248,955
Net Position Value	\$ 13.40	\$ 17.23	\$ 19.24	\$ 17.25	\$ 23.34
Class D					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class E					
Net Position	\$ 1,188,870	\$ 2,391,548	\$ 4,875,592	\$ 1,774,184	\$ 18,636,945
Units outstanding	85,288	121,031	221,260	89,411	696,745
Net Position Value	\$ 13.94	\$ 19.76	\$ 22.04	\$ 19.84	\$ 26.75
* Identified Cost	\$ 17,038,608	\$ 57,997,204	\$ 93,204,057	\$ 38,716,561	\$ 203,986,697

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	The Hartford SMART529 Global All Asset Fund	The Hartford SMART529 Growth Opportunities 529 Fund	The Hartford SMART529 High Yield 529 Fund	The Hartford SMART529 Inflation Plus 529 Fund	The Hartford SMART529 International Opportunities 529 Fund
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ —	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio	—	—	—	—	—
DFA Global Real Estate Securities Portfolio	—	—	—	—	—
DFA Inflation Protected Securities Portfolio	—	—	—	—	—
DFA International Core Equity Portfolio	—	—	—	—	—
DFA Investment Grade Portfolio	—	—	—	—	—
DFA One-Year Fixed Income Portfolio	—	—	—	—	—
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	—	—	—	—	—
DFA US Core 2 Equity Portfolio	—	—	—	—	—
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—	—	—
The Hartford Global All Asset Fund, Class Y	1,783,847	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	20,289,475	—	—	—
The Hartford High Yield Fund, Class Y	—	—	7,361,659	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	6,728,555	—
The Hartford International Growth Fund	—	—	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—	—	14,117,784
The Hartford International Small Company Fund, Class Y	—	—	—	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—	—	—
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—	—	—
Total Investments	\$ 1,783,847	\$ 20,289,475	\$ 7,361,659	\$ 6,728,555	\$ 14,117,784
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	—	—	—	—
Receivables for investments sold	—	14,845	975	—	7,425
Receivables for capital shares sold	5	13,035	235	9,618	669
Dividends receivable	—	—	34,218	—	—
Total assets	1,783,852	20,317,355	7,397,087	6,738,173	14,125,878
<b>Liabilities:</b>					
Payables for investments purchased	5	—	34,218	9,331	—
Payables for capital shares redeemed	—	15,289	1,153	—	7,689
Accrued distribution fees	702	5,630	2,213	1,884	3,839
Accrued savings plan manager fees	264	2,992	1,084	987	2,097
Accrued administration fees	103	1,164	421	384	816
Total liabilities	1,074	25,075	39,089	12,586	14,441
Fiduciary Net Position	\$ 1,782,778	\$ 20,292,280	\$ 7,357,998	\$ 6,725,587	\$ 14,111,437
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ 636,856	\$ 13,958,118	\$ 5,418,411	\$ 4,249,207	\$ 9,557,534
Units outstanding	49,805	666,489	279,893	289,369	974,308
Net Position Value	\$ 12.79	\$ 20.94	\$ 19.36	\$ 14.68	\$ 9.81
Class B					
Net Position	\$ —	\$ 579,179	\$ 174,631	\$ 312,213	\$ 402,863
Units outstanding	—	29,156	9,618	22,692	43,334
Net Position Value	\$ —	\$ 19.86	\$ 18.16	\$ 13.76	\$ 9.30
Class C					
Net Position	\$ 703,909	\$ 2,980,954	\$ 1,220,630	\$ 1,002,483	\$ 1,957,746
Units outstanding	57,013	152,832	68,868	74,544	214,474
Net Position Value	\$ 12.35	\$ 19.50	\$ 17.72	\$ 13.45	\$ 9.13
Class D					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class E					
Net Position	\$ 442,013	\$ 2,774,029	\$ 544,326	\$ 1,161,684	\$ 2,193,294
Units outstanding	34,191	129,263	27,232	76,423	218,379
Net Position Value	\$ 12.93	\$ 21.46	\$ 19.99	\$ 15.20	\$ 10.04
* Identified Cost	\$ 1,977,518	\$ 18,847,266	\$ 7,736,947	\$ 7,117,340	\$ 14,954,633

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	The Hartford SMART529 MidCap 529 Fund	The Hartford SMART529 MidCap Value 529 Fund	The Hartford SMART529 Small Company 529 Fund	The Hartford SMART529 Equity Income 529 Fund	The Hartford SMART529 Total Return Bond 529 Fund
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ —	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio	—	—	—	—	—
DFA Global Real Estate Securities Portfolio	—	—	—	—	—
DFA Inflation Protected Securities Portfolio	—	—	—	—	—
DFA International Core Equity Portfolio	—	—	—	—	—
DFA Investment Grade Portfolio	—	—	—	—	—
DFA One-Year Fixed Income Portfolio	—	—	—	—	—
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	—	—	—	—	—
DFA US Core 2 Equity Portfolio	—	—	—	—	—
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—	30,985,624	—
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	—	—
The Hartford International Growth Fund	—	—	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	60,395,734	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	11,131,812	—	—	—
The Hartford Small Company Fund, Class Y	—	—	7,254,870	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	22,395,998
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—	—	—
<b>Total Investments</b>	<b>\$ 60,395,734</b>	<b>\$ 11,131,812</b>	<b>\$ 7,254,870</b>	<b>\$ 30,985,624</b>	<b>\$ 22,395,998</b>
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	—	—	—	—
Receivables for investments sold	15,103	3,757	—	5,755	22,883
Receivables for capital shares sold	52,312	92,454	887	10,135	7,692
Dividends receivable	—	—	—	—	58,607
<b>Total assets</b>	<b>60,463,149</b>	<b>11,228,023</b>	<b>7,255,757</b>	<b>31,001,514</b>	<b>22,485,180</b>
<b>Liabilities:</b>					
Payables for investments purchased	—	—	569	—	58,607
Payables for capital shares redeemed	16,467	39,622	318	8,453	23,130
Accrued distribution fees	17,174	2,856	2,077	8,651	7,108
Accrued savings plan manager fees	8,971	1,656	1,073	4,535	3,269
Accrued administration fees	3,489	644	417	1,764	1,271
<b>Total liabilities</b>	<b>46,101</b>	<b>44,778</b>	<b>4,454</b>	<b>23,403</b>	<b>93,385</b>
<b>Fiduciary Net Position</b>	<b>\$ 60,417,048</b>	<b>\$ 11,183,245</b>	<b>\$ 7,251,303</b>	<b>\$ 30,978,111</b>	<b>\$ 22,391,795</b>
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ 39,524,566	\$ 9,079,432	\$ 5,015,372	\$ 22,084,295	\$ 15,976,629
Units outstanding	1,112,604	451,534	315,165	1,069,846	883,659
Net Position Value	\$ 35.52	\$ 20.11	\$ 15.91	\$ 20.64	\$ 18.08
Class B					
Net Position	\$ 1,980,331	\$ 271,989	\$ 160,124	\$ 661,995	\$ 1,028,891
Units outstanding	59,888	14,100	10,640	34,505	61,386
Net Position Value	\$ 33.07	\$ 19.29	\$ 15.05	\$ 19.19	\$ 16.76
Class C					
Net Position	\$ 9,448,016	\$ 1,003,029	\$ 1,160,369	\$ 4,665,228	\$ 3,967,326
Units outstanding	292,923	52,767	78,446	249,372	243,001
Net Position Value	\$ 32.25	\$ 19.01	\$ 14.79	\$ 18.71	\$ 16.33
Class D					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class E					
Net Position	\$ 9,464,135	\$ 828,795	\$ 915,438	\$ 3,566,593	\$ 1,418,949
Units outstanding	256,382	40,485	56,272	166,279	75,508
Net Position Value	\$ 36.91	\$ 20.47	\$ 16.27	\$ 21.45	\$ 18.79
* Identified Cost	\$ 50,448,781	\$ 10,362,598	\$ 8,721,873	\$ 26,578,415	\$ 22,453,940



West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
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	SMART529 Select 1- Year Fixed DFA Portfolio	SMART529 Select Age-Based DFA Portfolio 0-3	SMART529 Select Age-Based DFA Portfolio 4-6	SMART529 Select Age-Based DFA Portfolio 7-9	SMART529 Select Age-Based DFA Portfolio 10-12
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ —	\$ 1,230,395	\$ 2,382,891	\$ 3,335,704	\$ 2,931,280
DFA Five-Year Global Fixed Income Portfolio	—	—	438,706	1,383,558	7,114,227
DFA Global Real Estate Securities Portfolio	—	420,039	809,712	1,134,850	994,557
DFA Inflation Protected Securities Portfolio	—	—	527,106	1,616,165	2,320,384
DFA International Core Equity Portfolio	—	3,811,269	7,365,783	10,323,673	9,046,866
DFA Investment Grade Portfolio	—	—	1,958,094	6,221,408	9,263,989
DFA One-Year Fixed Income Portfolio	7,219,840	—	—	—	1,240,233
DFA Short-Duration Real Return Portfolio	—	—	—	—	809,996
DFA Short-Term Extended Quality Portfolio	—	—	—	—	808,774
DFA US Core 2 Equity Portfolio	—	8,593,940	16,622,089	23,298,972	20,430,844
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—	—	—
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	—	—
The Hartford International Growth Fund	—	—	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—	—	—
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—	—	—
Total Investments	\$ 7,219,840	\$ 14,055,643	\$ 30,104,381	\$ 47,314,330	\$ 54,961,150
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	—	—	—	—
Receivables for investments sold	3,349	—	16,569	25,077	—
Receivables for capital shares sold	10	54,271	163	591	661
Total assets	7,223,199	14,109,914	30,121,113	47,339,998	54,961,811
<b>Liabilities:</b>					
Payables for investments purchased	—	52,469	—	—	661
Payables for capital shares redeemed	3,359	1,802	16,732	25,668	—
Accrued distribution fees	—	—	—	—	—
Accrued savings plan manager fees	2,413	4,801	10,314	16,312	18,801
Accrued administration fees	288	571	1,227	1,942	2,238
Total liabilities	6,060	59,643	28,273	43,922	21,700
Fiduciary Net Position	\$ 7,217,139	\$ 14,050,271	\$ 30,092,840	\$ 47,296,076	\$ 54,940,111
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class B					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class C					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class D					
Net Position	\$ 7,217,139	\$ 14,050,271	\$ 30,092,840	\$ 47,296,076	\$ 54,940,111
Units outstanding	611,535	669,350	1,447,050	2,326,450	2,918,971
Net Position Value	\$ 11.80	\$ 20.99	\$ 20.80	\$ 20.33	\$ 18.82
Class E					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
* Identified Cost	\$ 7,211,015	\$ 14,390,066	\$ 28,200,512	\$ 44,092,885	\$ 52,053,978

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	SMART529 Select Age-Based DFA Portfolio 13-15	SMART529 Select Age-Based DFA Portfolio 16-18	SMART529 Select Age-Based DFA Portfolio 19+	SMART529 Select Aggressive Growth DFA Portfolio	SMART529 Select All Equity DFA Portfolio
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ 2,101,024	\$ 1,280,239	\$ 423,386	\$ 2,354,656	\$ 7,267,504
DFA Five-Year Global Fixed Income Portfolio	7,725,803	5,267,968	2,341,364	—	—
DFA Global Real Estate Securities Portfolio	712,853	434,391	143,971	800,380	2,474,162
DFA Inflation Protected Securities Portfolio	2,062,191	—	—	—	—
DFA International Core Equity Portfolio	6,484,385	3,952,524	1,309,562	7,283,211	22,449,637
DFA Investment Grade Portfolio	6,178,101	1,654,492	—	—	—
DFA One-Year Fixed Income Portfolio	7,732,481	11,283,923	11,712,476	—	—
DFA Short-Duration Real Return Portfolio	2,321,881	4,024,181	2,345,779	—	—
DFA Short-Term Extended Quality Portfolio	2,318,417	4,018,221	2,342,320	—	—
DFA US Core 2 Equity Portfolio	14,644,056	8,923,333	2,957,248	16,446,622	50,673,985
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—	—	—
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	—	—
The Hartford International Growth Fund	—	—	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—	—	—
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—	—	—
Total Investments	\$ 52,281,192	\$ 40,839,272	\$ 23,576,106	\$ 26,884,869	\$ 82,865,288
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	—	—	—	—
Receivables for investments sold	—	—	1,321	5,769	—
Receivables for capital shares sold	750	260	—	454	22,245
Total assets	52,281,942	40,839,532	23,577,427	26,891,092	82,887,533
<b>Liabilities:</b>					
Payables for investments purchased	750	260	—	—	22,245
Payables for capital shares redeemed	—	—	1,321	6,223	—
Accrued distribution fees	—	—	—	—	—
Accrued savings plan manager fees	18,040	13,945	8,079	9,314	28,636
Accrued administration fees	2,148	1,660	963	1,109	3,409
Total liabilities	20,938	15,865	10,363	16,646	54,290
Fiduciary Net Position	\$ 52,261,004	\$ 40,823,667	\$ 23,567,064	\$ 26,874,446	\$ 82,833,243
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class B					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class C					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class D					
Net Position	\$ 52,261,004	\$ 40,823,667	\$ 23,567,064	\$ 26,874,446	\$ 82,833,243
Units outstanding	2,989,068	2,458,336	1,555,358	1,281,354	3,828,566
Net Position Value	\$ 17.48	\$ 16.61	\$ 15.15	\$ 20.97	\$ 21.64
Class E					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
* Identified Cost	\$ 50,714,647	\$ 40,315,184	\$ 23,567,397	\$ 22,947,833	\$ 69,189,207

