

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN

Financial Statements

Including

Supplementary Information

June 30, 2018



OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
INDEX
JUNE 30, 2018

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Report of Independent Auditors

To the Board of Trustees of the Oklahoma College Savings Plan:

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma College Savings Plan – Direct Plan (the “Direct Plan”), which comprise the statement of fiduciary net position as of June 30, 2018 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express an opinion on 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 our 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, we consider internal control relevant to the Direct Plan’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 Direct Plan’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Oklahoma College Savings Plan – Direct Plan, as of June 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



The accompanying management's discussion and analysis on pages 4 through 5 are required by accounting principles generally accepted in the United States of America 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 Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Direct Plan's basic financial statements. The accompanying supplementary information of the statements of fiduciary net position on pages 13 through 16, statements of changes in fiduciary net position on pages 18 through 21 and financial highlights on pages 23 through 26 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2018 on our consideration of the Direct Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Direct Plan's internal control over financial reporting

PricewaterhouseCoopers LLP

August 21, 2018

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN

MANAGEMENT’S DISCUSSION AND ANALYSIS

(unaudited)

As plan manager of the Oklahoma College Savings Plan – Direct Plan (“Direct Plan”), TIAA-CREF Tuition Financing, Inc. (“TFI”) offers readers of the Direct Plan’s financial statements this discussion and analysis of the financial performance for the year ended June 30, 2018. Readers should consider the information presented in this section in conjunction with the Direct Plan’s financial statements and notes to financial statements. The Direct Plan is comprised of nine investment options (the "Options") in which account owners ("Account Owners") may invest and one option available exclusively for State owned accounts related to a pilot study project.

Financial Highlights

During the year ended June 30, 2018, the Options within the Direct Plan posted returns as follows:

<u>Conservative Managed Allocation Option:</u>		<u>Aggressive Managed Allocation Option:</u>	
Ages 0-3	7.62%	Ages 0-3	11.46%
Ages 4-7	6.49	Ages 4-7	9.49
Ages 8-11	5.42	Ages 8-11	8.21
Ages 12-14	3.91	Ages 12-14	6.36
Ages 15-17	2.39	Ages 15-17	5.33
Ages 18 & Over	0.84	Ages 18 & Over	3.92
 <u>Moderate Managed Allocation Option:</u>		 <u>Risk-Based Investment Options:</u>	
Ages 0-3	9.46%	Diversified Equity Option	12.96%
Ages 4-7	8.31	Global Equity Index Option	11.47
Ages 8-11	6.59	U.S. Equity Index Option	14.41
Ages 12-14	5.42	Balanced Option (SEED OK)	8.09
Ages 15-17	3.82	Balanced Option	8.02
Ages 18 & Over	2.89	Fixed Income Option	(0.20)
		Guaranteed Option	1.63

The Direct Plan received \$20.2 million in net subscriptions from Account Owners during the year ended June 30, 2018.

The Direct Plan earned \$16.9 million from investment operations, paid out \$2.3 million for operating expenses and had a net increase in fair value of investments of \$39.3 million during the year ended June 30, 2018.

Overview of the Financial Statements

The Direct Plan’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board.

This report consists of two parts: Management’s Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are composed of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements that explain some of the information in the financial statements and provide more detailed information. The measurement focus of economic resources is where a set of financial statements report all inflows, outflows and balances effecting an entity's net position.

The Statement of Fiduciary Net Position presents information on the Direct Plan’s assets and liabilities, with the difference between the two reported as net position as of June 30, 2018. This statement, along with all of the Direct Plan’s financial statements, is prepared using the accrual basis of accounting. Subscriptions are recognized when enrollment in the Direct Plan is finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is disbursed.

**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
MANAGEMENT’S DISCUSSION AND ANALYSIS
(unaudited)**

The Statement of Changes in Fiduciary Net Position presents information showing how the Direct Plan’s assets changed during the most recent fiscal period. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

Financial Analysis

Net position – The following are condensed Statements of Fiduciary Net Position as of June 30, 2018 and 2017:

	2018	2017
Investments	\$ 875,098,952	\$ 800,922,277
Cash	1,749	46
Receivables	1,031,957	708,255
Total Assets	876,132,658	801,630,578
Payables	1,211,187	818,393
Total Liabilities	1,211,187	818,393
Total Net Position	\$ 874,921,471	\$ 800,812,185

Net position represents total subscriptions from Account Owners, plus net increases (decreases) from operations, less withdrawals and expenses.

Investments are approximately 100% of total net position, and consist of nine Options and one Option available exclusively for State owned accounts related to a pilot study project, each of which invests in varying percentages in multiple TIAA-CREF Funds, or the funding agreements ("Funding Agreements") issued by TIAA-CREF Life Insurance Company to the Board of Trustees of the Oklahoma College Savings Plan as the policy holder on behalf of the Direct Plan. Receivables consist of securities sold, subscriptions, and accrued income. Liabilities consist of payables for securities purchased, withdrawals, and accrued expenses.

Changes in net position – The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2018 and 2017:

	2018	2017
Additions:		
Subscriptions	\$ 278,794,184	\$ 238,018,402
Investment income	16,949,713	15,144,201
Net increase in fair value of investments	39,271,463	57,435,198
Total Additions	\$ 335,015,360	\$ 310,597,801
Deductions:		
Redemptions	(258,590,366)	(220,214,216)
Plan manager fee	(2,315,708)	(2,323,567)
Total Deductions	(260,906,074)	(222,537,783)
Changes in net position	74,109,286	88,060,018
Net position - beginning of year	800,812,185	712,752,167
Net position - end of year	\$ 874,921,471	\$ 800,812,185

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

ASSETS

Cash	\$ 1,749
Investments, at value (Cost: \$727,322,662)	875,098,952
Dividends and interest receivable	585,288
Receivable from securities transactions	114,501
Receivable from Plan units sold	332,168
TOTAL ASSETS	<u>876,132,658</u>

