



SMART529[®]
West Virginia's Education Savings Solution



West Virginia College Prepaid Tuition and Savings Program

A Component Unit of the State of West Virginia

The Office of State Treasurer John D. Perdue

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

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Alison Adkins Photography

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

A Component Unit of the State of West Virginia

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019



John D. Perdue
State Treasurer

Tom Vogel
Deputy Treasurer
West Virginia College Prepaid Tuition and Savings Program

Gregory Curry
Financial Director
West Virginia College Prepaid Tuition and Savings Program

Prepared by the Office of the Financial Director

“

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.

”



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, 2019. 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".

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, 2019

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Introductory Section

Letter of Transmittal

Certificate of Achievement
for Excellence in Financial
Reporting

Organizational Chart

Principal Officials

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October 3, 2019

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, 2019, 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, 2019. 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 Brown, Edwards & Company, L.L.P. performed the financial statement audit as of and for the fiscal year ended June 30, 2019, 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 194,000 Savings Plan accounts have been opened since inception through June 30, 2019.

As discussed in Note 11 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, 2019. Also discussed in Note 11, 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. The source of revenue for operating the overall Program comes 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 Budget Director of the West Virginia Department of Revenue each year. The submission 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 continued to rise for the 2019-20 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 2018-19 and 2019-20, average tuition and fees increased by 2.3% for in-state students in the public four-year sector. The increase is greater than the 1.6% increase in the Consumer Price Index between July 1, 2018 and June 30, 2019. The Prepaid Tuition Plan's weighted average benefit value for West Virginia public college and university tuition and fees for state residents increased 2.2% from academic year 2018-19 to 2019-20. By comparison, the previous weighted average benefit value increased 4.9% from academic year 2017-18 to 2018-19. In addition to the 2.3% increase nationwide for four-year public schools, in-state tuition at public two-year schools increased nationwide 2.8% from academic year 2018-19 to 2019-20. Total costs including tuition, fees, room and board increased 2.6% nationwide from academic year 2018-19 to 2019-20 for in-state students attending four-year public institutions, and 3.0% for in-state students attending two-year public institutions.

In the fall of 2018, approximately 52.6% 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 decrease of 1.9% from the rate of 54.5% in the fall of 2017.

The weighted average tuition for West Virginia public college and university tuition and fees for state residents is \$3,767 per semester for the 2019-20 academic year, up from \$3,685 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 \$4,093 per semester for the 2019-20 academic year, up from \$4,004 for the prior year. Tuition is assumed to grow 3.5% for the 2020-21 academic year and each year thereafter. An annual rate of return of 3.4% is assumed on Prepaid Tuition Plan investments for fiscal year 2020. Declining rates are assumed for each year thereafter through 2022 when the rate is assumed to be 3.2%. 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 3.5%, 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 3.4%, 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 investment policy for the period July 1, 2018 through June 30, 2019 was an allocation of 100% to fixed income securities. The Prepaid Tuition Plan's investment portfolio had a total gain of 6.73% for the fiscal year ended June 30, 2019, a gain of 4.7% for the prior year and a gain of

12.0% for the year ended June 30, 2017.

The Prepaid Tuition Plan has a net position deficiency – also referred to as an actuarial deficit or unfunded liability – of \$2,908,541 as of June 30, 2019. The deficiency was created over time by investment performance, tuition rate growth, various actuarial assumption adjustments and certain economic events. The deficit improved significantly in fiscal year 2019 because a lesser than projected growth in tuition at state public schools for academic year 2019-20 and a decrease in the actuarial assumption for future tuition growth created an actuarial gain. As discussed in Note 11 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 11 in the Notes to Financial Statements in the Financial Section of this report.

Most of the Savings Plan’s various investment options showed positive rates of return for the fiscal year, with a high of 11.5%. Contributions to the Savings Plan were 4.5% less this fiscal year compared to last year. Net investment gain this year in the Savings Plan was \$129.7 million.

In January 2019, end-of-year individual account statements summarizing activity through December 31, 2018, were mailed to Prepaid Tuition Plan and Savings Plan account owners.

Offering statements and supplements for the Savings Plan were issued throughout fiscal year 2019.

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, 2018. This was the twentieth 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, 2019.

Sincerely,



Gregory Curry
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**

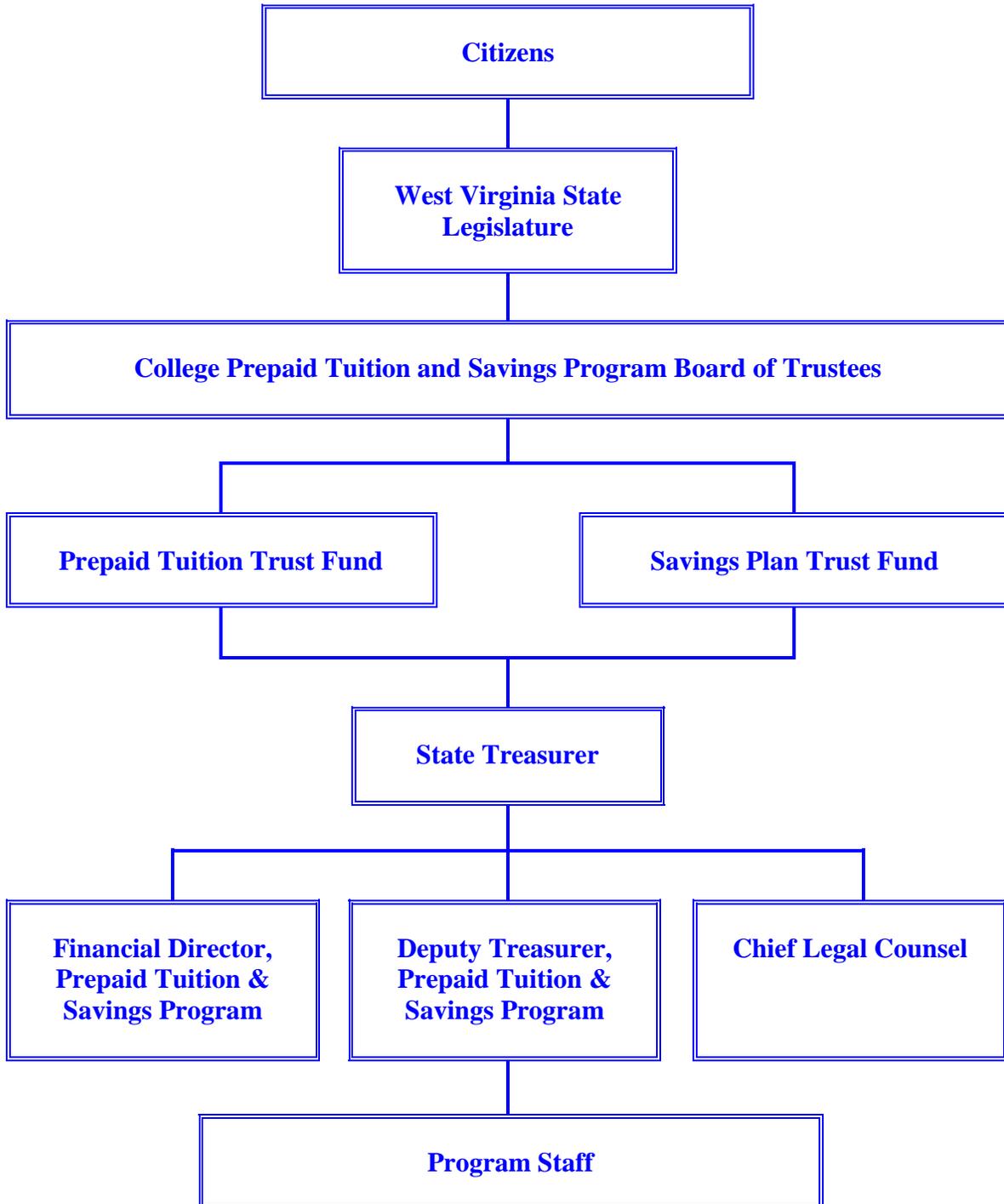
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

West Virginia College Prepaid Tuition and Savings Program Organizational Chart As of June 30, 2019



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 eight 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

Brian Weingart

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

Dr. Steven Paine

Representing the West Virginia Department of Education

Appointed Members

Terri Underhill Rader

Representing the interests of private institutions of higher education

Dr. Daniel Anderson

Representing the interests of private institutions of higher education

Robert Galloway

Representing private citizens

Phyllis Arnold

Representing the general public

Executive Staff

Tom Vogel, Deputy Treasurer

West Virginia College Prepaid Tuition and Savings Program

Lindsay Marchio, Program Legal Counsel

Office of the State Treasurer

Gregory O. Curry, Financial Director

West Virginia College Prepaid Tuition and Savings Program

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Financial Section

Independent Auditor's
Report

Management's
Discussion and Analysis

Basic Financial
Statements

Required Supplementary
Information

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 each major fund of the business type activities 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, 2019, 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 represents 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

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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 opinions.

Opinions

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 each major fund of the business type activities and the fiduciary fund of the Program, as of June 30, 2019, 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-Matter

As discussed in Note 11 to the financial statements, the Board of the Program voted to close the Prepaid Tuition Plan portion of the Program on or before June 30, 2022. Management's plans concerning this matter are also discussed in Note 11. 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 25 through 32, the Schedule of the Program's Proportionate Share of the Net OPEB Liability, Schedule of the Program's Contributions to the OPEB Plan, 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 and the accompanying notes to required supplementary information on pages 77 through 84 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 supplemental information on pages 86 through 127 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information on pages 86 through 127, which in so far as it relates to the Savings Plan Trust Fund, is based on the report of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia
October 3, 2019

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West Virginia College Prepaid Tuition and Savings Program

Management's Discussion and Analysis (Unaudited)

June 30, 2019

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, 2019. 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 increased \$4,916,600 for the fiscal year ended June 30, 2019 as a result of operational activities during the year. The actuarially funded ratio of the Prepaid Tuition Trust Fund, which is the primary enterprise fund for investing assets and paying benefits, was 92.4%. The actuarially funded ratio represents the ability of assets to fund liabilities and is calculated by dividing assets by liabilities. The ratio was 84.9% for the fiscal year ended June 30, 2018. The improved net position of the Prepaid Tuition Trust Fund in the current year was driven by a higher than expected investment asset performance and lower than expected tuition increases. The actual investment asset performance was 6.7% as compared to the expected investment asset performance of 4.8%. The actual tuition increase was 2.2% as compared to the expected tuition increase of 8.5%.

The investment portfolio of the Program's enterprise funds had a 6.7% gain for the fiscal year, which followed on the heels of a 4.7% gain for the prior year and a 12.0% gain for the fiscal year ended June 30, 2017.

Net position of the Program's fiduciary fund increased \$64,945,035 for the fiscal year ended June 30, 2019. The increase was driven by a \$46,444,418 decrease in the fair value of investments and \$180,964,464 in dividends, capital gains and net realized gains. 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the total of assets and deferred outflows of resources and the total of liabilities and deferred inflows of resources 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 state subsidies for other postemployment benefits (“OPEB”).

The Statement of Cash Flows is presented on the direct method of reporting, which reflects the enterprise funds’ cash flows from operating 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, 2019 and 2018.

	2019	2018
Current assets	\$ 3,720,083	\$ 3,983,862
Noncurrent assets	34,512,501	42,265,328
Total assets	<u>38,232,584</u>	<u>46,249,190</u>
Deferred outflows of resources	<u>126,235</u>	<u>68,194</u>
Current liabilities	14,571,559	15,686,598
Noncurrent liabilities	24,176,203	35,938,777
Total liabilities	<u>38,747,762</u>	<u>51,625,375</u>
Deferred inflows of resources	<u>128,118</u>	<u>125,670</u>
Net position (deficit):		
Restricted	2,391,480	2,267,091
Unrestricted	(2,908,541)	(7,700,752)
Total net deficit	<u>\$ (517,061)</u>	<u>\$ (5,433,661)</u>

The net deficit decreased 90%, or \$4,916,600 from operations in fiscal year 2019. 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 of resources exceed assets and deferred outflows of resources. The actuarially funded status (assets and deferred outflows of resources divided by liabilities and deferred inflows of resources) of the Prepaid Tuition Plan at June 30, 2019 and 2018, was 92.4% and 84.9%, 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 3 for a discussion of investments being reported as noncurrent assets. Deferred outflows of resources relate to OPEB and pension amounts described in Notes 7 and 8, respectively, 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 OPEB and pension amounts described in Notes 7 and 8, respectively, during the current fiscal year.

The decrease in the net deficit was primarily the result of actuarial gains on actual increases in average tuition and fees that were less than assumed, and changes in actuarial projections. Weighted average tuition and fees was assumed to increase 8.5% for the 2019-20 academic year, but it increased only 2.2%, resulting in an actuarial gain. Also, the actuarial projection for future increases was reduced from 8.5% to 3.5% resulting in an actuarial gain.

Changes in net (deficit) position. The following are combined condensed Statements of Revenues, Expenses and Changes in Net (Deficit) Position of the enterprise funds for the years ended June 30, 2019 and 2018.

	Year Ended June 30,	
	2019	2018
Revenues		
Operating revenues:		
Tuition contracts (<i>See Note 5</i>)	\$ 13,785	\$ 35,424
Tuition contract benefits gain(<i>See Note 5</i>)	2,560,746	62,678
Savings Plan administrative fee	1,471,268	1,487,774
	<u>4,045,799</u>	<u>1,585,876</u>
Nonoperating revenues:		
Investment gain	2,261,679	2,238,779
Other	9,242	6,973
Total nonoperating revenues	<u>2,270,921</u>	<u>2,245,752</u>
Total revenues	<u>6,316,720</u>	<u>3,831,628</u>
Expenses		
Operating expenses:		
Tuition contract benefit and expenses	-	964,262
General and administrative expenses	1,400,120	1,257,708
Total expenses	<u>1,400,120</u>	<u>2,221,970</u>
Change in net position	4,916,600	1,609,658
Net deficit at beginning of year	<u>(5,433,661)</u>	<u>(7,138,604)</u>
Net deficit at end of year	<u>\$ (517,061)</u>	<u>\$ (5,433,661)</u>

Operating revenues for the Prepaid Tuition Plan reflect the accretion on discounted 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. Operating revenues also include actuarial gains on liabilities for accrued contract benefits and expenses as discussed in Note 5 to these financial statements. As discussed in Note 11 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 2019 and 2018. Nonoperating revenues represent investment earnings and state OPEB subsidies. Investment gains for fiscal year 2019 were \$2,261,679 and the rate of return was 6.7%. For fiscal year 2018, the rate of return was 4.7%, resulting in an investment gain of \$2,238,779 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 include general and administrative expenses. Prepaid tuition contract benefits and expenses were \$964,262 for 2018 and included with operating expenses, but none was reported for 2019 because of actuarial gains in the accrued contract benefits liabilities, which are reported as a component of operating revenues, as discussed in Note 5 to these financial statements. 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 4 to these financial statements. As noted on the previous page, higher than expected investment returns and actuarial gains on tuition increases decreased 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, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Assets	\$ 2,661,312,509	\$ 2,595,751,978
Liabilities	<u>3,218,534</u>	<u>2,603,038</u>
Net position	<u>\$ 2,658,093,975</u>	<u>\$ 2,593,148,940</u>

Net position increased 2.5% or \$64,945,035 during the current fiscal year. Net position is the excess of total assets over total liabilities. The increase was driven by a net investment gain of \$129,684,006. The net investment gain was primarily the result of a \$46,444,418 unrealized net decrease in the fair value of investments and a \$180,964,464 total realized net increase from dividends, capital gains and gains from sales of investments. Investment expenses were \$4,836,040.

Investments make up 99.9% of total assets, and the remaining assets includes receivables for units and securities sold, and dividends receivable. Approximately 89.6% of liabilities consists of payables for securities purchased and units redeemed and accrued fees, and the remaining amount represents other payables.

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, 2019 and 2018.

	Year Ended June 30,	
	2019	2018
Additions		
Contributions	\$ 196,893,383	\$ 206,198,859
Net investment gain (loss)	129,684,006	181,425,322
Total additions	326,577,389	387,624,181
Deductions		
Redemptions	256,223,725	250,658,220
Administrative expenses	5,408,629	5,356,609
Total deductions	261,632,354	256,014,829
Increase in net position	64,945,035	131,609,352
Net position at beginning of year	2,593,148,940	2,461,539,588
Net position at end of year	\$ 2,658,093,975	\$ 2,593,148,940

Contributions for the current fiscal year were down slightly, decreasing 4.5% from those of the prior year. Redemptions, however, outpaced contributions and increased 2.2% from the prior year. Overall investment performance was strong for the current fiscal year. Most of the various investment portfolios and funds that make up the Savings Plan had positive rates of return, ranging to a high of 11.49%, but some of the portfolios and funds had negative rates of return, ranging to a low of (0.82)%.

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, 2019 is based on various actuarial assumptions. A key assumption is average tuition inflation of 3.5% for school years 2020-21 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 2.2% from school years 2018-19 to 2019-20, and increased 4.9% from school years 2017-18 to 2018-19. Another key assumption is a 3.4% rate of return on Prepaid Tuition Plan investments for the upcoming fiscal year 2020, and declining returns each year to 2022 when the assumption is 3.2%. The plan's actual rate of return on its investments was 6.7% for fiscal year 2019 and 4.7% for 2018.

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, 2019 and 2018.

As discussed in Note 11 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 2019 and 2018. 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 11 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, 2019, there was \$24,347,739 in the Escrow Account, which consisted of \$21,254,008 in total transfers from the Unclaimed Property Trust Fund and net investment gains of \$3,093,731. There was a \$1,000,000 transfer in fiscal year 2019 because of the actuarial unfunded liability at the end of fiscal year 2018. Because there is an actuarially determined unfunded liability of \$2,908,541 in the Prepaid Tuition Plan at June 30, 2019, \$1,000,000 is expected to be transferred from the Unclaimed Property Trust Fund to the Escrow Account on or before December 15, 2019, 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 11 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, 2019

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	\$ 725,952	\$ 2,864,207	\$ 3,590,159
Tuition contracts receivable	6,469	-	6,469
Other receivables	-	123,455	123,455
Total current assets	<u>732,421</u>	<u>2,987,662</u>	<u>3,720,083</u>
Noncurrent assets:			
Investments	<u>34,512,501</u>	-	<u>34,512,501</u>
Total assets	<u>35,244,922</u>	<u>2,987,662</u>	<u>38,232,584</u>
Deferred outflows of resources			
Deferred outflows related to pensions	-	47,972	47,972
Deferred outflows related to other postemployment benefits	-	78,263	78,263
Total deferred outflows of resources	<u>-</u>	<u>126,235</u>	<u>126,235</u>
Liabilities			
Current liabilities:			
Accounts payable	-	208,162	208,162
Accrued contract benefits liability	14,267,673	-	14,267,673
Accrued contract expense liability	-	53,363	53,363
Compensated absences	-	42,361	42,361
Total current liabilities	<u>14,267,673</u>	<u>303,886</u>	<u>14,571,559</u>
Noncurrent liabilities:			
Accrued contract benefits liability	23,885,790	-	23,885,790
Accrued contract expense liability	-	61,953	61,953
Compensated absences	-	8,636	8,636
Net pension liability	-	73,533	73,533
Net other postemployment benefits liability	-	146,291	146,291
Total noncurrent liabilities	<u>23,885,790</u>	<u>290,413</u>	<u>24,176,203</u>
Total liabilities	<u>38,153,463</u>	<u>594,299</u>	<u>38,747,762</u>
Deferred inflows of resources			
Deferred inflows related to pensions	-	64,864	64,864
Deferred inflows related to other postemployment benefits	-	63,254	63,254
Total deferred inflows of resources	<u>-</u>	<u>128,118</u>	<u>128,118</u>
Net (deficit) position			
Restricted for payment of general and administrative expenses	-	2,391,480	2,391,480
Unrestricted	<u>(2,908,541)</u>	-	<u>(2,908,541)</u>
Total net (deficit) position	<u>\$ (2,908,541)</u>	<u>\$ 2,391,480</u>	<u>\$ (517,061)</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, 2019

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
Operating revenues			
Tuition contracts <i>(See Note 5)</i>	\$ 13,785	\$ -	\$ 13,785
Tuition contract benefits gain <i>(See Note 5)</i>	2,516,747	43,999	2,560,746
Savings Plan administrative fee	-	1,471,268	1,471,268
Total operating revenues	<u>2,530,532</u>	<u>1,515,267</u>	<u>4,045,799</u>
Operating expenses			
General and administrative expenses	-	1,400,120	1,400,120
Operating gain	<u>2,530,532</u>	<u>115,147</u>	<u>2,645,679</u>
Nonoperating revenues			
Investment gain	2,261,679	-	2,261,679
Other post employment benefits contributions	-	9,242	9,242
Total nonoperating revenues	<u>2,261,679</u>	<u>9,242</u>	<u>2,270,921</u>
Change in net position	4,792,211	124,389	4,916,600
Net (deficit) position at beginning of year	<u>(7,700,752)</u>	<u>2,267,091</u>	<u>(5,433,661)</u>
Net (deficit) position at end of year	<u>\$ (2,908,541)</u>	<u>\$ 2,391,480</u>	<u>\$ (517,061)</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 Cash Flows

For the Year Ended June 30, 2019

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
Cash flows from operating activities			
Cash received from contract purchasers	\$ 43,839	\$ -	\$ 43,839
Cash received from Savings Plan administrator	-	1,472,263	1,472,263
Tuition benefit payments	(10,434,897)	-	(10,434,897)
Payments to employees	-	(704,961)	(704,961)
Payments to suppliers	-	(623,479)	(623,479)
Net cash (used in) provided by operating activities	<u>(10,391,058)</u>	<u>143,823</u>	<u>(10,247,235)</u>
Cash flows from investing activities			
Investment earnings	152,650	-	152,650
Purchase of investments	(147,351)	-	(147,351)
Proceeds from sale of investments	<u>10,000,000</u>	<u>-</u>	<u>10,000,000</u>
Net cash provided by investing activities	<u>10,005,299</u>	<u>-</u>	<u>10,005,299</u>
Net (decrease) increase in cash and cash equivalents	(385,759)	143,823	(241,936)
Cash and cash equivalents at beginning of year	<u>1,111,711</u>	<u>2,720,384</u>	<u>3,832,095</u>
Cash and cash equivalents at end of year	<u>\$ 725,952</u>	<u>\$ 2,864,207</u>	<u>\$ 3,590,159</u>

(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, 2019

	Prepaid Tuition Trust Fund	College Prepaid Tuition and Savings Program Administrative Account	Total Enterprise Funds
Reconciliation of operating gain to net cash (used in) provided by operating activities			
Operating gain	\$ 2,530,532	\$ 115,147	\$ 2,645,679
Adjustments to reconcile operating gain to net cash (used in) provided by operating activities:			
Pension expense	-	8,239	8,239
Other postemployment benefits expense	-	13,976	13,976
Changes in assets, liabilities and deferred items:			
Tuition contracts receivable	30,054	-	30,054
Other receivables	-	996	996
Accounts payable	-	105,486	105,486
Accrued contract benefits liability	(12,951,644)	-	(12,951,644)
Accrued contract expense liability	-	(43,998)	(43,998)
Compensated absences	-	340	340
Deferred outflows of resources	-	(56,363)	(56,363)
Net cash (used in) provided by operating activities	\$ (10,391,058)	\$ 143,823	\$ (10,247,235)
Noncash activities			
Unrealized gain in investments	\$ 2,109,029	\$ -	\$ 2,109,029
Noncash State of West Virginia special funding contribution for other postemployment benefits	\$ -	\$ 9,242	\$ 9,242

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, 2019

Assets	
Investments	\$ 2,658,299,996
Receivables for units and securities sold	2,569,158
Dividends receivable	443,355
Total assets	<u>2,661,312,509</u>
Liabilities	
Payables for units redeemed and securities purchased	2,365,706
Accrued fees	518,032
Other payables	334,796
Total liabilities	<u>3,218,534</u>
Net Position	
Held in trust for individuals and organizations	<u>\$ 2,658,093,975</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, 2019

Additions

Contributions:

Account holders	\$ 196,893,383
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Total contributions	196,893,383
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Investment earnings:

Net decrease in fair value of investments	(46,444,418)
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Dividends, capital gains and net realized gains	180,964,464
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Total investment earnings	134,520,046
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Investment expense	4,836,040
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Net investment earnings	129,684,006
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Total additions	326,577,389
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Deductions

Redemptions:

Payments in accordance with trust agreements	256,223,725
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Total redemptions	256,223,725
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Administrative expense	5,408,629
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Total deductions	261,632,354
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Change in net position held in trust for individuals and organizations	64,945,035
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Net position at beginning of year	2,593,148,940
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Net position at end of year	\$ 2,658,093,975
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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, 2019

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”).