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	SMART529 Select Balanced DFA Portfolio	SMART529 Select Conservative DFA Portfolio	SMART529 Select Fixed Income DFA Portfolio	SMART529 Select Growth DFA Portfolio	SMART529 Select Moderate Growth DFA Portfolio
<b>Assets:</b>					
Investments in underlying funds, at fair value *					
DFA Emerging Markets Core Equity Portfolio	\$ 426,867	\$ 125,979	\$ —	\$ 1,832,967	\$ 851,947
DFA Five-Year Global Fixed Income Portfolio	1,571,831	696,629	5,442,615	748,325	2,070,282
DFA Global Real Estate Securities Portfolio	145,380	42,829	—	622,023	288,960
DFA Inflation Protected Securities Portfolio	434,519	—	2,244,401	885,949	783,738
DFA International Core Equity Portfolio	1,322,252	389,829	—	5,660,240	2,629,381
DFA Investment Grade Portfolio	1,256,564	—	7,266,850	3,420,539	2,677,013
DFA One-Year Fixed Income Portfolio	1,572,592	3,484,863	—	—	365,270
DFA Short-Duration Real Return Portfolio	—	—	—	—	—
DFA Short-Term Extended Quality Portfolio	944,063	1,393,835	—	—	365,238
DFA US Core 2 Equity Portfolio	2,981,560	879,771	—	12,780,123	5,936,688
MFS Global Equity, Class A	—	—	—	—	—
Hartford Emerging Markets Equity Fund, Class Y	—	—	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—	—	—
The Hartford Global All Asset Fund, Class Y	—	—	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—	—	—
The Hartford International Growth Fund	—	—	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—	—	—
The Hartford International Value Fund, Class Y	—	—	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—	—	—
The Hartford Small Company Fund, Class Y	—	—	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—	—	—
Total Investments	\$ 10,655,628	\$ 7,013,735	\$ 14,953,866	\$ 25,950,166	\$ 15,968,517
Fully benefit-responsive investment contracts					
Smart529 Stable Value Fund	—	—	—	—	—
Receivables for investments sold	8,511	58	22,775	517	703
Receivables for capital shares sold	22	60	10	54	298
Total assets	10,664,161	7,013,853	14,976,651	25,950,737	15,969,518
<b>Liabilities:</b>					
Payables for capital shares redeemed	8,533	118	22,785	571	1,000
Accrued distribution fees	—	—	—	—	—
Accrued savings plan manager fees	3,692	2,373	5,070	8,899	5,529
Accrued administration fees	440	283	604	1,059	658
Total liabilities	12,665	2,774	28,459	10,529	7,187
Fiduciary Net Position	\$ 10,651,496	\$ 7,011,079	\$ 14,948,192	\$ 25,940,208	\$ 15,962,331
<b>Fiduciary Net Position Consists of:</b>					
Class A					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class B					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class C					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
Class D					
Net Position	\$ 10,651,496	\$ 7,011,079	\$ 14,948,192	\$ 25,940,208	\$ 15,962,331
Units outstanding	610,603	462,879	1,067,844	1,272,387	849,071
Net Position Value	\$ 17.44	\$ 15.15	\$ 14.00	\$ 20.39	\$ 18.80
Class E					
Net Position	\$ —	\$ —	\$ —	\$ —	\$ —
Units outstanding	—	—	—	—	—
Net Position Value	\$ —	\$ —	\$ —	\$ —	\$ —
* Identified Cost	\$ 10,254,875	\$ 7,004,242	\$ 14,418,369	\$ 23,723,459	\$ 15,154,733

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Fiduciary Net Position (Continued)  
June 30, 2016

	SMART529 Select Moderately Aggressive Growth DFA Portfolio	SMART529 Select Moderately Conservative DFA Portfolio	SMART529 MFS Global Equity 529 Fund
<b>Assets:</b>			
Investments in underlying funds, at fair value *			
DFA Emerging Markets Core Equity Portfolio	\$ 930,527	\$ 177,584	\$ —
DFA Five-Year Global Fixed Income Portfolio	168,555	752,303	—
DFA Global Real Estate Securities Portfolio	315,268	60,309	—
DFA Inflation Protected Securities Portfolio	199,554	98,120	—
DFA International Core Equity Portfolio	2,868,455	548,806	—
DFA Investment Grade Portfolio	770,617	231,172	—
DFA One-Year Fixed Income Portfolio	—	1,737,153	—
DFA Short-Duration Real Return Portfolio	—	—	—
DFA Short-Term Extended Quality Portfolio	—	825,505	—
DFA US Core 2 Equity Portfolio	6,477,068	1,238,969	—
MFS Global Equity, Class A	—	—	14,503,391
Hartford Emerging Markets Equity Fund, Class Y	—	—	—
Hartford Real Total Return Fund, Class Y	—	—	—
The Hartford Balanced Income Fund, Class Y	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—
The Hartford Equity Income Fund, Class Y	—	—	—
The Hartford Global All Asset Fund, Class Y	—	—	—
The Hartford Global Real Asset Fund, Class Y	—	—	—
The Hartford Growth Opportunities Fund, Class Y	—	—	—
The Hartford High Yield Fund, Class Y	—	—	—
The Hartford Inflation Plus Fund, Class Y	—	—	—
The Hartford International Growth Fund	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—
The Hartford International Value Fund, Class Y	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—
The Hartford Small Company Fund, Class Y	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—
Vanguard Inflation-Protected Securities Fund - Institutional	—	—	—
Vanguard Institutional Index Fund - Institutional	—	—	—
Vanguard Total Bond Market II Index Fund - Institutional	—	—	—
Vanguard Total International Stock Index Fund - Institutional	—	—	—
Vanguard Total Stock Market Index Fund - Institutional	—	—	—
Total Investments	\$ 11,730,044	\$ 5,669,921	\$ 14,503,391
Fully benefit-responsive investment contracts			
Smart529 Stable Value Fund	—	—	—
Receivables for investments sold	—	690	14,524,675
Receivables for capital shares sold	164	10	50,803
Total assets	11,730,208	5,670,621	29,078,869
<b>Liabilities:</b>			
Payables for investments purchased	164	—	14,514,034
Payables for capital shares redeemed	—	700	10,846
Accrued distribution fees	—	—	4,427
Accrued savings plan manager fees	4,037	1,896	2,158
Accrued administration fees	481	225	839
Total liabilities	4,682	2,821	14,532,304
Fiduciary Net Position	\$ 11,725,526	\$ 5,667,800	\$ 14,546,565
<b>Fiduciary Net Position Consists of:</b>			
Class A			
Net Position	\$ —	\$ —	\$ 9,372,285
Units outstanding	—	—	465,349
Net Position Value	\$ —	\$ —	\$ 20.14
Class B			
Net Position	\$ —	\$ —	\$ 429,389
Units outstanding	—	—	22,934
Net Position Value	\$ —	\$ —	\$ 18.72
Class C			
Net Position	\$ —	\$ —	\$ 2,713,386
Units outstanding	—	—	148,611
Net Position Value	\$ —	\$ —	\$ 18.26
Class D			
Net Position	\$ 11,725,526	\$ 5,667,800	\$ —
Units outstanding	561,969	342,032	—
Net Position Value	\$ 20.87	\$ 16.57	\$ —
Class E			
Net Position	\$ —	\$ —	\$ 2,031,505
Units outstanding	—	—	97,223
Net Position Value	\$ —	\$ —	\$ 20.90
* Identified Cost	\$ 10,768,395	\$ 5,636,289	\$ 14,503,391

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2016

	SMART529 WV Direct Age-Based Portfolio 0-8	SMART529 WV Direct Age-Based Portfolio 9-13	SMART529 WV Direct Age-Based Portfolio 14-15
<b>Investment Income:</b>			
Dividends	\$ 546,502	\$ 688,333	\$ 260,029
Total investment income	546,502	688,333	260,029
<b>Expenses:</b>			
Administration fees	—	—	—
Savings plan manager fees	62,780	79,755	30,009
Distribution fees			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Total expenses	62,780	79,755	30,009
Net Investment Income (Loss)	483,722	608,578	230,020
<b>Net Realized and Unrealized Gain (Loss):</b>			
Capital gain distributions received from underlying funds	5,773	9,605	5,173
Net realized gain (loss) on sale of underlying fund shares	818,837	203,134	155,107
Net change in unrealized appreciation (depreciation) on underlying fund shares	(1,291,357)	(460,844)	(140,592)
Net realized and unrealized gain (loss)	(466,747)	(248,105)	19,688
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	16,975	360,473	249,708
<b>Unit Transactions:</b>			
Contributions			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	5,211,143	3,457,560	1,058,039
Class E	—	—	—
Net proceeds from sale of units to account holders	5,211,143	3,457,560	1,058,039
<b>Transfers/Exchanges in</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	40,366	5,539,447	6,252,511
Class E	—	—	—
Total transfers/exchanges in	40,366	5,539,447	6,252,511
<b>Transfers/Exchanges out</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(5,666,789)	(6,565,901)	(6,896,135)
Class E	—	—	—
Total transfers/exchanges out	(5,666,789)	(6,565,901)	(6,896,135)
<b>Withdrawals</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(304,221)	(289,876)	(57,913)
Class E	—	—	—
Total cost of units redeemed	(304,221)	(289,876)	(57,913)
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	(719,501)	2,141,230	356,502
<b>Fiduciary Net Position:</b>			
Total Increase (decrease) in Fiduciary Net Position	(702,526)	2,501,703	606,210
Beginning of year	26,289,151	34,226,811	14,558,441
End of year	\$ 25,586,625	\$ 36,728,514	\$ 15,164,651

SMART529 WV Direct Age-Based Portfolio 16-17	SMART529 WV Direct Age-Based Portfolio 18+	SMART529 WV Direct Conservative Balanced Portfolio	SMART529 WV Direct Conservative Bond Portfolio	SMART529 WV Direct Stable Value Fund	SMART529 WV Direct Balanced Portfolio
\$ 106,611	\$ 95,037	\$ 23,589	\$ 17,660	\$ —	\$ 228,808
106,611	95,037	23,589	17,660	—	228,808
—	—	—	—	—	—
8,462	5,336	1,304	1,209	—	26,731
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
8,462	5,336	1,304	1,209	—	26,731
98,149	89,701	22,285	16,451	—	202,077
1,307	1,579	414	908	—	3,194
193,573	211,964	53,684	16,042	172,874	202,381
(70,793)	11,180	3,660	51,226	18,885	(292,290)
124,087	224,723	57,758	68,176	191,759	(86,715)
222,236	314,424	80,043	84,627	191,759	115,362
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
924,923	2,068,535	587,308	750,331	2,404,834	1,412,672
—	—	—	—	—	—
924,923	2,068,535	587,308	750,331	2,404,834	1,412,672
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
6,908,993	6,080,308	864,611	550,068	1,131,390	373,903
—	—	—	—	—	—
6,908,993	6,080,308	864,611	550,068	1,131,390	373,903
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(5,989,190)	(5,380,464)	(69,434)	(147,997)	(238,127)	(954,251)
—	—	—	—	—	—
(5,989,190)	(5,380,464)	(69,434)	(147,997)	(238,127)	(954,251)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(270,935)	(1,794,951)	(638,609)	(670,964)	(2,563,618)	(1,326,886)
—	—	—	—	—	—
(270,935)	(1,794,951)	(638,609)	(670,964)	(2,563,618)	(1,326,886)
1,573,791	973,428	743,876	481,438	734,479	(494,562)
1,796,027	1,287,852	823,919	566,065	926,238	(379,200)
13,047,594	18,063,849	3,812,490	2,795,190	12,181,544	12,368,598
\$ 14,843,621	\$ 19,351,701	\$ 4,636,409	\$ 3,361,255	\$ 13,107,782	\$ 11,989,398

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Changes in Fiduciary Net Position (Continued)  
For the Year Ended June 30, 2016