LIABILITIES

Overdraft payable	25
Accrued Plan manager fee	199,479
Payable for securities transactions	723,132
Payable for Plan units redeemed	288,551
TOTAL LIABILITIES	<u>1,211,187</u>

NET POSITION

Held in trust for Account Owners in the Plan	<u><u>\$ 874,921,471</u></u>
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See notes to financial statements

**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

ADDITIONS

Subscriptions	\$ 278,794,184
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Investment income:

Interest	2,585,242
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Dividends	14,364,471
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Total investment income	<u>16,949,713</u>
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Net increase in fair value of investments	<u>39,271,463</u>
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Total additions	<u>335,015,360</u>
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DEDUCTIONS

Redemptions	(258,590,366)
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Plan manager fee	<u>(2,315,708)</u>
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Total deductions	<u>(260,906,074)</u>
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Changes in net position	74,109,286
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Net position – beginning of year	<u>800,812,185</u>
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Net position – end of year	<u><u>\$ 874,921,471</u></u>
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See notes to financial statements

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1—Organization and Significant Accounting Policies

The Oklahoma College Savings Plan – Direct Plan (“Direct Plan”) provides a tax-advantaged way to encourage individuals to save for postsecondary education. The Direct Plan was implemented by and is administered by the Board of Trustees of the Oklahoma College Savings Plan (“Board”). The Board may administer the Direct Plan and establish the rules, terms, and conditions for the Direct Plan and invest, and may contract for the investment management of, the money deposited in accounts in the Direct Plan. TIAA-CREF Tuition Financing, Inc. (“TFI”), a wholly owned, direct subsidiary of Teachers Insurance and Annuity Association of America, and the Board, on behalf of the Direct Plan, entered into an agreement under which TFI provides certain services to the Direct Plan. The Direct Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code (“Code”). Investment options (“Options” or individually “Option”), allocations and fees, as approved by the Board, are described in the current Disclosure Booklet for the Direct Plan.

The assets in the Guaranteed Option are allocated to a funding agreement issued by TIAA-CREF Life Insurance Company (“TIAA-CREF Life”), which is an affiliate of TFI, to the Board as policyholder on behalf of the Direct Plan. Other options may also invest in a funding agreement issued by TIAA-CREF Life Insurance; however, this funding agreement is separate from the one accessible by the Guaranteed Option. The funding agreements (“Funding Agreements”) provide a minimum guaranteed rate of return on the funds invested. In addition to the guaranteed rate of interest to the policyholder, the funding agreement allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life.

The Balanced Option for Oklahoma Kids Initiative (“SEED OK”) is a pilot study consisting of approximately 1,500 beneficiaries for State of Oklahoma owned accounts. The accounts are invested as directed by the State of Oklahoma and are subject to restrictions.

Teachers Advisors, LLC. (“Advisors”), an affiliate of TFI, is registered with the Securities and Exchange Commission as an investment adviser and provides investment advisory services to the TIAA-CREF Funds (the “Funds”). TIAA-CREF Individual & Institutional Services, LLC (“Services”), a wholly owned, direct subsidiary of TIAA, serves as the primary distributor and underwriter for the Plan and provides certain underwriting and distribution services in furtherance of TFI’s marketing plan for the Plan. Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”) which may require the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Direct Plan.

Investment income: Securities transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from the underlying Funds are recorded on the ex-dividend date. Income distributions from underlying Funds are included in total investment income and gain distributions are included in net increase in fair value of investments. Realized gains and losses are based upon the specific identification method.

Income tax: No provision for federal income tax has been recorded. The Direct Plan is designed to constitute a qualified tuition program under Section 529 of the Code and does not expect to have any unrelated business income subject to tax.

Units: The beneficial interests for each account owner (“Account Owner”) in the Options are represented by Direct Plan units. Subscriptions and redemptions are recorded upon receipt of Account Owner’s instructions in good order, based on the next determined net position value per unit (“Unit Value”). Unit Values for each Option are determined at the close of business of the New York Stock Exchange. The Unit Value for financial reporting purposes may differ from the Unit Value for processing transactions. The Unit Value for financial reporting purposes includes security and shareholder transactions through the date of the report. There are no distributions of net investment gains or net investment income to the Options’ Account Owners or beneficiaries.

Subscriptions and redemptions: Subscriptions on the Statement of Changes in Fiduciary Net Position include any subscriptions to the Direct Plan made by Account Owners and any exchanges within the Direct Plan that result in a reinvestment of assets. Redemptions on the Statement of Changes in Fiduciary Net Position include any withdrawals from the Direct Plan made by Account Owners and any exchanges within the Direct Plan that result in a withdrawal and subsequent reinvestment of assets.

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 – Valuation of Investments

Fair value measurements are grouped categorically into three levels, as defined by the GASB. The levels are defined as follows:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit spreads, etc.)
- Level 3 – significant unobservable inputs (including the Direct Plan's own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Direct Plan's major categories of investments follows:

Investments in registered investment companies: These investments are valued at their published net asset value on the valuation date. These investments are categorized in Level 1 of the fair value hierarchy.

Funding Agreements: The Funding Agreements, to which the Conservative Managed Allocation Option, the Moderate Managed Allocation Option, the Aggressive Managed Allocation Option, and the Guaranteed Option allocate assets, are considered nonparticipating interest-earning investment contracts and are accounted for at cost. Because the Funding Agreements are valued at cost, they are not included in the fair value hierarchy.

As of June 30, 2018, 100% of the value of the mutual fund investments in the Direct Plan were valued based on Level 1 inputs.