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. Effective January 1, 2018 qualified withdrawals for federal tax purposes have been expanded to include up to \$10,000 in tuition per year, per student in connection with enrollment in kindergarten through grade 12.

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 2019.

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 fixed income 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, 2019, 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 61 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 gain, and general and administrative expenses. Net investment earnings and State subsidized OPEB payments 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 12 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, net other post employment benefits liability, deferred outflows and deferred inflows related to pensions and other post employment benefits, 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 3.43% is assumed for the upcoming fiscal year 2020. Declining rates are then assumed for each year through 2022 when the rate is assumed to be 3.18%. 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

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 Retiree Health Benefit Trust Fund (the "RHBT"), or can be converted into a greater retirement benefit under the State of West Virginia Public Employees Retirement System (the "PERS").

Net Other Postemployment Benefits Liability (OPEB), Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources

Net OPEB Liability

The Program recognizes 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 OPEB liability represents the Program's proportionate share of the net OPEB liability of the RHBT as of the measurement date of June 30, 2018.

Net Pension Liability

Net pension liability represents the Program's proportionate share of the net pension liability of PERS as of the measurement date of June 30, 2018.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources represent the effects of changes and differences in the Program's proportionate share of the State's total net OPEB and net pension liabilities. The Program's contributions to the State OPEB and pension plans subsequent to the measurement dates are reported as deferred outflows of resources.

Measurement of OPEB and Pension Liabilities and Deferred Outflows of Resources and Deferred Inflows of Resources

For purposes of measuring the net OPEB and net pension liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB and pensions, and OPEB and pension expense, information about the fiduciary net positions of RHBT and the PERS and additions to/deductions from the RHBT's and the PERS's fiduciary net positions have been determined on the same basis as they are reported by the RHBT and the PERS. For this purpose, benefit payments (including refunds of employee contributions to the RHBT and to the PERS) are recognized when due and payable in accordance with the benefit terms. The RHBT and PERS investments are reported at fair value, except for certain pooled investments, money market investments and participating

interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

Restricted Assets and Net (Deficit) 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, 2019. 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. 83, *Certain Asset Retirement Obligations*, related to accounting and financial reporting for the retirement of tangible assets. The objective of Statement No. 83 is to enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations. The provisions of Statement No 83 are effective for reporting periods beginning after June 15, 2018. Because the Program does not have any asset retirement obligations, either required by contract or government mandate, related to retirement of long-lived tangible assets, it is not affected by this statement.

The GASB has issued Statement No. 84, *Fiduciary Activities*, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The provisions of this statement are effective for periods beginning after December 15, 2018. Program management has not determined the effect, if any, this statement will have on its financial statements.

The GASB has issued Statement No. 87, *Leases*, relating to financial accounting and reporting for leases. The objective of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and reporting for leases by governments. The provisions of this statement are effective for reporting periods beginning after December 15, 2019. Because the Program does not typically lease assets, and has no plans to lease any assets in the near future, it is not currently affected by this statement.

The GASB has issued Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, relating to accounting and financial reporting for debt. The primary objective of Statement No. 88 is to improve information disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The provisions of this statement are effective for reporting periods beginning after June 15, 2018. Because the Program does not issue debt and does not engage in borrowings, it is not affected by this statement.

The GASB has issued Statement No. 89, *Interest Cost Incurred before the End of a Construction Period*, related to accounting and financial reporting for interest cost incurred in construction. The objective of Statement No. 89 is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The provisions of this statement are effective for reporting periods beginning after December 15, 2019. Because the Program does not engage in borrowing or construction activity, it is not affected by this statement.

The GASB has issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and 61*, related to accounting and financial reporting for major equity interests. The objectives of Statement No. 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this statement are effective for reporting periods beginning after December 15, 2018. Because the Program does not have any majority equity interests in legally separate organizations and does not engage in activities that would result in the Program acquiring a majority equity interest in a legally separate organization, it is not affected by this statement

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 fixed income securities 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 for the period July 1, 2018 through June 30, 2019 was an allocation of 100% to fixed income securities. At June 30, 2019, 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
Core Fixed Income	\$ 13,921,652	40%
Total Return Fixed Income	13,817,117	40%
Short-Term Fixed Income	6,773,732	20%
Total	\$ 34,512,501	100%

Investments Measured at Fair Value

United States generally accepted accounting principles ("GAAP"), 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 GAAP. 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, 2019:

IMB Investment Pools	Fair Value Measurement as Percent of the Program's Enterprise Fund Total			
	Level 1	Level 2	Level 3	Total
Core Fixed Income	5.6%	94.4%	0.0%	100.0%
Total Return Fixed Income - Assets	3.2%	96.8%	0.0%	100.0%
Total Return Fixed Income Liabilities	(41.6)%	(58.4)%	0.0%	(100.0)%
Short-Term Fixed Income	0.0%	100.0%	0.0%	100.0%

The following represents a calculation of the net change in the carrying value of investments during the year ended June 30, 2019:

Carrying value at end of year	\$ 34,512,501
Less cost of investments purchased during year	(147,351)
Plus cost of investments redeemed during year	10,000,000
Less carrying value at beginning of year	<u>(42,256,121)</u>
Change in carrying value of investments during year	<u>\$ 2,109,029</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.

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.

Short-Term Fixed Income Pool – The IMB limits the exposure to credit risk in the 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 IMB reviews available ratings from Standard & Poor's, Moody's and Fitch, and reports the rating indicative of the greatest degree of risk. All of the Pool's investments had the highest credit ratings as of June 30, 2019.

Core Fixed Income Pool – The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and certain investments made with cash collateral for securities loaned. The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by a nationally recognized statistical rating organization. The IMB reviews available ratings from Standard & Poor’s, Moody’s, and Fitch, and reports the rating indicative of the greatest degree of risk. The money market mutual fund has the highest credit rating. The following table provides credit ratings for the pool’s investments as of June 30, 2019:

Rating	Percent of IMB Pool Assets
AAA	6.6%
AA	55.6
A	10.0
BBB	15.2
BB	1.1
B	0.1
CCC	0.1
D	0.0
Withdrawn	0.3
Not Rated	4.9
Securities lending collateral:	
AAA/A - 1	0.8
AA	3.8
A	0.1
BBB	0.1
B	0.0
Not Applicable	1.3
	100.0%

Credit risk from securities lending collateral investments are 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. The IMB reviews available ratings from Standard & Poor’s and Moody’s. The IMB discloses the ratings of the securities underlying the repurchase agreements.

Total Return Fixed Income Pool – The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and certain investments made with cash collateral for securities loaned. The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by a nationally recognized statistical rating organization. The IMB reviews available ratings from Standard and Poor’s, Moody’s, and Fitch, and reports the rating indicative of the greatest degree of risk. The money

market mutual fund has the highest credit rating. The following table provides credit ratings for the pool's investments as of June 30, 2019.

Rating	Percent of IMB Pool Assets
AAA / A - 1	0.6%
AA	33.5
A	5.1
BBB	27.0
BB	15.6
B	10.0
CCC	0.7
D	0.1
Withdrawn	0.4
Not Rated	2.7
Securities lending collateral:	
AAA / A - 1	0.6
AA	2.7
A	0.1
BBB	0.0
B	0.0
Not Applicable	0.9
	100.0%

Credit risk from securities lending collateral investments are 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. The IMB reviews available ratings from Standard & Poor's and Moody's. The IMB discloses the ratings of the securities underlying the repurchase agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The interest rate risks of the IMB investment pools in which the Program invests its enterprise funds are described as follows.

Short-Term Fixed Income Pool – The weighted average maturity (“WAM”) of the investments in the 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 different asset types in the Pool as of June 30, 2019:

Security Type	WAM (Days)	Percent of IMB Pool Assets
Repurchase agreements	1	24.2%
U.S. government agency bonds	10	49.0
U.S. Treasury bonds	16	26.8
Total investments	9	100.0%

Core Fixed Income Pool – The Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and investments made with cash collateral for securities loaned. As of June 30, 2019, the money market mutual fund has a WAM of 43 days. The WAM for securities lending collateral investments is not to exceed 90 days. As of June 30, 2019, the WAM for securities lending collateral was 1 day. The IMB monitors interest rate risk of the pool by evaluating the effective duration of the investments in the pool. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a one percent change in interest rates. The effective duration calculation considers the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds, commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The following table provides the weighted average effective duration for the pool’s investments as of June 30, 2019:

Security Type	Effective Duration (Years)	Percent of IMB Pool Assets
Corporate asset backed issues	1.6	14.0%
Corporate CMO	3.2	3.8
Corporate CMO interest-only	(2.8)	0.0
Corporate CMO principal-only	3.5	0.0
Foreign asset backed issues	3.3	0.3
Foreign corporate bonds	5.8	6.8
Foreign government bonds	8.0	0.3
Municipal bonds	13.0	1.2
U.S. corporate bonds	7.7	18.9
U.S. government agency bonds	1.2	0.6
U.S. government agency CMO	4.7	12.5
U.S. government agency CMO interest-only	12.7	0.2
U.S. government agency CMO principal only	6.2	0.6

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Security Type	Effective Duration (Years)	Percent of IMB Pool Assets
U.S. government agency MBS	4.4	17.2
U.S. Treasury bonds	9.1	23.5
U.S. Treasury inflation protected security	1.9	0.1
		100.0%

Total Return Fixed Income Pool – The Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and certain investments made with cash collateral for securities loaned. As of June 30, 2019, the money market mutual fund has a WAM of 43 days. The WAM for securities lending collateral investments is not to exceed 90 days. As of June 30, 2019, the WAM for securities lending collateral was 1 day. The IMB monitors interest rate risk of the pool by evaluating the effective duration of the investments in the pool, as described above for the Core Fixed Income Pool. The following table provides the weighted average effective duration for the pool’s various investment types as of June 30, 2019:

Security Type	Effective Duration (Years)	Percent of IMB Pool Assets
Commingled debt funds	2.9	10.9%
Corporate ABS residual	1.9	0.2
Corporate asset backed issues	(0.1)	3.7
Corporate CMO	1.1	2.0
Foreign asset backed issues	1.0	1.4
Foreign corporate bonds	5.4	13.8
Foreign government bonds	5.1	16.2
Municipal bonds	9.9	1.8
Repurchase Agreements	0.0*	0.4
Short term investments	0.0*	0.3
U.S. corporate bonds.	7.0	20.5
U.S. Government agency bonds	0.2	0.5
U.S. Government agency CMO	1.1	2.9
U.S. Government agency CMO interest-only	4.8	0.3
U.S. Government agency MBS	1.8	15.0
U.S. Government agency TBAs	1.4	0.0
U.S. Treasury bonds	15.6	8.0
U.S. Treasury inflation protected security	20.6	2.1
		100.0%

*Rounds to less than 0.05%

The Total Return Fixed Income Pool invests in commercial and residential mortgage-backed securities; 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, 2019, the Pool held \$500,160 of these securities. This represents approximately 25% of the value of the Pool's fixed income securities.

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. 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.

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 not exposed to custodial credit risk at June 30, 2019.

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 foreign currency risk: Short-Term Fixed Income Pool and Core Fixed Income Pool. The following pool is exposed to foreign currency risk.

Total Return Fixed Income Pool – This pool has foreign income, foreign equity investments, and cash that is denominated in foreign currencies and exposed to foreign currency risks. The pool also has foreign denominated derivative instruments. Additionally, the pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled debt funds. Approximately 15% of the commingled debt funds hold substantially all of their investments in securities denominated in foreign currencies. This represents approximately 2% of the value of the Pool's fixed income securities.

Deposit Risk

The carrying value in the Administrative Account of cash on deposit with the State Treasurer's Office was \$2,864,207 at June 30, 2019. 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 \$725,952. 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

Derivative financial instruments held in the Pool include foreign exchange contracts, futures, options, credit default swaps, interest rate swaps, basis swaps, and total return swaps. None of these derivative financial instruments are designated as hedging instruments under GAAP; they are used to implement portfolio strategy, capture valuation opportunities, and to exploit market inefficiencies. The primary risks managed by using these derivative financial instruments include interest rate, foreign exchange rate, and market price risks. 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 \$38,153,463 as of June 30, 2019, was based on the provision for contract benefits since inception of the Prepaid Tuition Plan. Current liabilities of \$14,267,673 represent obligations that will become due within a year from June 30, 2019. Noncurrent liabilities of \$23,885,790 represent obligations that will become due more than a year after June 30, 2019.

Under the actuarial evaluation, tuition and fees are assumed to increase an average of 3.5% for the 2020-21 and 2021-22 school years. The Prepaid Tuition Plan closes on June 30, 2022. Investments are assumed to earn 3.43% for the year ending June 30, 2020. Declining rates are assumed for each year thereafter through 2022 when the rate is assumed to be 3.18%.

The accrued contract benefits liability at June 30, 2019, and changes for the fiscal year then ended are as follows:

Beginning balance, June 30, 2018	\$ 51,105,107
Interest cost	2,202,608
Actuarial gain	(2,342,216)
Change in actuarial assumptions	(2,231,577)
Miscellaneous factors	(145,562)
Tuition benefit payments and refunds	(10,434,897)
Ending balance, June 30, 2019	<u>\$ 38,153,463</u>

The actuarial gain was the result of tuition increases for the 2019-20 school year being less than expected. Weighted average tuition had been assumed to increase 8.5% but instead increased 2.2%. The change in actuarial assumptions was the result of decreasing the projected annual weighted

average tuition increases from 8.5% to 3.5% based on experience and expectations of higher education funding patterns.

5. Tuition Contract Benefits Gain

The tuition contract benefits gain of the Prepaid Tuition Plan is a result of changes in actuarial assumptions. 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 benefits liability in the Prepaid Plan at June 30, 2019 created a tuition contract benefits gain, or operating revenue, of \$2,516,747 for the year ended June 30, 2019. Also, an actuarial gain in the accrued contract expense liability in the Administrative Account at June 30, 2019 created a tuition contract benefits gain, or operating revenue, of \$43,999 for the year ended June 30, 2019.

The following represents components of tuition contract benefits gain reported on the Statement of Revenues, Expenses and Changes in Net (Deficit) Position for the Year Ended June 30, 2019:

Tuition contract benefits

Interest growth in actuarially estimated tuition contract benefits for the year ended June 30, 2019	\$ 2,202,608
Decrease in accrued contract benefits liability due to lower tuition growth than estimated for the 2019–20 school year	(2,342,216)
Decrease in actuarial assumption for projected annual tuition growth from 8.5% to 3.5%	(2,231,577)
Decrease in accrued contract benefits liability due to miscellaneous factors	(145,562)
Tuition contract benefits for the year ended June 30, 2019 (an actuarial gain on accrued contract benefits liability and reported as operating revenue)	<u>\$ (2,516,747)</u>

Tuition contract expenses

Interest growth in actuarially estimated tuition contract expenses for the year ended June 30, 2019	\$ 6,018
Decrease in accrued contract expense liability due to assumed actuarial payments during the year ended June 30, 2019	(67,898)
Increase in accrued contract benefits liability due to changes in Prepaid Tuition Plan provisions and miscellaneous factors	17,881
Tuition contract benefits gain for the year ended June 30, 2019 (an actuarial gain on accrued contract expense liability and reported as operating revenue)	<u>\$ (43,999)</u>

6. Compensated Absences

The accruals for compensated absences represent obligations that may arise for earned but unused annual leave as of June 30, 2019. Current liabilities of \$42,361 represent obligations for compensated absences that can become due within one year from June 30, 2019, and noncurrent liabilities of \$8,636 represent compensated absences liabilities that can become due more than one year after June 30, 2019.

The accrued compensated absences liability at June 30, 2019, and changes for the fiscal year then ended are as follows:

	Current	Noncurrent	Total
Beginning balance, June 30, 2018	\$ 50,657	\$ -	\$ 50,657
Additions	33,725	8,636	42,361
Reductions	(42,021)	-	(42,021)
Ending balance, June 30, 2019	<u>\$ 42,361</u>	<u>\$ 8,636</u>	<u>\$ 50,997</u>

7. Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

OPEB Plan Description

The West Virginia Other Postemployment Benefit Plan (the “OPEB Plan”) is a cost-sharing, multiple-employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the “Code”). The financial activities of the OPEB Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (the “RHBT”), a fiduciary fund of the State of West Virginia. The OPEB Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (the “PEIA”) and the RHBT staff. OPEB Plan benefits are established and revised by PEIA and the RHBT management with approval of their Finance Board. PEIA issues a publically available financial report of the RHBT that can be obtained at www.peia.wv.gov or by writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE Suite 2, Charleston, WV 25304.

Benefits Provided

Program employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the Public Employees System (the “PERS) or meet certain other eligibility requirements of other sponsored retirement plans of the West Virginia Consolidated Public Retirement Board (the “CPRB”). The RHBT provides medical and prescription drug insurance and life insurance benefits to those qualified participants. Life insurance is provided through a vendor and is fully funded by member contributions. The medical and prescription drug insurance is provided through two options: Self-Insured Preferred Provider

Benefit Plan - primarily for non-Medicare-eligible retirees and spouses, or External Managed Care Organizations - primarily for Medicare-eligible retirees and spouses.

The RHBT Medicare-eligible retired employees and their Medicare-eligible dependents receive medical and drug coverage from a Medicare Advantage Plan administered by a vendor. Under this arrangement, the vendor assumes the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option. The RHBT collects employer contributions for Managed Care Organization (the "MCO") participants and remits capitation payments to the MCO. Survivors of retirees have the option of purchasing the medical and prescription drug coverage.

Eligible participants hired after June 30, 2010, will be required to fully fund premium contributions upon retirement. The Plan is a closed plan to new entrants.

Contributions

West Virginia Code Section 5-16D-6 assigns to the PEIA Finance Board the authority to establish and amend contribution requirements of the plan members and the participating employers. Participating employers are required by statute to contribute at a rate assessed each year by the RHBT. The annual contractually required rate is the same for all participating employers. Employer contributions represent what the employer was billed during the respective year for their portion of the pay as you go premiums, commonly referred to as paygo, retiree leave conversion billings, and other matters, including billing adjustments. The annual contractually required per active policyholder per month rates for State non-general funded agencies and other participating employers effective June 30, 2019, 2018, and 2017, respectively, were:

	Fiscal Year			
	2019	2018	2017	
			1/1/17 – 6/30/17	7/1/16 – 12/31/16
Paygo Premium	\$ 183	\$ 177	\$ 135	\$ 196

Contributions to the OPEB plan from the Program were \$15,184, \$13,934 and \$9,238 for the years ended June 30, 2019, 2018 and 2017, respectively.

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988, may convert accrued sick or leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988, to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

Contributions by Nonemployer Contributing Entities in Special Funding Situations

The State of West Virginia is a nonemployer contributing entity that provides funding through SB 419, effective July 1, 2012, amended by West Virginia Code §11-21-96. The State provides a supplemental pre-funding source dedicating \$30 million annually to the RHBT Fund from annual collections of the Personal Income Tax Fund and dedicated for payment of the unfunded liability of the RHBT. The \$30 million transferred pursuant to this Code shall be transferred until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of RHBT has been provided for in its entirety or July 1, 2037, whichever date is later. This funding is to the advantage of all RHBT contributing employers.

The State is a nonemployer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases, or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020. This funding is to the advantage of all RHBT contributing employers.

The State is a nonemployer contributing entity that provides funding through SB 469 which was passed February 10, 2012, granting OPEB liability relief to the 55 County Boards of Education effective July 1, 2012. The public school support plan (the "PSSP") is a basic foundation allowance program that provides funding to the local school boards for "any amount of the employer's annual required contribution allocated and billed to the county boards for employees who are employed as professional employees, employees who are employed as service personnel and employees who are employed as professional student support personnel", within the limits authorized by the State Code. This special funding under the school aid formula subsidizes employer contributions of the county boards of education.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Program reported a liability for its proportionate share of the RHBT net OPEB liability that reflected a reduction for State OPEB support provided to the Program. The

amount recognized by the Program as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Program was as follows:

Program's proportionate share of the net OPEB liability	\$ 146,291
State's special funding proportionate share of the net OPEB liability associated with the Program	<u>30,234</u>
Total portion of net OPEB liability associated with the Program	<u>\$ 176,525</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The Program's proportion of the net OPEB liability was based on its proportionate share of employer and non-employer contributions to the OPEB Plan for the fiscal year ended on the measurement date. At June 30, 2018, the Program's proportion was 0.0068%, which is an increase of 0.0023% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Program recognized OPEB expense of \$13,976 and for support provided by the State under special funding situations revenue of \$9,242. At June 30, 2019, the Program reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,164
Changes of assumptions	-	14,607
Net difference between projected and actual earnings on OPEB Plan investments	-	2,708
Changes in proportion and differences between Program contributions and proportionate share of contributions	63,079	43,775
Program contributions subsequent to the measurement date of June 30, 2018	<u>15,184</u>	-
Total	<u>\$ 78,263</u>	<u>\$ 63,254</u>

Deferred outflows of resources related to OPEB of \$15,184 resulting from Program contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2020	\$ 46
2021	46
2022	1,722
2023	(1,989)

Actuarial Assumptions

The total OPEB liability at June 30, 2019 was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Dependent upon pension system ranging from 3.00% to 6.50%, including inflation
Investment rate of return	7.15%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 10.00% for pre- and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. Excess trend rate of 0.13% and 0.00% for pre- and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20 year closed period
Remaining amortization period	20 years closed as of June 30, 2017

Post-retirement mortality rates were based on the following: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and Teachers' Retirement System (the "TRS"). RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for West Virginia Death, Disability, and Retirement Fund (the

“Troopers A”) and West Virginia State Police Retirement System (the “Troopers B”). Pre-retirement mortality rates were based on the following: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for the PERS and TRS. RP-2014 Employee Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015.

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the inclusion of waived annuitants increased the liability by approximately \$17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately \$68 million; a change in certain healthcare-related assumptions decreased the liability by approximately \$232 million; and an update to the mortality tables increased the liability by approximately \$25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

The long-term expected rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the West Virginia Investment Management Board (the “WVIMB”) and an expected short-term rate of return of 3.00% for assets invested with the West Virginia Board of Treasury Investments (the “WVBTI”). Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

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

Asset Class	Long-Term Expected Rate of Return
Large cap domestic	17.0%
Non-large cap domestic	22.0%
International qualified	24.6%
International non-qualified	24.3%
International equity	26.2%
Short-term fixed income	0.5%

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Asset Class	Long-Term Expected Rate of Return
Total return fixed income	6.7%
Core fixed income	0.1%
Hedge fund	5.7%
Private equity	19.6%
Real estate	8.3%
Opportunistic income	4.8%
Cash	0.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2037, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

Other Key Assumptions

The projection assumes that the capped subsidy aggregate contribution limit of \$160 million for 2018 would increase by \$10 million per year on and after 2019. Additionally, the per member subsidy is projected to increase by at least 3.0% per year but no more than the healthcare trend inflation assumption such that the product of the projected subsidy and projected members is less than the projected aggregated capped costs; and the member's share of plan costs is expected to remain stable as a percentage of total costs following the year that the program is fully funded. After 2037, the program is projected to be fully funded and the sponsor is assumed to contribute the residual portion of normal cost and operational expenses needed to maintain a funded ratio of 100% in future years. In addition, after 2035, the member's share of total plan costs is assumed to remain stable at approximately 61% of total plan costs. These assumptions produced per member annual capped subsidy increases of 3.0% per year from 2018 to 2023 and 4.5% per year after 2023.