	SMART529 WV Direct Growth Portfolio	SMART529 WV Direct Aggressive Growth Portfolio	SMART529 WV Direct 500 Index Fund
<b>Investment Income:</b>			
Dividends	\$ 385,269	\$ 589,648	\$ 242,113
Total investment income	385,269	589,648	242,113
<b>Expenses:</b>			
Administration fees	—	—	—
Savings plan manager fees	44,067	66,198	27,765
Distribution fees			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Total expenses	44,067	66,198	27,765
Net Investment Income (Loss)	341,202	523,450	214,348
<b>Net Realized and Unrealized Gain (Loss):</b>			
Capital gain distributions received from underlying funds	3,995	—	—
Net realized gain (loss) on sale of underlying fund shares	224,034	435,726	167,281
Net change in unrealized appreciation (depreciation) on underlying fund shares	(546,753)	(1,391,443)	116,443
Net realized and unrealized gain (loss)	(318,724)	(955,717)	283,724
<b>Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations</b>	22,478	(432,267)	498,072
<b>Unit Transactions:</b>			
<b>Contributions</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	1,847,156	2,590,143	1,771,960
Class E	—	—	—
Net proceeds from sale of units to account holders	1,847,156	2,590,143	1,771,960
<b>Transfers/Exchanges in</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	300,984	550,386	1,346,387
Class E	—	—	—
Total transfers/exchanges in	300,984	550,386	1,346,387
<b>Transfers/Exchanges out</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(1,067,761)	(1,245,522)	(415,281)
Class E	—	—	—
Total transfers/exchanges out	(1,067,761)	(1,245,522)	(415,281)
<b>Withdrawals</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(1,242,901)	(1,490,298)	(545,668)
Class E	—	—	—
Total cost of units redeemed	(1,242,901)	(1,490,298)	(545,668)
<b>Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions</b>	(162,522)	404,709	2,157,398
<b>Fiduciary Net Position:</b>			
Total Increase (decrease) in Fiduciary Net Position	(140,044)	(27,558)	2,655,470
Beginning of year	18,401,129	27,620,174	9,823,877
End of year	\$ 18,261,085	\$ 27,592,616	\$ 12,479,347

<b>The Hartford SMART529 Age-Based Portfolio 0-8</b>	<b>The Hartford SMART529 Age-Based Portfolio 9-13</b>	<b>The Hartford SMART529 Age-Based Portfolio 14-15</b>	<b>The Hartford SMART529 Age-Based Portfolio 16-17</b>	<b>The Hartford SMART529 Age-Based Portfolio 18+</b>	<b>The Hartford SMART529 Conservative Balanced Portfolio</b>
\$ 1,684,714	\$ 3,416,000	\$ 1,790,476	\$ 605,107	\$ 627,129	\$ 41,269
1,684,714	3,416,000	1,790,476	605,107	627,129	41,269
88,137	186,211	92,440	89,616	109,787	6,141
226,638	478,829	237,702	230,442	282,309	15,792
230,936	490,923	250,246	238,818	280,606	16,299
62,968	172,985	59,608	56,337	60,313	—
200,997	310,304	164,268	189,716	296,921	19,485
809,676	1,639,252	804,264	804,929	1,029,936	57,717
875,038	1,776,748	986,212	(199,822)	(402,807)	(16,448)
4,626,173	7,531,493	2,942,392	1,486,897	652,962	99,769
(597,079)	(3,296,049)	(1,737,393)	(564,078)	(909,073)	(67,794)
(10,802,322)	(16,813,096)	(5,540,804)	(1,134,590)	1,137,813	(5,160)
(6,773,228)	(12,577,652)	(4,335,805)	(211,771)	881,702	26,815
(5,898,190)	(10,800,904)	(3,349,593)	(411,593)	478,895	10,367
16,468,490	14,453,087	5,563,003	4,114,199	4,677,032	675,961
622,891	1,677,085	578,831	483,577	593,696	—
4,139,307	3,480,794	2,032,568	1,740,678	2,620,203	460,273
—	—	—	—	—	—
899,848	1,201,286	566,941	409,852	473,499	29,059
22,130,536	20,812,252	8,741,343	6,748,306	8,364,430	1,165,293
1,701,881	32,110,306	53,953,527	52,660,674	48,667,217	1,691,991
17,673	3,332,702	4,334,958	3,790,267	3,423,570	—
299,856	5,222,203	8,288,981	8,265,420	10,321,340	301,228
—	—	—	—	—	—
40,821	2,228,150	4,334,074	4,072,829	3,160,227	369,663
2,060,231	42,893,361	70,911,540	68,789,190	65,572,354	2,362,882
(27,444,285)	(48,905,103)	(51,259,717)	(46,520,405)	(2,548,414)	(550,403)
(4,184,987)	(8,597,520)	(5,182,168)	(5,089,636)	(1,802,001)	—
(5,393,663)	(8,644,008)	(8,003,569)	(10,171,181)	(642,119)	(56,626)
—	—	—	—	—	—
(2,198,523)	(4,710,568)	(3,936,195)	(3,400,906)	(209,411)	(11,922)
(39,221,458)	(70,857,199)	(68,381,649)	(65,182,128)	(5,201,945)	(618,951)
(2,071,949)	(9,791,937)	(2,794,884)	(4,046,384)	(35,115,488)	(1,002,568)
(144,879)	(412,077)	(165,628)	(348,577)	(2,595,593)	—
(379,809)	(1,026,995)	(419,235)	(823,413)	(10,203,712)	(442,031)
—	—	—	—	—	—
(84,865)	(323,163)	(135,116)	(303,363)	(2,674,418)	(48,626)
(2,681,502)	(11,554,172)	(3,514,863)	(5,521,737)	(50,589,211)	(1,493,225)
(17,712,193)	(18,705,758)	7,756,371	4,833,631	18,145,628	1,415,999
(23,610,383)	(29,506,662)	4,406,778	4,422,038	18,624,523	1,426,366
142,657,119	288,531,182	134,667,207	126,110,260	155,307,843	8,334,443
\$ 119,046,736	\$ 259,024,520	\$ 139,073,985	\$ 130,532,298	\$ 173,932,366	\$ 9,760,809



**West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Changes in Fiduciary Net Position (Continued)  
For the Year Ended June 30, 2016**

	<b>The Hartford SMART529 Stable Value Fund</b>	<b>The Hartford SMART529 Aggressive Growth Portfolio</b>	<b>The Hartford SMART529 Balanced Income Portfolio</b>
<b>Investment Income:</b>			
Dividends	\$ —	\$ 858,703	\$ 428,977
Total investment income	—	858,703	428,977
<b>Expenses:</b>			
Administration fees	28,742	46,868	10,221
Savings plan manager fees	103,471	120,519	26,282
Distribution fees			
Class A	89,797	105,184	27,042
Class B	20,487	39,309	—
Class C	126,677	91,642	28,820
Total expenses	369,174	403,522	92,365
Net Investment Income (Loss)	(369,174)	455,181	336,612
<b>Net Realized and Unrealized Gain (Loss):</b>			
Capital gain distributions received from underlying funds	—	2,934,439	230,823
Net realized gain (loss) on sale of underlying fund shares	1,247,682	554,131	68,760
Net change in unrealized appreciation (depreciation) on underlying fund shares	(348,800)	(7,177,573)	508,509
Net realized and unrealized gain (loss)	898,882	(3,689,003)	808,092
<b>Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations</b>	<b>529,708</b>	<b>(3,233,822)</b>	<b>1,144,704</b>
<b>Unit Transactions:</b>			
<b>Contributions</b>			
Class A	2,254,956	2,335,955	1,548,113
Class B	135,670	368,327	—
Class C	1,783,169	645,570	582,148
Class D	—	—	—
Class E	319,229	591,092	97,926
Net proceeds from sale of units to account holders	4,493,024	3,940,944	2,228,187
<b>Transfers/Exchanges in</b>			
Class A	9,272,073	1,516,732	2,605,286
Class B	532,855	25,816	—
Class C	2,695,849	418,253	545,638
Class D	—	—	—
Class E	2,201,982	253,982	611,392
Total transfers/exchanges in	14,702,759	2,214,783	3,762,316
<b>Transfers/Exchanges out</b>			
Class A	(2,628,108)	(1,856,630)	(1,578,478)
Class B	(692,941)	(1,006,207)	—
Class C	(402,664)	(474,478)	(306,384)
Class D	—	—	—
Class E	(447,146)	(848,177)	(444,503)
Total transfers/exchanges out	(4,170,859)	(4,185,492)	(2,329,365)
<b>Withdrawals</b>			
Class A	(8,275,358)	(3,102,427)	(904,779)
Class B	(374,700)	(401,818)	—
Class C	(3,658,401)	(945,516)	(343,481)
Class D	—	—	—
Class E	(1,501,286)	(609,965)	(82,208)
Total cost of units redeemed	(13,809,745)	(5,059,726)	(1,330,468)
<b>Transferred out/ Issued in Merger</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	—	—	—
Class E	—	—	—
Total Issued in Merger	—	—	—
<b>Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions</b>	<b>1,215,179</b>	<b>(3,089,491)</b>	<b>2,330,670</b>
<b>Fiduciary Net Position:</b>			
Total Increase (decrease) in Fiduciary Net Position	1,744,887	(6,323,313)	3,475,374
Beginning of year	57,631,474	72,638,877	14,156,631
End of year	\$ 59,376,361	\$ 66,315,564	\$ 17,632,005

The Hartford SMART529 Balanced Portfolio	The Hartford SMART529 Growth Portfolio	The Hartford SMART529 Checks and Balances Portfolio	The Hartford SMART529 Capital Appreciation 529 Fund <sup>(1)</sup>	The Hartford SMART529 Dividend and Growth 529 Fund	The Hartford SMART529 Global All Asset Fund
\$ 711,957	\$ 1,208,351	\$ 704,425	\$ —	\$ 3,153,210	\$ —
711,957	1,208,351	704,425	—	3,153,210	—
38,945	63,346	26,425	37,204	103,057	1,273
100,144	162,889	67,951	95,669	265,003	3,275
100,070	165,885	74,953	88,228	268,170	1,661
17,706	32,361	9,769	26,545	54,843	—
109,891	149,242	47,159	80,839	204,040	7,883
366,756	573,723	226,257	328,485	895,113	14,092
345,201	634,628	478,168	(328,485)	2,258,097	(14,092)
1,619,761	3,400,981	1,979,083	—	16,350,475	122,327
(673,402)	(467,021)	217,996	14,937,859	1,271,904	(78,796)
(3,549,218)	(7,624,805)	(2,302,909)	(14,971,253)	(16,832,914)	(103,744)
(2,602,859)	(4,690,845)	(105,830)	(33,394)	789,465	(60,213)
(2,257,658)	(4,056,217)	372,338	(361,879)	3,047,562	(74,305)
2,047,854	3,815,668	2,451,003	1,510,572	5,465,562	127,290
149,406	235,328	49,814	140,237	386,935	—
992,694	1,234,436	781,116	347,752	1,681,860	112,391
—	—	—	—	—	—
165,982	298,922	89,165	305,524	608,075	36,170
3,355,936	5,584,354	3,371,098	2,304,085	8,142,432	275,851
1,958,117	2,377,613	1,530,647	1,667,930	5,849,565	181,773
146,487	6,589	43,517	45,107	160,058	—
505,608	94,265	385,876	203,176	844,106	163,659
—	—	—	—	—	—
207,273	92,542	42,050	408,450	1,233,279	267,113
2,817,485	2,571,009	2,002,090	2,324,663	8,087,008	612,545
(1,087,567)	(2,701,937)	(1,361,492)	(3,986,577)	(7,175,276)	(342,908)
(695,166)	(1,148,655)	(249,276)	(904,977)	(1,724,073)	—
(556,485)	(812,979)	(266,092)	(815,780)	(1,824,330)	(343,499)
—	—	—	—	—	—
(114,957)	(227,738)	(77,302)	(1,312,543)	(2,230,045)	(208,120)
(2,454,175)	(4,891,309)	(1,954,162)	(7,019,877)	(12,953,724)	(894,527)
(4,705,967)	(5,899,737)	(2,875,208)	(2,957,733)	(9,650,288)	(41,693)
(216,907)	(339,264)	(129,036)	(211,408)	(485,133)	—
(1,522,361)	(1,496,848)	(466,216)	(913,938)	(1,824,140)	(73,366)
—	—	—	—	—	—
(275,301)	(513,565)	(113,283)	(383,860)	(934,669)	(5,793)
(6,720,536)	(8,249,414)	(3,583,743)	(4,466,939)	(12,894,230)	(120,852)
—	—	—	(82,413,301)	82,413,301	—
—	—	—	(7,401,709)	7,401,709	—
—	—	—	(18,903,918)	18,903,918	—
—	—	—	—	—	—
—	—	—	(14,571,808)	14,571,808	—
—	—	—	(123,290,736)	123,290,736	—
(3,001,290)	(4,985,360)	(164,717)	(130,148,804)	113,672,222	(126,983)
(5,258,948)	(9,041,577)	207,621	(130,510,683)	116,719,784	(201,288)
60,229,974	98,158,615	38,831,532	130,510,683	85,995,440	1,984,066
\$ 54,971,026	\$ 89,117,038	\$ 39,039,153	\$ —	\$ 202,715,224	\$ 1,782,778