Note 3 – Direct Plan Fees

Each Option, with the exception of the Guaranteed Option, is charged fees ("Fees") by TFI, as the Direct Plan manager, based on the average daily net position held by each Option. From July 1, 2017 to April 2, 2018, the base annual rate for the Fees was 0.35% if the market value of the total assets in the Direct Plan was less than \$750 million. If the total market value of the assets in the Direct Plan became equal to or greater than \$750 million for a period of at least 90 consecutive days, the rate for the Fees was to be reduced to an annual rate of 0.30%. If the total market value of the assets in the Direct Plan was \$1 billion or more for a period of at least 90 consecutive days, the rate for the Fees was to be reduced to an annual rate of 0.25%. Due to the market value of the Direct Plan's assets from July 1, 2017 to April 2, 2018, the Options were charged Fees of 0.30% for the duration of the period.

On April 3, 2018, a revised Fee schedule was approved by the Board. As of April 3, 2018, the base annual rate for the Fees was 0.30% if the market value of the total assets in the Direct Plan were less than \$1 billion. If the total market value of the assets in the Direct Plan became equal to or greater than \$1 billion for a period of at least 90 consecutive days, the rate for the Fees is to be reduced to an annual rate of 0.25%. Due to the market value of the Direct Plan's assets from April 3, 2018 to June 30, 2018, the Options were charged Fees of 0.30% for the duration of the period.

In addition to the Fees, Advisors is paid investment management fees on the underlying investments in the Funds.

These amounts are reflected in the expenses on the Statement of Changes in Fiduciary Net Position.

Note 4 – Investments

Cash deposits: All cash deposits at June 30, 2018 were covered by federal depository insurance coverage.

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
NOTES TO FINANCIAL STATEMENTS (continued)

Investments: As of June 30, 2018, net unrealized appreciation of portfolio investments was \$147,776,290 consisting of gross unrealized appreciation of \$149,780,663 and gross unrealized depreciation of \$2,004,373.

At June 30, 2018, the Direct Plan's investments consist of the following:

	<u>Unit</u>		<u>Cost</u>		<u>Value</u>
TIAA-CREF Funds (Institutional Class):					
Bond Index Fund	11,816,788	\$	124,949,748	\$	124,076,279
Emerging Markets Equity Fund	353,246		3,453,152		4,072,920
Emerging Markets Equity Index Fund	2,114,372		19,827,997		23,680,966
Equity Index Fund	14,031,038		190,290,534		284,549,460
Growth & Income Fund	1,996,698		19,919,735		29,611,028
High-Yield Fund	2,820,730		27,566,000		26,909,769
Inflation-Linked Bond Fund	3,121,738		33,233,488		35,213,207
International Equity Fund	1,162,123		10,569,273		14,724,095
International Equity Index Fund	4,359,771		67,041,591		85,756,691
Large-Cap Growth Fund	168,677		2,061,111		3,715,964
Large-Cap Value Fund	147,017		2,123,122		2,766,865
Mid-Cap Growth Fund	97,162		1,730,322		2,306,635
Mid-Cap Value Fund	101,682		1,920,632		2,401,741
Real Estate Securities Fund	2,087,060		20,653,947		32,641,622
Short-Term Bond Index Fund	3,072,088		30,559,616		30,167,907
Small-Cap Equity Fund	217,119		3,256,632		4,338,041
TIAA-CREF Life Insurance Company:					
Funding Agreements	3,283,378		168,165,762		168,165,762
			<u>\$ 727,322,662</u>		<u>\$ 875,098,952</u>

Note 5 – Investment Risks

Certain investments are subject to a variety of investment risks based on the amount of risk in the Funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Direct Plan's Options are uninsured and unregistered and are held by a custodian in the Direct Plan's name.

Investment policy: The Direct Plan does not have specific investment policies which address credit, interest rate, foreign currency or custodial credit risk. The Direct Plan's Options are managed based on specific investment objectives and strategies which are disclosed in the Direct Plan's current Disclosure Booklet.

Custodial credit risk: Custodial credit risk represents the potential inability of a custodian to return Direct Plan deposits and investments in the event of a failure. An Account Owner has an investment in an Option and not a direct investment in any Funds or other investment vehicle to which funds in that Option may be allocated. Because of this ownership structure, the custodial credit risk is significantly mitigated.

Credit risk: The Funds investing primarily in fixed income securities are subject to credit risk. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The Funds do not carry a formal credit quality rating. The Funding Agreements are guaranteed insurance products issued by TIAA Life. TIAA Life had a Standard & Poor's credit rating of AA+ at June 30, 2018.

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS (concluded)

Interest rate risk: Interest rate risk represents exposure to changes in the fair value of investments due to volatility in interest rates. At June 30, 2018, the average maturities for the fixed income Funds are as follows:

<u>Investment</u>	<u>Value</u>	<u>Weighted Average Maturity</u>
TIAA-CREF Funds (Institutional Class):		
Bond Index Fund	\$ 124,076,279	8.30 years
High-Yield Fund	26,909,769	6.60 years
Inflation-Linked Bond Fund	35,213,207	5.47 years
Short-Term Bond Index Fund	30,167,907	1.99 years

Foreign currency risk: Foreign currency risk represents exposure to changes in the fair value of investments due to volatility in exchange rates. The Direct Plan does not have any direct investment in foreign securities. Certain Direct Plan Options allocate assets to Funds that are exposed to foreign currency risk. At June 30, 2018, the values of investments in Funds that significantly invest in foreign denominated contracts are as follows:

<u>Investment</u>	<u>Value</u>
TIAA-CREF Funds (Institutional Class):	
Emerging Markets Equity Fund	\$ 4,072,920
Emerging Markets Equity Index Fund	23,680,966
International Equity Fund	14,724,095
International Equity Index Fund	85,756,691

Note 6 - Guarantees and Indemnifications

Under the Direct Plan's organizational documents, each officer, employee or other agent of the Direct Plan (including TFI) is indemnified against certain liabilities that may arise out of performance of their duties to the Direct Plan. Additionally, in the normal course of business, the Direct Plan enters into contracts that contain a variety of indemnification clauses. The Direct Plan's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Direct Plan that have not yet occurred. However, the Direct Plan has not had prior claims or losses pursuant to these contracts, and management expects the risk of loss to be remote.