Members hired on or after July 1, 2010, are required to pay 100% of expected cost of coverage, resulting in no implicit or explicit employer cost. Consequently, these members are excluded from the actuarial valuation.

Subsequent Event

Subsequent to the June 30, 2018, measurement date, on August 21, 2018 RHBT executed a contract renewal with Humana’s Medicare Advantage Plan (Humana MAPD) for Plan years 2019 and 2020. This renewal included reduced per member per month capitation costs which decreased from \$224 to \$175 per member per month, due to favorable experience and the removal of the health insurance fee.

The estimated impact of these reduced rates is not recognized in the estimated net OPEB liability measured at June 30, 2018, since the contract was executed subsequent to the measurement date. Per GASB Statement 75, if a change occurs in a factor relevant to measurement of the net OPEB liability between the measurement date of the net OPEB liability and the employer’s current fiscal year-end, the employer should report the effect on the net OPEB liability of that change as of the next measurement date. The estimated impact of the reduced capitation rates on the net OPEB liability is a decrease of approximately 9.0%, or \$280 million, which will be considered in the next actuarial valuation estimating the net OPEB liability measured as of June 30, 2019. The future actuarial measurement may differ significantly from this estimate due to various other factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

Sensitivity of the Program’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Program’s proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the Program’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Program’s proportionate share of the net OPEB liability	\$ 171,936	\$ 146,291	\$ 124,913

Sensitivity of the Program’s Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Program’s proportionate share of the net OPEB liability, as well as what the Program’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Program’s proportionate share of the net OPEB liability	\$ 121,048	\$ 146,291	\$ 177,049

8. Retirement Benefits

General Information about the Retirement Plan

Retirement Plan Description

The Program contributes to the PERS, a cost-sharing multiple-employer defined benefit pension plan administered by 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. 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 15 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 15 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 Final Average Salary (“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. Contributions as a percentage of payroll for members are established by statutes, subject to legislative limitations and are not actuarially determined. Contributions as a percentage of payroll for employers are established by the CPRB. Current funding policy requires contributions, consisting of member contributions of 4.5% of annual earnings and employer contributions of 10.0%, 11.0%, and 12.0% for the years ended June 30, 2019, 2018, and 2017, respectively. All members hired July 1, 2015 and later, will contribute 6% of annual earnings. Effective July 1, 2019 employer contributions will be 10.0%. The Program's contribution to the PERS was \$41,179, \$43,275 and \$37,032 for the years ended June 30, 2019, 2018 and 2017, respectively.

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

At June 30, 2019, the Program reported a liability of \$73,533 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018, the Program's proportion was 0.0285%, which was an increase from its proportion of 0.0225% as of June 30, 2017.

For the year ended June 30, 2019, the Program recognized pension expense of \$8,239. At June 30, 2019, 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	\$ 3,648	\$ 182
Net difference between projected and actual earnings on pension plan investments	-	43,271
Changes in proportion and differences between Program contributions and proportionate share of contributions	3,145	21,411
Program contributions subsequent to the measurement date	41,179	-
Total	<u>\$ 47,972</u>	<u>\$ 64,864</u>

The \$41,179 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2020	\$ 493
2021	(12,797)
2022	(38,442)
2023	(7,325)

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 and 2017 actuarial valuations were determined using the following assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.0 – 6.0%
Investment rate of return	7.5%

Mortality rates:

Active Employees	100% of RP-2000 Non-Annuitant, Scale AA fully generational
Retired healthy males	110% of RP-2000 Non-Annuitant, Scale AA fully generational
Retired healthy females	101% of RP-2000 Non-Annuitant, Scale AA fully generational
Disabled males	96% of RP-2000 Disabled Annuitant, Scale AA fully generational
Disabled females	107% of RP-2000 Disabled Annuitant, Scale AA fully generational

The actuarial assumptions used in the June 30, 2018 and 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which estimates of 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 percentages and by adding expected inflation. Best estimates of long-term geometric rates of return are summarized in the following table and were used for the years ended June 30, 2018 and 2017:

Asset Class	Target Allocation	Long-Term Expected Rate of Return	Weighted Average Expected Real Rate of Return
Domestic equity	27.5%	4.5%	1.24%
International equity	27.5%	8.6%	2.37%
Fixed income	15.0%	3.3%	0.50%
Real estate	10.0%	6.0%	0.60%
Private equity	10.0%	6.4%	0.64%
Hedge funds	10.0%	4.0%	0.40%
Total	100.0%		5.75%
Inflation (CPI)			2.10%
			7.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for fiscal years 2018 and 2017. 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.

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)	\$ 296,133	\$ 73,533	\$ (114,783)

9. 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, 2019 because they were blended in with the overall operations of the State Treasurer’s Office.

10. 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.

11. Net Position Deficiency

The Prepaid Tuition Plan has a net position deficiency of \$2,908,541 as of June 30, 2019. The deficiency was created over time by investment performance, tuition rate growth, various actuarial assumption adjustments, and certain economic events. The deficit improved significantly in fiscal year 2019 because a lesser than projected growth in tuition at state public schools for academic

year 2019-20 and a decrease in the actuarial assumption for future tuition growth created actuarial gains.

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.

Since December 2003, funds totaling \$21,254,008 have been transferred to the Escrow Account because the Prepaid Tuition Plan had actuarial deficits in fiscal years 2003-18. The funds were invested and have had a net investment gain of \$3,093,732 for the sixteen years ended June 30, 2019, leaving the account with a balance of \$24,347,740 at June 30, 2019. There was \$1,000,000 transferred in fiscal year 2019 because of the actuarial unfunded liability at the end of fiscal year 2018. Because there was an actuarially determined unfunded liability of \$2,908,541 in the Prepaid Tuition Plan as of June 30, 2019, 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, 2019, 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, 2020. 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.

12. 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 specific 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 61 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, fair value measurements of investments within a 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.

As of the year ended June 30, 2019, 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 investments are held at contract value and are excluded from the fair value hierarchy.

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, 2019 are as follows:

	Fair Value	Contract Value
Underlying investments	\$ 472,869,077	\$ 463,902,558
Wrap contract	-	-
Total SMART529 Stable Value Fund	<u>\$ 472,869,077</u>	<u>\$ 463,902,558</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, 2019:

Carrying value at end of year	\$ 2,658,299,996
Less cost of investments purchased during year	(746,167,526)
Plus cost of investments redeemed during year	634,809,509
Less carrying value at beginning of year	<u>(2,593,386,397)</u>
Change in carrying value of investments during year	<u>\$ (46,444,418)</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 Balanced Income Fund, The Hartford Strategic Income Fund, The Hartford Auality Bond Fund, Hartford Core Equity Fund, Hartford Real Total Return Fund, and The Hartford World Bond Fund.

Schroder Investment Management North America Inc. (“SIMNA”) is the investment sub-advisor for The Hartford Schoders Emerging Markets Equity Fund, and Schroder Investment Management North America Limited serves as the secondary sub-advisor.

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 OPEB Liability

	Fiscal Year Ended June 30		
	2019	2018	2017
Program's proportion of the net OPEB liability	0.0068%	0.0045%	0.0064%
Program's proportionate share of the net OPEB liability	\$ 146,291	\$ 110,595	\$ 158,595
State of West Virginia special funding proportionate share of the net OPEB liability associated with the Program	\$ 30,234	\$ 22,716	-
Total portion of net OPEB liability associated with the Program	\$ 176,525	\$ 133,311	-
Program's covered-employee payroll	\$ 420,282	\$ 312,362	\$ 353,317
Program's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	34.81%	35.41%	44.89%
Fiduciary net position as a percentage of the total OPEB liability	30.98%	25.10%	21.64%

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 OPEB Plan

	Fiscal Year Ended June 30			
	2019	2018	2017	2016
Contractually required contribution	\$ 15,184	\$ 13,934	\$ 9,238	\$ 10,925
Contributions in relation to the contractually required contribution	(15,184)	(13,934)	(9,238)	(10,925)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Program's covered-employee payroll	\$ 438,314	\$ 420,282	\$ 312,362	\$ 353,317
Contributions as a percentage of covered-employee payroll	3.46%	3.32%	2.96%	3.09%

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

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

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Program's proportion of the net pension liability	0.0285%	0.0225%	0.0254%	0.0202%	0.0254%
Program's proportionate share of the net pension liability	\$ 73,533	\$ 97,026	\$ 233,687	\$ 112,537	\$ 93,793
Program's covered payroll	\$ 420,282	\$ 312,362	\$ 353,317	\$ 305,035	\$ 339,275
Program's proportionate share of net pension liability as a percentage of its covered payroll	17.50%	31.06%	66.14%	36.89%	27.65%
Public Employees Retirement System net position as a percentage of the total pension liability	96.33%	93.67%	86.11%	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						
	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 41,179	\$ 43,275	\$ 37,032	\$ 47,298	\$ 38,263	\$ 49,346	\$ 54,023
Contributions in relation to the contractually required contribution	(41,179)	(43,275)	(37,032)	(47,298)	(38,263)	(49,346)	(54,023)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program's covered payroll	\$ 438,314	\$ 420,282	\$ 312,362	\$ 353,317	\$ 305,035	\$ 339,275	\$ 385,812
Contributions as a percentage of covered payroll	9.39%	10.30%	11.86%	13.39%	12.54%	14.54%	14.00%

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 OPEB liability, contributions to the RHBT, the net pension liability and contributions to the 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 Amendments

OPEB Plan members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired after June 30, 2010, pay retiree healthcare contributions with no sponsor-provided implicit or explicit subsidy.

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. A member may retire with the pension reduced actuarially if the member is at least age 55 and has at least 10 years of contributory service, or at any age with 30 years of contributory service. For employees hired after July 1, 2015, qualification for normal retirement is 62 with 10 years of service. A member hired after July 1, 2015 may retire with the pension reduced actuarially if the member is between ages 60 and 62 with at least 10 years of contributory service, between ages 57 and 62 with at least 20 years of contributory service, or between ages 55 and 62 with at least 30 years of contributory service.
- 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 15 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 with at least 10 years of contributory service, or age 63 with at least 20 years of contributory service.

West Virginia College Prepaid Tuition and Savings Program

Notes to Required Supplementary Information (Continued)

- 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.

3. OPEB Plan Assumptions

An experience study, which was based on the fiscal years 2010 through 2015, was completed prior to the 2017 OPEB Plan actuarial valuation. See the significant assumptions for the actuarial valuations for the year ending June 30, 2018 as follows:

Inflation	2.75%
Salary increases	Dependent upon pension system ranging from 3.00% to 6.50%, including inflation
Investment rate of return	7.15%, net of OPEB Plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 10.00% for pre- and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. Excess trend rate of 0.13% and 0.00% for pre- and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the excise tax
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization method	20 years closed as of June 30, 2017
Mortality rates:	
Public Employees and Teachers Retirement Systems retirees	RP-2000 Healthy Annuitant, Scale AA fully generational
Troopers Retirement System retirees	RP-2014 Healthy Annuitant, Scale MP-2016 fully generational
Public Employees and Teachers Retirement Systems non-retirees	RP-2000 Non-Annuitant, Scale AA fully generational
Troopers Retirement System non-retirees	RP-2014 Employee, Scale MP-2016 fully generational

West Virginia College Prepaid Tuition and Savings Program

Notes to Required Supplementary Information (Continued)

4. Changes in OPEB Plan Assumptions

The following are changes in the assumptions between the 2017 and 2016 valuations of the OPEB Plan:

The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the inclusion of waived annuitants increased the liability by approximately \$17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately \$68 million; a change in certain healthcare-related assumptions decreased the liability by approximately \$232 million; and an update to the mortality tables increased the liability by approximately \$25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

The following are changes in the assumptions between the 2016 and 2015 valuations of the OPEB Plan:

Certain economic and behavioral assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claims costs, the likelihood that a member selects healthcare coverage and the likelihood that a retiree selects one-person, two person or family coverage. These assumptions were updated based on a recent experience study performed by RHBT actuaries using five-year experience data through June 30, 2015. The updated per capita claims costs were also based on recent claims, enrollment and premium information as of the valuation date.

For the June 30, 2016 valuation, the retiree healthcare participation assumption for each retirement plan is slightly higher than the previous assumption used in the June 30, 2015 OPEB valuation. More members who were covered as actives will be assumed to participate as retirees.

The 2016 and 2015 valuations include consideration of the \$30 million annual appropriations under Senate Bill 419. Additionally, the presentation of covered payroll was changed for the June 30, 2015, actuarial valuation. Participating employees hired before July 1, 2010, pay retiree premiums that are subsidized based on years of service at retirement. Participating employees hired on or after July 1, 2010, are required to fully fund premium contributions upon retirement. Consequently, beginning June 30, 2015, actuarial valuation covered payroll represents only the payroll for those OPEB eligible participating employees that were hired before July 1, 2010, allowing a better representation of the UAAL as a percentage of covered payroll, whereas, for the prior years, covered payroll is in total for all participating employees.

West Virginia College Prepaid Tuition and Savings Program

Notes to Required Supplementary Information (Continued)

5. PERS Assumptions

An experience study, which was based on the years 2009 through 2014, was completed prior to the 2015 PERS actuarial valuation. See the significant assumptions for the actuarial valuations for the year ending June 30, as follows:

	2018 - 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	3.0% (2018 - 2016); 1.9% (2015)	2.2%
Mortality rates:		
Active employees	100% of RP-2000 Non- Annuitant, Scale AA fully generational	
Retired healthy males	110% of RP-2000 Non- Annuitant, Scale AA fully generational	1983 GAM male
Retired healthy females	101% of RP-2000 Non- Annuitant, Scale AA fully generational	1971 GAM female, set back 1 year
Disabled males	96% of RP-2000 Disabled Annuitant, Scale AA fully generational	1971 GAM male, set forward 8 years
Disabled females	107% of RP-2000 Disabled Annuitant, Scale AA fully generational	Revenue Ruling 96-7 disabled female table
Withdrawal rates:		
State	1.75 – 35.1%	1.0 – 26.0%
Nonstate	2.0 – 35.88%	2.0 – 31.2%
Disability rates	0.007 – 0.675%	0.0 – 0.8%

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.

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position
June 30, 2019

	The Hartford SMART529 Age-Based Portfolio 0-3	The Hartford SMART529 Age-Based Portfolio 4-6	The Hartford SMART529 Age-Based Portfolio 7-9
Assets:			
Investments in underlying mutual funds, at fair value *			
DFA Emerging Markets Core Equity Portfolio – Institutional Class	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio – Institutional Class	—	—	—
DFA Global Real Estate Securities Portfolio – Institutional Class	—	—	—
DFA Inflation-Protected Securities Portfolio – Institutional Class	—	—	—
DFA International Core Equity Portfolio – Institutional Class	—	—	—
DFA Investment Grade Portfolio – Institutional Class	—	—	—
DFA One-Year Fixed Income Portfolio – Institutional Class	—	—	—
DFA Short-Duration Real Return Portfolio – Institutional Class	—	—	—
DFA Short-Term Extended Quality Portfolio – Institutional Class	—	—	—
DFA U.S. Core Equity 2 Portfolio – Institutional Class	—	—	—
iShares Russell 1000 Large-Cap Index Fund – Institutional Class	753,658	1,617,239	2,456,588
iShares Russell Mid-Cap Index Fund – Institutional Class	910,191	2,026,559	3,683,687
MFS Global Equity Fund, Class I	—	—	—
Hartford Core Equity Fund, Class F	2,563,233	5,640,237	9,405,320
Hartford Schroders Emerging Markets Equity Fund, Class F	772,239	1,643,644	3,315,630
The Hartford Balanced Income Fund, Class F	—	—	—
The Hartford Capital Appreciation Fund, Class F	—	—	—
The Hartford Dividend and Growth Fund, Class F	2,714,376	6,833,340	11,433,062
The Hartford Equity Income Fund, Class F	2,256,882	4,809,607	7,723,243
The Hartford Global All-Asset Fund, Class F	—	—	—
The Hartford Global Real Asset Fund, Class F	761,449	2,825,802	6,999,736
The Hartford Growth Opportunities Fund, Class F	—	—	—
The Hartford High Yield Fund, Class F	—	—	—
The Hartford Inflation Plus Fund, Class F	—	1,205,781	7,297,214
The Hartford International Opportunities Fund, Class F	2,732,987	5,701,332	9,913,788
The Hartford International Small Company Fund, Class F	912,281	2,029,483	2,867,541
The Hartford MidCap Fund, Class F	—	—	—
The Hartford MidCap Value Fund, Class F	—	—	—
The Hartford Quality Bond Fund, Class F	—	—	2,439,155
The Hartford Small Company Fund, Class F	—	—	—
The Hartford Small Cap Growth Fund, Class F	771,858	1,648,616	2,478,354
The Hartford Strategic Income Fund, Class F	—	2,011,932	5,680,313
The Hartford Total Return Bond Fund, Class F	—	—	—
The Hartford World Bond Fund, Class F	—	2,409,299	6,068,489
Vanguard Inflation-Protected Securities Fund – Institutional Class	—	—	—
Vanguard Institutional Index Fund – Institutional Class	—	—	—
Vanguard Total Bond Market II Index Fund – Institutional Class	—	—	—
Vanguard Total International Stock Index Fund – Institutional Class	—	—	—
Vanguard Total Stock Market Index Fund – Institutional Plus Class	—	—	—
	<u>15,149,154</u>	<u>40,402,871</u>	<u>81,762,120</u>
Fully benefit-responsive investment contracts, at contract value			
SMART529 Stable Value Account #	—	—	—
Receivables for investments sold	—	—	29,623
Receivables for units sold	26,192	24,627	28,709
Dividends and capital gain distributions received from underlying funds	5,996	12,866	25,452
Total assets	<u>15,181,342</u>	<u>40,440,364</u>	<u>81,845,904</u>
Liabilities:			
Bank overdraft	3,233	8,479	16,628
Payables for investments purchased	17,020	13,718	25,452
Payables for units redeemed	2,150	—	24,252
Accrued distribution fees	662	1,724	3,374
Accrued savings plan manager fees	1,208	3,245	6,605
Accrued administrative fees	845	2,272	4,624
Total liabilities	<u>25,118</u>	<u>29,438</u>	<u>80,935</u>
Fiduciary Net Position	<u>\$ 15,156,224</u>	<u>\$ 40,410,926</u>	<u>\$ 81,764,969</u>

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	The Hartford SMART529 Age-Based Portfolio 0-3	The Hartford SMART529 Age-Based Portfolio 4-6	The Hartford SMART529 Age-Based Portfolio 7-9
Fiduciary Net Position Consists of:			
Class A			
Net Position	\$ 13,222,770	\$ 34,742,876	\$ 72,084,035
Units outstanding	1,184,489	1,187,639	6,570,006
Net Position Value	<u>\$ 11.16</u>	<u>\$ 29.25</u>	<u>\$ 10.97</u>
Class B			
Net Position	\$ 3,949	\$ 2,891	\$ 1,062,667
Units outstanding	357	108	97,816
Net Position Value	<u>\$ 11.06</u>	<u>\$ 26.77</u>	<u>\$ 10.86</u>
Class C			
Net Position	\$ 1,584,001	\$ 4,032,593	\$ 5,968,768
Units outstanding	143,735	155,333	551,207
Net Position Value	<u>\$ 11.02</u>	<u>\$ 25.96</u>	<u>\$ 10.83</u>
Class D			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class E			
Net Position	\$ 345,504	\$ 1,632,566	\$ 2,649,499
Units outstanding	30,817	53,331	240,423
Net Position Value	<u>\$ 11.21</u>	<u>\$ 30.61</u>	<u>\$ 11.02</u>
* Identified Cost, investments in underlying mutual funds	<u>\$ 15,227,314</u>	<u>\$ 39,623,968</u>	<u>\$ 82,716,801</u>
# Identified Cost, fully benefit-responsive investment contracts	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The Hartford SMART529 Age-Based Portfolio 10-11	The Hartford SMART529 Age-Based Portfolio 12-13	The Hartford SMART529 Age-Based Portfolio 14-15	The Hartford SMART529 Age-Based Portfolio 16	The Hartford SMART529 Age-Based Portfolio 17	The Hartford SMART529 Age-Based Portfolio 18+	The Hartford SMART529 Aggressive Growth Portfolio	The Hartford Balanced Income 529 Fund	The Hartford SMART529 Balanced Portfolio
\$ 70,865,628	\$ 97,956,995	\$137,259,033	\$ 75,922,156	\$ 77,811,871	\$213,126,882	\$ 61,109,179	\$ 26,536,267	\$ 52,009,158
2,886,956	9,085,057	5,964,139	5,575,506	7,416,041	13,925,972	2,064,521	1,568,735	2,177,231
\$ 24.55	\$ 10.78	\$ 23.01	\$ 13.62	\$ 10.49	\$ 15.30	\$ 29.60	\$ 16.92	\$ 23.89
\$ 2,484,844	\$ 4,072,400	\$ 5,333,814	\$ 2,413,714	\$ 2,097,526	\$ 5,254,046	\$ 2,187,967	\$ —	\$ 863,466
110,760	381,423	253,700	186,155	201,886	376,138	80,740	—	39,553
\$ 22.43	\$ 10.68	\$ 21.02	\$ 12.97	\$ 10.39	\$ 13.97	\$ 27.10	\$ —	\$ 21.83
\$ 3,240,099	\$ 4,993,209	\$ 6,905,871	\$ 3,815,659	\$ 4,058,269	\$ 10,237,272	\$ 2,816,451	\$ 2,622,835	\$ 3,806,397
148,958	469,232	339,167	299,356	391,891	756,245	107,233	163,418	179,964
\$ 21.75	\$ 10.64	\$ 20.36	\$ 12.75	\$ 10.36	\$ 13.54	\$ 26.26	\$ 16.05	\$ 21.15
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 3,471,952	\$ 5,750,634	\$ 10,117,679	\$ 4,948,199	\$ 5,242,676	\$ 11,525,683	\$ 11,622,203	\$ 1,690,803	\$ 2,393,001
135,212	530,984	420,311	355,312	497,420	719,945	375,453	98,299	95,761
\$ 25.68	\$ 10.83	\$ 24.07	\$ 13.93	\$ 10.54	\$ 16.01	\$ 30.96	\$ 17.20	\$ 24.99
\$ 71,880,718	\$102,684,993	\$138,373,187	\$ 38,899,870	\$ 31,512,378	\$ 59,722,511	\$ 75,456,301	\$ 30,222,151	\$ 53,132,227
\$ 6,024,056	\$ 10,735,300	\$ 17,674,601	\$ 44,747,955	\$ 55,817,695	\$173,800,611	\$ —	\$ —	\$ 4,454,903