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Changes in Fiduciary Net Position (Continued)  
For the Year Ended June 30, 2016

	The Hartford SMART529 Growth Opportunities 529 Fund	The Hartford SMART529 High Yield 529 Fund	The Hartford SMART529 Inflation Plus 529 Fund
<b>Investment Income:</b>			
Dividends	\$ 48,463	\$ 390,578	\$ —
Total investment income	48,463	390,578	—
<b>Expenses:</b>			
Administration fees	12,285	5,187	4,497
Savings plan manager fees	31,589	13,339	11,564
Distribution fees			
Class A	29,466	13,484	10,262
Class B	4,808	1,515	2,618
Class C	26,256	12,021	10,483
Total expenses	104,404	45,546	39,424
Net Investment Income (Loss)	(55,941)	345,032	(39,424)
<b>Net Realized and Unrealized Gain (Loss):</b>			
Capital gain distributions received from underlying funds	1,400,786	—	—
Net realized gain (loss) on sale of underlying fund shares	367,222	(31,984)	(67,588)
Net change in unrealized appreciation (depreciation) on underlying fund shares	(2,078,931)	(377,184)	245,510
Net realized and unrealized gain (loss)	(310,923)	(409,168)	177,922
<b>Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations</b>	<b>(366,864)</b>	<b>(64,136)</b>	<b>138,498</b>
<b>Unit Transactions:</b>			
<b>Contributions</b>			
Class A	2,108,690	278,099	235,558
Class B	20,291	3,743	13,822
Class C	417,990	66,191	95,017
Class D	—	—	—
Class E	251,143	44,369	53,619
Net proceeds from sale of units to account holders	2,798,114	392,402	398,016
<b>Transfers/Exchanges in</b>			
Class A	4,458,718	694,426	560,736
Class B	187,589	44,045	48,306
Class C	870,300	270,528	153,315
Class D	—	—	—
Class E	1,343,935	290,064	299,590
Total transfers/exchanges in	6,860,542	1,299,063	1,061,947
<b>Transfers/Exchanges out</b>			
Class A	(1,737,979)	(849,941)	(582,416)
Class B	(182,831)	(85,918)	(66,930)
Class C	(396,952)	(215,149)	(133,738)
Class D	—	—	—
Class E	(824,146)	(394,127)	(68,196)
Total transfers/exchanges out	(3,141,908)	(1,545,135)	(851,280)
<b>Withdrawals</b>			
Class A	(733,909)	(600,204)	(393,595)
Class B	(10,474)	(16,747)	(35,120)
Class C	(181,052)	(215,047)	(392,941)
Class D	—	—	—
Class E	(95,873)	(74,636)	(46,155)
Total cost of units redeemed	(1,021,308)	(906,634)	(867,811)
<b>Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions</b>	<b>5,495,440</b>	<b>(760,304)</b>	<b>(259,128)</b>
<b>Fiduciary Net Position:</b>			
Total Increase (decrease) in Fiduciary Net Position	5,128,576	(824,440)	(120,630)
Beginning of year	15,163,704	8,182,438	6,846,217
End of year	\$ 20,292,280	\$ 7,357,998	\$ 6,725,587

<b>The Hartford SMART529 International Opportunities 529 Fund</b>	<b>The Hartford SMART529 MidCap 529 Fund</b>	<b>The Hartford SMART529 MidCap Value 529 Fund</b>	<b>The Hartford SMART529 Small Company 529 Fund</b>	<b>The Hartford SMART529 Equity Income 529 Fund</b>	<b>The Hartford SMART529 Total Return Bond 529 Fund</b>
\$ 158,400	\$ —	\$ 56,266	\$ —	\$ 660,978	\$ 651,932
158,400	—	56,266	—	660,978	651,932
9,814	41,740	7,694	5,208	19,709	14,855
25,235	107,332	19,784	13,391	50,679	38,198
23,502	96,721	21,988	12,800	49,166	37,172
3,781	18,539	2,467	1,469	5,563	8,927
19,998	93,443	9,998	12,164	43,399	38,528
82,330	357,775	61,931	45,032	168,516	137,680
76,070	(357,775)	(5,665)	(45,032)	492,462	514,252
213,953	3,914,917	775,437	869,147	2,097,926	35,910
151,261	786,934	464,162	84,459	1,117,422	238,522
(1,634,425)	(5,215,648)	(1,854,505)	(2,527,105)	(1,693,256)	133,769
(1,269,211)	(513,797)	(614,906)	(1,573,499)	1,522,092	408,201
(1,193,141)	(871,572)	(620,571)	(1,618,531)	2,014,554	922,453
1,178,107	2,664,410	633,617	477,672	2,165,915	1,230,479
29,157	105,914	15,796	8,192	38,527	36,908
253,513	498,280	101,681	145,860	387,696	241,702
—	—	—	—	—	—
130,473	389,112	63,409	109,171	165,932	67,229
1,591,250	3,657,716	814,503	740,895	2,758,070	1,576,318
1,523,696	3,032,584	1,037,671	893,789	2,706,643	2,344,697
20,144	41,008	693	16,831	25,094	62,519
362,242	535,935	212,617	258,403	535,596	677,649
—	—	—	—	—	—
973,596	1,582,786	303,955	349,180	573,517	568,038
2,879,678	5,192,313	1,554,936	1,518,203	3,840,850	3,652,903
(1,447,082)	(3,333,300)	(892,136)	(847,141)	(2,386,309)	(1,766,960)
(125,334)	(706,888)	(65,336)	(42,063)	(168,626)	(266,412)
(450,805)	(685,661)	(236,810)	(284,761)	(575,544)	(650,946)
—	—	—	—	—	—
(783,992)	(1,320,855)	(336,395)	(324,083)	(679,376)	(534,647)
(2,807,213)	(6,046,704)	(1,530,677)	(1,498,048)	(3,809,855)	(3,218,965)
(647,896)	(3,245,473)	(653,451)	(428,697)	(1,829,014)	(1,891,480)
(10,849)	(158,552)	(16,627)	(6,173)	(54,639)	(63,660)
(262,194)	(832,840)	(116,968)	(116,839)	(429,111)	(487,866)
—	—	—	—	—	—
(109,549)	(426,648)	(36,205)	(62,021)	(225,296)	(114,251)
(1,030,488)	(4,663,513)	(823,251)	(613,730)	(2,538,060)	(2,557,257)
633,227	(1,860,188)	15,511	147,320	251,005	(547,001)
(559,914)	(2,731,760)	(605,060)	(1,471,211)	2,265,559	375,452
14,671,351	63,148,808	11,788,305	8,722,514	28,712,552	22,016,343
\$ 14,111,437	\$ 60,417,048	\$ 11,183,245	\$ 7,251,303	\$ 30,978,111	\$ 22,391,795

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Changes in Fiduciary Net Position (Continued)  
For the Year Ended June 30, 2016

	SMART529 Select 1-Year Fixed DFA Portfolio	SMART529 Select Age- Based DFA Portfolio 0-3	SMART529 Select Age- Based DFA Portfolio 4-6
<b>Investment Income:</b>			
Dividends	\$ 38,051	\$ 296,959	\$ 654,892
Total investment income	38,051	296,959	654,892
<b>Expenses:</b>			
Administration fees	3,098	6,803	15,039
Savings plan manager fees	26,019	57,143	126,327
Distribution fees			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Total expenses	29,117	63,946	141,366
Net Investment Income (Loss)	8,934	233,013	513,526
<b>Net Realized and Unrealized Gain (Loss):</b>			
Capital gain distributions received from underlying funds	5,196	157,134	334,859
Net realized gain (loss) on sale of underlying fund shares	(4,787)	25,817	1,340,184
Net change in unrealized appreciation (depreciation) on underlying fund shares	12,099	(996,561)	(3,212,682)
Net realized and unrealized gain (loss)	12,508	(813,610)	(1,537,639)
<b>Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations</b>	<b>21,442</b>	<b>(580,597)</b>	<b>(1,024,113)</b>
<b>Unit Transactions:</b>			
<b>Contributions</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	329,907	6,242,942	4,487,070
Class E	—	—	—
Net proceeds from sale of units to account holders	329,907	6,242,942	4,487,070
<b>Transfers/Exchanges in</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	2,803,685	131,756	6,720,514
Class E	—	—	—
Total transfers/exchanges in	2,803,685	131,756	6,720,514
<b>Transfers/Exchanges out</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(564,793)	(6,600,141)	(12,713,345)
Class E	—	—	—
Total transfers/exchanges out	(564,793)	(6,600,141)	(12,713,345)
<b>Withdrawals</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(1,045,944)	(387,969)	(521,494)
Class E	—	—	—
Total cost of units redeemed	(1,045,944)	(387,969)	(521,494)
<b>Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions</b>	<b>1,522,855</b>	<b>(613,412)</b>	<b>(2,027,255)</b>
<b>Fiduciary Net Position:</b>			
Total Increase (decrease) in Fiduciary Net Position	1,544,297	(1,194,009)	(3,051,368)
Beginning of year	5,672,842	15,244,280	33,144,208
End of year	\$ 7,217,139	\$ 14,050,271	\$ 30,092,840

SMART529 Select Age- Based DFA Portfolio 7-9	SMART529 Select Age- Based DFA Portfolio 10-12	SMART529 Select Age- Based DFA Portfolio 13-15	SMART529 Select Age- Based DFA Portfolio 16-18	SMART529 Select Age- Based DFA Portfolio 19+	SMART529 Select Aggressive Growth DFA Portfolio
\$ 1,019,885	\$ 1,031,837	\$ 887,836	\$ 595,539	\$ 257,649	\$ 597,029
1,019,885	1,031,837	887,836	595,539	257,649	597,029
23,921	25,198	24,613	18,735	10,056	13,509
200,934	211,662	206,751	157,373	84,473	113,473
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
224,855	236,860	231,364	176,108	94,529	126,982
795,030	794,977	656,472	419,431	163,120	470,047
478,663	411,005	317,024	189,267	69,250	327,973
1,227,379	682,115	600,243	341,968	(39,363)	935,927
(3,577,224)	(1,946,799)	(1,354,388)	(847,803)	(55,781)	(2,950,512)
(1,871,182)	(853,679)	(437,121)	(316,568)	(25,894)	(1,686,612)
(1,076,152)	(58,702)	219,351	102,863	137,226	(1,216,565)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
4,722,596	4,909,463	4,278,477	2,630,746	1,916,683	2,195,918
—	—	—	—	—	—
4,722,596	4,909,463	4,278,477	2,630,746	1,916,683	2,195,918
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
12,636,941	18,737,629	17,951,151	16,235,615	11,219,754	682,181
—	—	—	—	—	—
12,636,941	18,737,629	17,951,151	16,235,615	11,219,754	682,181
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(19,036,855)	(18,272,548)	(15,320,721)	(11,183,435)	(440,989)	(2,407,464)
—	—	—	—	—	—
(19,036,855)	(18,272,548)	(15,320,721)	(11,183,435)	(440,989)	(2,407,464)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(1,177,743)	(955,144)	(953,442)	(4,068,711)	(6,806,614)	(1,425,589)
—	—	—	—	—	—
(1,177,743)	(955,144)	(953,442)	(4,068,711)	(6,806,614)	(1,425,589)
(2,855,061)	4,419,400	5,955,465	3,614,215	5,888,834	(954,954)
(3,931,213)	4,360,698	6,174,816	3,717,078	6,026,060	(2,171,519)
51,227,289	50,579,413	46,086,188	37,106,589	17,541,004	29,045,965
\$ 47,296,076	\$ 54,940,111	\$ 52,261,004	\$ 40,823,667	\$ 23,567,064	\$ 26,874,446

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Schedules of Changes in Fiduciary Net Position (Continued)  
For the Year Ended June 30, 2016

