DC COLLEGE
SAVINGS PLAN

FISCAL YEAR 2018 ANNUAL REPORT

THE DC COLLEGE SAVINGS PLAN
IS MAKING IT SERIOUSLY

SIMPLE

FOR THOUSANDS OF LOCAL FAMILIES
TO SAVE FOR KINDERGARTEN
THROUGH 12TH GRADE THROUGH
HIGHER EDUCATION

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Muriel Bowser
Mayor

Jeffrey S. DeWitt
Chief Financial Officer

EXECUTIVE SUMMARY

Fiscal year 2018 was largely a good year for investors in U.S. equity markets, up 17.9%. Driven by solid corporate earnings and continuing positive economic reports. International equity markets experienced some headwinds: developed markets were up 2.74% and emerging markets down -0.81%. Fixed income results lagged with the Bloomberg Barclays Aggregate returning -1.22% for the year and non-U. S. fixed income returning -1.57%.

The D.C. College Savings Plan continued its growth in fiscal year 2018. Fueled by strong performance in the financial markets, assets rose to $619.7 million from $534.4 million, an increase of 15.94%. We added 3,920 new accounts. New contributions increased by $22 million or 31.42%. At fiscal year end, the Plan had 25,812 accounts, with an average account balance of $24,007.

Effective January 2018, the new Federal Tax Law expanded College Savings Plans to include Kindergarten through 12th Grade (K-12) tuition expenses. Account owners can use assets to pay for qualified K-12 expenses at a private, public or parochial school, up to $10,000 per year per student. The DC Colleges Savings Plan website provides more details.

Ascensus continued their very effective communication and education campaigns that covered a wide range of topics including how to enroll, investment strategies and Ugift (a program that allows friends and family to contribute to any account). These outreach initiatives were communicated using emails, digital and newspaper advertisements.

We are excited about continuing our annual essay contest for ninth grade students in District public and charter high schools. The contest this year was our seventh consecutive contest. Since inception $318,000 has been awarded to 180 students.

The Office of Finance and Treasury regularly reviews the performance of the funds with our independent consulting firms, Winston Lowe, LLC and Capital Cities. The operations of the Plan and its assets are examined each year by an independent accounting firm. For the thirteenth consecutive year, the Plan received an unqualified (clean) opinion from the auditor. BCA Watson Rice became the auditor in fiscal year 2017. The audited financial statements are included in this report as an appendix.

I hope the information in this report helps you gain a better understanding of the District's College Savings Plan, as well as the oversight performed on an ongoing basis by the Office of Finance and Treasury. We will continue to manage the Plan prudently for our participants.

Plan Highlights

Program management from a 529 expert

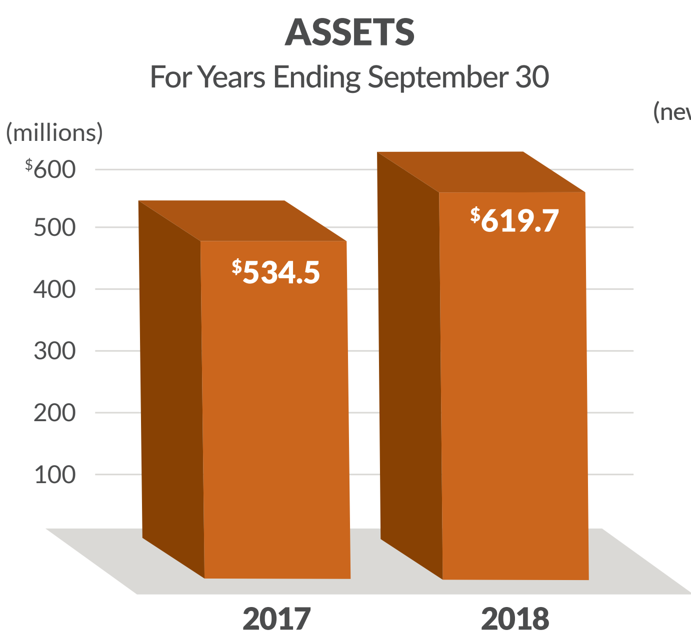
Fiscal year 2018 was a strong year for growth for the DC College Savings Plan. The Plan continues to see impressive increases in assets, contributions, and enrollments. The Plan's long time Program Director, Brenda Mathis, retired in December 2018 after 16 years of great service and dedication to the program. Under Brenda's leadership the Plan grew from $0.00 assets in November 2002 to over $600 million. Stepping into her role is Rodney Dickerson. Rodney has over 20 years of experience overseeing various retirement and savings programs in his career. He is looking forward to delivering the same standard and due diligence as Brenda. With Rodney's extensive background and leadership the Plan is in great hands for continued success into the future.

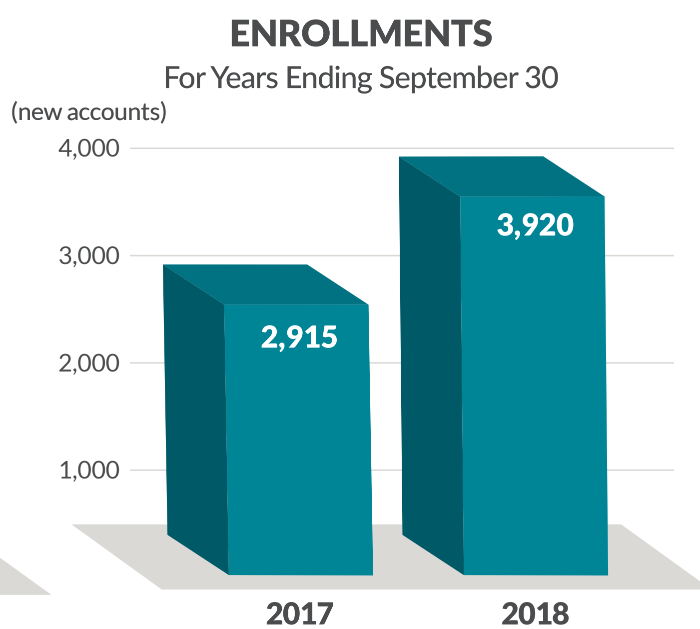
Assets

Assets under management in the DC College Savings Plan reached $619.7 million in fiscal year 2018, a growth rate of 15.94% over fiscal year 2017.

Enrollment

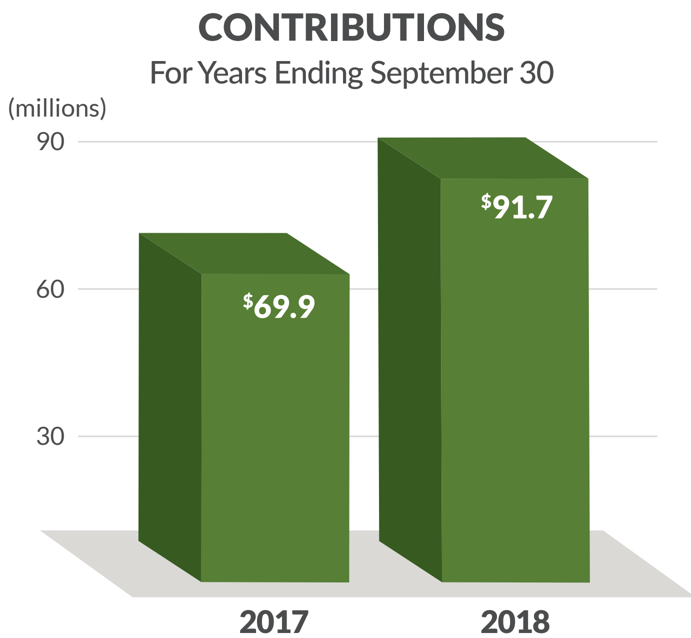
In fiscal year 2018 we added 3,920 new accounts. Our Community and Employer Outreach efforts helped grow Plan awareness inside the District.





Contributions

Contributions to current and new participant accounts in 2018 totaled $91.7 million. A strong sales team and consistent, broad messaging helped drive brand awareness and sales.



Access

An important aspect of the DC College Savings Plan is making all D.C. residents, regardless of socioeconomic background, aware of the affordability of higher education. For the past year, Community Outreach and Marketing have concentrated efforts in Wards 7 and 8. Wards 7 and 8 have the lowest per capita income in the District, and correspondingly, the fewest DC College Savings Plan participants of any Ward in the city. This year, to increase engagement, 208 events were staffed throughout the District with representation in all Wards. On-going efforts will focus and include Wards 7 and 8 to ensure all families can learn about the benefits of the DC College Savings Plan.