SUPPLEMENTARY INFORMATION

The following information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the direct-sold plan of the Oklahoma College Savings Plan (“Direct Plan”). It shows financial information relating to the investment options, which are included in the Direct Plan during the year ended June 30, 2018.

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2018

Conservative Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over	Total
ASSETS							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Index Fund	\$ 296,268	\$ 968,770	\$ 917,847	\$ 1,024,090	\$ 771,074	\$ 927,575	\$ 4,905,624
Emerging Markets Equity Index Fund	96,927	172,894	110,932	99,907	46,310	—	526,970
Equity Index Fund	774,207	1,508,059	987,351	908,700	478,876	—	4,657,193
High-Yield Fund	61,328	206,836	198,428	244,564	190,944	209,282	1,111,382
Inflation-Linked Bond Fund	76,027	252,754	297,657	311,001	232,090	280,203	1,449,732
International Equity Index Fund	270,021	517,048	344,391	315,357	190,090	—	1,636,907
Real Estate Securities Fund	85,568	168,337	118,636	103,621	59,229	—	535,391
Short-Term Bond Index Fund	50,181	156,893	143,927	247,974	346,204	1,026,484	1,971,663
SUBTOTAL	1,710,527	3,951,591	3,119,169	3,255,214	2,314,817	2,443,544	16,794,862
TIAA-CREF Life Insurance Company:							
Funding Agreements	67,931	199,128	192,514	1,005,776	2,284,215	4,597,996	8,347,560
TOTAL INVESTMENTS	1,778,458	4,150,719	3,311,683	4,260,990	4,599,032	7,041,540	25,142,422
Cash	1,728	—	—	—	—	—	1,728
Dividends and interest receivable	1,219	3,734	3,346	5,269	6,710	10,569	30,847
Receivable from securities transactions	—	3,405	—	—	—	—	3,405
Receivable from Plan units sold	5,780	725	210	747	1,694	10,164	19,320
TOTAL ASSETS	1,787,185	4,158,583	3,315,239	4,267,006	4,607,436	7,062,273	25,197,722
LIABILITIES							
Accrued Plan manager fee	475	1,044	785	1,051	1,183	1,616	6,154
Payable for securities transactions	2,000	3,734	3,556	6,016	8,404	19,844	43,554
Payable for Plan units redeemed	—	4,130	—	—	—	889	5,019
TOTAL LIABILITIES	2,475	8,908	4,341	7,067	9,587	22,349	54,727
NET POSITION	\$ 1,784,710	\$ 4,149,675	\$ 3,310,898	\$ 4,259,939	\$ 4,597,849	\$ 7,039,924	\$ 25,142,995
UNITS OUTSTANDING	95,740	243,177	210,169	302,066	369,934	653,888	
NET POSITION VALUE PER UNIT	\$ 18.64	\$ 17.06	\$ 15.75	\$ 14.10	\$ 12.43	\$ 10.77	
INVESTMENTS AT COST	\$ 1,458,491	\$ 3,644,562	\$ 2,958,671	\$ 4,009,916	\$ 4,447,552	\$ 7,062,038	\$ 23,581,230

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2018

Moderate Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over	Total
ASSETS							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Index Fund	\$ 832,062	\$ 3,990,474	\$ 13,190,699	\$ 22,448,360	\$ 26,279,188	\$ 15,514,024	\$ 82,254,807
Emerging Markets Equity Index Fund	383,329	1,118,617	2,253,277	2,574,643	2,351,846	1,810,103	10,491,815
Equity Index Fund	4,073,976	12,719,454	23,193,404	23,935,433	19,214,026	15,397,700	98,533,993
High-Yield Fund	147,634	757,092	2,932,852	5,032,983	5,792,772	3,777,316	18,440,649
Inflation-Linked Bond Fund	164,979	757,030	4,458,080	7,170,721	6,911,549	4,616,885	24,079,244
International Equity Index Fund	1,457,331	4,510,583	8,434,491	9,212,119	7,981,045	5,939,810	37,535,379
Real Estate Securities Fund	492,387	1,829,508	2,701,982	3,137,908	2,647,142	1,616,193	12,425,120
Short-Term Bond Index Fund	142,938	589,977	1,906,284	3,292,927	5,823,280	13,430,694	25,186,100
SUBTOTAL	7,694,636	26,272,735	59,071,069	76,805,094	77,000,848	62,102,725	308,947,107
TIAA-CREF Life Insurance Company:							
Funding Agreements	145,472	758,626	2,943,817	4,711,397	23,663,901	49,732,009	81,955,222
TOTAL INVESTMENTS	7,840,108	27,031,361	62,014,886	81,516,491	100,664,749	111,834,734	390,902,329
Cash	—	—	—	—	21	—	21
Dividends and interest receivable	3,065	15,136	52,607	87,032	131,223	138,071	427,134
Receivable from securities transactions	—	2,917	—	—	8,453	42,170	53,540
Receivable from Plan units sold	12,273	18,208	10,845	14,982	9,917	14,982	81,207
TOTAL ASSETS	7,855,446	27,067,622	62,078,338	81,618,505	100,814,363	112,029,957	391,464,231
LIABILITIES							
Overdraft payable	—	25	—	—	—	—	25
Accrued Plan manager fee	2,075	6,976	15,947	20,431	25,262	26,197	96,888
Payable for securities transactions	5,338	15,136	56,080	90,839	131,223	138,071	436,687
Payable for Plan units redeemed	—	21,100	7,372	11,175	18,120	57,152	114,919
TOTAL LIABILITIES	7,413	43,237	79,399	122,445	174,605	221,420	648,519
NET POSITION	\$ 7,848,033	\$ 27,024,385	\$ 61,998,939	\$ 81,496,060	\$ 100,639,758	\$ 111,808,537	\$ 390,815,712
UNITS OUTSTANDING	282,524	1,279,734	2,972,455	3,742,742	5,000,933	6,280,818	
NET POSITION VALUE PER UNIT	\$ 27.78	\$ 21.12	\$ 20.86	\$ 21.77	\$ 20.12	\$ 17.80	
INVESTMENTS AT COST	\$ 5,352,812	\$ 19,237,590	\$ 48,406,029	\$ 68,096,036	\$ 90,787,347	\$ 104,987,742	\$ 336,867,556