	SMART529 Select All Equity DFA Portfolio	SMART529 Select Balanced DFA Portfolio	SMART529 Select Conservative DFA Portfolio
<b>Investment Income:</b>			
Dividends	\$ 1,798,226	\$ 186,881	\$ 81,443
Total investment income	1,798,226	186,881	81,443
<b>Expenses:</b>			
Administration fees	40,511	5,241	3,212
Savings plan manager fees	340,290	44,024	26,981
Distribution fees			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Total expenses	380,801	49,265	30,193
Net Investment Income (Loss)	1,417,425	137,616	51,250
<b>Net Realized and Unrealized Gain (Loss):</b>			
Capital gain distributions received from underlying funds	971,621	67,996	22,106
Net realized gain (loss) on sale of underlying fund shares	1,897,196	204,768	34,516
Net change in unrealized appreciation (depreciation) on underlying fund shares	(7,787,838)	(383,240)	(78,581)
Net realized and unrealized gain (loss)	(4,919,021)	(110,476)	(21,959)
<b>Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations</b>	<b>(3,501,596)</b>	<b>27,140</b>	<b>29,291</b>
<b>Unit Transactions:</b>			
<b>Contributions</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	6,493,670	739,764	519,110
Class E	—	—	—
Net proceeds from sale of units to account holders	6,493,670	739,764	519,110
<b>Transfers/Exchanges in</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	1,050,589	1,164,264	2,050,309
Class E	—	—	—
Total transfers/exchanges in	1,050,589	1,164,264	2,050,309
<b>Transfers/Exchanges out</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(4,156,151)	(710,581)	(633,442)
Class E	—	—	—
Total transfers/exchanges out	(4,156,151)	(710,581)	(633,442)
<b>Withdrawals</b>			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(3,751,029)	(1,108,257)	(1,359,662)
Class E	—	—	—
Total cost of units redeemed	(3,751,029)	(1,108,257)	(1,359,662)
<b>Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions</b>	<b>(362,921)</b>	<b>85,190</b>	<b>576,315</b>
<b>Fiduciary Net Position:</b>			
Total Increase (decrease) in Fiduciary Net Position	(3,864,517)	112,330	605,606
Beginning of year	86,697,760	10,539,166	6,405,473
End of year	\$ 82,833,243	\$ 10,651,496	\$ 7,011,079

SMART529 Select Fixed Income DFA Portfolio	SMART529 Select Growth DFA Portfolio	SMART529 Select Moderate Growth DFA Portfolio	SMART529 Select Moderately Aggressive Growth DFA Portfolio	SMART529 Select Moderately Conservative DFA Portfolio	SMART529 MFS Global Equity 529 Fund
\$ 243,750	\$ 544,846	\$ 316,329	\$ 248,687	\$ 75,456	\$ 106,395
243,750	544,846	316,329	248,687	75,456	106,395
6,666	12,663	7,842	5,701	2,359	9,930
55,993	106,368	65,868	47,885	19,819	25,533
—	—	—	—	—	22,021
—	—	—	—	—	4,270
—	—	—	—	—	27,507
62,659	119,031	73,710	53,586	22,178	89,261
181,091	425,815	242,619	195,101	53,278	17,134
36,659	254,363	128,672	124,718	24,330	152,479
21,710	663,143	418,354	462,113	54,508	4,453,889
437,059	(1,930,328)	(860,642)	(1,113,400)	(121,014)	(4,986,230)
495,428	(1,012,822)	(313,616)	(526,569)	(42,176)	(379,862)
676,519	(587,007)	(70,997)	(331,468)	11,102	(362,728)
—	—	—	—	—	783,253
—	—	—	—	—	26,433
—	—	—	—	—	142,757
1,559,250	1,627,883	1,380,379	1,597,448	214,565	—
—	—	—	—	—	116,420
1,559,250	1,627,883	1,380,379	1,597,448	214,565	1,068,863
—	—	—	—	—	1,170,393
—	—	—	—	—	42,725
—	—	—	—	—	234,563
2,078,124	2,057,309	1,695,972	635,402	1,881,939	—
—	—	—	—	—	219,305
2,078,124	2,057,309	1,695,972	635,402	1,881,939	1,666,986
—	—	—	—	—	(879,622)
—	—	—	—	—	(198,219)
—	—	—	—	—	(339,738)
(558,771)	(3,287,881)	(1,953,110)	(1,558,758)	(334,458)	—
—	—	—	—	—	(329,646)
(558,771)	(3,287,881)	(1,953,110)	(1,558,758)	(334,458)	(1,747,225)
—	—	—	—	—	(802,287)
—	—	—	—	—	(59,527)
—	—	—	—	—	(188,286)
(1,427,996)	(873,989)	(1,266,415)	(472,009)	(703,993)	—
—	—	—	—	—	(130,583)
(1,427,996)	(873,989)	(1,266,415)	(472,009)	(703,993)	(1,180,683)
1,650,607	(476,678)	(143,174)	202,083	1,058,053	(192,059)
2,327,126	(1,063,685)	(214,171)	(129,385)	1,069,155	(554,787)
12,621,066	27,003,893	16,176,502	11,854,911	4,598,645	15,101,352
\$ 14,948,192	\$ 25,940,208	\$ 15,962,331	\$ 11,725,526	\$ 5,667,800	\$ 14,546,565



West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Financial Highlights

	-- Selected Per-Share Data <sup>(1)</sup> --					-- Ratios and Supplemental Data --				
	Net Position Value at, Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return % Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>SMART529 WV Direct Age-Based Portfolio 0-8</b> From July 1, 2015 through June 30, 2016 Class D	\$ 24.80	\$ 0.46	\$ (0.47)	\$ (0.01)	\$ 24.79	(0.04)%	\$ 25,587	0.25%	1.93%	22%
<b>SMART529 WV Direct Age-Based Portfolio 9-13</b> From July 1, 2015 through June 30, 2016 Class D	\$ 22.01	\$ 0.38	\$ (0.19)	\$ 0.19	\$ 22.20	0.86%	\$ 36,729	0.23%	1.76%	9%
<b>SMART529 WV Direct Age-Based Portfolio 14-15</b> From July 1, 2015 through June 30, 2016 Class D	\$ 21.17	\$ 0.34	\$ 0.01	\$ 0.35	\$ 21.52	1.65%	\$ 15,165	0.21%	1.61%	13%
<b>SMART529 WV Direct Age-Based Portfolio 16-17</b> From July 1, 2015 through June 30, 2016 Class D	\$ 12.69	\$ 0.09	\$ 0.10	\$ 0.19	\$ 12.88	1.50%	\$ 14,844	0.06%	0.70%	10%
<b>SMART529 WV Direct Age-Based Portfolio 18+</b> From July 1, 2015 through June 30, 2016 Class D	\$ 15.22	\$ 0.08	\$ 0.18	\$ 0.26	\$ 15.48	1.71%	\$ 19,352	0.03%	0.50%	29%
<b>SMART529 WV Direct Conservative Balanced Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 14.59	\$ 0.07	\$ 0.19	\$ 0.26	\$ 14.85	1.78%	\$ 4,636	0.03%	0.51%	12%
<b>SMART529 WV Direct Conservative Bond Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 14.59	\$ 0.08	\$ 0.32	\$ 0.40	\$ 14.99	2.74%	\$ 3,361	0.04%	0.54%	21%
<b>SMART529 WV Direct Stable Value Fund</b> From July 1, 2015 through June 30, 2016 Class D	\$ 14.65	\$ --	\$ 0.23	\$ 0.23	\$ 14.88	1.57%	\$ 13,108	--%	--%	13%
<b>SMART529 WV Direct Balanced Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 21.38	\$ 0.36	\$ (0.16)	\$ 0.20	\$ 21.58	0.94%	\$ 11,989	0.23%	1.74%	15%
<b>SMART529 WV Direct Growth Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 23.55	\$ 0.44	\$ (0.43)	\$ 0.01	\$ 23.56	0.04%	\$ 18,261	0.25%	1.94%	11%
<b>SMART529 WV Direct Aggressive Growth Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 24.31	\$ 0.46	\$ (0.84)	\$ (0.38)	\$ 23.93	(1.56)%	\$ 27,593	0.25%	1.98%	7%
<b>SMART529 WV Direct 500 Index Fund</b> From July 1, 2015 through June 30, 2016 Class D	\$ 16.38	\$ 0.31	\$ 0.30	\$ 0.61	\$ 16.99	3.72%	\$ 12,479	0.25%	1.93%	5%
<b>The Hartford SMART529 Age-Based Portfolio 0-8</b> From July 1, 2015 through June 30, 2016 Class A	\$ 23.31	\$ 0.19	\$ (1.13)	\$ (0.94)	\$ 22.37	(4.03)%	\$ 88,715	0.50%	0.84%	28%
Class B	21.80	0.05	(1.05)	(1.00)	20.80	(4.59)	6,106	1.05	0.26	28
Class C	21.30	0.02	(1.03)	(1.01)	20.29	(4.74)	19,399	1.24	0.10	28
Class E	24.14	0.25	(1.16)	(0.91)	23.23	(3.77)	4,828	0.25	1.09	28
<b>The Hartford SMART529 Age-Based Portfolio 9-13</b> From July 1, 2015 through June 30, 2016 Class A	\$ 20.27	\$ 0.15	\$ (0.87)	\$ (0.72)	\$ 19.55	(3.55)%	\$ 192,473	0.50%	0.78%	23%
Class B	18.94	0.04	(0.82)	(0.78)	18.16	(4.12)	19,572	1.05	0.23	23
Class C	18.51	0.01	(0.81)	(0.80)	17.71	(4.32)	31,145	1.24	0.05	23
Class E	21.00	0.21	(0.91)	(0.70)	20.30	(3.33)	15,835	0.25	1.03	23

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West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Financial Highlights (Continued)

-- Selected Per-Share Data <sup>(1)</sup> --						-- Ratios and Supplemental Data --				
	Net Position Value at, Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return % Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>The Hartford SMART529 Age-Based Portfolio 14-15</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 19.53	\$ 0.16	\$ (0.65)	\$ (0.49)	\$ 19.04	(2.51)%	\$ 105,132	0.50%	0.86%	19%
Class B	18.24	0.05	(0.61)	(0.56)	17.68	(3.07)	7,610	1.05	0.29	19
Class C	17.80	0.02	(0.59)	(0.57)	17.23	(3.20)	18,034	1.24	0.11	19
Class E	20.23	0.22	(0.68)	(0.46)	19.77	(2.27)	8,297	0.25	1.12	19
<b>The Hartford SMART529 Age-Based Portfolio 16-17</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 12.14	\$ --	\$ (0.03)	\$ (0.03)	\$ 12.11	(0.25)%	\$ 98,920	0.50%	(0.03)%	13%
Class B	11.81	(0.07)	(0.02)	(0.09)	11.72	(0.76)	6,123	1.05	(0.58)	13
Class C	11.70	(0.09)	(0.02)	(0.11)	11.59	(0.94)	18,644	1.24	(0.77)	13
Class E	12.29	0.03	(0.03)	--	12.29	--	6,845	0.25	0.23	13
<b>The Hartford SMART529 Age-Based Portfolio 18+</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 14.11	\$ (0.01)	\$ 0.06	\$ 0.05	\$ 14.16	0.35%	\$ 125,921	0.50%	(0.10)%	31%
Class B	13.17	(0.09)	0.06	(0.03)	13.14	(0.23)	7,657	1.05	(0.65)	31
Class C	12.87	(0.11)	0.06	(0.05)	12.82	(0.39)	32,394	1.24	(0.84)	31
Class E	14.62	0.02	0.07	0.09	14.71	0.62	7,960	0.25	0.15	31
<b>The Hartford SMART529 Conservative Balanced Portfolio</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 11.42	\$ --	\$ (0.01)	\$ (0.01)	\$ 11.41	(0.09)%	\$ 7,111	0.50%	(0.04)%	22%
Class C	11.05	(0.08)	(0.01)	(0.09)	10.96	(0.81)	2,054	1.24	(0.75)	22
Class E	11.54	0.02	--	0.02	11.56	0.17	596	0.25	0.21	22
<b>The Hartford SMART529 Stable Value Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 14.05	\$ (0.07)	\$ 0.22	\$ 0.15	\$ 14.20	1.07%	\$ 36,707	0.48%	(0.48)%	14%
Class B	13.14	(0.14)	0.21	0.07	13.21	0.53	2,318	1.03	(1.03)	14
Class C	12.83	(0.16)	0.20	0.04	12.87	0.31	13,485	1.22	(1.22)	14
Class E	14.53	(0.03)	0.23	0.20	14.73	1.38	6,867	0.23	(0.23)	14
<b>The Hartford SMART529 Aggressive Growth Portfolio</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 22.81	\$ 0.17	\$ (1.17)	\$ (1.00)	\$ 21.81	(4.38)%	\$ 42,207	0.50%	0.78%	10%
Class B	21.35	0.04	(1.09)	(1.05)	20.30	(4.92)	4,409	1.05	0.22	10
Class C	20.86	0.01	(1.07)	(1.06)	19.80	(5.08)	9,183	1.24	0.05	10
Class E	23.62	0.23	(1.21)	(0.98)	22.64	(4.15)	10,516	0.25	1.03	10
<b>The Hartford SMART529 Balanced Income Portfolio</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 12.83	\$ 0.32	\$ 0.66	\$ 0.98	\$ 13.81	7.64%	\$ 12,920	0.50%	2.43%	9%
Class C	12.54	0.21	0.65	0.86	13.40	6.86	3,523	1.24	1.70	9
Class E	12.92	0.36	0.66	1.02	13.94	7.89	1,189	0.25	2.73	9
<b>The Hartford SMART529 Balanced Portfolio</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 19.73	\$ 0.15	\$ (0.85)	\$ (0.70)	\$ 19.03	(3.55)%	\$ 39,613	0.50%	0.78%	22%
Class B	18.43	0.04	(0.79)	(0.75)	17.68	(4.07)	1,988	1.05	0.20	22
Class C	18.00	0.01	(0.78)	(0.77)	17.23	(4.28)	10,979	1.24	0.05	22
Class E	20.44	0.20	(0.88)	(0.68)	19.76	(3.33)	2,392	0.25	1.00	22
<b>The Hartford SMART529 Growth Portfolio</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 22.11	\$ 0.18	\$ (1.06)	\$ (0.88)	\$ 21.23	(3.98)%	\$ 66,130	0.50%	0.84%	19%
Class B	20.67	0.05	(0.98)	(0.93)	19.74	(4.50)	3,456	1.05	0.28	19
Class C	20.19	0.02	(0.97)	(0.95)	19.24	(4.71)	14,656	1.24	0.09	19
Class E	22.89	0.24	(1.09)	(0.85)	22.04	(3.71)	4,876	0.25	1.08	19