Ugift® – Give College Savings

Ugift is an easy, free-to-use service that lets family and friends give the meaningful gift of money into a DC College Savings Plan account. Saving for college can take a village, and Ugift makes it easy for Account Owners to get help from their network of family and friends. Instead of giving toys, clothes, or other traditional gifts that a child will outgrow, gift givers get the satisfaction of knowing that their generosity can make a lasting impression. Total Ugift contributions in 2018 totaled $2,029,298.29 and benefitted 749 beneficiaries.

Upromise®

Upromise is a rewards program that believes everyone should have a chance to go to college and pursue his or her dreams. Since 2001, Upromise has helped its members earn cash back for college from eligible purchases that they most likely make every day. By the end of FY18, a total of 160 DC College Savings Plan Account Owners linked their Upromise accounts and added over $29,226 in Upromise savings to their accounts.

Description of Investment Options

The DC College Savings Plan is designed to offer various alternatives to meet the risk tolerance and investment objective of most investors. Participants have the option to choose one or any combination of the following three tiers of investment options:

1. The **Year of Enrollment Portfolios**, provides a low cost, diversified investment allocation, which becomes more conservative as the beneficiary approaches their enrollment date.

   Within the Year of Enrollment Portfolios, there are seven portfolios, with asset allocations designed to be appropriate for a certain number of years until the beneficiary is enrolled in college. The further the beneficiary is from enrollment the greater the equity exposure. Every 6 months the Year of Enrollment Portfolios will decrease the equity exposure and increase the fixed income or cash preservation exposure. All the underlying investments are passively managed (track specific indexes) to keep expenses low.

2. The **Individual Portfolios**, a diverse group of investment options which you can use to create your personal investment allocation mix by investing in one or more of the Portfolios.

   In the Individual Portfolios, there are eight Investment Options with a diverse range of investment strategies. The portfolio strategies include Passively Managed (index tracking) and Actively Managed (Manager determines allocation mix), Domestic and International Fixed Income Options, Domestic and International Equity Options, and even Domestic and International Socially Conscious Options.

3. The **Principal Protected Portfolio**, focuses on protecting the principal you invest by allocating your contributions and earnings to a Funding Agreement issued by Ameritas Life Insurance Corp. to the District of Columbia Section 529 Plan Trust. The current Funding Agreement provides interest credited daily at a minimum annual effective rate of interest of 1%, and provides the opportunity for additional interest. The principal and the stated interest rate are insured by the contract provided by Ameritas Life Insurance Corp[2].

   The Principal Protected Portfolio provides an option for those whose primary investment objective was the protection of the principal they invest. This Portfolio can also be used along with the Individual Portfolios in creating a personal diversified investment allocation mix.

Please reference the Program Disclosure Booklet for more details.

[2]Accumulations (including contributions and earnings) under the Funding Agreement for the Principal Protected Portfolio credited to the Plan are subject to the claims-paying ability of Ameritas Life Insurance Corp.

Performance Summary of Investment Options

Performance as of 9/30/2018

Total Market Value: $619,659,209

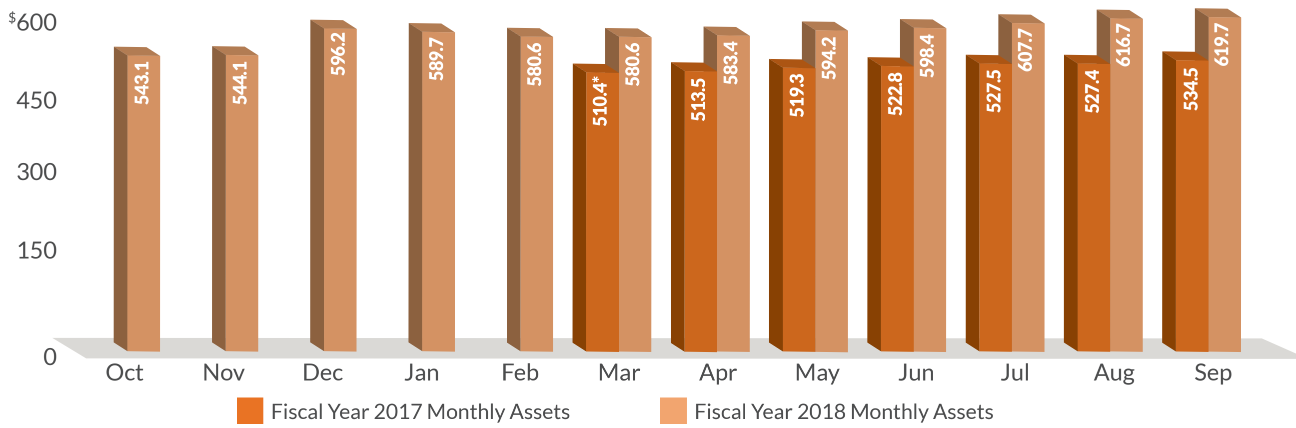
Fund Name	Market Value	% of Plan	3 Months	YTD	1 Year	Inception	Inception Date
Year of College Enrollment Portfolios							
DC College Savings 2034 Portfolio	$25,282,433	4.08%	3.46%	4.20%	8.67%	10.64%	03/24/17
DC Custom 2034 Benchmark			*3.63%*	*4.66%*	*9.27%*	*11.18%*	*03/24/17*
DC College Savings 2031 Portfolio	$47,586,371	7.68%	2.72%	3.28%	6.78%	8.63%	03/24/17
DC Custom 2031 Benchmark			*2.95%*	*3.70%*	*7.41%*	*9.15%*	*03/24/17*
DC College Savings 2028 Portfolio	$56,992,318	9.20%	2.13%	2.32%	5.05%	6.67%	03/24/17
DC Custom 2028 Benchmark			*2.27%*	*2.74%*	*5.57%*	*7.15%*	*03/24/17*
DC College Savings 2025 Portfolio	$58,490,254	9.44%	1.61%	1.61%	3.46%	4.88%	03/24/17
DC Custom 2025 Benchmark			*1.61%*	*1.85%*	*3.83%*	*5.23%*	*03/24/17*
DC College Savings 2022 Portfolio	$61,314,194	9.89%	1.06%	1.25%	2.53%	3.46%	03/24/17
DC Custom 2022 Benchmark			*1.12%*	*1.44%*	*2.69%*	*3.55%*	*03/24/17*
DC College Savings 2019 Portfolio	$56,650,195	9.14%	0.96%	1.55%	2.55%	3.07%	03/24/17
DC Custom 2019 Benchmark			*0.90%*	*1.44%*	*2.35%*	*2.78%*	*03/24/17*
DC College Savings In College Portfolio	$41,367,283	6.68%	0.77%	1.46%	2.36%	2.68%	03/24/17
DC Custom In College Benchmark			*0.78%*	*1.42 %*	*2.11%*	*2.27%*	*03/24/17*
Principal Protected Portfolio							
Principal Protected Portfolio	$49,556,458	8.00%	0.58%	1.67%	2.17%	2.23%	03/24/17
DC Citi Treasury Bill 3 Mon USD			*0.50%*	*1.29%*	*1.57%*	*1.35%*	*03/24/17*

Performance Summary of Investment Options
(Continued)