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2018

Aggressive Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over	Total
ASSETS							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Index Fund	\$ —	\$ 3,583,538	\$ 3,775,661	\$ 3,432,669	\$ 4,252,107	\$ 2,698,928	\$ 17,742,903
Emerging Markets Equity Index Fund	721,608	1,897,297	1,192,004	641,103	531,268	241,916	5,225,196
Equity Index Fund	7,950,018	17,505,098	10,933,642	5,854,621	4,859,669	2,377,922	49,480,970
High-Yield Fund	—	737,132	776,418	830,425	976,025	651,688	3,971,688
Inflation-Linked Bond Fund	—	876,322	964,529	963,370	1,231,002	823,306	4,858,529
International Equity Index Fund	2,713,104	6,162,152	3,909,873	2,062,442	1,630,707	809,018	17,287,296
Real Estate Securities Fund	864,643	1,877,107	1,219,437	657,133	539,846	262,109	5,420,275
Short-Term Bond Index Fund	—	484,848	680,046	599,667	754,894	490,689	3,010,144
SUBTOTAL	12,249,373	33,123,494	23,451,610	15,041,430	14,775,518	8,355,576	106,997,001
TIAA-CREF Life Insurance Company:							
Funding Agreements	—	633,554	689,383	760,628	917,681	2,724,151	5,725,397
TOTAL INVESTMENTS	12,249,373	33,757,048	24,140,993	15,802,058	15,693,199	11,079,727	112,722,398
Dividends and interest receivable	—	12,753	13,047	13,641	16,080	12,893	68,414
Receivable from securities transactions	—	7,870	—	—	—	—	7,870
Receivable from Plan units sold	36,469	4,126	6,801	2,780	3,246	2,615	56,037
TOTAL ASSETS	12,285,842	33,781,797	24,160,841	15,818,479	15,712,525	11,095,235	112,854,719
LIABILITIES							
Accrued Plan manager fee	3,304	8,465	5,881	3,923	3,755	2,560	27,888
Payable for securities transactions	29,982	12,753	19,847	16,421	19,326	13,961	112,290
Payable for Plan units redeemed	1,487	11,996	—	—	—	1,546	15,029
TOTAL LIABILITIES	34,773	33,214	25,728	20,344	23,081	18,067	155,207
NET POSITION	\$ 12,251,069	\$ 33,748,583	\$ 24,135,113	\$ 15,798,135	\$ 15,689,444	\$ 11,077,168	\$ 112,699,512
UNITS OUTSTANDING	524,884	1,690,943	1,280,331	925,220	979,448	787,575	
NET POSITION VALUE PER UNIT	\$ 23.34	\$ 19.96	\$ 18.85	\$ 17.08	\$ 16.02	\$ 14.06	
INVESTMENTS AT COST	\$ 8,542,385	\$ 28,652,169	\$ 20,906,433	\$ 13,973,739	\$ 14,474,347	\$ 10,501,477	\$ 97,050,550

OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2018

Risk-Based Investment Options								
	Diversified Equity Option	Global Equity Index Option	U.S. Equity Index Option	Balanced Option (SEED OK)	Balanced Option	Fixed Income Option	Guaranteed Option	Total
ASSETS								
Investments, at value:								
TIAA-CREF Funds (Institutional Class):								
Bond Index Fund	\$ —	\$ —	\$ —	\$ 600,678	\$ 11,176,053	\$ 7,396,214	\$ —	\$ 19,172,945
Emerging Markets Equity Fund	2,270,312	—	—	94,511	1,708,097	—	—	4,072,920
Emerging Markets Equity Index Fund	—	7,436,985	—	—	—	—	—	7,436,985
Equity Index Fund	—	84,873,229	47,004,075	—	—	—	—	131,877,304
Growth & Income Fund	15,176,068	—	—	790,554	13,644,406	—	—	29,611,028
High-Yield Fund	—	—	—	89,557	1,894,652	1,401,841	—	3,386,050
Inflation-Linked Bond Fund	—	—	—	141,102	2,653,796	2,030,804	—	4,825,702
International Equity Fund	8,120,606	—	—	299,618	6,303,871	—	—	14,724,095
International Equity Index Fund	—	29,297,109	—	—	—	—	—	29,297,109
Large-Cap Growth Fund	3,715,964	—	—	—	—	—	—	3,715,964
Large-Cap Value Fund	2,766,865	—	—	—	—	—	—	2,766,865
Mid-Cap Growth Fund	1,014,000	—	—	93,852	1,198,783	—	—	2,306,635
Mid-Cap Value Fund	1,215,815	—	—	51,126	1,134,800	—	—	2,401,741
Real Estate Securities Fund	2,363,158	9,711,990	—	119,257	2,066,431	—	—	14,260,836
Small-Cap Equity Fund	2,236,461	—	—	126,062	1,975,518	—	—	4,338,041
SUBTOTAL	38,879,249	131,319,313	47,004,075	2,406,317	43,756,407	10,828,859	—	274,194,220
TIAA-CREF Life Insurance Company:								
Funding Agreements	—	—	—	—	—	—	72,137,583	72,137,583
TOTAL INVESTMENTS	38,879,249	131,319,313	47,004,075	2,406,317	43,756,407	10,828,859	72,137,583	346,331,803
Dividends and interest receivable	—	—	—	1,764	33,852	23,277	—	58,893
Receivable from securities transactions	—	18,967	18,972	—	11,747	—	—	49,686
Receivable from Plan units sold	15,957	26,516	3,086	—	8,253	3,004	118,788	175,604
TOTAL ASSETS	38,895,206	131,364,796	47,026,133	2,408,081	43,810,259	10,855,140	72,256,371	346,615,986
LIABILITIES								
Accrued Plan manager fee	9,736	32,975	11,680	599	10,879	2,680	—	68,549
Payable for securities transactions	7,306	—	—	1,764	33,852	25,297	62,382	130,601
Payable for Plan units redeemed	8,651	45,483	22,059	—	20,000	985	56,406	153,584
TOTAL LIABILITIES	25,693	78,458	33,739	2,363	64,731	28,962	118,788	352,734
NET POSITION	\$ 38,869,513	\$ 131,286,338	\$ 46,992,394	\$ 2,405,718	\$ 43,745,528	\$ 10,826,178	\$ 72,137,583	\$ 346,263,252
UNITS OUTSTANDING	1,714,986	5,216,025	1,740,466	138,504	2,135,572	715,513	4,620,190	
NET POSITION VALUE PER UNIT	\$ 22.66	\$ 25.17	\$ 27.00	\$ 17.37	\$ 20.48	\$ 15.13	\$ 15.61	
INVESTMENTS AT COST	\$ 27,503,482	\$ 87,794,686	\$ 34,356,888	\$ 1,893,064	\$ 35,405,461	\$ 10,732,162	\$ 72,137,583	\$ 269,823,326