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West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Financial Highlights (Continued)

	-- Selected Per-Share Data <sup>(1)</sup> --					-- Ratios and Supplemental Data --				
	Net Position Value at, Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return % Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>The Hartford SMART529 Checks and Balances Portfolio</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 18.87	\$ 0.25	\$ (0.06)	\$ 0.19	\$ 19.06	1.01%	\$ 30,991	0.50%	1.37%	11%
Class B	17.62	0.14	(0.06)	0.08	17.70	0.45	1,091	1.05	0.80	11
Class C	17.20	0.11	(0.06)	0.05	17.25	0.29	5,183	1.24	0.63	11
Class E	19.60	0.31	(0.07)	0.24	19.84	1.22	1,774	0.25	1.61	11
<b>The Hartford SMART529 Dividend and Growth 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 25.17	\$ 0.40	\$ 0.19	\$ 0.59	\$ 25.76	2.34%	\$ 145,593	0.50%	1.62%	9%
Class B	23.52	0.26	0.16	0.42	23.94	1.79	9,334	1.05	1.13	9
Class C	22.97	0.21	0.16	0.37	23.34	1.61	29,152	1.24	0.96	9
Class E	26.07	0.51	0.17	0.68	26.75	2.61	18,637	0.25	2.00	9
<b>The Hartford SMART529 Global All Asset Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 13.19	\$ (0.06)	\$ (0.34)	\$ (0.40)	\$ 12.79	(3.03)%	\$ 637	0.50%	(0.50)%	29%
Class C	12.83	(0.15)	(0.33)	(0.48)	12.35	(3.74)	704	1.24	(1.24)	29
Class E	13.31	(0.03)	(0.35)	(0.38)	12.93	(2.85)	442	0.25	(0.25)	29
<b>The Hartford SMART529 Growth Opportunities 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 21.40	\$ (0.04)	\$ (0.42)	\$ (0.46)	\$ 20.94	(2.15)%	\$ 13,958	0.50%	(0.20)%	5%
Class B	20.41	(0.14)	(0.41)	(0.55)	19.86	(2.69)	579	1.05	(0.74)	5
Class C	20.08	(0.21)	(0.37)	(0.58)	19.50	(2.89)	2,981	1.24	(1.11)	5
Class E	21.87	0.01	(0.42)	(0.41)	21.46	(1.87)	2,774	0.25	0.06	5
<b>The Hartford SMART529 High Yield 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 19.42	\$ 0.89	\$ (0.95)	\$ (0.06)	\$ 19.36	(0.31)%	\$ 5,418	0.50%	4.77%	10%
Class B	18.32	0.74	(0.90)	(0.16)	18.16	(0.87)	175	1.05	4.21	10
Class C	17.91	0.69	(0.88)	(0.19)	17.72	(1.06)	1,221	1.24	4.03	10
Class E	20.00	0.97	(0.98)	(0.01)	19.99	(0.05)	544	0.25	5.01	10
<b>The Hartford SMART529 Inflation Plus 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 14.35	\$ (0.07)	\$ 0.40	\$ 0.33	\$ 14.68	2.30%	\$ 4,249	0.50%	(0.50)%	10%
Class B	13.52	(0.14)	0.38	0.24	13.76	1.78	312	1.05	(1.05)	10
Class C	13.24	(0.16)	0.37	0.21	13.45	1.59	1,002	1.24	(1.24)	10
Class E	14.82	(0.04)	0.42	0.38	15.20	2.56	1,162	0.25	(0.25)	10
<b>The Hartford SMART529 International Opportunities 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 10.66	\$ 0.06	\$ (0.91)	\$ (0.85)	\$ 9.81	(7.97)%	\$ 9,558	0.50%	0.63%	7%
Class B	10.16	—	(0.86)	(0.86)	9.30	(8.46)	403	1.05	0.05	7
Class C	10.00	(0.01)	(0.86)	(0.87)	9.13	(8.70)	1,958	1.24	(0.10)	7
Class E	10.89	0.09	(0.94)	(0.85)	10.04	(7.81)	2,193	0.25	0.88	7
<b>The Hartford SMART529 MidCap 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 35.96	\$ (0.17)	\$ (0.27)	\$ (0.44)	\$ 35.52	(1.22)%	\$ 39,525	0.50%	(0.50)%	7%
Class B	33.66	(0.34)	(0.25)	(0.59)	33.07	(1.75)	1,980	1.05	(1.05)	7
Class C	32.90	(0.39)	(0.26)	(0.65)	32.25	(1.98)	9,448	1.24	(1.24)	7
Class E	37.28	(0.09)	(0.28)	(0.37)	36.91	(0.99)	9,464	0.25	(0.25)	7

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West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Financial Highlights (Continued)

-- Selected Per-Share Data <sup>(1)</sup> --						-- Ratios and Supplemental Data --				
	Net Position Value at Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return % Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>The Hartford SMART529 MidCap Value 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 21.23	\$ —	\$ (1.12)	\$ (1.12)	\$ 20.11	(5.28)%	\$ 9,079	0.50%	0.01%	8%
Class B	20.48	(0.10)	(1.09)	(1.19)	19.29	(5.81)	272	1.05	(0.53)	8
Class C	20.22	(0.14)	(1.07)	(1.21)	19.01	(5.98)	1,003	1.24	(0.74)	8
Class E	21.56	0.05	(1.14)	(1.09)	20.47	(5.06)	829	0.25	0.25	8
<b>The Hartford SMART529 Small Company 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 19.54	\$ (0.08)	\$ (3.55)	\$ (3.63)	\$ 15.91	(18.58)%	\$ 5,015	0.50%	(0.50)%	8%
Class B	18.58	(0.16)	(3.37)	(3.53)	15.05	(19.00)	160	1.05	(1.04)	8
Class C	18.30	(0.19)	(3.32)	(3.51)	14.79	(19.18)	1,160	1.24	(1.25)	8
Class E	19.93	(0.04)	(3.62)	(3.66)	16.27	(18.36)	915	0.25	(0.21)	8
<b>The Hartford SMART529 Equity Income 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 19.27	\$ 0.36	\$ 1.01	\$ 1.37	\$ 20.64	7.11%	\$ 22,084	0.50%	1.86%	8%
Class B	18.01	0.22	0.96	1.18	19.19	6.55	662	1.05	1.22	8
Class C	17.59	0.19	0.93	1.12	18.71	6.37	4,665	1.24	1.09	8
Class E	19.97	0.41	1.07	1.48	21.45	7.41	3,567	0.25	2.08	8
<b>The Hartford SMART529 Total Return Bond 529 Fund</b>										
From July 1, 2015 through June 30, 2016										
Class A	\$ 17.30	\$ 0.45	\$ 0.33	\$ 0.78	\$ 18.08	4.51%	\$ 15,977	0.50%	2.57%	13%
Class B	16.12	0.33	0.31	0.64	16.76	3.97	1,029	1.05	2.02	13
Class C	15.73	0.29	0.31	0.60	16.33	3.81	3,967	1.24	1.83	13
Class E	17.93	0.51	0.35	0.86	18.79	4.80	1,419	0.25	2.82	13
<b>SMART529 Select 1-Year Fixed DFA Portfolio</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 11.77	\$ 0.02	\$ 0.01	\$ 0.03	\$ 11.80	0.25%	\$ 7,217	0.47%	0.14%	24%
<b>SMART529 Select Age-Based DFA Portfolio 0-3</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 21.89	\$ 0.35	\$ (1.25)	\$ (0.90)	\$ 20.99	(4.11)%	\$ 14,050	0.47%	1.71%	45%
<b>SMART529 Select Age-Based DFA Portfolio 4-6</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 21.46	\$ 0.35	\$ (1.01)	\$ (0.66)	\$ 20.80	(3.08)%	\$ 30,093	0.47%	1.71%	20%
<b>SMART529 Select Age-Based DFA Portfolio 7-9</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 20.77	\$ 0.33	\$ (0.77)	\$ (0.44)	\$ 20.33	(2.12)%	\$ 47,296	0.47%	1.66%	15%
<b>SMART529 Select Age-Based DFA Portfolio 10-12</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 18.91	\$ 0.29	\$ (0.38)	\$ (0.09)	\$ 18.82	(0.48)%	\$ 54,940	0.47%	1.58%	12%
<b>SMART529 Select Age-Based DFA Portfolio 13-15</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 17.46	\$ 0.23	\$ (0.21)	\$ 0.02	\$ 17.48	0.11%	\$ 52,261	0.47%	1.33%	15%
<b>SMART529 Select Age-Based DFA Portfolio 16-18</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 16.58	\$ 0.18	\$ (0.15)	\$ 0.03	\$ 16.61	0.18%	\$ 40,824	0.47%	1.12%	25%
<b>SMART529 Select Age-Based DFA Portfolio 19+</b>										
From July 1, 2015 through June 30, 2016										
Class D	\$ 15.08	\$ 0.12	\$ (0.05)	\$ 0.07	\$ 15.15	0.46%	\$ 23,567	0.47%	0.81%	39%

(1) Information presented relates to a unit outstanding throughout the indicated period.

(2) Portfolio turnover rate is calculated on the basis of the portfolio as a whole without distinguishing between the class of shares issued.

West Virginia College Prepaid Tuition and Savings Program  
Savings Plan Trust Fund  
Financial Highlights (Continued)

	-- Selected Per-Share Data <sup>(1)</sup> --					-- Ratios and Supplemental Data --				
	Net Position Value at, Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return % Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>SMART529 Select Aggressive Growth DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 21.88	\$ 0.36	\$ (1.27)	\$ (0.91)	\$ 20.97	(4.16)%	\$ 26,874	0.47%	1.74%	12%
<b>SMART529 Select All Equity DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 22.57	\$ 0.37	\$ (1.30)	\$ (0.93)	\$ 21.64	(4.12)%	\$ 82,833	0.47%	1.75%	8%
<b>SMART529 Select Balanced DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 17.42	\$ 0.22	\$ (0.20)	\$ 0.02	\$ 17.44	0.11%	\$ 10,651	0.47%	1.31%	18%
<b>SMART529 Select Conservative DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 15.07	\$ 0.12	\$ (0.04)	\$ 0.08	\$ 15.15	0.53%	\$ 7,011	0.47%	0.80%	28%
<b>SMART529 Select Fixed Income DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 13.34	\$ 0.18	\$ 0.48	\$ 0.66	\$ 14.00	4.95%	\$ 14,948	0.47%	1.36%	10%
<b>SMART529 Select Growth DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 20.81	\$ 0.33	\$ (0.75)	\$ (0.42)	\$ 20.39	(2.02)%	\$ 25,940	0.47%	1.68%	16%
<b>SMART529 Select Moderate Growth DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 18.88	\$ 0.28	\$ (0.36)	\$ (0.08)	\$ 18.80	(0.42)%	\$ 15,962	0.47%	1.55%	20%
<b>SMART529 Select Moderately Aggressive Growth DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 21.53	\$ 0.35	\$ (1.01)	\$ (0.66)	\$ 20.87	(3.07)%	\$ 11,726	0.47%	1.71%	18%
<b>SMART529 Select Moderately Conservative DFA Portfolio</b> From July 1, 2015 through June 30, 2016 Class D	\$ 16.56	\$ 0.18	\$ (0.17)	\$ 0.01	\$ 16.57	0.06%	\$ 5,668	0.47%	1.13%	21%
<b>SMART529 MFS Global Equity 529 Fund</b> From July 1, 2015 through June 30, 2016 Class A	\$ 20.60	\$ 0.05	\$ (0.51)	\$ (0.46)	\$ 20.14	(2.23)%	\$ 9,372	0.50%	0.24%	9%
Class B	19.26	(0.04)	(0.50)	(0.54)	18.72	(2.80)	429	1.05	(0.23)	9
Class C	18.82	(0.09)	(0.47)	(0.56)	18.26	(2.98)	2,713	1.24	(0.48)	9
Class E	21.32	0.10	(0.52)	(0.42)	20.90	(1.97)	2,032	0.25	0.50	9

(1) Information presented relates to a unit outstanding throughout the indicated period.