Fund Name	Market Value	% of Plan	3 Months	YTD	1 Year	Inception	Inception Date
Individual Portfolios							
U.S. Intermediate-Term Bond Index Portfolio	$2,125,540	0.34%	(0.20)%	(1.86)%	(1.57)%	0.07%	03/24/17
DC BBgBarc US Agg Bond TR USD			*0.02%*	*(1.60)%*	*(1.22)%*	*0.74%*	*03/24/17*
Intermediate-Term Bond Portfolio	$12,394,636	2.00%	0.49%	(0.87)%	(0.20)%	1.51%	03/24/17
DC BBgBarc US Agg Bond TR USD			*0.02%*	*(1.60)%*	*(1.22)%*	*0.74%*	*03/24/17*
U.S. Total Stock Market Index Portfolio	$134,598,582	21.72%	6.81%	9.96%	16.94%	17.04%	03/24/17
DC S&P US TMI TR USD			*7.11%*	*10.58%*	*17.58%*	*17.61%*	*03/24/17*
U.S. Large Cap Equity Portfolio	$43,732,305	7.06%	8.80%	10.70%	18.31%	17.22%	03/24/17
DC S&P 500 TR USD			*7.71%*	*10.56%*	*17.91%*	*17.67%*	*03/24/17*
U.S. Socially Responsible Equity Portfolio	$4,779,995	0.77%	7.14%	10.91%	18.55%	18.31%	03/24/17
DC Russell 3000 TR USD			*7.12%*	*10.57%*	*17.58%*	*17.61%*	*03/24/17*
U.S. Small Cap Equity Portfolio	$14,521,650	2.34%	4.78%	12.61%	15.85%	15.83%	03/24/17
DC MSCI US Small Cap 1750 GR USD			*3.80%*	*10.62%*	*15.06%*	*16.61%*	*03/24/17*
Non-U.S. Total Stock Market Index Portfolio	$4,111,297	0.66%	0.27%	(3.16)%	1.16%	8.57%	03/24/17
DC MSCI ACWI Ex USA IMI NR USD			*0.39%*	*(3.27)%*	*1.79%*	*9.19%*	*03/24/17*
Non-U.S. Socially Responsible Equity Portfolio	$6,155,701	0.99%	0.70%	(1.95)%	1.76%	9.95%	03/24/17
DC MSCI World ex USA NR USD			*1.31%*	*(1.50)%*	*2.67%*	*9.41%*	*03/24/17*
Total assets ending September 30, 2018	**$619,659,209**						

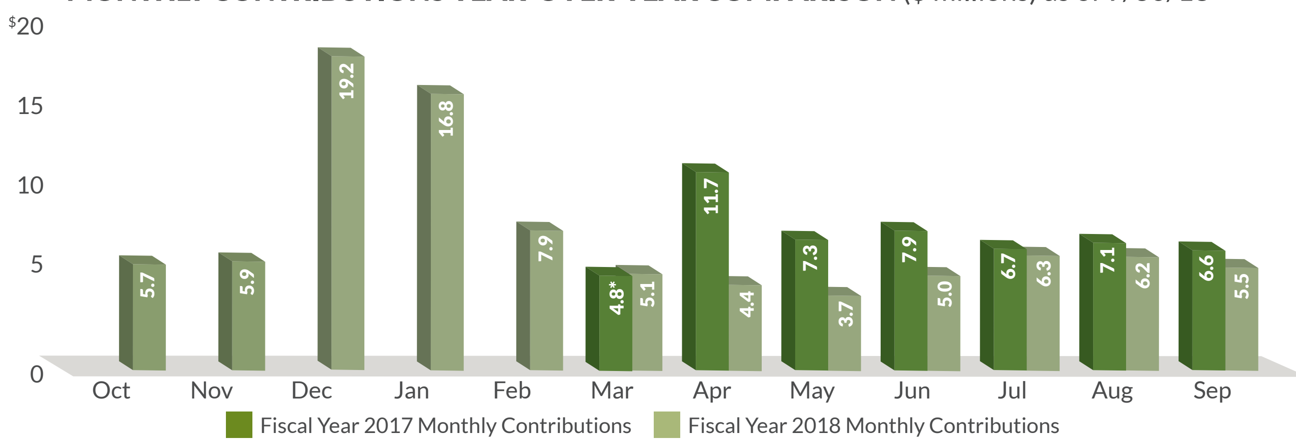
PLAN STATISTICS

MONTHLY TOTAL ASSETS YEAR-OVER-YEAR COMPARISON ($ millions) as of 9/30/18



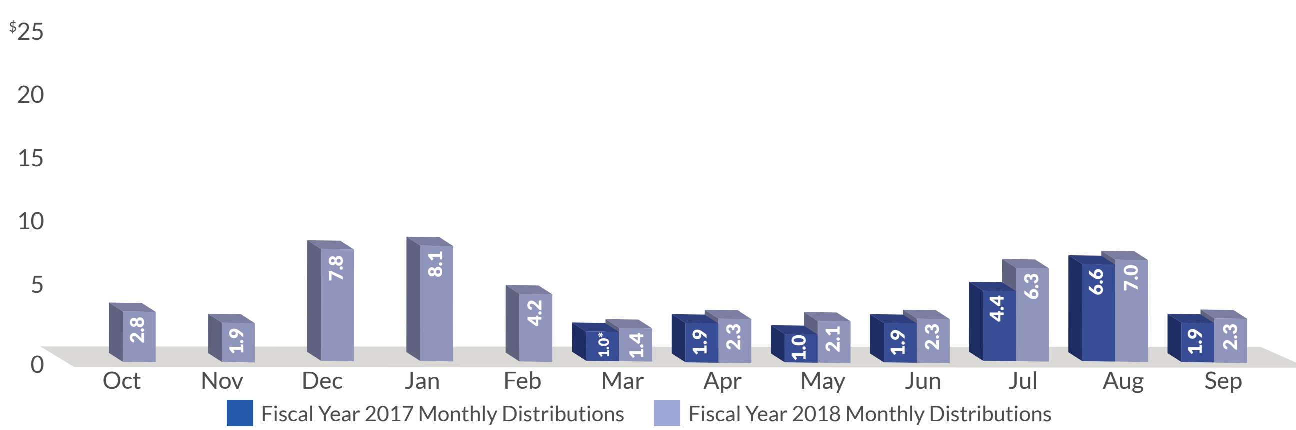
**Plan conversion to Ascensus (recordkeeper) March 2017*

MONTHLY CONTRIBUTIONS YEAR-OVER-YEAR COMPARISON ($ millions) as of 9/30/18



**Plan conversion to Ascensus (recordkeeper) March 2017*

MONTHLY DISTRIBUTIONS YEAR-OVER-YEAR COMPARISON ($ millions) as of 9/30/18



**Plan conversion to Ascensus (recordkeeper) March 2017*

TURNING WORDS INTO

DOLLARS

FOR TUITION

Essay contest helped 24 District kids pay for college

Aliyah Ford always knew she would attend college. What she did not know was how her family would pay for it.

Aliyah heard about a local essay contest and the first prize winner would receive $2,500 towards college. The contest, sponsored by the District of Columbia and the DC College Savings Plan, challenged local high school freshmen in the District's Public and Public Charter schools to explain, in at least 500 words, what college means to them and how they are preparing for college.

Nearly 114 essays were submitted. Of these, 24 DC students, three from each ward, received first, second and third prizes of $2,500, $1,500 and $1,000, respectively. The money was deposited into a DC College Savings account for each student on their behalf after they claimed the prize money.

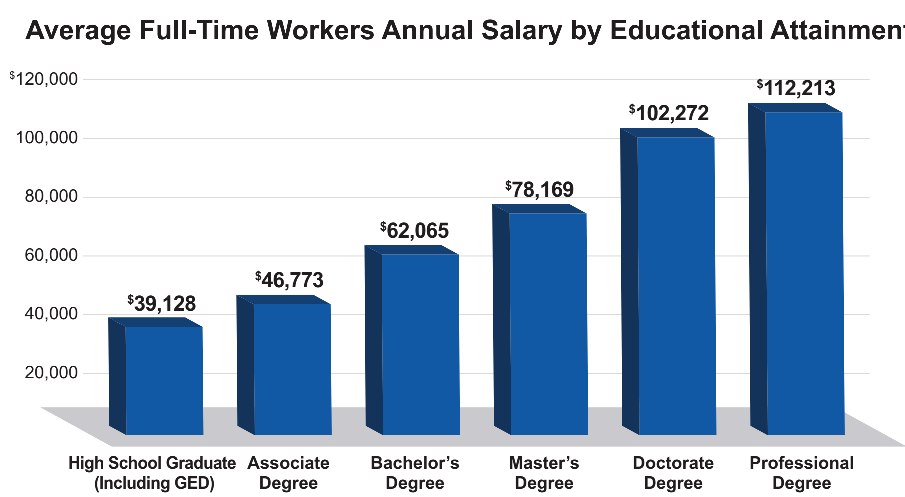
In Ward 6, the essay written by Aliyah – a Dunbar High School graduate – won first place. The $2,500 prize money helped relieved some of the financial burden of college.

Today, Aliyah attends Delaware State University, where she is a freshman studying to become a nurse. The first in her family to attend college, Aliyah hopes to start a college tradition for generations to follow.