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019

	The Hartford SMART529 Checks and Balances Portfolio	The Hartford SMART529 Conservative Balanced Portfolio	The Hartford Dividend and Growth 529 Fund
Assets:			
Investments in underlying mutual funds, at fair value *			
DFA Emerging Markets Core Equity Portfolio – Institutional Class	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio – Institutional Class	—	—	—
DFA Global Real Estate Securities Portfolio – Institutional Class	—	—	—
DFA Inflation-Protected Securities Portfolio – Institutional Class	—	—	—
DFA International Core Equity Portfolio – Institutional Class	—	—	—
DFA Investment Grade Portfolio – Institutional Class	—	—	—
DFA One-Year Fixed Income Portfolio – Institutional Class	—	—	—
DFA Short-Duration Real Return Portfolio – Institutional Class	—	—	—
DFA Short-Term Extended Quality Portfolio – Institutional Class	—	—	—
DFA U.S. Core Equity 2 Portfolio – Institutional Class	—	—	—
iShares Russell 1000 Large-Cap Index Fund – Institutional Class	—	—	—
iShares Russell Mid-Cap Index Fund – Institutional Class	—	289,364	—
MFS Global Equity Fund, Class I	—	—	—
Hartford Core Equity Fund, Class F	—	1,010,088	—
Hartford Schroders Emerging Markets Equity Fund, Class F	—	—	—
The Hartford Balanced Income Fund, Class F	—	—	—
The Hartford Capital Appreciation Fund, Class F	15,355,457	—	—
The Hartford Dividend and Growth Fund, Class F	15,320,937	721,763	219,284,116
The Hartford Equity Income Fund, Class F	—	576,135	—
The Hartford Global All-Asset Fund, Class F	—	—	—
The Hartford Global Real Asset Fund, Class F	—	863,626	—
The Hartford Growth Opportunities Fund, Class F	—	—	—
The Hartford High Yield Fund, Class F	—	—	—
The Hartford Inflation Plus Fund, Class F	—	1,148,201	—
The Hartford International Opportunities Fund, Class F	—	1,152,908	—
The Hartford International Small Company Fund, Class F	—	—	—
The Hartford MidCap Fund, Class F	—	—	—
The Hartford MidCap Value Fund, Class F	—	—	—
The Hartford Quality Bond Fund, Class F	—	—	—
The Hartford Small Company Fund, Class F	—	—	—
The Hartford Small Cap Growth Fund, Class F	—	—	—
The Hartford Strategic Income Fund, Class F	—	574,225	—
The Hartford Total Return Bond Fund, Class F	15,315,387	—	—
The Hartford World Bond Fund, Class F	—	143,392	—
Vanguard Inflation-Protected Securities Fund – Institutional Class	—	—	—
Vanguard Institutional Index Fund – Institutional Class	—	—	—
Vanguard Total Bond Market II Index Fund – Institutional Class	—	—	—
Vanguard Total International Stock Index Fund – Institutional Class	—	—	—
Vanguard Total Stock Market Index Fund – Institutional Plus Class	—	—	—
	<u>45,991,781</u>	<u>6,479,702</u>	<u>219,284,116</u>
Fully benefit-responsive investment contracts, at contract value			
SMART529 Stable Value Account #	—	7,887,068	—
Receivables for investments sold	6,184	—	96,088
Receivables for units sold	34,936	204,170	93,091
Dividends and capital gain distributions received from underlying funds	44,128	—	—
	<u>46,077,029</u>	<u>14,570,940</u>	<u>219,473,295</u>
Liabilities:			
Bank overdraft	8,765	2,578	39,491
Payables for investments purchased	44,128	177,925	—
Payables for units redeemed	5,513	22,448	113,537
Accrued distribution fees	1,764	541	7,971
Accrued savings plan manager fees	3,728	1,119	17,724
Accrued administrative fees	2,611	782	12,408
	<u>66,509</u>	<u>205,393</u>	<u>191,131</u>
Fiduciary Net Position	<u>\$ 46,010,520</u>	<u>\$ 14,365,547</u>	<u>\$ 219,282,164</u>

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	The Hartford SMART529 Checks and Balances Portfolio	The Hartford SMART529 Conservative Balanced Portfolio	The Hartford Dividend and Growth 529 Fund
Fiduciary Net Position Consists of:			
Class A			
Net Position	\$ 41,370,273	\$ 12,228,548	\$ 191,036,614
Units outstanding	1,635,366	953,028	5,269,082
Net Position Value	<u>\$ 25.30</u>	<u>\$ 12.83</u>	<u>\$ 36.26</u>
Class B			
Net Position	\$ 423,746	\$ —	\$ 4,649,357
Units outstanding	18,334	—	140,248
Net Position Value	<u>\$ 23.11</u>	<u>\$ —</u>	<u>\$ 33.15</u>
Class C			
Net Position	\$ 2,294,442	\$ 918,687	\$ 7,210,698
Units outstanding	102,477	76,150	224,438
Net Position Value	<u>\$ 22.39</u>	<u>\$ 12.06</u>	<u>\$ 32.13</u>
Class D			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class E			
Net Position	\$ 1,922,059	\$ 1,218,312	\$ 16,385,495
Units outstanding	72,444	93,013	431,930
Net Position Value	<u>\$ 26.53</u>	<u>\$ 13.10</u>	<u>\$ 37.94</u>
* Identified Cost, investments in underlying mutual funds	<u>\$ 45,780,367</u>	<u>\$ 6,408,386</u>	<u>\$ 221,950,981</u>
# Identified Cost, fully benefit-responsive investment contracts	<u>\$ —</u>	<u>\$ 7,559,478</u>	<u>\$ —</u>

The Hartford Equity Income 529 Fund	The Hartford Global All Asset 529 Fund	The Hartford Growth Opportunities 529 Fund	The Hartford SMART529 Growth Portfolio	The Hartford High Yield 529 Fund	The Hartford Inflation Plus 529 Fund	The Hartford International Opportunities 529 Fund	The Hartford MidCap 529 Fund	The Hartford MidCap Value 529 Fund
\$ 32,801,566 1,187,461	\$ 1,587,599 101,311	\$ 35,123,965 999,975	\$ 87,922,527 3,168,175	\$ 6,285,402 269,951	\$ 4,916,798 320,039	\$ 15,343,571 1,261,043	\$ 64,016,738 1,156,998	\$ 11,513,071 455,737
\$ 27.62	\$ 15.67	\$ 35.12	\$ 27.75	\$ 23.28	\$ 15.36	\$ 12.17	\$ 55.33	\$ 25.26
\$ 330,504 13,088	\$ — —	\$ 262,238 8,002	\$ 1,639,998 64,627	\$ 40,581 1,889	\$ 76,883 5,430	\$ 170,277 15,013	\$ 1,071,882 21,158	\$ 119,108 4,997
\$ 25.25	\$ —	\$ 32.77	\$ 25.38	\$ 21.48	\$ 14.16	\$ 11.34	\$ 50.66	\$ 23.84
\$ 1,834,320 74,938	\$ 140,653 9,507	\$ 2,711,307 84,746	\$ 4,198,338 170,716	\$ 357,140 17,140	\$ 162,201 11,792	\$ 1,104,114 99,740	\$ 2,475,879 50,389	\$ 554,451 23,745
\$ 24.48	\$ 14.79	\$ 31.99	\$ 24.59	\$ 20.84	\$ 13.76	\$ 11.07	\$ 49.14	\$ 23.35
\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 4,470,412 154,592	\$ 436,087 27,314	\$ 7,378,865 203,478	\$ 4,957,128 170,826	\$ 451,159 18,625	\$ 670,033 41,821	\$ 2,641,607 210,491	\$ 11,653,851 201,182	\$ 1,048,378 40,457
\$ 28.92	\$ 15.97	\$ 36.26	\$ 29.02	\$ 24.22	\$ 16.02	\$ 12.55	\$ 57.93	\$ 25.91
\$ 38,812,226	\$ 2,361,699	\$ 42,184,991	\$ 96,270,790	\$ 7,187,442	\$ 5,976,694	\$ 19,170,147	\$ 67,637,331	\$ 13,753,387
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	The Hartford Small Company 529 Fund	The SMART529 Stable Value Fund	The Hartford Total Return Bond 529 Fund
Assets:			
Investments in underlying mutual funds, at fair value *			
DFA Emerging Markets Core Equity Portfolio – Institutional Class	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio – Institutional Class	—	—	—
DFA Global Real Estate Securities Portfolio – Institutional Class	—	—	—
DFA Inflation-Protected Securities Portfolio – Institutional Class	—	—	—
DFA International Core Equity Portfolio – Institutional Class	—	—	—
DFA Investment Grade Portfolio – Institutional Class	—	—	—
DFA One-Year Fixed Income Portfolio – Institutional Class	—	—	—
DFA Short-Duration Real Return Portfolio – Institutional Class	—	—	—
DFA Short-Term Extended Quality Portfolio – Institutional Class	—	—	—
DFA U.S. Core Equity 2 Portfolio – Institutional Class	—	—	—
iShares Russell 1000 Large-Cap Index Fund – Institutional Class	—	—	—
iShares Russell Mid-Cap Index Fund – Institutional Class	—	—	—
MFS Global Equity Fund, Class I	—	—	—
Hartford Core Equity Fund, Class F	—	—	—
Hartford Schroders Emerging Markets Equity Fund, Class F	—	—	—
The Hartford Balanced Income Fund, Class F	—	—	—
The Hartford Capital Appreciation Fund, Class F	—	—	—
The Hartford Dividend and Growth Fund, Class F	—	—	—
The Hartford Equity Income Fund, Class F	—	—	—
The Hartford Global All-Asset Fund, Class F	—	—	—
The Hartford Global Real Asset Fund, Class F	—	—	—
The Hartford Growth Opportunities Fund, Class F	—	—	—
The Hartford High Yield Fund, Class F	—	—	—
The Hartford Inflation Plus Fund, Class F	—	—	—
The Hartford International Opportunities Fund, Class F	—	—	—
The Hartford International Small Company Fund, Class F	—	—	—
The Hartford MidCap Fund, Class F	—	—	—
The Hartford MidCap Value Fund, Class F	—	—	—
The Hartford Quality Bond Fund, Class F	—	—	—
The Hartford Small Company Fund, Class F	13,217,321	—	—
The Hartford Small Cap Growth Fund, Class F	—	—	—
The Hartford Strategic Income Fund, Class F	—	—	—
The Hartford Total Return Bond Fund, Class F	—	—	25,673,439
The Hartford World Bond Fund, Class F	—	—	—
Vanguard Inflation-Protected Securities Fund – Institutional Class	—	—	—
Vanguard Institutional Index Fund – Institutional Class	—	—	—
Vanguard Total Bond Market II Index Fund – Institutional Class	—	—	—
Vanguard Total International Stock Index Fund – Institutional Class	—	—	—
Vanguard Total Stock Market Index Fund – Institutional Plus Class	—	—	—
	<u>13,217,321</u>	<u>—</u>	<u>25,673,439</u>
Fully benefit-responsive investment contracts, at contract value			
SMART529 Stable Value Account #	—	63,119,108	—
Receivables for investments sold	18,890	—	—
Receivables for units sold	6,589	99,426	199,974
Dividends and capital gain distributions received from underlying funds	—	—	73,099
Total assets	<u>13,242,800</u>	<u>63,218,534</u>	<u>25,946,512</u>
Liabilities:			
Bank overdraft	2,218	11,475	4,561
Payables for investments purchased	—	38,129	244,478
Payables for units redeemed	18,159	29,550	23,278
Accrued distribution fees	449	2,349	924
Accrued savings plan manager fees	1,050	5,097	2,067
Accrued administrative fees	735	2,548	1,447
Total liabilities	<u>22,611</u>	<u>89,148</u>	<u>276,755</u>
Fiduciary Net Position	<u>\$ 13,220,189</u>	<u>\$ 63,129,386</u>	<u>\$ 25,669,757</u>

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	The Hartford Small Company 529 Fund	The SMART529 Stable Value Fund	The Hartford Total Return Bond 529 Fund
Fiduciary Net Position Consists of:			
Class A			
Net Position	\$ 10,570,785	\$ 49,959,307	\$ 22,399,450
Units outstanding	397,988	3,365,181	1,134,755
Net Position Value	<u>\$ 26.56</u>	<u>\$ 14.85</u>	<u>\$ 19.74</u>
Class B			
Net Position	\$ 85,041	\$ 867,029	\$ 405,211
Units outstanding	3,442	63,834	22,511
Net Position Value	<u>\$ 24.71</u>	<u>\$ 13.58</u>	<u>\$ 18.00</u>
Class C			
Net Position	\$ 641,074	\$ 4,049,370	\$ 975,646
Units outstanding	26,555	307,698	55,994
Net Position Value	<u>\$ 24.14</u>	<u>\$ 13.16</u>	<u>\$ 17.42</u>
Class D			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class E			
Net Position	\$ 1,923,289	\$ 8,253,680	\$ 1,889,450
Units outstanding	70,305	531,968	91,410
Net Position Value	<u>\$ 27.36</u>	<u>\$ 15.52</u>	<u>\$ 20.67</u>
* Identified Cost, investments in underlying mutual funds	<u>\$ 11,427,112</u>	<u>\$ —</u>	<u>\$ 25,342,333</u>
# Identified Cost, fully benefit-responsive investment contracts	<u>\$ —</u>	<u>\$ 59,174,316</u>	<u>\$ —</u>

MFS Global Equity 529 Fund	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	SMART529 Select Age- Based DFA Portfolio 13-15	SMART529 Select Age- Based DFA Portfolio 16-18	SMART529 Select Age- Based DFA Portfolio 19+
\$ 14,694,794 522,111	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —
\$ 28.14	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 220,744 8,577	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —
\$ 25.74	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 745,046 29,859	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —
\$ 24.95	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ — —	\$ 9,431,068 776,398	\$ 11,766,917 414,622	\$ 24,907,310 906,281	\$ 45,829,088 1,745,313	\$ 68,326,733 2,953,033	\$ 75,728,387 3,673,988	\$ 67,270,359 3,541,812	\$ 35,826,940 2,159,995
\$ —	\$ 12.15	\$ 28.38	\$ 27.48	\$ 26.26	\$ 23.14	\$ 20.61	\$ 18.99	\$ 16.59
\$ 1,918,800 65,217	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —	\$ — —
\$ 29.42	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 14,242,429	\$ 9,419,354	\$ 11,302,676	\$ 21,817,636	\$ 40,082,229	\$ 61,975,873	\$ 71,049,943	\$ 64,748,615	\$ 35,654,418
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	SMART529 Select Aggressive Growth DFA Portfolio	SMART529 Select All Equity DFA Portfolio	SMART529 Select Balanced DFA Portfolio
Assets:			
Investments in underlying mutual funds, at fair value *			
DFA Emerging Markets Core Equity Portfolio – Institutional Class	\$ 2,791,065	\$ 8,761,906	\$ 552,679
DFA Five-Year Global Fixed Income Portfolio – Institutional Class	—	—	2,046,388
DFA Global Real Estate Securities Portfolio – Institutional Class	928,570	2,947,475	182,950
DFA Inflation-Protected Securities Portfolio – Institutional Class	—	—	549,215
DFA International Core Equity Portfolio – Institutional Class	8,624,076	27,250,836	1,703,353
DFA Investment Grade Portfolio – Institutional Class	—	—	1,646,246
DFA One-Year Fixed Income Portfolio – Institutional Class	—	—	2,043,356
DFA Short-Duration Real Return Portfolio – Institutional Class	—	—	615,047
DFA Short-Term Extended Quality Portfolio – Institutional Class	—	—	613,413
DFA U.S. Core Equity 2 Portfolio – Institutional Class	19,329,854	61,327,462	3,808,067
iShares Russell 1000 Large-Cap Index Fund – Institutional Class	—	—	—
iShares Russell Mid-Cap Index Fund – Institutional Class	—	—	—
MFS Global Equity Fund, Class I	—	—	—
Hartford Core Equity Fund, Class F	—	—	—
Hartford Schroders Emerging Markets Equity Fund, Class F	—	—	—
The Hartford Balanced Income Fund, Class F	—	—	—
The Hartford Capital Appreciation Fund, Class F	—	—	—
The Hartford Dividend and Growth Fund, Class F	—	—	—
The Hartford Equity Income Fund, Class F	—	—	—
The Hartford Global All-Asset Fund, Class F	—	—	—
The Hartford Global Real Asset Fund, Class F	—	—	—
The Hartford Growth Opportunities Fund, Class F	—	—	—
The Hartford High Yield Fund, Class F	—	—	—
The Hartford Inflation Plus Fund, Class F	—	—	—
The Hartford International Opportunities Fund, Class F	—	—	—
The Hartford International Small Company Fund, Class F	—	—	—
The Hartford MidCap Fund, Class F	—	—	—
The Hartford MidCap Value Fund, Class F	—	—	—
The Hartford Quality Bond Fund, Class F	—	—	—
The Hartford Small Company Fund, Class F	—	—	—
The Hartford Small Cap Growth Fund, Class F	—	—	—
The Hartford Strategic Income Fund, Class F	—	—	—
The Hartford Total Return Bond Fund, Class F	—	—	—
The Hartford World Bond Fund, Class F	—	—	—
Vanguard Inflation-Protected Securities Fund – Institutional Class	—	—	—
Vanguard Institutional Index Fund – Institutional Class	—	—	—
Vanguard Total Bond Market II Index Fund – Institutional Class	—	—	—
Vanguard Total International Stock Index Fund – Institutional Class	—	—	—
Vanguard Total Stock Market Index Fund – Institutional Plus Class	—	—	—
	<u>31,673,565</u>	<u>100,287,679</u>	<u>13,760,714</u>
Fully benefit-responsive investment contracts, at contract value			
SMART529 Stable Value Account #	—	—	—
Receivables for investments sold	—	—	—
Receivables for units sold	3,965	13,201	989
Dividends and capital gain distributions received from underlying funds	—	—	—
Total assets	<u>31,677,530</u>	<u>100,300,880</u>	<u>13,761,703</u>
Liabilities:			
Bank overdraft	—	—	—
Payables for investments purchased	2,059	4,551	949
Payables for units redeemed	1,906	8,650	40
Accrued distribution fees	—	—	—
Accrued savings plan manager fees	8,887	28,232	3,875
Accrued administrative fees	1,270	4,033	554
Total liabilities	<u>14,122</u>	<u>45,466</u>	<u>5,418</u>
Fiduciary Net Position	<u>\$ 31,663,408</u>	<u>\$ 100,255,414</u>	<u>\$ 13,756,285</u>

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	SMART529 Select Aggressive Growth DFA Portfolio	SMART529 Select All Equity DFA Portfolio	SMART529 Select Balanced DFA Portfolio
Fiduciary Net Position Consists of:			
Class A			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class B			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class C			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class D			
Net Position	\$ 31,663,408	\$ 100,255,414	\$ 13,756,285
Units outstanding	1,116,326	3,425,720	668,372
Net Position Value	<u>\$ 28.36</u>	<u>\$ 29.27</u>	<u>\$ 20.58</u>
Class E			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
* Identified Cost, investments in underlying mutual funds	<u>\$ 24,950,674</u>	<u>\$ 77,023,672</u>	<u>\$ 13,018,272</u>
# Identified Cost, fully benefit-responsive investment contracts	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

(1) Effective November 19, 2018, the name of SMART529 WV Direct Age-Based Portfolio 0-8 changed to SMART529 WV Direct Age-Based Portfolio 4-6.

SMART529 Select Conservative DFA Portfolio	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 WV 500 Index Fund	SMART529 WV Direct Age-Based Portfolio 0-3	SMART529 WV Direct Age-Based Portfolio 4-6 ⁽¹⁾
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 9,212,232	\$ 16,460,056	\$ 25,927,000	\$ 18,145,835	\$ 14,156,112	\$ 8,707,504	\$ 25,549,403	\$ 8,398,219	\$ 16,041,964
555,448	1,118,184	984,089	785,733	513,348	458,926	1,013,456	774,145	480,621
\$ 16.59	\$ 14.72	\$ 26.35	\$ 23.09	\$ 27.58	\$ 18.97	\$ 25.21	\$ 10.85	\$ 33.38
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 9,140,864	\$ 16,147,383	\$ 22,457,994	\$ 16,775,274	\$ 12,135,705	\$ 8,378,687	\$ 19,138,866	\$ 7,846,122	\$ 15,553,153
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	SMART529 WV Direct Age-Based Portfolio 7-9	SMART529 WV Direct Age-Based Portfolio 10-11 ⁽¹⁾	SMART529 WV Direct Age-Based Portfolio 12-13
Assets:			
Investments in underlying mutual funds, at fair value *			
DFA Emerging Markets Core Equity Portfolio – Institutional Class	\$ —	\$ —	\$ —
DFA Five-Year Global Fixed Income Portfolio – Institutional Class	—	—	—
DFA Global Real Estate Securities Portfolio – Institutional Class	—	—	—
DFA Inflation-Protected Securities Portfolio – Institutional Class	—	—	—
DFA International Core Equity Portfolio – Institutional Class	—	—	—
DFA Investment Grade Portfolio – Institutional Class	—	—	—
DFA One-Year Fixed Income Portfolio – Institutional Class	—	—	—
DFA Short-Duration Real Return Portfolio – Institutional Class	—	—	—
DFA Short-Term Extended Quality Portfolio – Institutional Class	—	—	—
DFA U.S. Core Equity 2 Portfolio – Institutional Class	—	—	—
iShares Russell 1000 Large-Cap Index Fund – Institutional Class	—	—	—
iShares Russell Mid-Cap Index Fund – Institutional Class	—	—	—
MFS Global Equity Fund, Class I	—	—	—
Hartford Core Equity Fund, Class F	—	—	—
Hartford Schroders Emerging Markets Equity Fund, Class F	—	—	—
The Hartford Balanced Income Fund, Class F	—	—	—
The Hartford Capital Appreciation Fund, Class F	—	—	—
The Hartford Dividend and Growth Fund, Class F	—	—	—
The Hartford Equity Income Fund, Class F	—	—	—
The Hartford Global All-Asset Fund, Class F	—	—	—
The Hartford Global Real Asset Fund, Class F	—	—	—
The Hartford Growth Opportunities Fund, Class F	—	—	—
The Hartford High Yield Fund, Class F	—	—	—
The Hartford Inflation Plus Fund, Class F	—	—	—
The Hartford International Opportunities Fund, Class F	—	—	—
The Hartford International Small Company Fund, Class F	—	—	—
The Hartford MidCap Fund, Class F	—	—	—
The Hartford MidCap Value Fund, Class F	—	—	—
The Hartford Quality Bond Fund, Class F	—	—	—
The Hartford Small Company Fund, Class F	—	—	—
The Hartford Small Cap Growth Fund, Class F	—	—	—
The Hartford Strategic Income Fund, Class F	—	—	—
The Hartford Total Return Bond Fund, Class F	—	—	—
The Hartford World Bond Fund, Class F	—	—	—
Vanguard Inflation-Protected Securities Fund – Institutional Class	1,450,238	1,214,026	1,925,620
Vanguard Institutional Index Fund – Institutional Class	—	—	—
Vanguard Total Bond Market II Index Fund – Institutional Class	4,776,530	4,346,243	6,863,116
Vanguard Total International Stock Index Fund – Institutional Class	4,862,737	3,720,821	3,963,405
Vanguard Total Stock Market Index Fund – Institutional Plus Class	9,986,788	6,947,883	6,864,069
	<u>21,076,293</u>	<u>16,228,973</u>	<u>19,616,210</u>
Fully benefit-responsive investment contracts, at contract value			
SMART529 Stable Value Account #	—	1,387,548	2,139,718
Receivables for investments sold	—	—	—
Receivables for units sold	6,667	5,245	3,080
Dividends and capital gain distributions received from underlying funds	11,464	10,437	16,462
Total assets	<u>21,094,424</u>	<u>17,632,203</u>	<u>21,775,470</u>
Liabilities:			
Bank overdraft	—	—	—
Payables for investments purchased	18,131	15,682	19,542
Payables for units redeemed	—	—	—
Accrued distribution fees	—	—	—
Accrued savings plan manager fees	1,363	1,140	1,406
Accrued administrative fees	—	—	—
Total liabilities	<u>19,494</u>	<u>16,822</u>	<u>20,948</u>
Fiduciary Net Position	<u>\$ 21,074,930</u>	<u>\$ 17,615,381</u>	<u>\$ 21,754,522</u>

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	SMART529 WV Direct Age-Based Portfolio 7-9	SMART529 WV Direct Age-Based Portfolio 10-11 ⁽¹⁾	SMART529 WV Direct Age-Based Portfolio 12-13
Fiduciary Net Position Consists of:			
Class A			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class B			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class C			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Class D			
Net Position	\$ 21,074,930	\$ 17,615,381	\$ 21,754,522
Units outstanding	1,943,791	615,961	2,021,343
Net Position Value	<u>\$ 10.84</u>	<u>\$ 28.60</u>	<u>\$ 10.76</u>
Class E			
Net Position	\$ —	\$ —	\$ —
Units outstanding	—	—	—
Net Position Value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
* Identified Cost, investments in underlying mutual funds	<u>\$ 19,822,253</u>	<u>\$ 15,606,876</u>	<u>\$ 18,462,250</u>
# Identified Cost, fully benefit-responsive investment contracts	<u>\$ —</u>	<u>\$ 1,342,021</u>	<u>\$ 2,110,927</u>

- (1) Effective November 19, 2018, the name of SMART529 WV Direct Age-Based Portfolio 9-13 changed to SMART529 WV Direct Age-Based Portfolio 10-11.
- (2) Effective November 19, 2018, the name of SMART529 WV Direct Age-Based Portfolio 16-17 changed to SMART529 WV Direct Age-Based Portfolio 16.