(2) Portfolio turnover rate is calculated on the basis of the portfolio as a whole without distinguishing between the class of shares issued.

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## Statistical Section

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The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplemental information says about the Program's overall financial health. The following two categories of information provide tables of schedules and other information to better understand the Program and its operations.

### Financial Trends – Tables 1 & 2

*These tables contain trend data to help the reader understand how the Program's financial performance and well-being have changed over time.*

### Demographic and Economic Information – Tables 3 – 10

*These tables offer demographic and economic indicators to help the reader understand the environment within which the Program's financial activities take place.*

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## Informational Tables and Charts

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**Table 1: Net (Deficit) Position and Changes in Net (Deficit) Position – Enterprise Funds**

The enterprise funds began operations in July 1997. Activity during the first year of operations consisted of appropriations from the state and start-up costs. Activity in the ensuing years included revenues from contracts and investments, and expenses related to the tuition benefit liability. Revenue from the Savings Plan administrative fee began with the Savings Plan's first full year of operations in 2004. Tuition contract revenues went down in 2004 because the Prepaid Tuition Plan was closed to new contract sales during that fiscal year after an abbreviated enrollment period.

	Fiscal Year Ended June 30		
	<i>In Thousands</i>		
	2016	2015	2014
<b><u>Changes in Net (Deficit) Position</u></b>			
<b>Operating revenues</b>			
Tuition contracts	\$ 103	\$ 20	\$ 40
Savings Plan administrative fee	1,285	1,329	1,239
Total operating revenues	1,388	1,349	1,279
<b>Operating expenses</b>			
Tuition contract benefits and expenses	1,853	6,534	3,895
General and administrative expenses	1,119	1,069	1,028
Total operating expenses	2,972	7,603	4,923
Operating (loss) gain	(1,584)	(6,254)	(3,644)
<b>Nonoperating revenues (losses)</b>			
Investment earnings (losses)	1,020	2,044	9,650
Appropriations from primary government	-	73	147
Other postemployment benefits contributions	-	-	-
Total nonoperating revenues (losses)	1,020	2,117	9,797
Change in net (deficit) position	<u>\$ (564)</u>	<u>\$ (4,137)</u>	<u>\$ 6,153</u>
<b><u>Net (Deficit) Position at Year-End</u></b>			
Restricted for payment of general and administrative expenses	\$ 1,528	\$ 1,283	\$ 996
Unrestricted	(13,071)	(12,262)	(7,624)
Total net (deficit) position	<u>\$ (11,543)</u>	<u>\$ (10,979)</u>	<u>\$ (6,628)</u>
<b><u>Restatement of Beginning Net (Deficit) Position</u></b>			
Cumulative effect of change in accounting principle	<u>\$ -</u>	<u>\$ (213)</u>	<u>\$ -</u>

Fiscal Year Ended June 30  
*In Thousands*

2013	2012	2011	2010	2009	2008	2007
\$ 42	\$ 85	\$ 103	\$ (44)	\$ (44)	\$ 58	\$ 150
1,093	1,016	947	778	609	848	873
1,135	1,101	1,050	734	565	906	1,023
3,835	5,968	4,179	8,165	(3,940)	8,674	13,855
1,232	1,153	905	887	895	852	597
5,067	7,121	5,084	9,052	(3,045)	9,526	14,452
(3,932)	(6,020)	(4,034)	(8,318)	3,610	(8,620)	(13,429)
6,781	1,634	14,511	12,199	(12,631)	(6,411)	16,044
147	147	144	131	157	153	151
-	-	-	-	10	6	-
6,928	1,781	14,655	12,330	(12,464)	(6,252)	16,195
\$ 2,996	\$ (4,239)	\$ 10,621	\$ 4,012	\$ (8,854)	\$ (14,872)	\$ 2,766
\$ 575	\$ 481	\$ 324	\$ 997	\$ 976	\$ 1,095	\$ 891
(13,357)	(16,259)	(11,863)	(23,157)	(27,148)	(18,413)	(3,385)
\$ (12,782)	\$ (15,778)	\$ (11,539)	\$ (22,160)	\$ (26,172)	\$ (17,318)	\$ (2,494)
\$ -	\$ -	\$ -	\$ -	\$ 48	\$ -	\$ -



**Table 2: Changes in Net (Deficit) Position – Fiduciary Fund**

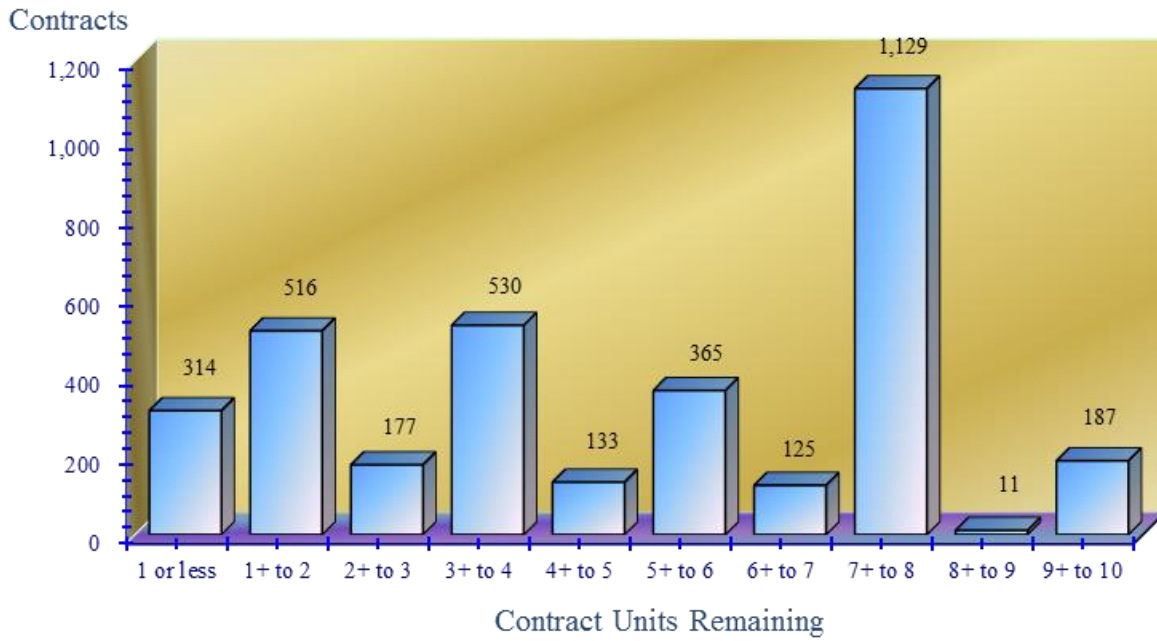
The fiduciary fund began operations during the last four months of fiscal year 2002. The table below presents additions and deductions and changes in net position for each of the past ten fiscal years.

	Fiscal Year Ended June 30 <i>In Thousands</i>			
	2016	2015	2014	2013
<b>Additions</b>				
Contributions:				
Account holders	\$187,385	\$203,788	\$213,781	\$215,988
Deposits to establish new investment funds	-	-	-	-
Total contributions	187,385	203,788	213,781	215,988
Investment earnings:				
Net increase (decrease) in fair value of investments	(136,309)	(173,688)	247,955	174,377
Dividends and capital gains	115,946	196,948	68,158	51,505
Total investment gain (loss)	(20,363)	23,260	316,113	225,882
Investment expense	5,772	6,073	5,894	5,311
Net investment earnings	(26,135)	17,187	310,219	220,571
Total additions	161,250	220,975	524,000	436,559
<b>Deductions</b>				
Redemptions:				
Payments in accordance with trust agreements	187,296	181,829	168,626	173,745
Redemptions of deposits to establish new investment funds	-	-	60	121
Total redemptions	187,296	181,829	168,686	173,866
Administrative expense	6,246	6,401	5,880	4,968
Total deductions	193,542	188,230	174,566	178,834
Change in net (deficit) position	<u>\$ (32,292)</u>	<u>\$ 32,745</u>	<u>\$349,434</u>	<u>\$257,725</u>

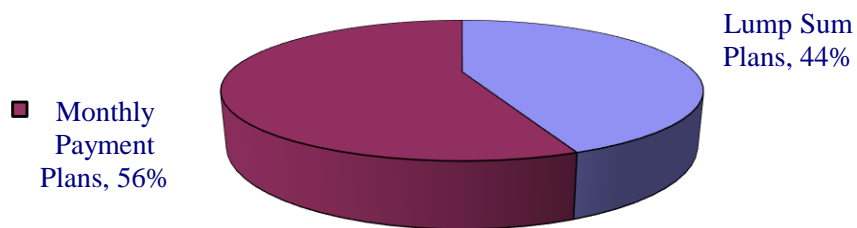
Fiscal Year Ended June 30 <i>In Thousands</i>					
2012	2011	2010	2009	2008	2007
\$218,740	\$609,702	\$ 303,060	\$ 267,563	\$264,646	\$200,030
135	220	138	138	138	80
218,875	609,922	303,198	267,701	264,784	200,110
(39,880)	243,137	105,197	(255,398)	(159,859)	105,264
37,488	20,743	16,563	19,781	87,264	56,291
(2,392)	263,880	121,760	(235,617)	(72,595)	161,555
4,935	4,889	4,248	3,504	4,878	4,973
(7,327)	258,991	117,512	(239,121)	(77,473)	156,582
211,548	868,913	420,710	28,580	187,311	356,692
154,837	486,947	201,806	159,503	137,408	52,172
82	-	-	-	-	-
154,919	486,947	201,806	159,503	137,408	52,172
4,331	3,956	3,192	2,467	3,307	3,043
159,250	490,903	204,998	161,970	140,715	55,215
<u>\$ 52,298</u>	<u>\$378,010</u>	<u>\$ 215,712</u>	<u>\$ (133,390)</u>	<u>\$ 46,596</u>	<u>\$301,477</u>

**Table 3: Types of Prepaid Tuition Plan Contracts**

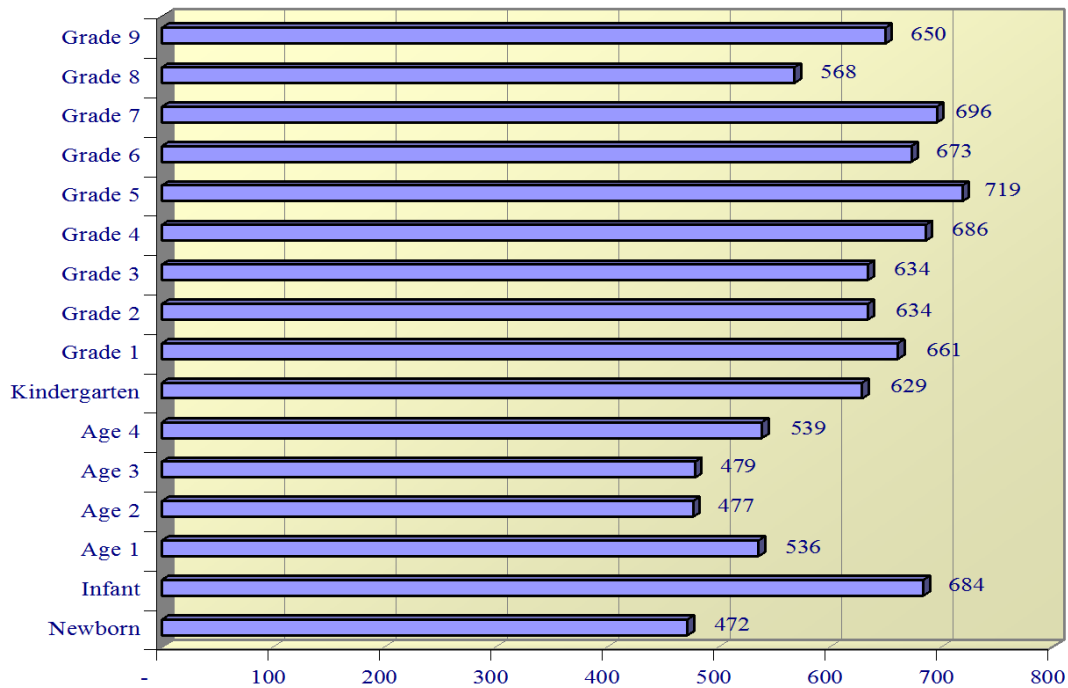
Contracts are held in units, which represent a semester of college studies. The chart illustrates the number of contracts with units remaining to be used as of June 30, 2016.