For Aliyah's generation, college is a necessity, studies show

According to a recent Georgetown University study, by 2020, 65% of all U.S. jobs will require training beyond high school.

Another argument for a college education: Lifetime income. College graduates will earn, on average, $1 million more in their lifetimes than those with just a high school degree, a second Georgetown University study concludes.



Median earnings in 2017 for full-time year-round workers 25 years old and over.
Source: U.S. Census Bureau. Current Population Survey, 2018 Annual Social and Economic Supplement

College saving: Not all or nothing

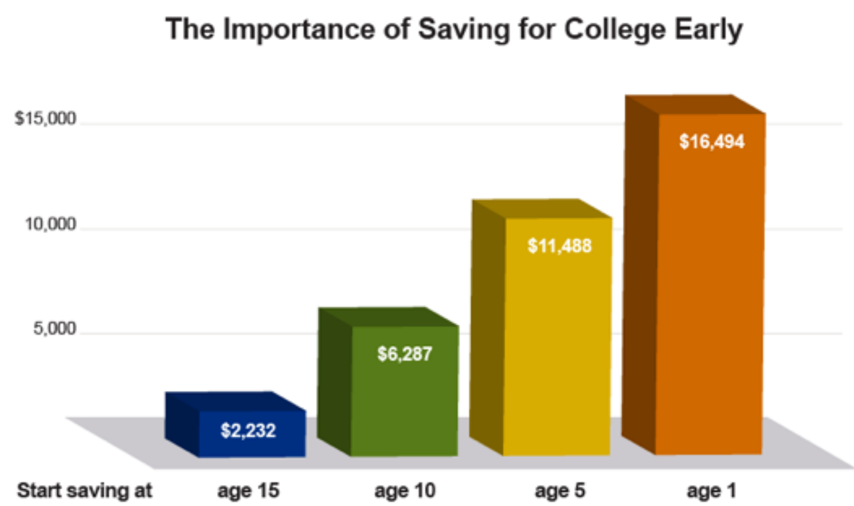
Of course, just as the rewards of a college education continue to grow, so does college tuition. Families across the District and nationwide struggle to save or borrow enough money to attend college and vocational schools.

Grants and scholarships – aid provided by colleges and universities that does NOT have to be paid back – covered 55% of all college costs in 2016-17, according to the College Board. The rest must come from what families can save, and what they can borrow.

Parents do not have to save the full amount for college, experts say. Even small amounts saved over time can make a big difference.

By investing in the DC College Savings Plan, over time, families can potentially earn a return on their earnings, which then get reinvested to generate even more return. Called compounding, the process rewards savers who start early. Saving small amounts over many years is often easier than trying to "catch up" when kids are older.

In the hypothetical example below, if an account owner began to save \$50 a month when a child was 1 year old (with an initial contribution of \$250), they could potentially have an account worth \$16,494 by the time the child was college age.[3]



[3]The hypothetical example assumes college begins at age 18 and is based on a 5 percent rate of return compounded daily, and is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or taxes, if any, payable upon withdrawal.

529 college saving plans grow in popularity

Families have several savings options. One option, 529 plans – named after Section 529 of the Internal Revenue Service Code – was designed specifically to make saving for education easier. Each state, as well as the District, sponsors its own 529 plan.

The DC College Savings Plan offers special benefits just for District taxpayers. For example, married couples who file jointly and have separate accounts can get up to an $8,000 tax deduction; individuals can get a tax deduction of up to $4,000.

Savings in DC's 529 plan can be used at most 2- and 4-year public and private colleges, universities and vocational schools worldwide, not just in DC to pay for:

- Tuition
- Room and board
- Books
- Fees
- Computers, and much more

Other DC College Savings Plan benefits:

- Tax-deferred growth: Earnings grow free of federal and state taxes
- Tax-free distributions for qualified expenses
- Initial contribution of just $25 to open an account
- Online account access 24/7
- Substantial gift tax and estate planning advantages, and more.

Recent IRS changes allow 529 use for K-12 tuition, too

In 2018, a broad-based federal law, H.R. 1, allowed families to use 529 savings for private, public or parochial K-12 education. Families may withdraw up to $10,000 per year per student tax-free for qualified K-12 expenses.

For more details on opening a DC College Savings Plan, visit dccollegesavings.com or call 800-987-4859. Savers are always urged to read the Program Disclosure Booklet and consider the information carefully before investing.

SPONSOR PROFILE:
District of Columbia
Office of the Chief Financial Officer
Office of Finance and Treasury

The D.C. Chief Financial Officer (CFO) is responsible for the implementation and administration of the D.C. College Savings Act of 2002, D.C. Law 13-212, approved March 31, 2001, as amended by the College Savings Program Act of 2002, D.C. Law 14-307, approved June 5, 2003.

Pursuant to D.C. Regulations, 49 DCR 9859, November 1, 2002, made final at D.C. Mun. Regs, tit. 9, sec. 155 (2004), the CFO entered into a Declaration of Trust, establishing the DC College Savings Program Trust, an instrumentality of the District of Columbia. In addition, pursuant thereto, the CFO or the Treasurer, as designated by the CFO, shall serve as the fiduciary and Trustee of the District of Columbia College Savings Program Trust.

The CFO or the Treasurer, as designee of the CFO, is responsible for selecting a qualified financial institution as the program manager to administer the Program. In addition, the CFO or the Treasurer, as designee of the CFO, is responsible for approving the selection of the underlying investments in the Trust. The CFO or the Treasurer of the District of Columbia, as designee of the CFO, is responsible for the administration of the Program.

SPONSOR PROFILE:
Ascensus College Savings Recordkeeping Services, LLC

Ascensus provides the District full 529 program management, recordkeeping, investment management, marketing and customer service that makes saving for college easy and intuitive.

ABOUT ASCENSUS

Ascensus helps more than 8 million Americans save for the future—retirement, education, and healthcare—through technology-enabled solutions. With more than 35 years of experience, the firm offers tailored solutions that meet the needs of asset managers, banks, credit unions, state governments, financial professionals, employers and individuals. Ascensus supports over 54,000 retirement plans, more than 4.6 million 529 education savings accounts and a growing number of ABLE savings accounts. It also administers more than 1.5 million IRAs and health savings accounts. As of December 31, 2018, Ascensus had over $193 billion in total assets under administration. For more information about Ascensus, visit **ascensus.com.**

SUB-CONTRACTOR FOR THE PLAN

Ascensus has chosen BNY Mellon and Taylor Communications to provide the DC College Savings Plan with:

- BNY Mellon – Cash custody and trading
- Taylor Communications – Print vendor for statements, confirmations and correspondence

TENURE AS PROGRAM MANAGER

In November 2016, Ascensus was selected by the trustee as program manager for a new five year contract through November 2021. After that time, the agreement between the trustee and Ascensus may be continued or terminated (in which case a different program manger may be selected).

Relationship Manager

David Rydzeski is an Institutional Relationship Manager for the DC College Savings Plan, the District's own 529 college saving program. He helps educate human resource and benefit professionals, school counselors and community groups on how to promote and encourage college savings.

Prior to Ascensus, David was responsible for the distribution of various investment products, both to institutions and retail investors. He now puts his career-long financial experience to work helping DC families save for college.

2018 marks the first full year since the conversion to Ascensus, and through several new and key contacts, David has been able to showcase the DC College Savings Plan at 208 different events.

His outreach efforts covered every Ward in the District and included 96 workshops at a variety of employer and community venues. In addition to the workshops, which help explain the nuances of the program to the parents and families in attendance, David also staffed information tables at over 65 different venues to help raise awareness on the importance of saving for college and the benefits of the DC College Savings Plan.

To learn more about our outreach efforts, please visit the *Community* tab on our website, **www.dc529.com.**

Mr. Rydzeski is a registered representative of Ascensus Broker Dealer Services LLC, 877-529-2980, 95 Wells Ave, Newton MA (member FINRA/SIPC) and is not employed by the District of Columbia.

District of Columbia Administrative Team

Rodney Dickerson, Program Manager, manages the District's OPEB Fund. He is also responsible for monitoring the 401(a) Retirement Plan's operations, including all Plan communications and facilitates quarterly meetings with the vendor. Mr. Dickerson participates in the quarterly 529 investment meetings, as well as crafting and reviewing communication materials.