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OKLAHOMA COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Conservative Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over	Total
ADDITIONS							
Subscriptions	\$ 1,087,278	\$ 1,925,921	\$ 1,688,118	\$ 2,725,230	\$ 2,805,981	\$ 4,502,714	\$ 14,735,242
Increase from investment operations:							
Interest	1,041	3,059	2,767	14,131	35,399	64,020	120,417
Dividends from underlying funds	35,495	86,310	64,408	68,366	53,619	50,366	358,564
Realized gain distributions from underlying funds	7,729	16,938	10,551	9,327	5,570	274	50,389
Net unrealized appreciation on underlying fund shares	72,676	145,769	67,325	52,084	21,083	—	358,937
Net realized gain on investments in underlying fund shares	—	—	16,837	—	—	—	16,837
Net increase from investment operations	116,941	252,076	161,888	143,908	115,671	114,660	905,144
TOTAL ADDITIONS	\$ 1,204,219	\$ 2,177,997	\$ 1,850,006	\$ 2,869,138	\$ 2,921,652	\$ 4,617,374	\$ 15,640,386
DEDUCTIONS							
Redemptions	\$ 770,554	\$ 1,418,858	\$ 1,353,576	\$ 1,273,804	\$ 1,927,184	\$ 3,317,088	\$ 10,061,064
Expenses:							
Plan manager fee	4,985	11,704	8,772	11,029	13,159	18,149	67,798
Total expenses	4,985	11,704	8,772	11,029	13,159	18,149	67,798
Net unrealized depreciation on underlying fund shares	—	—	—	—	—	40,016	40,016
Net realized loss on investments in underlying fund shares	1,592	6,272	—	6,015	8,188	6,351	28,418
TOTAL DEDUCTIONS	\$ 777,131	\$ 1,436,834	\$ 1,362,348	\$ 1,290,848	\$ 1,948,531	\$ 3,381,604	\$ 10,197,296
NET POSITION							
Net increase in fiduciary net position	427,088	741,163	487,658	1,578,290	973,121	1,235,770	5,443,090
Beginning of year	1,357,622	3,408,512	2,823,240	2,681,649	3,624,728	5,804,154	19,699,905
End of year	\$ 1,784,710	\$ 4,149,675	\$ 3,310,898	\$ 4,259,939	\$ 4,597,849	\$ 7,039,924	\$ 25,142,995

OKLAHOMA COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Moderate Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over	Total
ADDITIONS							
Subscriptions	\$ 3,873,152	\$ 8,925,020	\$ 17,743,328	\$ 31,074,397	\$ 42,098,245	\$ 45,215,142	\$ 148,929,284
Increase from investment operations:							
Interest	2,475	13,155	51,755	78,734	379,355	722,899	1,248,373
Dividends from underlying funds	166,419	597,941	1,471,660	1,868,688	1,870,460	1,263,137	7,238,305
Realized gain distributions from underlying funds	51,740	180,143	309,063	324,838	265,855	152,417	1,284,056
Net unrealized appreciation on underlying fund shares	325,974	752,011	1,055,985	619,869	1,023,561	904,559	4,681,959
Net realized gain on investments in underlying fund shares	195,183	806,431	1,614,305	1,792,420	410,212	64,579	4,883,130
Net increase from investment operations	741,791	2,349,681	4,502,768	4,684,549	3,949,443	3,107,591	19,335,823
TOTAL ADDITIONS	\$ 4,614,943	\$ 11,274,701	\$ 22,246,096	\$ 35,758,946	\$ 46,047,688	\$ 48,322,733	\$ 168,265,107
DEDUCTIONS							
Redemptions	\$ 4,353,731	\$ 12,012,584	\$ 26,044,979	\$ 37,471,208	\$ 39,121,714	\$ 36,573,341	\$ 155,577,557
Expenses:							
Plan manager fee	24,155	85,168	199,208	250,420	297,895	300,663	1,157,509
Total expenses	24,155	85,168	199,208	250,420	297,895	300,663	1,157,509
TOTAL DEDUCTIONS	\$ 4,377,886	\$ 12,097,752	\$ 26,244,187	\$ 37,721,628	\$ 39,419,609	\$ 36,874,004	\$ 156,735,066
NET POSITION							
Net increase in fiduciary net position	237,057	(823,051)	(3,998,091)	(1,962,682)	6,628,079	11,448,729	11,530,041
Beginning of year	7,610,976	27,847,436	65,997,030	83,458,742	94,011,679	100,359,808	379,285,671
End of year	\$ 7,848,033	\$ 27,024,385	\$ 61,998,939	\$ 81,496,060	\$ 100,639,758	\$ 111,808,537	\$ 390,815,712