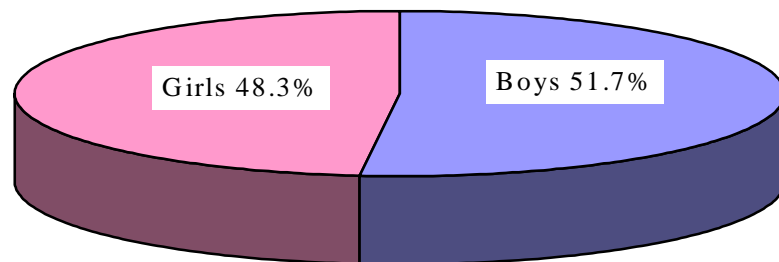
Purchasers chose either to make a lump sum payment for a contract or to select among monthly payment options.



Source: West Virginia College Prepaid Tuition & Savings Program

**Table 4: Prepaid Tuition Plan Beneficiaries**

Purchasers selected plans based on beneficiary age and grade during the enrollment period. This chart shows the distribution of plans by age and grade at the time of contract purchase.



Beneficiary distribution by gender

Source: West Virginia College Prepaid Tuition & Savings Program

**Table 5: Prepaid Tuition Plan Students****Distribution of Prepaid Tuition Plan Units in Spring 2016**

Schools	Units	% of Total
In-state Public Institutions:		
Marshall University	148	13.8%
Mountwest Community & Technical College	2	0.2
West Virginia University, Morgantown	383	35.7
West Virginia University Institute of Technology	13	1.2
BridgeValley Community & Technical College	12	1.1
West Virginia University at Parkersburg, Baccalaureate Programs	5	0.4
West Virginia University at Parkersburg, Associate/Certificate Programs	3	0.3
West Virginia University, Potomac State College, Baccalaureate Programs	1	0.1
West Virginia University, Potomac State College, Associate/Certificate Programs	2	0.2
Bluefield State College	5	0.5
New River Community & Technical College	8	0.7
Concord University	21	2.0
Fairmont State University	48	4.4
Pierpont Community & Technical College	8	0.8
Glenville State College	10	0.9
Shepherd University	22	2.1
Blue Ridge Community & Technical College	4	0.4
West Liberty University	23	2.1
West Virginia State University	19	1.8
Eastern West Virginia Community & Technical College	1	0.1
Southern West Virginia Community & Technical College	7	0.7
West Virginia Northern Community College	1	0.1
	746	69.6
In-state Private Institutions:		
Alderson-Broaddus College	7	0.6
Bethany College	1	0.1
Davis & Elkins College	5	0.4
Meredith Manor Equestrian College	1	0.1
Morgantown Beauty College	1	0.1
University of Charleston	24	2.2
West Virginia Business College	2	0.2
West Virginia Junior College	2	0.2
West Virginia Wesleyan College	35	3.3
St. Mary's School of Nursing	8	0.7
West Virginia School of Osteopathic Medicine	5	0.5
	91	8.4
Out-of-State Institutions	236	22.0
	1,073	100.0%

The table above shows the distribution of Prepaid Tuition Plan units used at public and private institutions within the state and institutions out of the state. A unit is the equivalent of a semester, and a Prepaid Tuition Plan beneficiary may choose to use a maximum of two units in one semester.

Source: West Virginia College Prepaid Tuition & Savings Program

**Table 6: Tuition and Mandatory Fees**

The following chart compares tuition and mandatory fees per semester for full-time West Virginia undergraduates for the academic years 2015-16 and 2016-17.

	2015-16	2016-17	Increase	
			Amount	%
Marshall University	\$ 3,407	\$ 3,577	\$ 170	4.99%
Mountwest Community & Technical College	1,848	1,872	24	1.30
West Virginia University:				
WVU, Morgantown	3,816	3,996	180	4.72
WVU Institute of Technology	3,168	3,324	156	4.92
WVU at Parkersburg:				
Baccalaureate Degree Programs	2,214	2,324	110	4.97
Associate/Certificate Programs	1,608	1,692	84	5.22
WVU Potomac State College:				
Baccalaureate Degree Programs	2,376	2,484	108	4.55
Associate/Certificate Programs	1,932	2,028	96	4.97
Bluefield State College	3,060	3,204	144	4.71
New River Community & Technical College	1,853	1,983	130	7.02
Concord University	3,372	3,540	168	4.98
Fairmont State University	3,310	3,475	165	4.98
Pierpont Community & Technical College	2,230	2,342	112	5.02
Glenville State College	3,516	3,672	156	4.44
Shepherd University	3,415	3,585	170	4.98
Blue Ridge Community & Technical College	1,848	1,932	84	4.55
West Liberty University	3,351	3,519	168	5.01
West Virginia State University	3,331	3,498	167	5.01
BridgeValley Community & Technical College	1,925	2,060	135	7.01
Eastern West Virginia Community & Technical College	1,500	1,635	135	9.00
Southern West Virginia Community & Technical College	1,596	1,668	72	4.51
West Virginia Northern Community College	1,680	1,752	72	4.29

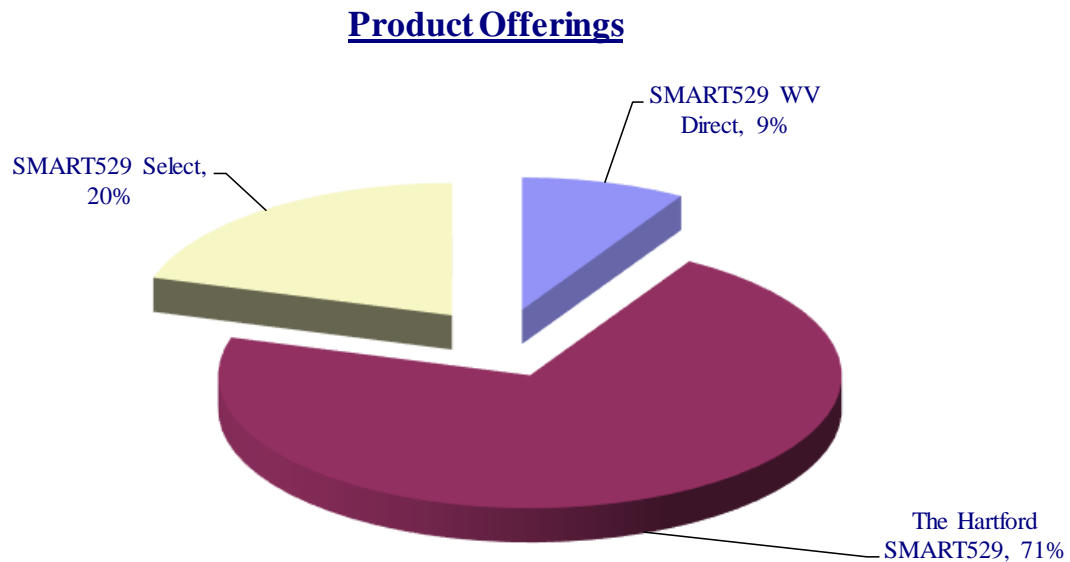
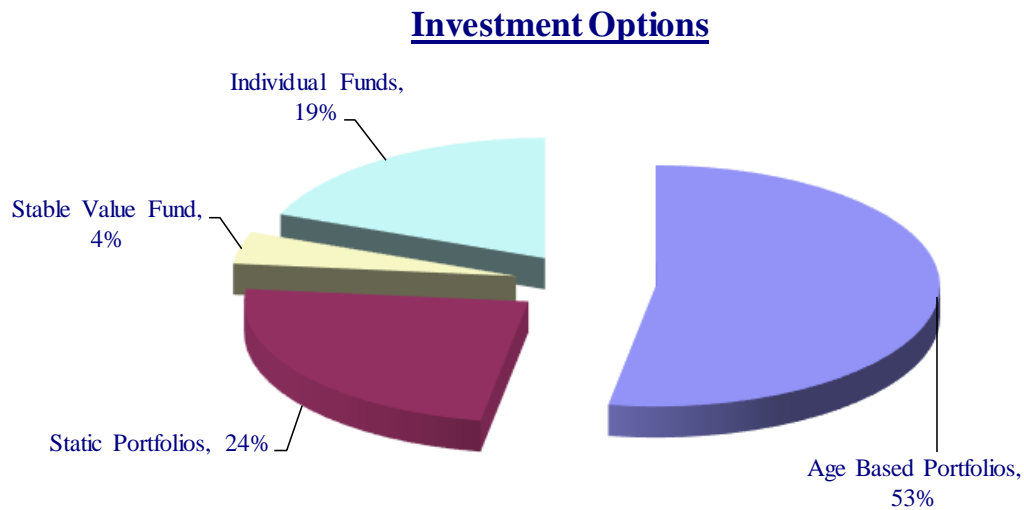
Source: West Virginia Higher Education Policy Commission

**Table 7: Resident Full-time Undergraduate Enrollment**

The following table shows the West Virginia resident full-time undergraduate enrollment for the fall 2014 and 2015 semesters at all West Virginia accredited post-secondary institutions.

Schools	Fall Enrollment			% of Total	
	2014	2015	Increase (Decrease)	2014	2015
Marshall University	6,185	6,185	-	16.2%	16.9%
Mountwest Community & Technical College	924	836	(88)	2.4	2.3
West Virginia University:					
WVU, Morgantown	9,624	9,407	(217)	25.2	25.7
WVU Institute of Technology	694	673	(21)	1.8	1.8
WVU at Parkersburg:					
Baccalaureate Degree Program	422	368	(54)	1.1	1.0
Associate/Certificate Programs	1,203	1,038	(165)	3.1	2.8
WVU Potomac State College:					
Baccalaureate Degree Program	64	53	(11)	0.2	0.1
Associate/Certificate Programs	707	635	(72)	1.9	1.7
Bluefield State College	1,073	1,046	(27)	2.8	2.9
New River Community & Technical College	1,362	1,096	(266)	3.6	3.0
Concord University	1,603	1,589	(14)	4.2	4.4
Fairmont State University	2,845	2,832	(13)	7.5	7.8
Pierpont Community & Technical College	1,267	1,169	(98)	3.3	3.2
Glenville State College	828	804	(24)	2.2	2.2
Shepherd University	1,885	1,800	(85)	4.9	4.9
Blue Ridge Community & Technical College	1,075	1,045	(30)	2.8	2.9
West Liberty University	1,355	1,173	(182)	3.5	3.2
West Virginia State University	1,709	1,653	(56)	4.5	4.5
BridgeValley Community & Technical College	1,146	1,116	(30)	3.0	3.1
Eastern West Virginia Community & Technical College	285	255	(30)	0.7	0.7
Southern West Virginia Community & Technical College	1,166	1,079	(87)	3.1	3.0
West Virginia Northern Community College	778	699	(79)	2.0	1.9
Total Resident Full-time Undergraduate Enrollment	38,200	36,551	(1,649)	100.0%	100.0%

Source: West Virginia Higher Education Policy Commission

**Table 8: Savings Plan Investment Options**

Investors in the Savings Plan choose among a variety of options and products with varying degrees of risk and features. This chart presents the percentage of those options and offerings selected at June 30, 2016.

Source: West Virginia College Prepaid Tuition & Savings Program



**Table 9: Savings Plan Top Ten Firms****Top Ten Investing Firms Nationwide Since Inception**

<b><u>Firm</u></b>	<b><u>Investments</u></b>	<b><u>Percent of Total Investments</u></b>	<b><u>Number of Accounts</u></b>	<b><u>Average Account Size</u></b>
Edward Jones	\$ 570,329,433	28.9%	69,792	\$ 8,172
First Clearing Corporation	112,875,126	5.7	10,534	10,715
Morgan Stanley Smith Barney	82,639,331	4.2	4,336	19,059
LPL Financial Corporation	78,911,821	4.0	9,903	7,968
Woodbury Financial Services	75,774,150	3.8	8,926	8,489
Raymond James Financial Services	66,499,987	3.4	7,514	8,850
Huntington Investment Company	28,527,894	1.4	3,961	7,202
J.P. Morgan Securities	14,056,589	0.7	2,292	6,133
UBS Financial Services, Inc.	9,657,624	0.5	775	12,461
CUSO Financial Services, LP	6,752,171	0.3	877	7,703

This table ranks the top ten investment firms nationwide by the total amount of investments each firm's clients hold in the Savings Plan at June 30, 2016.

Source: West Virginia College Prepaid Tuition & Savings Program

**Table 10: Savings Plan Top Ten States****Top Ten Investing States Since Inception**

<b><u>State of Investor Residence</u></b>	<b><u>Investments</u></b>	<b><u>Percent of Total Investments</u></b>
West Virginia	\$ 506,018,570	18.9%
California	296,942,343	11.1
Texas	222,390,160	8.3
North Carolina	134,760,581	5.0
Florida	102,487,043	3.8
Pennsylvania	99,790,457	3.7
Minnesota	86,927,031	3.3
Tennessee	82,587,557	3.1
Illinois	78,757,717	2.9
Massachusetts	76,885,384	2.9

This table ranks the top ten states by the total amount of investments made by their residents into the Savings Plan as of June 30, 2016. The Savings Plan is open to residents of all states.

*Source: West Virginia College Prepaid Tuition & Savings Program*