Merzie Davis, Financial Manager, is responsible for managing the day-to-day operations of the DC College Savings Plan and the 457(b) Deferred Compensation Plan. Mr. Davis also participates in the quarterly 529 investment meetings.

Eugenia Collis, Associate Treasurer for Asset Management, Office of Finance and Treasury (OFT), Ms. Collis oversees the District's investment programs, including the general fund, the District's 401(a) and 457(b) retirement programs, the 529 College Savings program and the District's OPEB Fund program. Ms. Collis has oversight of the 529 plan, and staff that manages the program.

Bruno Fernandes, DC Treasurer and Deputy CFO, manages multiple financial and investment programs for the District government. In addition to overseeing the administration of the DC College Savings Plan, he has oversight of the Office of Finance and Treasury which manages the District's cash and liquid assets, all cash disbursments, banking relationships, the 457(b) Deferred Compensation Plan, the 401(a) Retirement Plan, and the Other Post Employment Benefits Fund (OPEB).

Brenda Mathis, Program Director, is responsible for managing the DC College Savings Plan, 457 Deferred Compensation Plan, and the 401(a) Retirement Plan. Ms. Mathis provides oversight of the investments and operations, and she manages the audit of the DC College Savings Plan. She ensures successful delivery from Ascensus as outlined in the Service Agreement.

Joseph Nzioki, Financial Analyst, works closely with Brenda Mathis, program director, and Rodney Dickerson, program manager on the 401(a) Retirement Plan and OPEB Fund. He assists with the monthly asset reconciliation for the 401(a) and OPEB Fund. Mr. Nzioki participates in the quarterly 529 investment meetings.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF FINANCE AND TREASURY

REPORT ON

THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
PARTICIPANT AND ADMINISTRATIVE FUNDS

FINANCIAL STATEMENTS
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

GOVERNMENT OF THE DISTRICT OF COLUMBIA
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FINANCIAL STATEMENTS
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FOR THE YEAR ENDED SEPTEMBER 30, 2018

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Facsimile: (202) 463-8883

INDEPENDENT AUDITOR'S REPORT

To the Trustee of
The District of Columbia 529 College Savings Program Trust

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the Participant Fund and Administrative Fund of the District of Columbia 529 College Savings Program Trust (the "Trust") as of September 30, 2018, and the related statement of changes in fiduciary net position of the Participant Fund and Administrative Fund for the year then ended and the related notes to the financial statements, which collectively comprise the Trust's financial statements.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Trust, as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2018 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Trust's internal control over financial reporting and compliance.

Washington, D.C. BCA Watson Rice LLP
December 26, 2018

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS (PARTICIPANT FUND)
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2018

The following presents management's discussion and analysis of the financial performance of the Government of the District of Columbia's (the District) College Savings Program (the Program) for the fiscal year ended September 30, 2018. This discussion and analysis should be read in conjunction with the financial statements and note disclosures.

Basic Financial Statements

The Program is accounted for as a private purpose trust fund of the District. The District has overall fiduciary responsibility to program participants to administer the operations of the Program. In accordance with GASB 34, the Program's basic financial statements, which are reported on the accrual basis of accounting, are the: (a) Statement of Fiduciary Net Position and (b) Statement of Changes in Fiduciary Net Position (c) Notes to the Financial Statements.

- The Statement of Fiduciary Net Position presents the assets, liabilities, and net position of the Program.
- The Statement of Changes in Fiduciary Net Position presents the additions to, and deductions from, the Program's net position.
- The financial statements also include notes that provide more detailed data and explanations for some of the information in the financial statements.

Financial Highlights

- Investments increased by $84,854,737 or 16.06%
- Participant contributions increased by $21,816,302 or 31.20%
- Net investment income decreased by $6,364,671 or 12.68%
- Distributions to participants increased by $4,854,216 or 11.13%

Financial Analysis

Table 1 - Condensed Statement of Fiduciary Net Position as of September 30, 2018 and 2017

	2018	2017	Variance ($)	Variance (%)
Assets				
Cash and Cash Equivalents	$ 4,902,501	$ 5,386,361	$ (483,860)	-8.98%
Investments	613,374,182	528,519,445	84,854,737	16.06%
Receivables	1,842,877	864,518	978,359	113.17%
Total Assets	620,119,560	534,770,324	85,833,096	16.05%
Liabilities				
Total Liabilities	416,655	325,962	90,693	27.82%
Net Position Held in Trust for Program Participants	$ 619,702,905	$ 534,444,362	$ 85,742,403	16.04%

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS (PARTICIPANT FUND)
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2018

Financial Analysis – Fiduciary Net Position

The Program's primary asset was investments, which totaled $613,374,182. Investments increased by 16.06% over fiscal year 2017 because of asset growth and the excess of contributions over distributions to participants. Market conditions were favorable in fiscal 2018, and as a result, fourteen (14) of the sixteen (16) Program funds had positive rates of return. The Program's funds invest in one or more underlying investments. The underlying investments are primarily held in mutual funds and a principal protected portfolio

As shown in Table 2 - **Investment by Fund with Rates of Returns as of September 30, 2018**, the top four Program investments were held in the U.S. Total Stock Market Index Portfolio ($132,266,280 or 21.6%); DC College Savings 2022 Portfolio ($60,697,050 or 9.9%); DC College Savings 2025 Portfolio ($57,835,700 or 9.4%); and DC College Savings 2028 Portfolio ($56,396,873 or 9.2%).

Table 2 - Investment by Fund with Rates of Returns as of September 30, 2018

	Investment Value	Percent of Total Assets	Rate of Return %
DC College Savings 2034 Portfolio	$ 24,923,712	4.1	8.67
DC College Savings 2031 Portfolio	47,039,293	7.7	6.78
DC College Savings 2028 Portfolio	56,396,873	9.2	5.05
DC College Savings 2025 Portfolio	57,835,700	9.4	3.46
DC College Savings 2022 Portfolio	60,697,050	9.9	2.54
DC College Savings 2019 Portfolio	56,050,935	9.1	2.55
DC College Savings Income College Portfolio	40,935,858	6.7	2.35
U.S. Large Cap Equity Portfolio	43,780,354	7.1	18.31
U.S. Socially Responsible Equity Portfolio	4,778,355	0.8	18.55
U.S. Total Stock Market Index Portfolio	132,266,280	21.6	16.94
U.S. Small Cap Equity Portfolio	14,511,562	2.4	15.84
Non-U.S. Socially Responsible Equity Portfolio	6,156,798	1.0	1.76
Non-U.S. Total Stock Market Index Portfolio	4,016,284	0.7	1.16
Intermmediate-Term Bond Portfolio	12,392,884	2.0	(0.20)
U.S. Intermmediate-Term Bond Portfolio	2,077,900	0.3	(1.58)
Principal Protected Portfolio	49,514,344	8.0	2.17
	$ 613,374,182	100.0	

Receivables increased by $978,359 or 113.17% over the prior fiscal year because of an increase in trades receivable and interest and dividend receivables at the end of the year.

Total liabilities increased by $90,693 or 27.82% over the prior fiscal year primarily because of an increase in trades payable and amount payable for program management fees at the end of the year.

Table 3 - Condensed Statement of Changes in Fiduciary Net Position as of September 30, 2018 and 2017

	2018	2017	Variance($)	Variance(%)
Additions				
Contributions	$ 91,743,995	$ 69,927,693	$ 21,816,302	31.20%
Net Investment Income	43,810,142	50,174,813	(6,364,671)	-12.68%
Total Additions	135,554,137	120,102,506	15,451,631	12.87%
Deductions				
Distributions to Participants	48,462,909	43,608,693	4,854,216	11.13%
Other Expenses	1,832,686	1,314,600	518,086	39.41%
Total Deductions	50,295,595	44,923,293	5,372,302	11.96%
Increase in Net Position	$ 85,258,542	$ 75,179,213	$ 10,079,329	13.41%

Financial Analysis – Changes in Fiduciary Net Position

The Program's contributions increased by $21,816,302 or 31.20% over the prior fiscal year. The year-over-year changes are a reflection of the investment decision made by participants and the actions of the program manager to process these transactions. The Program had an increase in participants from 23,307 in fiscal year 2017 to 25,871 in fiscal year 2018.