SMART529 WV Direct Age-Based Portfolio 14-15	SMART529 WV Direct Age-Based Portfolio 16 ⁽²⁾	SMART529 WV Direct Age-Based Portfolio 17	SMART529 WV Direct Age-Based Portfolio 18+	SMART529 WV Direct Aggressive Growth Portfolio	SMART529 WV Direct Balanced Portfolio	SMART529 WV Direct Conservative Balanced Portfolio	SMART529 WV Direct Conservative Bond Portfolio	SMART529 WV Direct Growth Portfolio
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 24,215,453	\$ 12,999,677	\$ 10,386,960	\$ 34,782,610	\$ 41,357,636	\$ 15,471,069	\$ 6,090,637	\$ 3,650,355	\$ 24,374,400
911,425	878,194	1,000,674	2,029,760	1,214,512	556,683	365,174	229,727	768,209
\$ 26.57	\$ 14.80	\$ 10.38	\$ 17.14	\$ 34.05	\$ 27.79	\$ 16.68	\$ 15.89	\$ 31.73
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 20,585,539	\$ 5,632,491	\$ 3,448,148	\$ 8,474,714	\$ 39,604,590	\$ 13,648,527	\$ 2,630,247	\$ 1,077,345	\$ 23,282,408
\$ 2,736,545	\$ 6,917,441	\$ 6,626,800	\$ 25,249,635	\$ —	\$ 1,171,447	\$ 3,210,043	\$ 2,465,883	\$ —

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	SMART529 WV Stable Value Fund	Total Combining Statements of Fiduciary Net Positions
Assets:		
Investments in underlying mutual funds, at fair value *		
DFA Emerging Markets Core Equity Portfolio – Institutional Class	\$ —	\$ 32,125,711
DFA Five-Year Global Fixed Income Portfolio – Institutional Class	—	47,635,108
DFA Global Real Estate Securities Portfolio – Institutional Class	—	10,742,059
DFA Inflation-Protected Securities Portfolio – Institutional Class	—	12,901,827
DFA International Core Equity Portfolio – Institutional Class	—	99,374,903
DFA Investment Grade Portfolio – Institutional Class	—	48,737,678
DFA One-Year Fixed Income Portfolio – Institutional Class	—	68,156,609
DFA Short-Duration Real Return Portfolio – Institutional Class	—	17,277,804
DFA Short-Term Extended Quality Portfolio – Institutional Class	—	17,264,148
DFA U.S. Core Equity 2 Portfolio – Institutional Class	—	223,341,379
iShares Russell 1000 Large-Cap Index Fund – Institutional Class	—	16,628,495
iShares Russell Mid-Cap Index Fund – Institutional Class	—	31,561,708
MFS Global Equity Fund, Class I	—	17,582,123
Hartford Core Equity Fund, Class F	—	102,306,890
Hartford Schroders Emerging Markets Equity Fund, Class F	—	26,458,296
The Hartford Balanced Income Fund, Class F	—	30,852,505
The Hartford Capital Appreciation Fund, Class F	—	15,355,457
The Hartford Dividend and Growth Fund, Class F	—	327,168,487
The Hartford Equity Income Fund, Class F	—	125,158,874
The Hartford Global All-Asset Fund, Class F	—	2,164,709
The Hartford Global Real Asset Fund, Class F	—	75,812,929
The Hartford Growth Opportunities Fund, Class F	—	45,456,260
The Hartford High Yield Fund, Class F	—	7,125,327
The Hartford Inflation Plus Fund, Class F	—	90,124,727
The Hartford International Opportunities Fund, Class F	—	122,001,119
The Hartford International Small Company Fund, Class F	—	24,708,555
The Hartford MidCap Fund, Class F	—	79,219,033
The Hartford MidCap Value Fund, Class F	—	13,236,150
The Hartford Quality Bond Fund, Class F	—	26,405,191
The Hartford Small Company Fund, Class F	—	13,217,321
The Hartford Small Cap Growth Fund, Class F	—	17,925,659
The Hartford Strategic Income Fund, Class F	—	75,973,999
The Hartford Total Return Bond Fund, Class F	—	40,988,826
The Hartford World Bond Fund, Class F	—	59,079,487
Vanguard Inflation-Protected Securities Fund – Institutional Class	—	12,207,968
Vanguard Institutional Index Fund – Institutional Class	—	25,551,037
Vanguard Total Bond Market II Index Fund – Institutional Class	—	41,705,744
Vanguard Total International Stock Index Fund – Institutional Class	—	50,743,899
Vanguard Total Stock Market Index Fund – Institutional Plus Class	—	100,119,437
	—	2,194,397,438
Fully benefit-responsive investment contracts, at contract value		
SMART529 Stable Value Account #	13,339,452	463,902,558
Receivables for investments sold	—	747,883
Receivables for units sold	34,572	1,821,275
Dividends and capital gain distributions received from underlying funds	—	443,355
Total assets	<u>13,374,024</u>	<u>2,661,312,509</u>
Liabilities:		
Bank overdraft	—	334,796
Payables for investments purchased	24,509	1,187,351
Payables for units redeemed	10,063	1,178,355
Accrued distribution fees	—	67,587
Accrued savings plan manager fees	876	326,991
Accrued administrative fees	—	123,454
Total liabilities	<u>35,448</u>	<u>3,218,534</u>
Fiduciary Net Position	<u>\$ 13,338,576</u>	<u>\$ 2,658,093,975</u>

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Fiduciary Net Position (Continued)
June 30, 2019**

	SMART529 WV Stable Value Fund	Total Combining Statements of Fiduciary Net Positions
Fiduciary Net Position Consists of:		
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	\$ 13,338,576	
Units outstanding	847,602	
Net Position Value	\$ 15.74	
Class E		
Net Position	\$ —	
Units outstanding	—	
Net Position Value	\$ —	
* Identified Cost, investments in underlying mutual funds	\$ —	\$ 2,088,851,532
# Identified Cost, fully benefit-responsive investment contracts	\$ 12,701,282	\$ 444,520,939

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019**

	The Hartford SMART529 Age-Based Portfolio 0-3	The Hartford SMART529 Age-Based Portfolio 4-6	The Hartford SMART529 Age-Based Portfolio 7-9
Investment Income:			
Dividends	\$ 231,798	\$ 1,185,675	\$ 2,616,491
Total investment income	<u>231,798</u>	<u>1,185,675</u>	<u>2,616,491</u>
Expenses:			
Administrative fees	10,469	28,463	56,506
Savings Plan manager fees	14,955	40,662	80,723
Distribution fees			
Class A	32,317	85,622	176,807
Class B	36	78	13,348
Class C	16,192	46,996	54,259
Total expenses	<u>73,969</u>	<u>201,821</u>	<u>381,643</u>
Net Investment Income (Loss)	<u>157,829</u>	<u>983,854</u>	<u>2,234,848</u>
Net Realized and Unrealized Gain (Loss):			
Capital gain distributions received from underlying mutual funds	836,108	1,944,156	3,075,029
Net realized gain (loss) on sale of underlying fund shares	(186,460)	(38,124)	(1,339,138)
Net change in unrealized appreciation (depreciation) on underlying fund shares	<u>(27,336)</u>	<u>(1,025,959)</u>	<u>(18,598)</u>
Net realized and unrealized gain (loss)	<u>622,312</u>	<u>880,073</u>	<u>1,717,293</u>
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	<u>780,141</u>	<u>1,863,927</u>	<u>3,952,141</u>
Unit Transactions:			
Contributions			
Class A	5,582,447	5,770,651	7,233,804
Class B	—	1	2
Class C	547,083	1,114,091	1,296,294
Class D	—	—	—
Class E	87,606	275,129	303,842
Net proceeds from sale of units to account holders	<u>6,217,136</u>	<u>7,159,872</u>	<u>8,833,942</u>
Transfers in			
Class A	263,559	8,877,514	19,401,403
Class B	—	—	32,772
Class C	19,350	976,029	2,204,896
Class D	—	—	—
Class E	1,283	333,129	662,745
Total transfers in	<u>284,192</u>	<u>10,186,672</u>	<u>22,301,816</u>
Transfers out			
Class A	(7,319,855)	(17,233,617)	(29,615,432)
Class B	(1,571)	(11,334)	(1,762,943)
Class C	(983,907)	(3,541,795)	(3,116,315)
Class D	—	—	—
Class E	<u>(313,179)</u>	<u>(677,738)</u>	<u>(1,593,727)</u>
Total transfers out	<u>(8,618,512)</u>	<u>(21,464,484)</u>	<u>(36,088,417)</u>
Withdrawals			
Class A	(318,885)	(692,371)	(1,527,584)
Class B	—	(1)	(49,966)
Class C	(25,793)	(84,240)	(169,608)
Class D	—	—	—
Class E	<u>(378)</u>	<u>(7,941)</u>	<u>(109,045)</u>
Total cost of units redeemed by account holders	<u>(345,056)</u>	<u>(784,553)</u>	<u>(1,856,203)</u>
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	<u>(2,462,240)</u>	<u>(4,902,493)</u>	<u>(6,808,862)</u>
Fiduciary Net Position:			
Net Increase (Decrease) in Fiduciary Net Position	(1,682,099)	(3,038,566)	(2,856,721)
Beginning of year	<u>16,838,323</u>	<u>43,449,492</u>	<u>84,621,690</u>
End of year	<u>\$ 15,156,224</u>	<u>\$ 40,410,926</u>	<u>\$ 81,764,969</u>

The Hartford SMART529 Age-Based Portfolio 10-11	The Hartford SMART529 Age-Based Portfolio 12-13	The Hartford SMART529 Age-Based Portfolio 14-15	The Hartford SMART529 Age-Based Portfolio 16	The Hartford SMART529 Age-Based Portfolio 17	The Hartford SMART529 Age-Based Portfolio 18+
\$ 2,660,134	\$ 3,845,563	\$ 5,917,843	\$ 1,363,863	\$ 1,199,150	\$ 2,560,687
2,660,134	3,845,563	5,917,843	1,363,863	1,199,150	2,560,687
58,133	79,426	110,247	58,932	58,444	152,762
83,047	113,467	157,496	84,189	83,491	218,232
180,746	244,521	336,011	183,507	181,498	482,914
27,337	37,980	46,902	19,971	17,554	43,960
36,201	46,222	71,081	36,198	37,932	93,680
385,464	521,616	721,737	382,797	378,919	991,548
2,274,670	3,323,947	5,196,106	981,066	820,231	1,569,139
2,633,201	2,938,552	2,918,794	1,048,333	552,168	1,019,181
(588,866)	(2,368,331)	(1,676,846)	(225,194)	(652,304)	671,362
(730,351)	1,046,965	1,058,448	1,057,370	1,719,905	2,497,977
1,313,984	1,617,186	2,300,396	1,880,509	1,619,769	4,188,520
3,588,654	4,941,133	7,496,502	2,861,575	2,440,000	5,757,659
6,375,975	7,598,687	7,551,950	3,702,748	2,916,278	5,752,047
—	150	1	6	—	5,382
853,864	1,320,619	2,231,455	1,044,336	831,266	2,883,086
—	—	—	—	—	—
282,170	430,399	455,179	169,204	174,236	540,568
7,512,009	9,349,855	10,238,585	4,916,294	3,921,780	9,181,083
31,731,913	47,319,964	67,340,214	76,009,246	78,379,924	78,661,517
1,227,151	2,011,559	3,018,970	2,644,581	2,430,670	2,311,110
1,736,767	2,478,806	2,700,760	3,721,022	4,253,790	4,272,766
—	—	—	—	—	—
1,564,152	2,681,729	4,446,498	4,917,854	5,413,240	5,414,656
36,259,983	54,492,058	77,506,442	87,292,703	90,477,624	90,660,049
(45,398,463)	(62,750,536)	(75,523,391)	(75,594,052)	(72,489,526)	(4,774,233)
(3,012,100)	(3,975,202)	(4,144,592)	(2,945,232)	(2,805,319)	(1,289,840)
(3,560,762)	(3,655,255)	(5,126,024)	(4,827,456)	(4,841,569)	(2,333,996)
—	—	—	—	—	—
(2,889,192)	(4,231,057)	(4,806,844)	(5,180,346)	(5,353,053)	(158,028)
(54,860,517)	(74,612,050)	(89,600,851)	(88,547,086)	(85,489,467)	(8,556,097)
(1,907,065)	(2,704,780)	(4,043,164)	(2,648,286)	(4,140,240)	(57,570,467)
(124,780)	(80,388)	(125,995)	(39,728)	(108,357)	(2,001,090)
(99,848)	(71,181)	(148,551)	(208,842)	(169,999)	(4,034,730)
—	—	—	—	—	—
(176,415)	(208,053)	(370,488)	(50,043)	(176,163)	(3,686,164)
(2,308,108)	(3,064,402)	(4,688,198)	(2,946,899)	(4,594,759)	(67,292,451)
(13,396,633)	(13,834,539)	(6,544,022)	715,012	4,315,178	23,992,584
(9,807,979)	(8,893,406)	952,480	3,576,587	6,755,178	29,750,243
89,870,502	121,666,644	158,663,917	83,523,141	82,455,164	210,393,640
\$ 80,062,523	\$ 112,773,238	\$ 159,616,397	\$ 87,099,728	\$ 89,210,342	\$ 240,143,883

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Changes in Fiduciary Net Position (Continued)
For the Year Ended June 30, 2019

	The Hartford SMART529 Aggressive Growth Portfolio	The Hartford Balanced Income 529 Fund	The Hartford SMART529 Balanced Portfolio
Investment Income:			
Dividends	\$ 1,173,959	\$ 897,975	\$ 1,861,767
Total investment income	<u>1,173,959</u>	<u>897,975</u>	<u>1,861,767</u>
Expenses:			
Administrative fees	52,748	20,246	40,964
Savings Plan manager fees	75,354	28,924	58,520
Distribution fees			
Class A	146,281	61,847	127,679
Class B	20,070	—	8,715
Class C	28,188	26,199	39,528
Total expenses	<u>322,641</u>	<u>137,216</u>	<u>275,406</u>
Net Investment Income (Loss)	<u>851,318</u>	<u>760,759</u>	<u>1,586,361</u>
Net Realized and Unrealized Gain (Loss):			
Capital gain distributions received from underlying mutual funds	4,250,288	1,063,703	1,844,779
Net realized gain (loss) on sale of underlying fund shares	1,634,418	4,854	(334,342)
Net change in unrealized appreciation (depreciation) on underlying fund shares	<u>(3,165,712)</u>	<u>1,048,045</u>	<u>(473,231)</u>
Net realized and unrealized gain (loss)	<u>2,718,994</u>	<u>2,116,602</u>	<u>1,037,206</u>
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	<u>3,570,312</u>	<u>2,877,361</u>	<u>2,623,567</u>
Unit Transactions:			
Contributions			
Class A	2,955,861	2,226,179	2,282,178
Class B	—	—	—
Class C	752,175	598,147	1,140,934
Class D	—	—	—
Class E	<u>625,529</u>	<u>479,290</u>	<u>80,129</u>
Net proceeds from sale of units to account holders	<u>4,333,565</u>	<u>3,303,616</u>	<u>3,503,241</u>
Transfers in			
Class A	2,540,547	4,318,266	5,372,573
Class B	—	—	—
Class C	31,949	490,552	274,007
Class D	—	—	—
Class E	<u>321,902</u>	<u>624,566</u>	<u>397,858</u>
Total transfers in	<u>2,894,398</u>	<u>5,433,384</u>	<u>6,044,438</u>
Transfers out			
Class A	(2,608,353)	(4,108,181)	(5,095,690)
Class B	(616,794)	—	(416,353)
Class C	(816,102)	(1,098,185)	(1,587,178)
Class D	—	—	—
Class E	<u>(1,170,990)</u>	<u>(825,506)</u>	<u>(558,344)</u>
Total transfers out	<u>(5,212,239)</u>	<u>(6,031,872)</u>	<u>(7,657,565)</u>
Withdrawals			
Class A	(4,813,045)	(2,490,377)	(6,061,293)
Class B	(225,729)	—	(121,892)
Class C	(191,269)	(422,749)	(782,304)
Class D	—	—	—
Class E	<u>(1,257,251)</u>	<u>(86,365)</u>	<u>(372,517)</u>
Total cost of units redeemed by account holders	<u>(6,487,294)</u>	<u>(2,999,491)</u>	<u>(7,338,006)</u>
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	<u>(4,471,570)</u>	<u>(294,363)</u>	<u>(5,447,892)</u>
Fiduciary Net Position:			
Net Increase (Decrease) in Fiduciary Net Position	(901,258)	2,582,998	(2,824,325)
Beginning of year	<u>78,637,058</u>	<u>28,266,907</u>	<u>61,896,347</u>
End of year	<u>\$ 77,735,800</u>	<u>\$ 30,849,905</u>	<u>\$ 59,072,022</u>

The Hartford SMART529 Checks and Balances Portfolio	The Hartford SMART529 Conservative Balanced Portfolio	The Hartford Dividend and Growth 529 Fund	The Hartford Equity Income 529 Fund	The Hartford Global All Asset 529 Fund	The Hartford Growth Opportunities 529 Fund
\$ 1,004,814	\$ 205,566	\$ 4,181,680	\$ 859,013	\$ 192,017	\$ —
1,004,814	205,566	4,181,680	859,013	192,017	—
30,713	8,818	151,507	26,385	1,483	27,777
43,876	12,598	216,440	37,692	2,118	39,681
97,447	26,605	465,751	78,107	3,882	77,059
4,228	—	43,259	2,955	—	2,321
22,713	9,385	77,794	17,814	1,382	24,914
198,977	57,406	954,751	162,953	8,865	171,752
805,837	148,160	3,226,929	696,060	183,152	(171,752)
3,356,047	160,296	19,535,262	2,709,846	—	8,069,891
(176,051)	(18,004)	(415,776)	19,301	(33,775)	128,372
83,215	152,014	(2,754,851)	89,707	(108,094)	(3,342,446)
3,263,211	294,306	16,364,635	2,818,854	(141,869)	4,855,817
4,069,048	442,466	19,591,564	3,514,914	41,283	4,684,065
1,819,157	805,660	6,812,753	1,576,823	50,219	3,405,399
19	—	36	—	—	—
513,494	157,445	1,686,902	514,214	34,250	724,304
—	—	—	—	—	—
76,609	35,781	584,878	230,653	49,325	563,181
2,409,279	998,886	9,084,569	2,321,690	133,794	4,692,884
2,891,891	4,313,423	10,998,419	5,492,225	341,450	7,029,272
781	—	38,909	8,143	—	11,563
67,503	134,522	753,925	434,744	17,883	490,350
—	—	—	—	—	—
137,756	611,135	1,591,167	914,826	220,759	2,470,256
3,097,931	5,059,080	13,382,420	6,849,938	580,092	10,001,441
(2,349,572)	(1,421,835)	(12,773,334)	(5,478,323)	(324,938)	(5,705,629)
(256,319)	—	(1,624,436)	(112,190)	—	(128,434)
(609,947)	(369,705)	(3,537,401)	(979,126)	(33,988)	(841,780)
—	—	—	—	—	—
(231,085)	(117,419)	(3,097,611)	(884,702)	(250,499)	(1,547,150)
(3,446,923)	(1,908,959)	(21,032,782)	(7,454,341)	(609,425)	(8,222,993)
(3,353,167)	(1,754,947)	(18,049,051)	(2,819,713)	(140,660)	(2,354,170)
(53,588)	—	(550,657)	(26,633)	—	(11,771)
(192,884)	(161,302)	(616,812)	(193,715)	(35,941)	(203,334)
—	—	—	—	—	—
(494,407)	(180,767)	(1,926,738)	(425,242)	(23,952)	(268,913)
(4,094,046)	(2,097,016)	(21,143,258)	(3,465,303)	(200,553)	(2,838,188)
(2,033,759)	2,051,991	(19,709,051)	(1,748,016)	(96,092)	3,633,144
2,035,289	2,494,457	(117,487)	1,766,898	(54,809)	8,317,209
43,975,231	11,871,090	219,399,651	37,669,904	2,219,148	37,159,166
\$ 46,010,520	\$ 14,365,547	\$ 219,282,164	\$ 39,436,802	\$ 2,164,339	\$ 45,476,375

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Changes in Fiduciary Net Position (Continued)
For the Year Ended June 30, 2019

	The Hartford SMART529 Growth Portfolio	The Hartford High Yield 529 Fund	The Hartford Inflation Plus 529 Fund
Investment Income:			
Dividends	\$ 2,753,471	\$ 392,974	\$ 224,099
Total investment income	<u>2,753,471</u>	<u>392,974</u>	<u>224,099</u>
Expenses:			
Administrative fees	66,625	4,741	4,001
Savings Plan manager fees	95,179	6,774	5,716
Distribution fees			
Class A	210,220	15,002	11,941
Class B	14,540	573	873
Class C	43,405	2,541	1,735
Total expenses	<u>429,969</u>	<u>29,631</u>	<u>24,266</u>
Net Investment Income (Loss)	<u>2,323,502</u>	<u>363,343</u>	<u>199,833</u>
Net Realized and Unrealized Gain (Loss):			
Capital gain distributions received from underlying mutual funds	4,572,344	—	—
Net realized gain (loss) on sale of underlying fund shares	94,068	(37,045)	(53,501)
Net change in unrealized appreciation (depreciation) on underlying fund shares	(2,408,706)	104,822	54,904
Net realized and unrealized gain (loss)	<u>2,257,706</u>	<u>67,777</u>	<u>1,403</u>
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	<u>4,581,208</u>	<u>431,120</u>	<u>201,236</u>
Unit Transactions:			
Contributions			
Class A	4,234,785	326,040	207,909
Class B	—	—	—
Class C	1,163,923	116,716	61,045
Class D	—	—	—
Class E	231,568	23,108	82,449
Net proceeds from sale of units to account holders	<u>5,630,276</u>	<u>465,864</u>	<u>351,403</u>
Transfers in			
Class A	5,010,761	1,279,068	1,219,530
Class B	99,443	—	—
Class C	43,461	168,140	5,931
Class D	—	—	—
Class E	342,835	207,279	217,597
Total transfers in	<u>5,496,500</u>	<u>1,654,487</u>	<u>1,443,058</u>
Transfers out			
Class A	(4,021,651)	(1,189,889)	(863,340)
Class B	(394,594)	(97,467)	(72,728)
Class C	(1,587,618)	(243,979)	(61,815)
Class D	—	—	—
Class E	(658,257)	(197,986)	(211,097)
Total transfers out	<u>(6,662,120)</u>	<u>(1,729,321)</u>	<u>(1,208,980)</u>
Withdrawals			
Class A	(7,648,096)	(644,774)	(524,365)
Class B	(216,514)	(757)	(17,833)
Class C	(470,857)	(33,597)	(47,217)
Class D	—	—	—
Class E	(545,599)	(46,505)	(101,531)
Total cost of units redeemed by account holders	<u>(8,881,066)</u>	<u>(725,633)</u>	<u>(690,946)</u>
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	<u>(4,416,410)</u>	<u>(334,603)</u>	<u>(105,465)</u>
Fiduciary Net Position:			
Net Increase (Decrease) in Fiduciary Net Position	164,798	96,517	95,771
Beginning of year	98,553,193	7,037,765	5,730,144
End of year	<u>\$ 98,717,991</u>	<u>\$ 7,134,282</u>	<u>\$ 5,825,915</u>