OKLAHOMA COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Aggressive Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over	Total
ADDITIONS							
Subscriptions	\$ 6,489,355	\$ 12,351,453	\$ 10,964,765	\$ 7,811,138	\$ 7,854,773	\$ 5,631,291	\$ 51,102,775
Increase from investment operations:							
Interest	—	9,506	9,701	11,410	12,440	35,967	79,024
Dividends from underlying funds	243,478	631,478	433,190	312,447	290,119	164,669	2,075,381
Realized gain distributions from underlying funds	91,509	181,127	108,067	60,078	45,905	22,036	508,722
Net unrealized appreciation on underlying fund shares	897,126	1,892,291	1,052,607	521,188	318,754	137,338	4,819,304
Net realized gain on investments in underlying fund shares	115,289	—	—	—	—	—	115,289
Net increase from investment operations	1,347,402	2,714,402	1,603,565	905,123	667,218	360,010	7,597,720
TOTAL ADDITIONS	\$ 7,836,757	\$ 15,065,855	\$ 12,568,330	\$ 8,716,261	\$ 8,521,991	\$ 5,991,301	\$ 58,700,495
DEDUCTIONS							
Redemptions	\$ 6,868,530	\$ 7,337,154	\$ 5,874,851	\$ 5,973,762	\$ 3,754,782	\$ 3,143,065	\$ 32,952,144
Expenses:							
Plan manager fee	37,401	92,478	62,357	43,588	39,225	27,013	302,062
Total expenses	37,401	92,478	62,357	43,588	39,225	27,013	302,062
Net realized loss on investments in underlying fund shares	—	2,487	20,293	24,657	13,096	7,745	68,278
TOTAL DEDUCTIONS	\$ 6,905,931	\$ 7,432,119	\$ 5,957,501	\$ 6,042,007	\$ 3,807,103	\$ 3,177,823	\$ 33,322,484
NET POSITION							
Net increase in fiduciary net position	930,826	7,633,736	6,610,829	2,674,254	4,714,888	2,813,478	25,378,011
Beginning of year	11,320,243	26,114,847	17,524,284	13,123,881	10,974,556	8,263,690	87,321,501
End of year	\$ 12,251,069	\$ 33,748,583	\$ 24,135,113	\$ 15,798,135	\$ 15,689,444	\$ 11,077,168	\$ 112,699,512

OKLAHOMA COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Risk-Based Investment Options							
	Diversified Equity Option	Global Equity Index Option	U.S. Equity Index Option	Balanced Option (SEED OK)	Balanced Option	Fixed Income Option	Guaranteed Option	Total
ADDITIONS								
Subscriptions	\$ 7,303,284	\$ 11,934,723	\$ 12,612,414	\$ —	\$ 6,407,919	\$ 2,776,221	\$ 22,992,322	\$ 64,026,883
Increase from investment operations:								
Interest	—	—	—	—	—	—	1,137,428	1,137,428
Dividends from underlying funds	381,197	2,562,574	666,290	39,728	720,155	322,277	—	4,692,221
Realized gain distributions from underlying funds	1,388,564	987,373	202,229	64,127	1,109,480	2,684	—	3,754,457
Net unrealized appreciation on underlying fund shares	2,520,582	9,898,099	4,496,926	74,378	1,291,726	—	—	18,281,711
Net realized gain on investments in underlying fund shares	20,416	790,213	—	9,447	156,461	—	—	976,537
Net increase from investment operations	4,310,759	14,238,259	5,365,445	187,680	3,277,822	324,961	1,137,428	28,842,354
TOTAL ADDITIONS	\$ 11,614,043	\$ 26,172,982	\$ 17,977,859	\$ 187,680	\$ 9,685,741	\$ 3,101,182	\$ 24,129,750	\$ 92,869,237
DEDUCTIONS								
Redemptions	\$ 5,403,074	\$ 17,104,511	\$ 6,452,614	\$ —	\$ 5,318,631	\$ 3,562,793	\$ 22,157,978	\$ 59,999,601
Expenses:								
Plan manager fee	108,978	389,476	123,020	7,088	126,320	33,457	—	788,339
Total expenses	108,978	389,476	123,020	7,088	126,320	33,457	—	788,339
Net unrealized depreciation on underlying fund shares	—	—	—	—	—	293,421	—	293,421
Net realized loss on investments in underlying fund shares	—	—	15,576	—	—	14,156	—	29,732
TOTAL DEDUCTIONS	\$ 5,512,052	\$ 17,493,987	\$ 6,591,210	\$ 7,088	\$ 5,444,951	\$ 3,903,827	\$ 22,157,978	\$ 61,111,093
NET POSITION								
Net increase in fiduciary net position	6,101,991	8,678,995	11,386,649	180,592	4,240,790	(802,645)	1,971,772	31,758,144
Beginning of year	32,767,522	122,607,343	35,605,745	2,225,126	39,504,738	11,628,823	70,165,811	314,505,108
End of year	\$ 38,869,513	\$ 131,286,338	\$ 46,992,394	\$ 2,405,718	\$ 43,745,528	\$ 10,826,178	\$ 72,137,583	\$ 346,263,252

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OKLAHOMA COLLEGE SAVINGS PLAN - DIRECT PLAN
FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2018

Conservative Managed Allocation Option
Age Bands Within the Managed Allocation Option