The Program had a net investment income of $43,810,142 in fiscal year 2018, which is a 12.68% decrease over fiscal year 2017. The decrease in net investment income was primarily due to a decrease in the net appreciation in the fair value of investments from $44.4 million in fiscal year 2017 to $39.6 million in fiscal year 2018. Additionally, interest and dividends decreased from $7.9 million in fiscal year 2017 to $4.7 million in fiscal year 2018. Overall, fourteen (14) of the sixteen (16) funds of the Program reflected positive rates of return, which contributed to a net appreciation in the fair value of investments for the year. For fiscal year 2018, the Program's investments collectively had a weighted average rate of return of 6.32%.

Distributions to participants in 2018 were $48,462,909 or 11.13% increase over fiscal year 2017. This increase is due to individual participant behavior and the timing of distributions to participants as funds are utilized to pay for college expenses or other purposes.

Other expenses include program management fees, and administrative and maintenance expenses. The overall increase in other expenses is primarily due to an increase in program management fees from $0.6 million in fiscal year 2017 to $1.4 million in fiscal year 2018 and a decrease in maintenance expenses from $0.4 million in fiscal year 2017 to $0.2 million in fiscal year 2018. During fiscal year 2017, the Program changed program management and the various investment options, and consequently, these fees including the underlying investment management fees were realigned. While program management fees increased, the underlying investment management fees decreased from $2.1 million to $0.5 million. For fiscal year 2018, program management and administrative fees were on average 0.25% and 0.05%, respectively, of the funds average daily net asset value. Underlying investment management fees ranged from 0.00% to 0.44% for each investment option.

Contact Information

This financial report is designed to provide a general overview of the Program's finances. Questions concerning any information provided in this report, or requests for additional financial information, should be addressed to the Office of the Chief Financial Officer (Office of Finance and Treasury); Government of the District of Columbia; 1101 4th Street SW, 8th Floor Washington, DC, 20024.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
PARTICIPANT FUND

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

ASSETS	
Cash and Cash Equivalents	$ 4,902,501
Receivables:	
Interest and Dividends	1,139,377
Investment Securities	703,500
	1,842,877
Investments:	
Equity Mutual Funds	316,350,561
Fixed Income Mutual Funds	156,331,104
Guaranteed Investment Contracts	140,692,517
Total Investments	613,374,182
Total Assets	620,119,560
LIABILITIES	
Investment Securities	270,574
Program Management Fees Payable	120,721
Due to D.C. Government Administrative Fund	25,360
Total Liabilities	416,655
Net Position Held in Trust for Program Participants	$ 619,702,905

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
PARTICIPANT FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

ADDITIONS	
Contributions	$ 91,743,995
Investment Income	
Net Appreciation in Fair Value of Investments	39,646,233
Interest and Dividends	4,674,984
Less: Investment Expenses	(511,075)
Net Investment Income	43,810,142
Total Additions	135,554,137
DEDUCTIONS	
Distributions to Participants	48,462,909
Program Management Fees	1,383,310
Administrative Expenses	291,411
Maintenance Expenses	157,965
Total Deductions	50,295,595
Increase in Net Position	85,258,542
Net Position Held in Trust for Program Participants	
Beginning of Year	534,444,363
End of Year	$ 619,702,905

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
ADMINISTRATIVE FUND

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

ASSETS	
Investment	
Fixed Income	$ 678,594
Receivables	
Due from Program Manager	1,146
Due from Participant Fund	25,360
Total Receivables	26,506
Total Assets	**705,100**
Net Position Held in Trust for Administrative Expenses	**$ 705,100**

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
ADMINISTRATIVE FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

ADDITIONS		
Administrative Fees	$	291,411
Maintenance Fees		17,901
Net Investment Income		8,575
Total Additions		317,887
DEDUCTIONS		
Professional Fees		184,941
Donations (Scholarship)		44,500
Total Deductions		229,441
Increase in Net Position		88,446
Net Position Held in Trust for Administrative Expenses		
Beginning of Year		616,654
End of Year	$	705,100

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
529 COLLEGE SAVINGS PROGRAM TRUST
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 ORGANIZATION AND PURPOSE

The District of Columbia (DC) College Savings Program (the Program) was created by D.C. Law 47- 4501 et seq., as amended and pursuant to D.C. Regulations, 49 DCR 9859, November 1, 2002 made final at D.C. Mun. Regs, title 9 sec. 155 (2004), as a Trust of the District of Columbia Government (the District). The Program enables participants to save for qualified higher education expenses. On December 22, 2017, federal tax bill H.R.1 was signed into law and expanded the definition of "qualified higher education expenses" to include qualified K-12 tuition expenses at a private, pubic or parochial school up to specified expense limitations per student. The Chief Financial Officer of the District of Columbia or his/her designee is the Trustee of the Plan. The current designee is the D.C. Treasurer. The Trustee is responsible for entering into contracts for program management services, adopting program administration rules and regulations, and establishing investment policies. The Program is managed by Ascensus College Savings Recordkeeping Services, LLC (ACSR) and its affiliates (collectively, Ascensus College Savings) and they have the overall responsibility for the day-to-day operation of the Program including recordkeeping, investment management, administrative services, and marketing. The management agreement between Ascensus College Savings and the D.C. Treasurer expires November 15, 2021 with the option to extend for two one- year periods, unless earlier termination.

The Program is available to both District of Columbia and non-District of Columbia residents. It is a qualified tuition program that allows participants to make contributions into sixteen (16) different investment options. The account balance limit is $500,000 per beneficiary. Accounts are subject to market investment risk, except for those that are invested in the Principal Protected Portfolio, which focuses on protecting the invested principal. As of September 30, 2018, the Plan had 25,871 participants with a net asset value of $619,702,905. Fees and expenses of the program are paid by each account owner and vary according to the Portfolio, in which they are invested.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The accompanying financial statements report the fiduciary net position and the changes in fiduciary net position of and for the fiscal year ended September 30, 2018. For financial reporting purposes, the Program includes all funds over which the Program exercises, or has the ability to exercise oversight authority.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Program reports the activity of the District of Columbia College Savings Program as a private-purpose trust fund, which is a type of fiduciary fund. Private-purpose trust funds account for transactions of trust arrangements in which the principal and income benefit individuals, private organizations, or governments. The financial statements of the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Investment Valuation and Income Recognition
Portfolio investments in the underlying funds are valued at the closing net asset value per share (unit) of each underlying fund on the day of valuation. The stability of principal portfolio is valued in accordance with the terms of the funding agreement, inclusive of accrued interest.

Security transactions, normally in shares of the underlying funds, are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis. Income and capital gains distributions, if any, from investments in the underlying funds are recorded on the ex-dividend date. Expenses included in the accompanying financial statements reflect the expenses of each portfolio and do not include any expenses associated with the underlying funds.

Units represent the beneficial interest of each participant in the net assets of a Portfolio. Contributions to and distributions from the portfolios are subject to terms and limitations defined in the Participation Agreement between the participant and the Trust. Contributions and distributions are recorded upon receipt of the participant's instructions in good order, based on the next determined net asset value per unit. Net investment income and net realized gains accumulate in the net asset value of each Portfolio and are not separately distributed to participants.

Fair Value Measurements
Government Accounting Standards Board Statement number 72 (GASB 72), *Fair Value Measurements and Application*, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. GASB 72 established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – inputs-other than quoted prices included within Level 1 - that are observable for the asset or liability, either directly or indirectly (for example, quoted prices for similar assets or liabilities in active markets).

Level 3 – unobservable inputs (including the District's own assumptions in determining the fair value of investments).

Cash and Cash Equivalents
Balance includes cash on deposit and short-term highly liquid investments that are (a) readily convertible to known amounts of cash and (b) so near their maturities that they present insignificant risk of changes in value because of changes in interest rates.

Receivables and Payables for investments purchased and sold
The receivables and payables represent transactions related to the purchase and sale of investments. However, the actual transfer of cash did not occur until the subsequent period.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Program is exempt from federal taxes in accordance with Section 529 of the Internal Revenue Code. D.C. resident participants are exempt from state and local taxes when earnings from the Program are used for qualified expenses. Non-D.C. residents may be subject to state and local taxes in their jurisdiction.