The Hartford International Opportunities 529 Fund	The Hartford MidCap 529 Fund	The Hartford MidCap Value 529 Fund	The Hartford Small Company 529 Fund	The SMART529 Stable Value Fund	The Hartford Total Return Bond 529 Fund
\$ 313,631	\$ —	\$ 95,465	\$ —	\$ —	\$ 1,009,412
313,631	—	95,465	—	—	1,009,412
13,087	52,621	9,141	8,563	29,652	16,563
18,697	75,173	13,059	12,232	59,304	23,660
36,826	150,769	28,222	24,265	117,970	51,264
1,526	9,780	1,167	793	7,864	4,136
10,510	23,910	5,750	6,754	37,214	9,119
80,646	312,253	57,339	52,607	252,004	104,742
232,985	(312,253)	38,126	(52,607)	(252,004)	904,670
424,846	7,726,297	1,343,567	1,998,755	—	—
(19,784)	840,497	(20,479)	176,259	901,968	(71,265)
(753,027)	(2,377,264)	(1,478,643)	(988,655)	445,141	934,110
(347,965)	6,189,530	(155,555)	1,186,359	1,347,109	862,845
(114,980)	5,877,277	(117,429)	1,133,752	1,095,105	1,767,515
1,236,804	3,370,114	749,369	732,950	2,603,047	1,442,677
8	1,232	—	7	38	1
229,975	628,477	116,702	90,610	1,687,788	330,838
—	—	—	—	—	—
280,317	341,569	116,029	183,824	602,835	61,016
1,747,104	4,341,392	982,100	1,007,391	4,893,708	1,834,532
2,676,987	5,646,743	2,107,914	2,755,610	11,779,659	4,074,563
—	21,263	8,813	—	221,629	241
275,122	377,106	232,641	260,165	611,723	309,084
—	—	—	—	—	—
1,311,378	1,684,287	388,217	1,009,186	3,046,328	902,351
4,263,487	7,729,399	2,737,585	4,024,961	15,659,339	5,286,239
(3,354,519)	(6,571,164)	(2,062,182)	(2,675,445)	(2,202,833)	(2,719,271)
(50,726)	(441,215)	(50,161)	(41,758)	(332,367)	(212,213)
(476,910)	(1,048,331)	(373,041)	(445,970)	(1,196,695)	(567,441)
—	—	—	—	—	—
(1,644,632)	(1,925,135)	(446,091)	(843,359)	(1,125,252)	(748,767)
(5,526,787)	(9,985,845)	(2,931,475)	(4,006,532)	(4,857,147)	(4,247,692)
(1,023,322)	(5,754,856)	(1,000,577)	(674,927)	(10,588,513)	(2,603,889)
(14,924)	(79,627)	(17,967)	(10,900)	(222,674)	(55,530)
(36,508)	(174,798)	(27,562)	(38,125)	(1,094,552)	(210,486)
—	—	—	—	—	—
(240,557)	(929,800)	(154,949)	(208,404)	(1,632,689)	(141,551)
(1,315,311)	(6,939,081)	(1,201,055)	(932,356)	(13,538,428)	(3,011,456)
(831,507)	(4,854,135)	(412,845)	93,464	2,157,472	(138,377)
(946,487)	1,023,142	(530,274)	1,227,216	3,252,577	1,629,138
20,206,056	78,195,208	13,765,282	11,992,973	59,876,809	24,040,619
\$ 19,259,569	\$ 79,218,350	\$ 13,235,008	\$ 13,220,189	\$ 63,129,386	\$ 25,669,757

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Changes in Fiduciary Net Position (Continued)
For the Year Ended June 30, 2019

	MFS Global Equity 529 Fund	SMART529 Select 1-Year Fixed DFA Portfolio	SMART529 Select Age- Based DFA Portfolio 0-3
Investment Income:			
Dividends	\$ 196,786	\$ 190,806	\$ 257,918
Total investment income	196,786	190,806	257,918
Expenses:			
Administrative fees	11,580	4,471	6,018
Savings Plan manager fees	16,543	32,029	43,191
Distribution fees			
Class A	34,362	—	—
Class B	1,935	—	—
Class C	7,081	—	—
Total expenses	71,501	36,500	49,209
Net Investment Income (Loss)	125,285	154,306	208,709
Net Realized and Unrealized Gain (Loss):			
Capital gain distributions received from underlying mutual funds	649,426	—	72,574
Net realized gain (loss) on sale of underlying fund shares	289,999	(9,833)	1,060,710
Net change in unrealized appreciation (depreciation) on underlying fund shares	702,827	54,017	(1,061,900)
Net realized and unrealized gain (loss)	1,642,252	44,184	71,384
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	1,767,537	198,490	280,093
Unit Transactions:			
Contributions			
Class A	797,896	—	—
Class B	776	—	—
Class C	269,769	—	—
Class D	—	579,267	3,786,932
Class E	121,777	—	—
Net proceeds from sale of units to account holders	1,190,218	579,267	3,786,932
Transfers in			
Class A	1,859,422	—	—
Class B	103	—	—
Class C	195,473	—	—
Class D	—	3,610,237	72,628
Class E	231,206	—	—
Total transfers in	2,286,204	3,610,237	72,628
Transfers out			
Class A	(2,016,796)	—	—
Class B	(88,504)	—	—
Class C	(388,557)	—	—
Class D	—	(923,025)	(5,858,053)
Class E	(321,192)	—	—
Total transfers out	(2,815,049)	(923,025)	(5,858,053)
Withdrawals			
Class A	(1,276,511)	—	—
Class B	(20,557)	—	—
Class C	(112,721)	—	—
Class D	—	(2,420,480)	(449,247)
Class E	(175,527)	—	—
Total cost of units redeemed by account holders	(1,585,316)	(2,420,480)	(449,247)
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	(923,943)	845,999	(2,447,740)
Fiduciary Net Position:			
Net Increase (Decrease) in Fiduciary Net Position	843,594	1,044,489	(2,167,647)
Beginning of year	16,735,790	8,386,579	13,934,564
End of year	\$ 17,579,384	\$ 9,431,068	\$ 11,766,917

SMART529 Select Age- Based DFA Portfolio 4-6	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+
\$ 590,749	\$ 1,085,085	\$ 1,778,431	\$ 1,843,263	\$ 1,687,284	\$ 811,845
590,749	1,085,085	1,778,431	1,843,263	1,687,284	811,845
13,320	23,242	34,311	34,482	32,230	16,056
95,578	166,782	246,141	246,932	230,974	114,998
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
108,898	190,024	280,452	281,414	263,204	131,054
481,851	895,061	1,497,979	1,561,849	1,424,080	680,791
149,467	235,718	257,381	198,331	143,754	42,926
1,218,505	1,834,605	2,106,365	942,322	687,278	346,663
(1,240,859)	(1,674,467)	(1,362,951)	(92,085)	(300,652)	(213,042)
127,113	395,856	1,000,795	1,048,568	530,380	176,547
608,964	1,290,917	2,498,774	2,610,417	1,954,460	857,338
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
3,338,808	3,815,108	5,628,338	4,440,464	2,711,594	1,693,488
—	—	—	—	—	—
3,338,808	3,815,108	5,628,338	4,440,464	2,711,594	1,693,488
—	—	—	—	—	—
—	—	—	—	—	—
6,093,688	11,752,536	19,161,810	28,643,316	25,330,062	16,067,232
—	—	—	—	—	—
6,093,688	11,752,536	19,161,810	28,643,316	25,330,062	16,067,232
—	—	—	—	—	—
—	—	—	—	—	—
(11,952,566)	(19,226,044)	(27,349,970)	(24,029,707)	(17,790,929)	(1,275,438)
—	—	—	—	—	—
(11,952,566)	(19,226,044)	(27,349,970)	(24,029,707)	(17,790,929)	(1,275,438)
—	—	—	—	—	—
—	—	—	—	—	—
(1,772,241)	(2,609,987)	(3,612,725)	(2,737,728)	(6,919,441)	(12,154,635)
—	—	—	—	—	—
(1,772,241)	(2,609,987)	(3,612,725)	(2,737,728)	(6,919,441)	(12,154,635)
(4,292,311)	(6,268,387)	(6,172,547)	6,316,345	3,331,286	4,330,647
(3,683,347)	(4,977,470)	(3,673,773)	8,926,762	5,285,746	5,187,985
28,590,657	50,806,558	72,000,506	66,801,625	61,984,613	30,638,955
\$ 24,907,310	\$ 45,829,088	\$ 68,326,733	\$ 75,728,387	\$ 67,270,359	\$ 35,826,940

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Changes in Fiduciary Net Position (Continued)
For the Year Ended June 30, 2018

	SMART529 Select Aggressive Growth DFA Portfolio	SMART529 Select All Equity DFA Portfolio	SMART529 Select Balanced DFA Portfolio
Investment Income:			
Dividends	\$ 672,636	\$ 2,189,626	\$ 333,633
Total investment income	<u>672,636</u>	<u>2,189,626</u>	<u>333,633</u>
Expenses:			
Administrative fees	15,211	49,796	6,271
Savings Plan manager fees	109,086	357,210	44,935
Distribution fees			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Total expenses	<u>124,297</u>	<u>407,006</u>	<u>51,206</u>
Net Investment Income (Loss)	<u>548,339</u>	<u>1,782,620</u>	<u>282,427</u>
Net Realized and Unrealized Gain (Loss):			
Capital gain distributions received from underlying mutual funds	188,932	632,611	34,250
Net realized gain (loss) on sale of underlying fund shares	821,046	4,479,180	160,443
Net change in unrealized appreciation (depreciation) on underlying fund shares	<u>(1,100,006)</u>	<u>(5,445,138)</u>	<u>(1,330)</u>
Net realized and unrealized gain (loss)	<u>(90,028)</u>	<u>(333,347)</u>	<u>193,363</u>
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	<u>458,311</u>	<u>1,449,273</u>	<u>475,790</u>
Unit Transactions:			
Contributions			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	2,094,886	5,937,456	580,838
Class E	—	—	—
Net proceeds from sale of units to account holders	<u>2,094,886</u>	<u>5,937,456</u>	<u>580,838</u>
Transfers in			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	1,197,193	3,288,846	2,702,266
Class E	—	—	—
Total transfers in	<u>1,197,193</u>	<u>3,288,846</u>	<u>2,702,266</u>
Transfers out			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(1,821,194)	(7,225,831)	(1,541,957)
Class E	—	—	—
Total transfers out	<u>(1,821,194)</u>	<u>(7,225,831)</u>	<u>(1,541,957)</u>
Withdrawals			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(1,470,576)	(7,517,985)	(984,925)
Class E	—	—	—
Total cost of units redeemed by account holders	<u>(1,470,576)</u>	<u>(7,517,985)</u>	<u>(984,925)</u>
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	<u>309</u>	<u>(5,517,514)</u>	<u>756,222</u>
Fiduciary Net Position:			
Net Increase (Decrease) in Fiduciary Net Position	458,620	(4,068,241)	1,232,012
Beginning of year	<u>31,204,788</u>	<u>104,323,655</u>	<u>12,524,273</u>
End of year	<u>\$ 31,663,408</u>	<u>\$ 100,255,414</u>	<u>\$ 13,756,285</u>

SMART529 Select Conservative DFA Portfolio	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
\$ 211,708	\$ 504,684	\$ 624,437	\$ 476,230	\$ 315,268	\$ 214,105
211,708	504,684	624,437	476,230	315,268	214,105
4,188	7,640	13,384	9,032	6,942	4,076
30,005	54,743	96,066	64,781	49,798	29,197
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
34,193	62,383	109,450	73,813	56,740	33,273
177,515	442,301	514,987	402,417	258,528	180,832
10,978	—	138,411	69,823	78,745	17,190
139,238	3,025	1,586,445	348,295	474,983	125,452
(97,407)	554,822	(1,527,063)	(227,502)	(508,075)	(52,578)
52,809	557,847	197,793	190,616	45,653	90,064
230,324	1,000,148	712,780	593,033	304,181	270,896
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
561,796	1,109,747	1,231,336	985,146	1,005,005	334,379
—	—	—	—	—	—
561,796	1,109,747	1,231,336	985,146	1,005,005	334,379
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
3,688,139	1,863,854	1,289,751	2,292,855	500,327	1,844,404
—	—	—	—	—	—
3,688,139	1,863,854	1,289,751	2,292,855	500,327	1,844,404
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(1,657,470)	(508,853)	(3,629,448)	(2,239,779)	(1,253,584)	(1,115,436)
—	—	—	—	—	—
(1,657,470)	(508,853)	(3,629,448)	(2,239,779)	(1,253,584)	(1,115,436)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(1,945,941)	(2,308,568)	(3,469,814)	(1,756,505)	(956,140)	(608,981)
—	—	—	—	—	—
(1,945,941)	(2,308,568)	(3,469,814)	(1,756,505)	(956,140)	(608,981)
646,524	156,180	(4,578,175)	(718,283)	(704,392)	454,366
876,848	1,156,328	(3,865,395)	(125,250)	(400,211)	725,262
8,335,384	15,303,728	29,792,395	18,271,085	14,556,323	7,982,242
\$ 9,212,232	\$ 16,460,056	\$ 25,927,000	\$ 18,145,835	\$ 14,156,112	\$ 8,707,504

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Changes in Fiduciary Net Position (Continued)
For the Year Ended June 30, 2019

	SMART529 WV 500 Index Fund	SMART529 WV Direct Age-Based Portfolio 0-3 ⁽¹⁾	SMART529 WV Direct Age-Based Portfolio 4-6 ⁽²⁾⁽³⁾
Investment Income:			
Dividends	\$ 477,153	\$ 138,443	\$ 467,788
Total investment income	<u>477,153</u>	<u>138,443</u>	<u>467,788</u>
Expenses:			
Administrative fees	—	—	—
Savings Plan manager fees	17,415	3,813	16,257
Distribution fees			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Total expenses	<u>17,415</u>	<u>3,813</u>	<u>16,257</u>
Net Investment Income (Loss)	<u>459,738</u>	<u>134,630</u>	<u>451,531</u>
Net Realized and Unrealized Gain (Loss):			
Capital gain distributions received from underlying mutual funds	130,562	—	—
Net realized gain (loss) on sale of underlying fund shares	915,896	31,345	4,373,522
Net change in unrealized appreciation (depreciation) on underlying fund shares	906,932	552,633	(4,043,652)
Net realized and unrealized gain (loss)	<u>1,953,390</u>	<u>583,978</u>	<u>329,870</u>
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	<u>2,413,128</u>	<u>718,608</u>	<u>781,401</u>
Unit Transactions:			
Contributions			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	3,556,639	2,651,237	4,997,564
Class E	—	—	—
Net proceeds from sale of units to account holders	<u>3,556,639</u>	<u>2,651,237</u>	<u>4,997,564</u>
Transfers in			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	1,500,949	7,019,601	1,953,265
Class E	—	—	—
Total transfers in	<u>1,500,949</u>	<u>7,019,601</u>	<u>1,953,265</u>
Transfers out			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(1,610,844)	(1,946,534)	(25,123,524)
Class E	—	—	—
Total transfers out	<u>(1,610,844)</u>	<u>(1,946,534)</u>	<u>(25,123,524)</u>
Withdrawals			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(1,468,521)	(44,693)	(367,134)
Class E	—	—	—
Total cost of units redeemed by account holders	<u>(1,468,521)</u>	<u>(44,693)</u>	<u>(367,134)</u>
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	<u>1,978,223</u>	<u>7,679,611</u>	<u>(18,539,829)</u>
Fiduciary Net Position:			
Net Increase (Decrease) in Fiduciary Net Position	4,391,351	8,398,219	(17,758,428)
Beginning of year	<u>21,158,052</u>	<u>—</u>	<u>33,800,392</u>
End of year	<u>\$ 25,549,403</u>	<u>\$ 8,398,219</u>	<u>\$ 16,041,964</u>

(1) From November 16, 2018 (commencement of operations) through June 30, 2019.

(2) Effective November 16, 2018, the name of SMART529 WV Direct Age-Based Portfolio 0-8 changed to SMART529 WV Direct Age-Based Portfolio 4-6.

(3) SMART529 WV Direct Age-Based Portfolio 4-6 continued the performance of SMART529 WV Direct Age-Based Portfolio 0-8.

SMART529 WV Direct Age-Based Portfolio 7-9 ⁽¹⁾	SMART529 WV Direct Age-Based Portfolio 10-11 ⁽⁴⁾⁽⁵⁾	SMART529 WV Direct Age-Based Portfolio 12-13 ⁽¹⁾	SMART529 WV Direct Age-Based Portfolio 14-15	SMART529 WV Direct Age-Based Portfolio 16 ⁽⁶⁾⁽⁷⁾	SMART529 WV Direct Age-Based Portfolio 17 ⁽¹⁾
\$ 355,950	\$ 541,105	\$ 344,829	\$ 514,067	\$ 149,631	\$ 68,291
355,950	541,105	344,829	514,067	149,631	68,291
—	—	—	—	—	—
9,697	19,810	10,234	17,069	11,097	5,251
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
9,697	19,810	10,234	17,069	11,097	5,251
346,253	521,295	334,595	496,998	138,534	63,040
—	—	—	—	—	—
39,244	6,432,570	68,800	2,017,158	1,431,730	30,590
1,254,040	(6,333,883)	1,182,751	(1,063,127)	(1,054,257)	312,692
1,293,284	98,687	1,251,551	954,031	377,473	343,282
1,639,537	619,982	1,586,146	1,451,029	516,007	406,322
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,899,703	2,814,233	1,376,525	1,869,149	1,185,596	772,601
—	—	—	—	—	—
1,899,703	2,814,233	1,376,525	1,869,149	1,185,596	772,601
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
22,575,753	8,789,070	24,983,641	10,742,754	12,502,866	16,410,244
—	—	—	—	—	—
22,575,753	8,789,070	24,983,641	10,742,754	12,502,866	16,410,244
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(4,813,690)	(37,174,399)	(5,917,993)	(12,767,567)	(20,880,318)	(7,003,829)
—	—	—	—	—	—
(4,813,690)	(37,174,399)	(5,917,993)	(12,767,567)	(20,880,318)	(7,003,829)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(226,373)	(377,860)	(273,797)	(365,480)	(396,707)	(198,378)
—	—	—	—	—	—
(226,373)	(377,860)	(273,797)	(365,480)	(396,707)	(198,378)
19,435,393	(25,948,956)	20,168,376	(521,144)	(7,588,563)	9,980,638
—	—	—	—	—	—
21,074,930	(25,328,974)	21,754,522	929,885	(7,072,556)	10,386,960
—	42,944,355	—	23,285,568	20,072,233	—
\$ 21,074,930	\$ 17,615,381	\$ 21,754,522	\$ 24,215,453	\$ 12,999,677	\$ 10,386,960

(4) Effective November 16, 2018, the name of SMART529 WV Direct Age-Based Portfolio 9-13 changed to SMART529 WV Direct Age-Based Portfolio 10-11.
(5) SMART529 WV Direct Age-Based Portfolio 10-11 continued the performance of SMART529 WV Direct Age-Based Portfolio 9-13.
(6) Effective November 16, 2018, the name of SMART529 WV Direct Age-Based Portfolio 16-17 changed to SMART529 WV Direct Age-Based Portfolio 16.
(7) SMART529 WV Direct Age-Based Portfolio 16 continued the performance of SMART529 WV Direct Age-Based Portfolio 16-17.

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Combining Statements of Changes in Fiduciary Net Position (Continued)
For the Year Ended June 30, 2019

	SMART529 WV Direct Age-Based Portfolio 18+	SMART529 WV Direct Aggressive Growth Portfolio	SMART529 WV Direct Balanced Portfolio
Investment Income:			
Dividends	\$ 194,786	\$ 905,932	\$ 328,991
Total investment income	<u>194,786</u>	<u>905,932</u>	<u>328,991</u>
Expenses:			
Administrative fees	—	—	—
Savings Plan manager fees	21,817	30,207	10,916
Distribution fees			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Total expenses	<u>21,817</u>	<u>30,207</u>	<u>10,916</u>
Net Investment Income (Loss)	<u>172,969</u>	<u>875,725</u>	<u>318,075</u>
Net Realized and Unrealized Gain (Loss):			
Capital gain distributions received from underlying mutual funds	—	—	—
Net realized gain (loss) on sale of underlying fund shares	706,072	10,989,679	2,350,594
Net change in unrealized appreciation (depreciation) on underlying fund shares	105,689	(9,349,581)	(1,730,732)
Net realized and unrealized gain (loss)	<u>811,761</u>	<u>1,640,098</u>	<u>619,862</u>
Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations	<u>984,730</u>	<u>2,515,823</u>	<u>937,937</u>
Unit Transactions:			
Contributions			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	3,545,272	4,080,285	1,765,215
Class E	—	—	—
Net proceeds from sale of units to account holders	<u>3,545,272</u>	<u>4,080,285</u>	<u>1,765,215</u>
Transfers in			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	12,601,209	552,859	1,104,721
Class E	—	—	—
Total transfers in	<u>12,601,209</u>	<u>552,859</u>	<u>1,104,721</u>
Transfers out			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(626,815)	(3,452,260)	(757,359)
Class E	—	—	—
Total transfers out	<u>(626,815)</u>	<u>(3,452,260)</u>	<u>(757,359)</u>
Withdrawals			
Class A	—	—	—
Class B	—	—	—
Class C	—	—	—
Class D	(9,665,327)	(2,620,952)	(1,582,311)
Class E	—	—	—
Total cost of units redeemed by account holders	<u>(9,665,327)</u>	<u>(2,620,952)</u>	<u>(1,582,311)</u>
Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions	<u>5,854,339</u>	<u>(1,440,068)</u>	<u>530,266</u>
Fiduciary Net Position:			
Net Increase (Decrease) in Fiduciary Net Position	6,839,069	1,075,755	1,468,203
Beginning of year	27,943,541	40,281,881	14,002,866
End of year	<u>\$ 34,782,610</u>	<u>\$ 41,357,636</u>	<u>\$ 15,471,069</u>

SMART529 WV Direct Conservative Balanced Portfolio	SMART529 WV Direct Conservative Bond Portfolio	SMART529 WV Direct Growth Portfolio	SMART529 WV Stable Value Fund	Total Combining Statements of Fiduciary Net Position
\$ 60,766	\$ 26,628	\$ 547,562	\$ —	\$ 55,853,463
60,766	26,628	547,562	—	55,853,463
—	—	—	—	1,471,267
4,413	2,305	17,364	9,449	3,937,362
—	—	—	—	3,669,442
—	—	—	—	331,901
—	—	—	—	834,697
4,413	2,305	17,364	9,449	10,244,669
56,353	24,323	530,198	(9,449)	45,608,794
—	—	—	—	77,072,522
246,477	32,233	5,314,746	227,288	48,038,479
(16,973)	56,283	(4,335,638)	66,044	(46,444,418)
229,504	88,516	979,108	293,332	78,666,583
285,857	112,839	1,509,306	283,883	124,275,377
—	—	—	—	90,120,407
—	—	—	—	7,659
—	—	—	—	22,939,802
786,620	748,590	1,997,266	2,456,232	76,337,315
—	—	—	—	7,488,200
786,620	748,590	1,997,266	2,456,232	196,893,383
—	—	—	—	489,693,577
—	—	—	—	14,087,701
—	—	—	—	27,538,467
837,342	849,335	851,359	1,927,180	254,601,292
—	—	—	—	42,066,175
837,342	849,335	851,359	1,927,180	827,987,212
—	—	—	—	(458,242,049)
—	—	—	—	(24,884,393)
—	—	—	—	(48,250,848)
(691,983)	(374,787)	(1,136,148)	(924,350)	(254,601,684)
—	—	—	—	(42,008,238)
(691,983)	(374,787)	(1,136,148)	(924,350)	(827,987,212)
—	—	—	—	(149,129,096)
—	—	—	—	(4,177,857)
—	—	—	—	(10,059,525)
(1,016,129)	(878,247)	(2,150,211)	(3,531,254)	(78,859,293)
—	—	—	—	(13,997,954)
(1,016,129)	(878,247)	(2,150,211)	(3,531,254)	(256,223,725)
(84,150)	344,891	(437,734)	(72,192)	(59,330,342)
201,707	457,730	1,071,572	211,691	64,945,035
5,888,930	3,192,625	23,302,828	13,126,885	2,593,148,940
\$ 6,090,637	\$ 3,650,355	\$ 24,374,400	\$ 13,338,576	\$ 2,658,093,975