	<div> <div>Ages 0-3</div> <div>Ages 4-7</div> <div>Ages 8-11</div> <div>Ages 12-14</div> <div>Ages 15-17</div> <div>Ages 18 & Over</div> </div>					
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR						
Net position value, beginning of year	\$ 17.32	\$ 16.02	\$ 14.94	\$ 13.57	\$ 12.14	\$ 10.68
Gain (loss) from investment operations:						
Net investment income ^(a)	0.33	0.33	0.31	0.27	0.21	0.17
Net realized and unrealized gain (loss) on investments	0.99	0.71	0.50	0.26	0.08	(0.08)
Total gain from investment operations	1.32	1.04	0.81	0.53	0.29	0.09
Net position value, end of year	\$ 18.64	\$ 17.06	\$ 15.75	\$ 14.10	\$ 12.43	\$ 10.77
TOTAL RETURN	7.62%	6.49%	5.42%	3.91%	2.39%	0.84%
RATIOS AND SUPPLEMENTARY DATA						
Net position at end of period (in thousands)	\$ 1,785	\$ 4,150	\$ 3,311	\$ 4,260	\$ 4,598	\$ 7,040
Ratio of expenses to average net position ^(b)	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Ratio of net investment income to average net position	1.79%	1.99%	2.00%	1.94%	1.73%	1.59%

(a) Based on average units outstanding

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds

OKLAHOMA COLLEGE SAVINGS PLAN - DIRECT PLAN
FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2018

Moderate Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR						
Net position value, beginning of year	\$ 25.38	\$ 19.50	\$ 19.57	\$ 20.65	\$ 19.38	\$ 17.30
Gain from investment operations:						
Net investment income ^(a)	0.49	0.38	0.41	0.44	0.39	0.30
Net realized and unrealized gain on investments	1.91	1.24	0.88	0.68	0.35	0.20
Total gain from investment operations	2.40	1.62	1.29	1.12	0.74	0.50
Net position value, end of year	<u>\$ 27.78</u>	<u>\$ 21.12</u>	<u>\$ 20.86</u>	<u>\$ 21.77</u>	<u>\$ 20.12</u>	<u>\$ 17.80</u>
 TOTAL RETURN	 <u>9.46%</u>	 <u>8.31%</u>	 <u>6.59%</u>	 <u>5.42%</u>	 <u>3.82%</u>	 <u>2.89%</u>
 RATIOS AND SUPPLEMENTARY DATA						
Net position at end of period (in thousands)	\$ 7,848	\$ 27,024	\$ 61,999	\$ 81,496	\$ 100,640	\$ 111,809
Ratio of expenses to average net position ^(b)	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Ratio of net investment income to average net position	1.80%	1.85%	1.99%	2.03%	1.97%	1.68%

(a) Based on average units outstanding

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds

OKLAHOMA COLLEGE SAVINGS PLAN - DIRECT PLAN
FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2018

Aggressive Managed Allocation Option
Age Bands Within the Managed Allocation Option

	Ages 0-3	Ages 4-7	Ages 8-11	Ages 12-14	Ages 15-17	Ages 18 & Over
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR						
Net position value, beginning of year	\$ 20.94	\$ 18.23	\$ 17.42	\$ 16.05	\$ 15.21	\$ 13.53
Gain from investment operations:						
Net investment income ^(a)	0.38	0.35	0.34	0.32	0.32	0.27
Net realized and unrealized gain on investments	2.02	1.38	1.09	0.71	0.49	0.26
Total gain from investment operations	2.40	1.73	1.43	1.03	0.81	0.53
Net position value, end of year	\$ 23.34	\$ 19.96	\$ 18.85	\$ 17.08	\$ 16.02	\$ 14.06
TOTAL RETURN	11.46%	9.49%	8.21%	6.36%	5.33%	3.92%
RATIOS AND SUPPLEMENTARY DATA						
Net position at end of period (in thousands)	\$ 12,251	\$ 33,749	\$ 24,135	\$ 15,798	\$ 15,689	\$ 11,077
Ratio of expenses to average net position ^(b)	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Ratio of net investment income to average net position	1.65%	1.78%	1.83%	1.93%	2.01%	1.93%

(a) Based on average units outstanding

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds

OKLAHOMA COLLEGE SAVINGS PLAN - DIRECT PLAN
FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2018

	Risk-Based Investment Options						
	Diversified Equity Option	Global Equity Index Option	U.S. Equity Index Option	Balanced Option (SEED OK)	Balanced Option	Fixed Income Option	Guaranteed Option
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR							
Net position value, beginning of year	\$ 20.06	\$ 22.58	\$ 23.60	\$ 16.07	\$ 18.96	\$ 15.16	\$ 15.36
Gain (loss) from investment operations:							
Net investment income ^(a)	0.17	0.41	0.34	0.24	0.28	0.39	0.25
Net realized and unrealized gain (loss) on investments	2.43	2.18	3.06	1.06	1.24	(0.42)	—
Total gain (loss) from investment operations	2.60	2.59	3.40	1.30	1.52	(0.03)	0.25
Net position value, end of year	<u>\$ 22.66</u>	<u>\$ 25.17</u>	<u>\$ 27.00</u>	<u>\$ 17.37</u>	<u>\$ 20.48</u>	<u>\$ 15.13</u>	<u>\$ 15.61</u>
TOTAL RETURN	<u>12.96%</u>	<u>11.47%</u>	<u>14.41%</u>	<u>8.09%</u>	<u>8.02%</u>	<u>(0.20)%</u>	<u>1.63%</u>
RATIOS AND SUPPLEMENTARY DATA							
Net position at end of period (in thousands)	\$ 38,870	\$ 131,286	\$ 46,992	\$ 2,406	\$ 43,746	\$ 10,826	\$ 72,138
Ratio of expenses to average net position ^(b)	0.30%	0.30%	0.30%	0.30%	0.30%	0.30 %	—%
Ratio of net investment income to average net position	0.75%	1.67%	1.32%	1.38%	1.41%	2.59 %	1.62%

(a) Based on average units outstanding

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds



Report of Independent Auditors 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 Board of Trustees of the Oklahoma College Savings Plan:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Oklahoma College Savings Plan - Direct Plan (the "Direct Plan"), which comprise the statement of fiduciary net position as of June 30, 2018, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Direct Plan'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Direct Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Direct Plan'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 entity'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 Direct Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

August 21, 2018