NOTE 3 INVESTMENTS

Investment Policy and Guidelines

The Program offers account owners, several Investment Portfolios that provide a range of risk and return characteristics, each unique to aid in proper diversification. Three different types of Investment Portfolios are offered to account owners: 1) Year of College Enrollment Portfolios, 2) Individual Portfolios, and 3) Principal Protected Portfolio. Once an account owner's Investment Portfolio(s) is selected for a particular contribution, IRS guidance dictates the rules through which an account owner can move money or transfer from one Investment Portfolio to another.

Year of College Enrollment Portfolio: The Portfolios offer account owners pre-diversified Investment Portfolios that become more conservative as the beneficiary nears his/her intended year of high school graduation. The Year of College Enrollment Portfolios represent a weighted allocation among a predetermined number and type of investment strategies, as follows:

	Year of College Enrollment Portfolios						
	DC College Savings Portfolios						
Underlying Investments	**Income**	**2019**	**2022**	**2025**	**2028**	**2031**	**2034**
iShares Core S&P Total U.S. Stock Market ETF	5.20%	8.45%	13.00%	22.75%	32.50%	42.25%	52.00%
iShares Core MSCI Total International Stock ETF	2.00%	3.25%	5.00%	8.75%	12.50%	16.25%	20.00%
Schwab US REIT ETF	0.80%	1.30%	2.00%	3.50%	5.00%	6.50%	8.00%
Vanguard Intermediate-Term Bond Index Fund	6.00%	9.00%	16.50%	19.50%	15.00%	10.50%	6.00%
Vanguard Short-Term Corporate Bond Index Fund	5.00%	7.50%	13.75%	16.25%	12.50%	8.75%	5.00%
Vanguard Short-Term Inflation Protected Securities Index Fund	7.00%	10.50%	19.25%	22.75%	17.50%	12.25%	7.00%
iShares Core International Aggregate Bond ETF	2.00%	3.00%	5.50%	6.50%	5.00%	3.50%	2.00%
Principal Protected Portfolio	72.00%	57.00%	25.00%	0.00%	0.00%	0.00%	0.00%

The Program Manager monitors and rebalances the underlying asset allocation of the Year of College Enrollment Portfolios on a quarterly basis. The Program Manager has discretion to rebalance the Year of College Enrollment Portfolios when the Investment Portfolios fall outside the strategic targets by more than one percentage point.

NOTE 3 INVESTMENTS (*Continued*)

Individual Portfolios: The Individual Portfolios are stand-alone options, which allow account owners to allocate their account into one or more Investment Portfolios. The goal in offering the Individual Portfolios is to provide account owners with the ability to construct diversified portfolios by asset class and investment style that match their risk tolerance, asset class preferences, time horizons and expected returns. Each portfolio invests (100%) in a single underlying mutual fund or EFT, as follows:

Individual Portfolios	Underlying Investments	Asset Clasas
U.S. Intermediate-Term Bond Index Portfolio	iShares Core U.S. Aggregate Bond ETF	Fixed Income
Intermediate-Term Bond Portfolio	Loomis Sayles Core Plus Bond Fund	Fixed Income
U.S. Total Stock Market Index Portfolio	iShares Core S&P Total U.S. Stock Market ETF	Domestic Equity
U.S. Socially Responsible Equity Portfolio	DFA U.S. Sustainability Core 1 Portfolio	Domestic Equity
U.S. Large-Cap Equity Portfolio	JP Morgan U.S. Equity Fund	Domestic Equity
Non-U.S. Socially Responsible Equity Portfolio	DFA International Sustainability Core 1 Portfolio	International Equity
Non-U.S. Total Stock Market Index Portfolio	iShares Core MSCI Total International Stock ETF	International Equity
U.S. Small-Cap Equity Portfolio	Vanguard Startegic Small-Cap Equity Fund	Domestic Equity

The Trustee reserves the right to add or replace Individual Portfolios based upon market conditions, Program Manager and Investment Consultant input, account owner response, or other factors.

Principal Protected Portfolio: The Principal Protected Portfolio focuses on protecting the principal account owners invest by allocating account owner contributions and earnings to a funding agreement issued by an insurance company that provides a guaranteed return of principal plus a minimum annualized rate of interest to the Trust. As of September 30, 2018, this portfolio was maintained in a stable value fund.

NOTE 3 INVESTMENTS (*Continued*)

Unrealized and Appreciated Value of the Program's Investments

At September 30, 2018, the Program held the following investments which are stated at fair value based on fair market prices:

	Aggregate Cost	Aggregate Fair Value	Unrealized Appreciation/ (Depreciation)
Domestic Equity Mutual Funds			
iShares Core S&P Total U.S. Stock Market ETF	$ 167,459,776	$ 205,588,997	$ 38,129,221
Schwab U.S. REIT ETF	10,356,802	10,715,179	358,377
DFA U.S. Sustainability Core 1 Portfolio	4,237,410	4,778,356	540,946
JP Morgan U.S. Equity	37,954,608	43,780,354	5,825,746
Vanguard Strategic Small Cap Equity	12,569,131	14,511,562	1,942,431
International Equity Mutual Funds			
DFA International sustainability Core 1	5,775,450	6,156,798	381,348
iShares Core MSCI Total International Stock ETF	29,294,056	30,819,315	1,525,259
Fixed Income Mutual Funds			
Vanguard Intermediate-Term Bond Index Fund	44,067,614	42,548,703	(1,518,911)
Vanguard Short-Term Corporate Bond Fund	36,360,843	35,658,879	(701,964)
Vanguard Short-Term Inflation Protected Securities	50,752,246	49,777,563	(974,683)
Loomis Sayles Core Plus Bond Fund	12,685,338	12,392,884	(292,454)
iShares Core U.S. Aggregate Bond ETF	13,756,344	13,875,176	118,832
iShares Core International Aggregate Bond	2,126,624	2,077,900	(48,724)
Guaranteed Investment Contracts			
Ameritas Stable Value Fund	140,692,516	140,692,516	-
Total Investments	$ 568,088,758	$ 613,374,182	$ 45,285,424

The unrealized gain (loss) on investments as of September 30, 2018 was $45,285,424. The net appreciation in the fair value of the investments as reflected in the Statement of Changes in Fiduciary Net Position consists of the following for the year ended September 30, 2018:

Unrealized gain (loss) as of September 30, 2018	$ 45,285,424
Unrealized gain (loss) as of September 30, 2017	(19,629,078)
Net change in unrealized gain (loss) during the year	25,656,346
Net realized gain (loss) during the year	13,989,887
Net Appreciation in Fair Value of Investments	$ 39,646,233

The net unrealized gain consists of losses in the year of enrollment base portfolio strategies and losses in the single portfolio investment strategies. The net realized gain consists primarily of gains in age-base portfolio strategies.

NOTE 3 INVESTMENTS (*Continued*)

Investment Risks

The Program's investments are subject to the following risks common to investments:

Custodial Credit Risk is the risk that the Program will not be able to recover the value of its investments in the event of a failure by the counterparty to a transaction. Investments are exposed if they are uninsured, are not registered in the name of the Program, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the Program's name. The Program's investments for fiscal year 2018 are uninsured and unregistered and are held by the counterparty in the Program's name, and are generally segregated by the counterparty in a manner to protect them from certain claims by creditors. The Plan also invests in mutual funds which are not generally exposed to custodial credit risks.

Credit Risk is the risk that an issuer to an investment will not fulfill its obligations. The Program does not invest in debt securities that have an overall quality which is less than the BBB as rated by Moody's or Standard & Poor. The primary credit ratings of the Program's debt securities are as follows:

Fund	Credit Ratings
iShare Core U.S. Aggregate Bond ETF	AAA, A, BBB, BB
Loomis Sayles Core Plus Bond Fund	AAA, A, BBB, BB
iShare Core S&P Total U.S. Stock Market ETF	AAA, AA, A, BBB
Vanguard Strategies Small-Cap Equity Fund	AAA, AAA, BBB
Principal Protected Plus	A

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Program does not invest in any investment account that has an average maturity exceeding ten years for its Bond Mutual Funds. The interest rate sensitivity, defined as duration, for each fund is as follows:

Fund	Average Duration
iShare Core U.S. Aggregate Bond ETF	7.38
Loomis Sayles Core Plus Bond Fund	5.89
iShare Core S&P Total U.S. Stock Market ETF	5.89
Vanguard Strategies Small-Cap Equity Fund	6.17
Principal Protected Plus	2.65

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign financial institution. The Program does not have a formal policy for limiting its exposure to changes in exchange rates. The investment fund that invests primarily in foreign financial institutions are the DFA International Sustainability Core 1 Portfolio and iShare Core International Aggregate Bond ETF. The Fund has various currency denominations. The primary currency denominations are the Franc, the Yen, and the British pound.