West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Financial Highlights
For the Year Ended June 30, 2019

— Selected Per-Share Data ⁽¹⁾ —						— Ratios and Supplemental Data —				
	Net Position Value at Beginning of Period	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 ⁽²⁾
The Hartford SMART529 Age-Based Portfolio 0-3										
Class A	\$ 10.65	\$ 0.12	\$ 0.39	\$ 0.51	\$ 11.16	4.79%	\$ 13,223	0.42%	1.13%	54%
Class B	10.61	0.06	0.39	0.45	11.06	4.24	4	0.95	0.55	54
Class C	10.59	0.04	0.39	0.43	11.02	4.06	1,584	1.16	0.37	54
Class E	10.67	0.14	0.40	0.54	11.21	5.06	346	0.17	1.31	54
Hartford SMART529 Age-Based Portfolio 4-6										
Class A	\$ 27.91	\$ 0.69	\$ 0.65	\$ 1.34	\$ 29.25	4.80%	\$ 34,743	0.42%	2.50%	40%
Class B	25.68	0.59	0.50	1.09	26.77	4.24	3	0.97	2.32	40
Class C	24.95	0.44	0.57	1.01	25.96	4.05	4,033	1.16	1.76	40
Class E	29.13	0.79	0.69	1.48	30.61	5.08	1,633	0.17	2.73	40
Hartford SMART529 Age-Based Portfolio 7-9										
Class A	\$ 10.46	\$ 0.29	\$ 0.22	\$ 0.51	\$ 10.97	4.88%	\$ 72,084	0.42%	2.82%	32%
Class B	10.41	0.24	0.21	0.45	10.86	4.32	1,063	0.97	2.30	32
Class C	10.40	0.22	0.21	0.43	10.83	4.13	5,969	1.16	2.08	32
Class E	10.48	0.33	0.21	0.54	11.02	5.15	2,649	0.17	3.11	32
Hartford SMART529 Age-Based Portfolio 10-11										
Class A	\$ 23.45	\$ 0.65	\$ 0.45	\$ 1.10	\$ 24.55	4.69%	\$ 70,866	0.42%	2.78%	28%
Class B	21.55	0.50	0.38	0.88	22.43	4.08	2,485	0.97	2.31	28
Class C	20.93	0.42	0.40	0.82	21.75	3.92	3,240	1.16	2.01	28
Class E	24.47	0.74	0.47	1.21	25.68	4.94	3,472	0.17	3.01	28
Hartford SMART529 Age-Based Portfolio 12-13										
Class A	\$ 10.31	\$ 0.31	\$ 0.16	\$ 0.47	\$ 10.78	4.56%	\$ 97,957	0.42%	2.97%	28%
Class B	10.27	0.25	0.16	0.41	10.68	3.99	4,072	0.97	2.45	28
Class C	10.25	0.22	0.17	0.39	10.64	3.80	4,993	1.16	2.18	28
Class E	10.33	0.33	0.17	0.50	10.83	4.84	5,751	0.17	3.24	28
Hartford SMART529 Age-Based Portfolio 14-15										
Class A	\$ 21.94	\$ 0.74	\$ 0.33	\$ 1.07	\$ 23.01	4.88%	\$ 137,259	0.42%	3.34%	23%
Class B	20.16	0.56	0.30	0.86	21.02	4.27	5,334	0.97	2.77	23
Class C	19.56	0.52	0.28	0.80	20.36	4.09	6,906	1.16	2.64	23
Class E	22.90	0.82	0.35	1.17	24.07	5.11	10,118	0.17	3.56	23
Hartford SMART529 Age-Based Portfolio 16										
Class A	\$ 13.17	\$ 0.16	\$ 0.29	\$ 0.45	\$ 13.62	3.42%	\$ 75,922	0.42%	1.20%	17%
Class B	12.61	0.08	0.28	0.36	12.97	2.85	2,414	0.97	0.65	17
Class C	12.41	0.06	0.28	0.34	12.75	2.74	3,816	1.16	0.49	17
Class E	13.43	0.20	0.30	0.50	13.93	3.72	4,948	0.17	1.48	17
Hartford SMART529 Age-Based Portfolio 17										
Class A	\$ 10.19	\$ 0.10	\$ 0.20	\$ 0.30	\$ 10.49	2.94%	\$ 77,812	0.42%	1.02%	15%
Class B	10.15	0.05	0.19	0.24	10.39	2.36	2,098	0.97	0.51	15
Class C	10.14	0.02	0.20	0.22	10.36	2.17	4,058	1.16	0.20	15
Class E	10.21	0.13	0.20	0.33	10.54	3.23	5,243	0.17	1.31	15

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Financial Highlights (Continued)
For the Year Ended June 30, 2019**

— Selected Per-Share Data ⁽¹⁾ —						— Ratios and Supplemental Data —				
	Net Position Value at Beginning of Period	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 ⁽²⁾
The Hartford SMART529 Age-Based Portfolio 18+										
Class A	\$ 14.91	\$ 0.11	\$ 0.28	\$ 0.39	\$ 15.30	2.62%	\$ 213,127	0.42%	0.75%	28%
Class B	13.68	0.03	0.26	0.29	13.97	2.12	5,254	0.97	0.21	28
Class C	13.28	—	0.26	0.26	13.54	1.96	10,237	1.16	0.02	28
Class E	15.56	0.16	0.29	0.45	16.01	2.89	11,526	0.17	0.99	28
The Hartford SMART529 Aggressive Growth Portfolio										
Class A	\$ 28.23	\$ 0.32	\$ 1.05	\$ 1.37	\$ 29.60	4.85%	\$ 61,109	0.42%	1.14%	22%
Class B	25.99	0.15	0.96	1.11	27.10	4.27	2,188	0.97	0.57	22
Class C	25.24	0.10	0.92	1.02	26.26	4.04	2,816	1.16	0.42	22
Class E	29.45	0.40	1.11	1.51	30.96	5.13	11,622	0.17	1.38	22
The Hartford Balanced Income 529 Fund										
Class A	\$ 15.33	\$ 0.43	\$ 1.16	\$ 1.59	\$ 16.92	10.37%	\$ 26,536	0.42%	2.69%	12%
Class C	14.66	0.28	1.11	1.39	16.05	9.48	2,623	1.16	1.84	12
Class E	15.55	0.48	1.17	1.65	17.20	10.61	1,691	0.17	2.97	12
The Hartford SMART529 Balanced Portfolio										
Class A	\$ 22.81	\$ 0.63	\$ 0.45	\$ 1.08	\$ 23.89	4.73%	\$ 52,009	0.42%	2.76%	25%
Class B	20.96	0.47	0.40	0.87	21.83	4.15	863	0.97	2.25	25
Class C	20.34	0.41	0.40	0.81	21.15	3.98	3,806	1.16	2.02	25
Class E	23.80	0.70	0.49	1.19	24.99	5.00	2,393	0.17	2.92	25
The Hartford SMART529 Checks and Balances Portfolio										
Class A	\$ 23.07	\$ 0.44	\$ 1.79	\$ 2.23	\$ 25.30	9.67%	\$ 41,370	0.42%	1.87%	11%
Class B	21.20	0.27	1.64	1.91	23.11	9.01	424	0.97	1.24	11
Class C	20.57	0.23	1.59	1.82	22.39	8.85	2,294	1.16	1.11	11
Class E	24.14	0.52	1.87	2.39	26.53	9.90	1,922	0.17	2.10	11
The Hartford SMART529 Conservative Balanced Portfolio										
Class A	\$ 12.41	\$ 0.15	\$ 0.27	\$ 0.42	\$ 12.83	3.38%	\$ 12,229	0.42%	1.21%	23%
Class C	11.75	0.06	0.25	0.31	12.06	2.64	919	1.16	0.49	23
Class E	12.63	0.19	0.28	0.47	13.10	3.72	1,218	0.17	1.50	23
The Hartford Dividend and Growth 529 Fund										
Class A	\$ 33.11	\$ 0.52	\$ 2.63	\$ 3.15	\$ 36.26	9.51%	\$ 191,037	0.42%	1.52%	10%
Class B	30.44	0.28	2.43	2.71	33.15	8.90	4,649	0.97	0.88	10
Class C	29.56	0.22	2.35	2.57	32.13	8.69	7,211	1.16	0.73	10
Class E	34.56	0.63	2.75	3.38	37.94	9.78	16,385	0.17	1.75	10
The Hartford Equity Income 529 Fund										
Class A	\$ 25.18	\$ 0.48	\$ 1.96	\$ 2.44	\$ 27.62	9.69%	\$ 32,802	0.42%	1.86%	9%
Class B	23.15	0.29	1.81	2.10	25.25	9.07	331	0.97	1.20	9
Class C	22.48	0.25	1.75	2.00	24.48	8.90	1,834	1.16	1.08	9
Class E	26.30	0.58	2.04	2.62	28.92	9.96	4,470	0.17	2.12	9

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Financial Highlights (Continued)
For the Year Ended June 30, 2019**

— Selected Per-Share Data ⁽¹⁾ —						— Ratios and Supplemental Data —				
	Net Position Value at Beginning of Period	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 ⁽²⁾
The Hartford Global All Asset 529 Fund										
Class A	\$ 15.35	\$ 1.30	\$ (0.98)	\$ 0.32	\$ 15.67	2.08%	\$ 1,588	0.42%	8.69%	12%
Class C	14.60	1.02	(0.83)	0.19	14.79	1.30	141	1.16	7.17	12
Class E	15.60	1.36	(0.99)	0.37	15.97	2.37	436	0.17	8.96	12
The Hartford Growth Opportunities 529 Fund										
Class A	\$ 31.50	\$ (0.13)	\$ 3.75	\$ 3.62	\$ 35.12	11.49%	\$35,124	0.42%	(0.42)%	6%
Class B	29.55	(0.29)	3.51	3.22	32.77	10.90	262	0.97	(0.97)	6
Class C	28.90	(0.34)	3.43	3.09	31.99	10.69	2,711	1.16	(1.16)	6
Class E	32.44	(0.06)	3.88	3.82	36.26	11.78	7,379	0.17	(0.17)	6
The Hartford SMART529 Growth Portfolio										
Class A	\$ 26.45	\$ 0.65	\$ 0.65	\$ 1.30	\$ 27.75	4.91%	\$87,923	0.42%	2.47%	26%
Class B	24.32	0.48	0.58	1.06	25.38	4.36	1,640	0.97	1.98	26
Class C	23.62	0.41	0.56	0.97	24.59	4.11	4,198	1.16	1.73	26
Class E	27.59	0.75	0.68	1.43	29.02	5.18	4,957	0.17	2.71	26
The Hartford High Yield 529 Fund										
Class A	\$ 21.81	\$ 1.20	\$ 0.27	\$ 1.47	\$ 23.28	6.74%	\$ 6,285	0.42%	5.38%	14%
Class B	20.24	0.95	0.29	1.24	21.48	6.13	41	0.97	4.63	14
Class C	19.67	0.93	0.24	1.17	20.84	5.95	357	1.16	4.64	14
Class E	22.64	1.30	0.28	1.58	24.22	6.98	451	0.17	5.63	14
The Hartford Inflation Plus 529 Fund										
Class A	\$ 14.84	\$ 0.52	\$ 0.00	\$ 0.52	\$ 15.36	3.50%	\$ 4,917	0.42%	3.51%	15%
Class B	13.75	0.34	0.07	0.41	14.16	2.98	77	0.97	2.45	15
Class C	13.39	0.41	(0.04)	0.37	13.76	2.76	162	1.16	3.06	15
Class E	15.44	0.57	0.01	0.58	16.02	3.76	670	0.17	3.72	15
The Hartford International Opportunities 529 Fund										
Class A	\$ 12.22	\$ 0.14	\$ (0.19)	\$ (0.05)	\$ 12.17	(0.41)%	\$15,344	0.42%	1.25%	10%
Class B	11.45	0.07	(0.18)	(0.11)	11.34	(0.96)	170	0.97	0.67	10
Class C	11.20	0.06	(0.19)	(0.13)	11.07	(1.16)	1,104	1.16	0.54	10
Class E	12.57	0.18	(0.20)	(0.02)	12.55	(0.16)	2,642	0.17	1.55	10
The Hartford MidCap 529 Fund										
Class A	\$ 51.16	\$ (0.21)	\$ 4.38	\$ 4.17	\$ 55.33	8.15%	\$64,017	0.42%	(0.42)%	9%
Class B	47.10	(0.45)	4.01	3.56	50.66	7.56	1,072	0.97	(0.97)	9
Class C	45.77	(0.53)	3.90	3.37	49.14	7.36	2,476	1.16	(1.16)	9
Class E	53.43	(0.09)	4.59	4.50	57.93	8.42	11,654	0.17	(0.17)	9
The Hartford MidCap Value 529 Fund										
Class A	\$ 25.47	\$ 0.08	\$ (0.29)	\$ (0.21)	\$ 25.26	(0.82)%	\$11,513	0.42%	0.31%	10%
Class B	24.16	(0.05)	(0.27)	(0.32)	23.84	(1.32)	119	0.97	(0.23)	10
Class C	23.72	(0.09)	(0.28)	(0.37)	23.35	(1.56)	554	1.16	(0.41)	10
Class E	26.06	0.14	(0.29)	(0.15)	25.91	(0.58)	1,048	0.17	0.56	10

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Financial Highlights (Continued)
For the Year Ended June 30, 2019**

— Selected Per-Share Data ⁽¹⁾ —						— Ratios and Supplemental Data —				
	Net Position Value at Beginning of Period	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 ⁽²⁾
The Hartford Small Company 529 Fund										
Class A	\$ 24.27	\$ (0.10)	\$ 2.39	\$ 2.29	\$ 26.56	9.44%	\$ 10,571	0.42%	(0.42)%	10%
Class B	22.70	(0.22)	2.23	2.01	24.71	8.85	85	0.97	(0.97)	10
Class C	22.22	(0.26)	2.18	1.92	24.14	8.64	641	1.16	(1.16)	10
Class E	24.93	(0.04)	2.47	2.43	27.36	9.75	1,923	0.17	(0.17)	10
The SMART529 Stable Value Fund										
Class A	\$ 14.57	\$ (0.06)	\$ 0.34	\$ 0.28	\$ 14.85	1.92%	\$ 49,959	0.40%	(0.40)%	12%
Class B	13.40	(0.13)	0.31	0.18	13.58	1.34	867	0.95	(0.95)	12
Class C	13.01	(0.15)	0.30	0.15	13.16	1.15	4,049	1.14	(1.14)	12
Class E	15.19	(0.02)	0.35	0.33	15.52	2.17	8,254	0.15	(0.15)	12
The Hartford Total Return Bond 529 Fund										
Class A	\$ 18.34	\$ 0.72	\$ 0.68	\$ 1.40	\$ 19.74	7.63%	\$ 22,399	0.42%	3.84%	11%
Class B	16.81	0.57	0.62	1.19	18.00	7.08	405	0.97	3.36	11
Class C	16.31	0.52	0.59	1.11	17.42	6.81	976	1.16	3.15	11
Class E	19.15	0.80	0.72	1.52	20.67	7.94	1,889	0.17	4.10	11
MFS Global Equity 529 Fund										
Class A	\$ 25.32	\$ 0.20	\$ 2.62	\$ 2.82	\$ 28.14	11.14%	\$ 14,695	0.42%	0.77%	10%
Class B	23.29	0.06	2.39	2.45	25.74	10.52	221	0.97	0.24	10
Class C	22.62	—	2.33	2.33	24.95	10.30	745	1.16	0.01	10
Class E	26.41	0.28	2.73	3.01	29.42	11.40	1,919	0.17	1.05	10
SMART529 Select 1-Year Fixed DFA Portfolio										
Class D	\$ 11.88	\$ 0.21	\$ 0.06	\$ 0.27	\$ 12.15	2.27%	\$ 9,431	0.41%	1.73%	27%
SMART529 Select Age-Based DFA Portfolio 0-3										
Class D	\$ 27.95	\$ 0.48	\$ (0.05)	\$ 0.43	\$ 28.38	1.54%	\$ 11,767	0.41%	1.73%	29%
SMART529 Select Age-Based DFA Portfolio 4-6										
Class D	\$ 26.89	\$ 0.48	\$ 0.11	\$ 0.59	\$ 27.48	2.19%	\$ 24,907	0.41%	1.81%	16%
SMART529 Select Age-Based DFA Portfolio 7-9										
Class D	\$ 25.52	\$ 0.49	\$ 0.25	\$ 0.74	\$ 26.26	2.90%	\$ 45,829	0.41%	1.93%	11%
SMART529 Select Age-Based DFA Portfolio 10-12										
Class D	\$ 22.31	\$ 0.49	\$ 0.34	\$ 0.83	\$ 23.14	3.72%	\$ 68,327	0.41%	2.18%	13%
SMART529 Select Age-Based DFA Portfolio 13-15										
Class D	\$ 19.91	\$ 0.45	\$ 0.25	\$ 0.70	\$ 20.61	3.52%	\$ 75,728	0.41%	2.26%	12%
SMART529 Select Age-Based DFA Portfolio 16-18										
Class D	\$ 18.43	\$ 0.41	\$ 0.15	\$ 0.56	\$ 18.99	3.04%	\$ 67,270	0.41%	2.21%	15%

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Financial Highlights (Continued)
For the Year Ended June 30, 2019**

— Selected Per-Share Data ⁽¹⁾ —							— Ratios and Supplemental Data —				
	Net Position Value at Beginning of Period	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 ⁽²⁾	
SMART529 Select Age-Based DFA Portfolio 19⁺											
Class D	\$ 16.15	\$ 0.34	\$ 0.10	\$ 0.44	\$ 16.59	2.72%	\$ 35,827	0.41%	2.12%	33%	
SMART529 Select Aggressive Growth DFA Portfolio											
Class D	\$ 27.93	\$ 0.49	\$ (0.06)	\$ 0.43	\$ 28.36	1.54%	\$ 31,663	0.41%	1.80%	9%	
SMART529 Select All Equity DFA Portfolio											
Class D	\$ 28.82	\$ 0.51	\$ (0.06)	\$ 0.45	\$ 29.27	1.56%	\$ 100,255	0.41%	1.79%	9%	
SMART529 Select Balanced DFA Portfolio											
Class D	\$ 19.85	\$ 0.45	\$ 0.28	\$ 0.73	\$ 20.58	3.68%	\$ 13,756	0.41%	2.25%	17%	
SMART529 Select Conservative DFA Portfolio											
Class D	\$ 16.15	\$ 0.34	\$ 0.10	\$ 0.44	\$ 16.59	2.72%	\$ 9,212	0.41%	2.12%	35%	
SMART529 Select Fixed Income DFA Portfolio											
Class D	\$ 13.80	\$ 0.41	\$ 0.51	\$ 0.92	\$ 14.72	6.67%	\$ 16,460	0.41%	2.89%	12%	
SMART529 Select Growth DFA Portfolio											
Class D	\$ 25.60	\$ 0.49	\$ 0.26	\$ 0.75	\$ 26.35	2.93%	\$ 25,927	0.41%	1.92%	10%	
SMART529 Select Moderate Growth DFA Portfolio											
Class D	\$ 22.28	\$ 0.49	\$ 0.32	\$ 0.81	\$ 23.09	3.64%	\$ 18,146	0.41%	2.23%	18%	
SMART529 Select Moderately Aggressive Growth DFA Portfolio											
Class D	\$ 26.97	\$ 0.50	\$ 0.11	\$ 0.61	\$ 27.58	2.26%	\$ 14,156	0.41%	1.86%	12%	
SMART529 Select Moderately Conservative DFA Portfolio											
Class D	\$ 18.39	\$ 0.41	\$ 0.17	\$ 0.58	\$ 18.97	3.15%	\$ 8,708	0.41%	2.22%	21%	
SMART529 WV 500 Index Fund											
Class D	\$ 22.85	\$ 0.47	\$ 1.89	\$ 2.36	\$ 25.21	10.33%	\$ 25,549	0.08%	2.01%	8%	
SMART529 WV Direct Age-Based Portfolio 0-3⁽³⁾											
Class D	\$ 10.00	\$ 0.18	\$ 0.67	\$ 0.85	\$ 10.85	8.50% ⁽⁴⁾	\$ 8,398	0.08% ⁽⁵⁾	2.82% ⁽⁵⁾	25%	
SMART529 WV Direct Age-Based Portfolio 4-6⁽⁶⁾⁽⁷⁾											
Class D	\$ 31.27	\$ 0.65	\$ 1.46	\$ 2.11	\$ 33.38	6.75%	\$ 16,042	0.07%	2.04%	108%	
SMART529 WV Direct Age-Based Portfolio 7-9⁽³⁾											
Class D	\$ 10.00	\$ 0.18	\$ 0.66	\$ 0.84	\$ 10.84	8.40% ⁽⁴⁾	\$ 21,075	0.08% ⁽⁵⁾	2.86% ⁽⁵⁾	8%	
SMART529 WV Direct Age-Based Portfolio 10-11⁽⁸⁾											
Class D	\$ 26.90	\$ 0.52	\$ 1.18	\$ 1.70	\$ 28.60	6.32% ⁽⁹⁾	\$ 17,615	0.07%	1.93%	92%	

**West Virginia College Prepaid Tuition and Savings Program
Savings Plan Trust Fund
Financial Highlights (Continued)
For the Year Ended June 30, 2019**

— Selected Per-Share Data ⁽¹⁾ —						— Ratios and Supplemental Data —				
	Net Position Value at Beginning of Period	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 ⁽²⁾
SMART529 WV Direct Age-Based Portfolio 12-13⁽³⁾										
Class D	\$ 10.00	\$ 0.16	\$ 0.60	\$ 0.76	\$ 10.76	7.60% ⁽⁴⁾	\$ 21,755	0.08% ⁽⁵⁾	2.62% ⁽⁵⁾	11%
SMART529 WV Direct Age-Based Portfolio 14-15										
Class D	\$ 25.01	\$ 0.55	\$ 1.01	\$ 1.56	\$ 26.57	6.24%	\$ 24,215	0.07%	2.16%	63%
SMART529 WV Direct Age-Based Portfolio 16⁽¹⁰⁾										
Class D	\$ 14.17	\$ 0.13	\$ 0.50	\$ 0.63	\$ 14.80	4.45% ⁽¹¹⁾	\$ 13,000	0.07%	0.89%	54%
SMART529 WV Direct Age-Based Portfolio 17⁽³⁾										
Class D	\$ 10.00	\$ 0.06	\$ 0.32	\$ 0.38	\$ 10.38	3.80% ⁽⁴⁾	\$ 10,387	0.08% ⁽⁵⁾	0.96% ⁽⁵⁾	16%
SMART529 WV Direct Age-Based Portfolio 18⁺										
Class D	\$ 16.60	\$ 0.10	\$ 0.44	\$ 0.54	\$ 17.14	3.25%	\$ 34,783	0.07%	0.58%	36%
SMART529 WV Direct Aggressive Growth Portfolio										
Class D	\$ 32.00	\$ 0.71	\$ 1.34	\$ 2.05	\$ 34.05	6.41%	\$ 41,358	0.08%	2.19%	83%
SMART529 WV Direct Balanced Portfolio										
Class D	\$ 26.14	\$ 0.58	\$ 1.07	\$ 1.65	\$ 27.79	6.31%	\$ 15,471	0.08%	2.21%	66%
SMART529 WV Direct Conservative Balanced Portfolio										
Class D	\$ 15.93	\$ 0.15	\$ 0.60	\$ 0.75	\$ 16.68	4.71%	\$ 6,091	0.07%	0.94%	48%
SMART529 WV Direct Conservative Bond Portfolio										
Class D	\$ 15.34	\$ 0.12	\$ 0.43	\$ 0.55	\$ 15.89	3.59%	\$ 3,650	0.07%	0.77%	30%
SMART529 WV Direct Growth Portfolio										
Class D	\$ 29.72	\$ 0.69	\$ 1.32	\$ 2.01	\$ 31.73	6.76%	\$ 24,374	0.08%	2.31%	73%
SMART529 WV Stable Value Fund										
Class D	\$ 15.39	\$ (0.01)	\$ 0.36	\$ 0.35	\$ 15.74	2.27%	\$ 13,339	0.07%	(0.07)%	20%

(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.