NOTE 3 INVESTMENTS (*Continued*)

Fair Value Measurements

Equity Mutual Funds: This investment category consists of open-ended mutual funds that are registered with the Securities and Exchange Commission (SEC). These mutual funds publish a daily NAV and transact at that price. The mutual funds held in equities are deemed to be actively traded and support classification of the fair value measurement as Level 1 in the fair value hierarchy.

Fixed Income Mutual Funds: Mutual funds are a pool of money invested by an investment company in a variety of instruments such as emerging markets sovereigns, government related agencies, and emerging markets corporations. This investment category consists of open-ended mutual funds that are registered with the Securities and Exchange Commission (SEC). The mutual funds are invested in high yield markets bonds that represent fixed income securities issued by corporations with credit ratings of AAA or lower. These fixed income mutual funds publish a daily NAV and transact at that price. The mutual funds held in bonds are deemed to be actively traded and support the classification as Level 1 in the fair value hierarchy.

Guaranteed Investment Contracts: The Guaranteed Investment Contract (GIC) is valued at the sum of the net cash contributions to the deposit account plus interest credited minus withdrawals (the Contract Value). The GIC is measured at contract value and is a contractual investment rather than a security and is not deemed to be subject to custodial credit risk. The determination of fair value includes certain unobservable inputs as well as the assessment of the projected long-term duration of the Insurance and Annuity Company through review of contract terms, and substantiated utilizing available market data. However, there is a risk that an insurance company could fail to perform its obligations under a funding agreement for financial or other reasons. These contract value of the GIC is not leveled in the fair value hierarchy table below.

The Program categorizes fair value measurement within a hierarchy established by generally accepted accounting principles. The underlying funds had the following recurring fair value measurements at September 30, 2018:

NOTE 3 INVESTMENTS (*Continued*)

	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
INVESTMENTS MEASURED AT FAIR VALUE				
Domestic Equity Mutual Funds				
iShares Core S&P Total U.S. Stock Market ETF	$ 205,588,997	$ 205,588,997	$ -	$ -
Schwab U.S. REIT ETF	10,715,179	10,715,179	-	-
DFA U.S. Sustainability Core 1 Portfolio	4,778,356	4,778,356	-	-
JP Morgan U.S. Equity	43,780,354	43,780,354	-	-
Vanguard Strategic Small Cap Equity	14,511,562	14,511,562	-	-
Total Domestic Equity Mutual Funds	279,374,448	279,374,448	-	
International Equity Mutual Funds				
DFA International Sustainability Core 1	6,156,798	6,156,798	-	-
iShares Core MSCI Total International Stock ETF	30,819,315	30,819,315	-	-
Total Income Equity Mutual Funds	36,976,113	36,976,113	-	-
Fixed Income Mutual Funds				
Vanguard Intermediate-Term Bond Index Fund	42,548,703	42,548,703	-	-
Vanguard Short-Term Corporate Bond Fund	35,658,879	35,658,879	-	-
Vanguard Short-Term Inflation Protected Securities	49,777,563	49,777,563	-	-
Loomis Sayles Core Plus Bond Fund	12,392,884	12,392,884	-	-
iShares Core U.S. Aggregate Bond ETF	13,875,176	13,875,176	-	-
iShares Core International Aggregate Bond	2,077,900	2,077,900	-	
Total Fixed Income Mutual Funds	156,331,105	156,331,105	-	-
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	472,681,666	$ 472,681,666	$ -	$ -
INVESTMENT MEASURED AT CONTRACT VALUE				
Guaranteed Investment Contracts				
Ameritas Stable Value Fund	140,692,516			
TOTAL INVESTMENTS	**$ 613,374,182**			

NOTE 4 ADMINISTRATIVE AND MAINTENANCE FEES

The Program assessed underlying investment, program management, state fees and an annual maintenance fee. Program management and state (administrative) fees which totaled 0.15% on the principal protected portfolio and 0.30% on all other funds were assessed. Of the total fees, the District receives 0.05% as state (administrative) fees. The annual maintenance fee is generally charged during the month of the first anniversary in which the account was opened and annually thereafter. Account owners who are residents of the District are charged an annual maintenance fee of $10.00, and non-District residents are charged an annual maintenance fee of $15.00. The annual maintenance fees are charged on a pro rata basis upon closure of an account. The Program Manager receives the $10.00 annual maintenance fee charged to District residents. Out of the $15.00 annual maintenance fee charged to non-District residents, the Program Manager receives $10 and the District receives $5.

NOTE 4 ADMINISTRATIVE AND MAINTENANCE FEES *(Continued)*

For Fiscal Year 2018, total program management and administrative fees assessed to account owners were $1,383,310 and $291,411, respectively. These fees are reflected in the Participant Fund Statement of Changes in Fiduciary Net Position. The District portion of the fees of $291,411 is also reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2018, the total amount not remitted to the District was $25,360.

For the Fiscal Year 2018, maintenance and enrollment fees reflected in the Participant Fund Statement of Changes in Fiduciary Net Position totaled $157,965. The District's portion was $17,901, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. As of September 30, 2018, the total amount not remitted to the District was $1,145.

The District incurred administrative expenses of $229,441 in Fiscal Year 2018, which is reflected in the Administrative Fund Statement of Changes in Fiduciary Net Position. The expenses were for the professional services and donations for scholarship. At year-end, the Administrative Fund position balance was $705,100.

NOTE 5 INVESTMENT EXPENSES

Investment expenses represent the operating expenses and load fees paid to the broker dealers. Certain fees charged by the investment funds for operating expenses and load fees are reflected in the net appreciation in fair value of investments amount in the Statement of Changes in Fiduciary Net Position. Other underlying investment fees, net of administrative and program management fees (see note 4), ranged from 0.00% to 0.44% (gross of 0.15% to 0.74%) of the fund's average daily net asset value. Underlying investment management fees, net of administrative and program management fees, totaled $511,075, which is reflected in the Participant Fund Statement of Changes in Fiduciary Net Position.

NOTE 6 RELATED PARTY TRANSACTIONS

All the Program's individual portfolios invest in a single underlying mutual fund or ETF managed by a third-party investment manager. The year of enrollment portfolios have a set target allocation and are invested in multiple underlying mutual funds, ETFs as well as the Ameritas Funding Agreement.

Ascensus College Savings monitors and rebalances the underlying asset allocations of the Year of College Enrollment Portfolios on a quarterly basis. The principal protected portfolio invests in a funding agreement issued by Ameritas Life.

NOTE 7 RISKS AND UNCERTAINITIES

The Plan invests in investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible, that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Fiduciary Net Position.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS.*

To the Trustee of
The District of Columbia 529 College Savings Program Trust

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District of Columbia 529 College Savings Program Participant and Administrative Funds (the "Trust"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated December 26, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Trust's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

This report is intended solely for the information and use of the Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Washington, DC BCA Watson Rice LLP
December 26, 2018

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

For more information about The DC College Savings Plan ("The Plan"), call 800.987.4859, or visit dccollegesavings.com to obtain a Program Disclosure Booklet, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing.

The Plan is administered by the District of Columbia Office of the Chief Financial Officer, Office of Finance and Treasury. Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations, including recordkeeping and administrative services. Ascensus Investment Advisors, LLC serves as the Investment Manager.

The Plan's Portfolios invest in: (i) exchange-traded funds, (ii) mutual funds and (iii) a funding agreement. Investments in The Plan are municipal securities that will vary with market conditions. Investments are not guaranteed or insured by the Government of the District of Columbia, the District of Columbia College Savings Program Trust, the District of Columbia Chief Financial Officer, the District of Columbia Treasurer, the Trustee for the District of Columbia College Savings Program Trust or any co-fiduciary or instrumentality thereof, the Federal Deposit Insurance Corporation or any instrumentality thereof.

INVESTMENTS ARE NOT FDIC INSURED, MAY LOSE VALUE AND ARE NOT BANK GUARANTEED.

DC COLLEGE
SAVINGS PLAN

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