(3) From November 16, 2018 (commencement of operations) through June 30, 2019.

(4) Periods less than one year are not annualized for total returns.

(5) Periods less than one year are annualized for ratio of expenses to average fiduciary net position and ratios of net investment income to average fiduciary net position.

(6) Effective November 16, 2018, the name of SMART529 WV Direct Age-Based Portfolio 0-8 changed to SMART529 WV Direct Age-Based Portfolio 4-6.

(7) SMART529 WV Direct Age-Based Portfolio 4-6 continued the performance of SMART529 WV Direct Age-Based Portfolio 0-8.

(8) Effective November 16, 2018, the name of SMART529 WV Direct Age-Based Portfolio 9-13 changed to SMART529 WV Direct Age-Based Portfolio 10-11.

(9) SMART529 WV Direct Age-Based Portfolio 10-11 continued the performance of SMART529 WV Direct Age-Based Portfolio 9-13.

(10) Effective November 16, 2018, the name of SMART529 WV Direct Age-Based Portfolio 16-17 changed to SMART529 WV Direct Age-Based Portfolio 16.

(11) SMART529 WV Direct Age-Based Portfolio 16 continued the performance of SMART529 WV Direct Age-Based Portfolio 16-17.

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Statistical Section

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.

Informational Tables and Charts

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>		
	2019	2018	2017
<u>Changes in Net (Deficit) Position</u>			
Operating revenues			
Tuition contracts	\$ 2,575	\$ 98	\$ 115
Savings Plan administrative fee	1,471	1,488	1,367
Total operating revenues	4,046	1,586	1,482
Operating expenses			
Tuition contract benefits and expenses	-	964	1,548
General and administrative expenses	1,400	1,258	1,117
Total operating expenses	1,400	2,222	2,665
Operating (loss) gain	2,646	(636)	(1,183)
Nonoperating revenues (losses)			
Investment earnings (losses)	2,262	2,239	5,588
Appropriations from primary government	-	-	-
Other postemployment benefits contributions	9	7	-
Total nonoperating revenues (losses)	2,271	2,246	5,588
Change in net (deficit) position	\$ 4,917	\$ 1,610	\$ 4,405
<u>Net (Deficit) Position at Year-End</u>			
Restricted for payment of general and administrative expenses	\$ 2,392	\$ 2,267	\$ 1,872
Unrestricted	(2,909)	(7,701)	(9,011)
Total net (deficit) position	\$ (517)	\$ (5,434)	\$ (7,139)
<u>Restatement of Beginning Net (Deficit) Position</u>			
Cumulative effect of change in accounting principle	\$ -	\$ 95	\$ -

Fiscal Year Ended June 30
In Thousands

2016	2015	2014	2013	2012	2011	2010
\$ 103	\$ 20	\$ 40	\$ 42	\$ 85	\$ 103	\$ (44)
<u>1,285</u>	<u>1,329</u>	<u>1,239</u>	<u>1,093</u>	<u>1,016</u>	<u>947</u>	<u>778</u>
1,388	1,349	1,279	1,135	1,101	1,050	734
1,853	6,534	3,895	3,835	5,968	4,179	8,165
<u>1,119</u>	<u>1,069</u>	<u>1,028</u>	<u>1,232</u>	<u>1,153</u>	<u>905</u>	<u>887</u>
2,972	7,603	4,923	5,067	7,121	5,084	9,052
(1,584)	(6,254)	(3,644)	(3,932)	(6,020)	(4,034)	(8,318)
1,020	2,044	9,650	6,781	1,634	14,511	12,199
-	73	147	147	147	144	131
-	-	-	-	-	-	-
<u>1,020</u>	<u>2,117</u>	<u>9,797</u>	<u>6,928</u>	<u>1,781</u>	<u>14,655</u>	<u>12,330</u>
<u>\$ (564)</u>	<u>\$ (4,137)</u>	<u>\$ 6,153</u>	<u>\$ 2,996</u>	<u>\$ (4,239)</u>	<u>\$ 10,621</u>	<u>\$ 4,012</u>
\$ 1,528	\$ 1,283	\$ 996	\$ 575	\$ 481	\$ 324	\$ 997
<u>(13,071)</u>	<u>(12,262)</u>	<u>(7,624)</u>	<u>(13,357)</u>	<u>(16,259)</u>	<u>(11,863)</u>	<u>(23,157)</u>
<u>\$ (11,543)</u>	<u>\$ (10,979)</u>	<u>\$ (6,628)</u>	<u>\$ (12,782)</u>	<u>\$ (15,778)</u>	<u>\$ (11,539)</u>	<u>\$ (22,160)</u>
<u>\$ -</u>	<u>\$ (213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

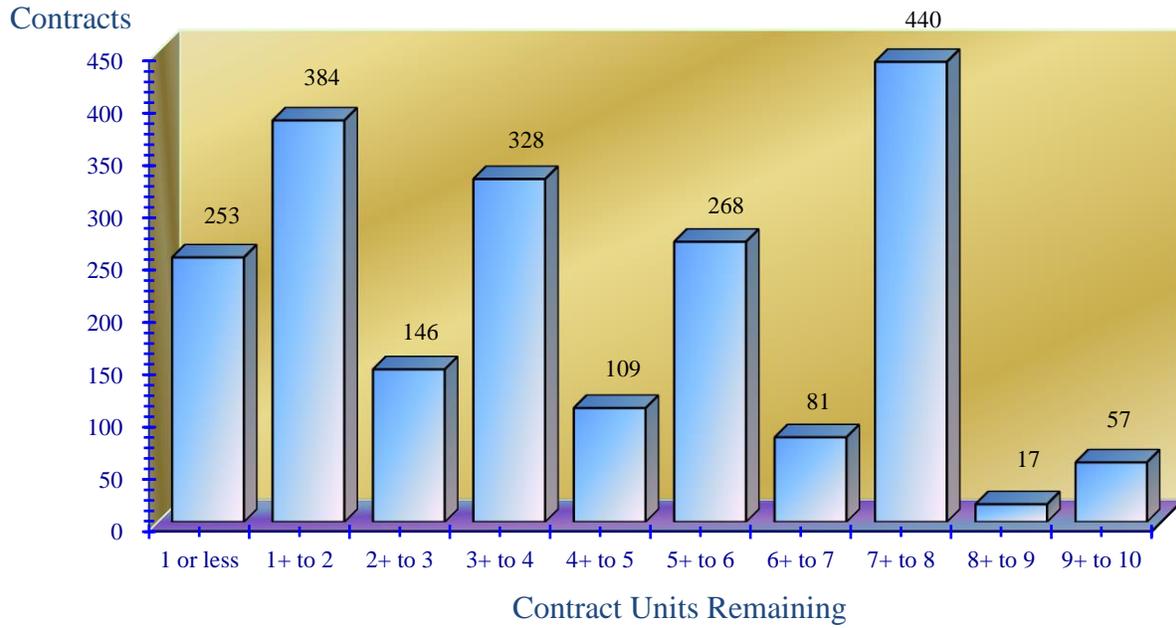
	Fiscal Year Ended June 30			
	<i>In Thousands</i>			
	2019	2018	2017	2016
Additions				
Contributions:				
Account holders	\$ 196,893	\$ 206,199	\$ 194,259	\$ 187,385
Deposits to establish new investment funds	-	-	-	-
Total contributions	196,893	206,199	194,259	187,385
Investment earnings:				
Net increase (decrease) in fair value of investments	(46,444)	14,840	129,956	(136,309)
Dividends and capital gains	180,964	171,585	135,088	115,946
Total investment gain (loss)	134,520	186,425	265,044	(20,363)
Investment expense	4,836	5,000	5,695	5,772
Net investment earnings	129,684	181,425	259,349	(26,135)
Total additions	326,577	387,624	453,608	161,250
Deductions				
Redemptions:				
Payments in accordance with trust agreements	256,224	250,658	218,642	187,296
Redemptions of deposits to establish new investment funds	-	-	-	-
Total redemptions	256,224	250,658	218,642	187,296
Administrative expense	5,408	5,357	5,967	6,246
Total deductions	261,632	256,015	224,609	193,542
Change in net (deficit) position	\$ 64,945	\$ 131,609	\$ 228,999	\$ (32,292)

Fiscal Year Ended June 30
In Thousands

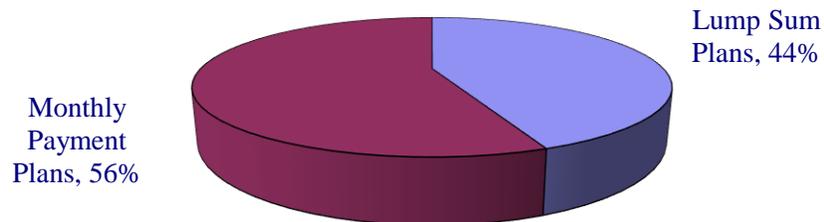
2015	2014	2013	2012	2011	2010
\$ 203,788	\$ 213,781	\$ 215,988	\$ 218,740	\$ 609,702	\$ 303,060
-	-	-	135	220	138
203,788	213,781	215,988	218,875	609,922	303,198
(173,688)	247,955	174,377	(39,880)	243,137	105,197
196,948	68,158	51,505	37,488	20,743	16,563
23,260	316,113	225,882	(2,392)	263,880	121,760
6,073	5,894	5,311	4,935	4,889	4,248
17,187	310,219	220,571	(7,327)	258,991	117,512
220,975	524,000	436,559	211,548	868,913	420,710
181,829	168,626	173,745	154,837	486,947	201,806
-	60	121	82	-	-
181,829	168,686	173,866	154,919	486,947	201,806
6,401	5,880	4,968	4,331	3,956	3,192
188,230	174,566	178,834	159,250	490,903	204,998
\$ 32,745	\$ 349,434	\$ 257,725	\$ 52,298	\$ 378,010	\$ 215,712

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, 2019.

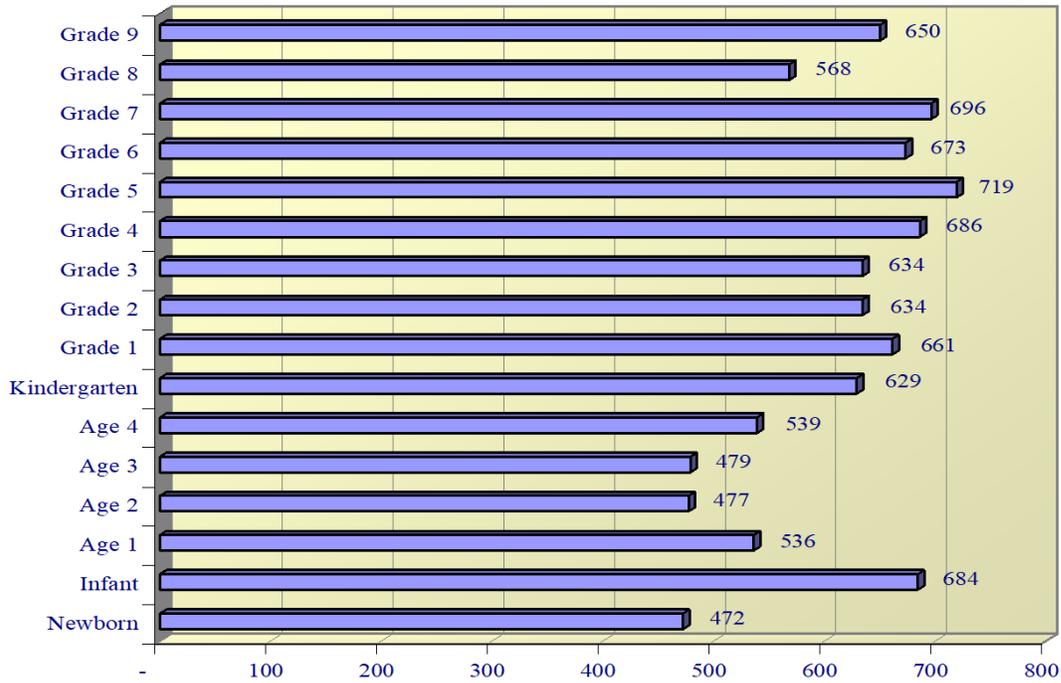


Purchasers chose to either make a lump sum payment or a monthly payment for his or her contract.

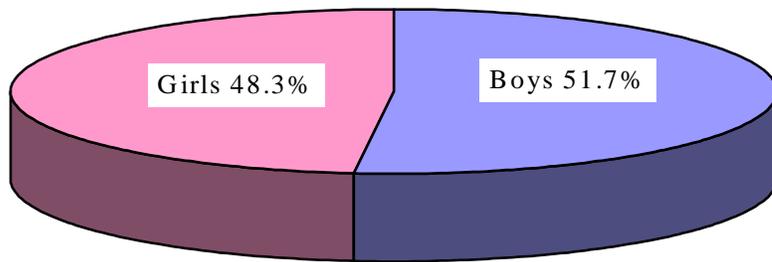


Source: West Virginia College Prepaid Tuition & Savings Program

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 2019**

Schools	Units	% of Total
In-state Public Institutions:		
Marshall University	119	13.4%
Mountwest Community & Technical College	5	0.6
West Virginia University, Morgantown	336	37.9
West Virginia University Institute of Technology	11	1.2
BridgeValley Community & Technical College	14	1.6
West Virginia University at Parkersburg, Baccalaureate Programs	4	0.5
West Virginia University at Parkersburg, Associate	2	0.2
West Virginia University, Potomac State College, Baccalaureate Programs	4	0.5
West Virginia University, Potomac State College, Associate	1	0.1
Bluefield State College	7	0.8
New River Community & Technical College	7	0.8
Concord University	11	1.2
Fairmont State University	37	4.2
Pierpont Community & Technical College	4	0.5
Glenville State College	7	0.8
Shepherd University	23	2.6
West Liberty University	14	1.6
West Virginia State University	15	1.7
Southern West Virginia Community & Technical College	4	0.5
West Virginia Northern Community College	2	0.2
	<u>627</u>	<u>70.7</u>
In-state Private Institutions:		
Academy of Careers & Technology	1	0.1
Bethany College	1	0.1
Davis & Elkins College	2	0.2
University of Charleston	17	1.9
WV Junior College - Bridgeport	5	0.6
WV School of Osteopathic Medicine	1	0.1
West Virginia Wesleyan College	24	2.7
St. Mary's School of Nursing	1	0.1
Wheeling Jesuit University	1	0.1
	<u>53</u>	<u>6.0</u>
Out-of-State Institutions	<u>207</u>	<u>23.3</u>
	<u>887</u>	<u>100.0%</u>

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 2018-19 and 2019-20.

	2018-19	2019-20	Increase(Decrease)	
			Amount	%
Marshall University	\$4,064	\$4,206	\$142	3.49%
Mountwest Community & Technical College	2,007	2,091	84	4.19
West Virginia University:				
WVU, Morgantown	4,428	4,488	60	1.36
WVU Institute of Technology	3,732	3,780	48	1.29
WVU at Parkersburg:				
Baccalaureate Degree Programs	2,582	2,702	120	4.65
Associate/Certificate Programs	1,886	1,970	84	4.45
WVU Potomac State College:				
Baccalaureate Degree Programs	2,748	2,784	36	1.31
Associate/Certificate Programs	2,244	2,268	24	1.07
Bluefield State College	3,528	3,744	216	6.12
New River Community & Technical College	2,143	2,186	43	2.01
Concord University	3,938	4,025	87	2.21
Fairmont State University	3,757	3,869	112	2.98
Pierpont Community & Technical College	2,469	2,469	-	-
Glenville State College	3,654	3,654	-	-
Shepherd University	3,774	3,892	118	3.13
Blue Ridge Community & Technical College	2,064	2,064	-	-
West Liberty University	3,840	3,995	155	4.04
West Virginia State University	3,856	3,856	-	-
BridgeValley Community & Technical College	2,185	2,207	22	1.01
Eastern West Virginia Community & Technical College	1,716	1,716	-	-
Southern West Virginia Community & Technical College	1,836	1,932	96	5.23
West Virginia Northern Community College	1,874	1,898	24	1.28

Source: West Virginia Higher Education Policy Commission

Table 7: Resident Full-time Undergraduate Enrollment

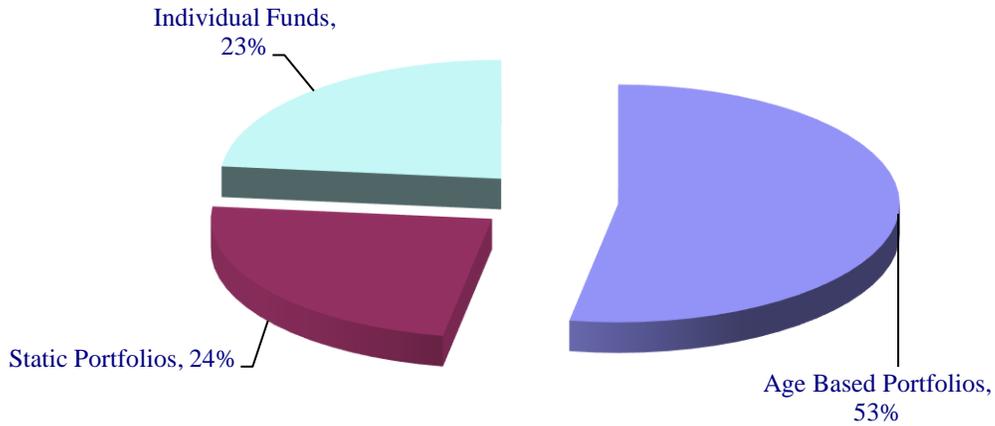
The following table shows the West Virginia resident full-time undergraduate enrollment for the fall 2017 and 2018 semesters at all West Virginia accredited post-secondary institutions.

Schools	Fall Enrollment			% of Total	
	2017	2018	Increase (Decrease)	2017	2018
Marshall University	6,236	5,940	(296)	17.6 %	17.5%
Mountwest Community & Technical College	853	784	(69)	2.4	2.3
West Virginia University:					
WVU, Morgantown	9,433	8,988	(445)	26.6	26.5
WVU Institute of Technology	844	926	82	2.4	2.7
WVU at Parkersburg:					
Baccalaureate Degree Program	353	341	(12)	1.0	1.0
Associate/Certificate Programs	1,062	950	(112)	3.0	2.8
WVU Potomac State College:					
Baccalaureate Degree Program	52	74	22	0.1	0.2
Associate/Certificate Programs	724	684	(40)	2.0	2.0
Bluefield State College	942	826	(116)	2.7	2.4
New River Community & Technical College	725	654	(71)	2.0	1.9
Concord University	1,353	1,232	(121)	3.8	3.6
Fairmont State University	2,700	2,711	11	7.6	8.0
Pierpont Community & Technical College	981	973	(8)	2.8	2.9
Glenville State College	828	806	(22)	2.3	2.4
Shepherd University	1,706	1,666	(40)	4.8	4.9
Blue Ridge Community & Technical College	949	1,062	113	2.7	3.1
West Liberty University	1,209	1,205	(4)	3.4	3.6
West Virginia State University	1,498	1,384	(114)	4.2	4.1
BridgeValley Community & Technical College	1,139	1,035	(104)	3.2	3.1
Eastern West Virginia Community & Technical College	140	132	(8)	0.4	0.4
Southern West Virginia Community & Technical College	1,095	995	(100)	3.1	2.9
West Virginia Northern Community College	629	527	(102)	1.8	1.6
Total Resident Full-time Undergraduate Enrollment	35,451	33,895	(1,556)	100.0%	100.0%

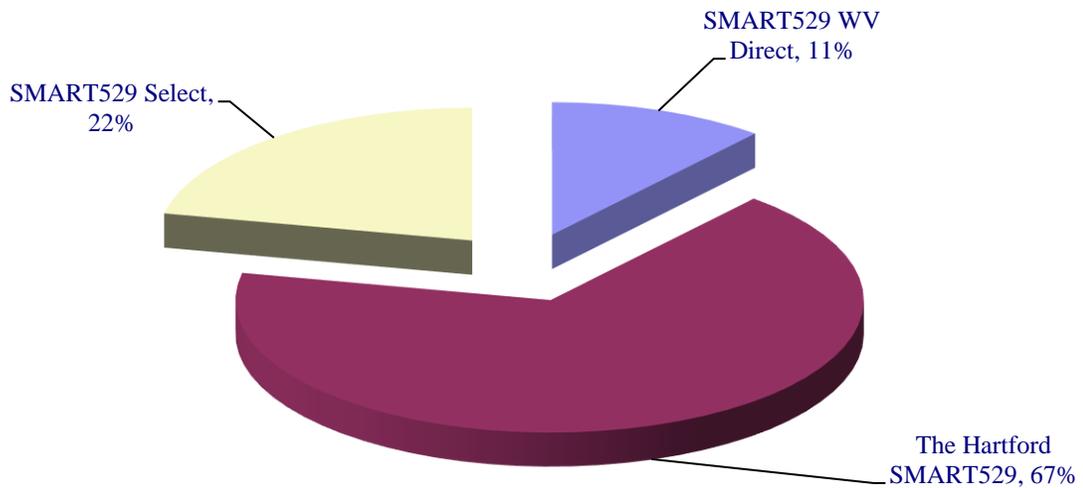
Source: West Virginia Higher Education Policy Commission

Table 8: Savings Plan Investment Options

Investment Options



Product Offerings



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, 2019.

Source: West Virginia College Prepaid Tuition & Savings Program

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

<u>Firm</u>	<u>Investments</u>	<u>Percent of Total Investments</u>	<u>Number of Accounts</u>	<u>Average Account Size</u>
Edward Jones	\$ 712,138,853	30.5%	72,733	\$9,791
Morgan Stanley	122,260,811	5.2	6,467	18,905
LPL Financial LLC	98,003,734	4.2	11,446	8,562
Woodbury Financial Services, Inc.	84,246,288	3.6	9,405	8,958
Wells Fargo Clearing Services	83,355,806	3.6	7,446	11,195
Raymond James & Associates, Inc.	81,957,268	3.5	8,342	9,825
BB&T Securities, LLC	79,142,356	3.4	9,932	7,968
Cetera Investment Services, LLC	35,276,109	1.5	3,979	8,866
FTB Advisors, Inc.	21,925,064	.9	2,314	9,475
J.P. Morgan Securities	18,844,746	.8	2,480	7,599

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, 2019.

Source: West Virginia College Prepaid Tuition & Savings Program

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

<u>State of Investor Residence</u>	<u>Investments</u>	<u>Percent of Total Investments</u>
West Virginia	\$663,656,256	20.4%
California	356,435,832	11.0
Texas	276,203,726	8.5
North Carolina	159,031,925	4.9
Pennsylvania	127,636,304	3.9
Florida	126,829,243	3.9
Minnesota	100,440,235	3.1
Tennessee	96,525,309	3.0
Massachusetts	93,791,735	2.9
Washington	90,784,209	2.8

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, 2019. The Savings Plan is open to residents of all states.

Source: West Virginia College Prepaid Tuition & Savings Program

