

# **OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN**

**Financial Statements**

**Including**

**Supplementary Information**

**June 30, 2019**



**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN**  
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**JUNE 30, 2019**

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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, which comprise the statement of fiduciary net position as of June 30, 2019, 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 Oklahoma College Savings Plan – 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 Oklahoma College Savings Plan – 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 fiduciary net position of the Oklahoma College Savings Plan – Direct Plan, as of June 30, 2019, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required supplementary information*

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 information*

Our audit was conducted for the purpose of forming an opinion on the Oklahoma College Savings Plan – Direct Plan's basic financial statements taken as a whole. The supplemental information on pages 13 through 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental 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 supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information 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 September 13, 2019 on our consideration of the Oklahoma College Savings Plan – Direct Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of 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 Oklahoma College Savings Plan – Direct Plan's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Charlotte, North Carolina  
September 13, 2019

# 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, 2019. 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, 2019, 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	6.55%	Ages 0-3	6.90%
Ages 4-7	6.57	Ages 4-7	6.61
Ages 8-11	6.35	Ages 8-11	6.58
Ages 12-14	5.53	Ages 12-14	6.56
Ages 15-17	3.94	Ages 15-17	6.43
Ages 18 & Over	2.88	Ages 18 & Over	5.55
<u>Moderate Managed Allocation Option:</u>		<u>Risk-Based Investment Options:</u>	
Ages 0-3	6.70%	Diversified Equity Option	2.56%
Ages 4-7	6.72	Global Equity Index Option	6.91
Ages 8-11	6.57	U.S. Equity Index Option	8.63
Ages 12-14	6.38	Balanced Option (SEED OK)*	(8.02)
Ages 15-17	5.37	Balanced Option	4.20
Ages 18 & Over	4.04	Fixed Income Option	6.87
		Guaranteed Option	1.79

\* For the period July 1, 2018 to December 19, 2018.

On December 19, 2018, investments totaling \$2.2 million in the Balanced Option for Oklahoma Kids Initiative (SEED OK) were transferred to the Moderate Managed Allocation Option.

The Direct Plan received \$16.6 million in net subscriptions from Account Owners during the year ended June 30, 2019.

The Direct Plan earned \$19.4 million from investment operations, paid out \$2.4 million for operating expenses and had a net increase in fair value of investments of \$31.8 million during the year ended June 30, 2019.

## 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, 2019. 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, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Investments	\$ 940,726,218	\$ 875,098,952
Cash	21	1,749
Receivables	1,162,833	1,031,957
<b>Total Assets</b>	<b>941,889,072</b>	<b>876,132,658</b>
Payables	1,586,909	1,211,187
<b>Total Liabilities</b>	<b>1,586,909</b>	<b>1,211,187</b>
<b>Total Net Position</b>	<b>\$ 940,302,163</b>	<b>\$ 874,921,471</b>

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

Investments are approximately 100% of total net position, and consist of nine Options, 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, redemptions, and accrued expenses.

**Changes in net position** – The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
<b>Additions:</b>		
Subscriptions *	\$ 299,233,930	\$ 278,794,184
Investment income	19,444,748	16,949,713
Net increase in fair value of investments	31,792,118	39,271,463
<b>Total Additions</b>	<b>\$ 350,470,796</b>	<b>\$ 335,015,360</b>
<b>Deductions:</b>		
Redemptions *	(282,662,352)	(258,590,366)
Plan manager fee	(2,427,752)	(2,315,708)
<b>Total Deductions</b>	<b>(285,090,104)</b>	<b>(260,906,074)</b>
<b>Changes in net position</b>	<b>65,380,692</b>	<b>74,109,286</b>
Net position - beginning of year	874,921,471	800,812,185
<b>Net position - end of year</b>	<b>\$ 940,302,163</b>	<b>\$ 874,921,471</b>

\* Includes \$2.2 million transfer of investments from the Balanced Option (SEED OK) to the Moderate Managed Allocation on December 19, 2018.

**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**

**ASSETS**

Cash	\$ 21
Investments, at value (Cost: \$772,212,178)	940,726,218
Dividends and interest receivable	678,799
Receivable from securities transactions	91,137
Receivable from Plan units sold	392,897
<b>TOTAL ASSETS</b>	<u>941,889,072</u>

**LIABILITIES**

Accrued Plan manager fee	424,078
Payable for securities transactions	893,556
Payable for Plan units redeemed	269,275
<b>TOTAL LIABILITIES</b>	<u>1,586,909</u>

**NET POSITION**

Held in trust for Account Owners in the Plan	<u><u>\$ 940,302,163</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, 2019**

**ADDITIONS**

Subscriptions *	\$ 299,233,930
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Investment income:

Interest	2,936,984
Dividends	16,507,764
Total investment income	<u>19,444,748</u>

Net increase in fair value of investments	31,792,118
Total additions	<u>350,470,796</u>

**DEDUCTIONS**

Redemptions *	(282,662,352)
Plan manager fee	(2,427,752)
Total deductions	<u>(285,090,104)</u>

Changes in net position	65,380,692
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Net position – beginning of year	874,921,471
Net position – end of year	<u>\$ 940,302,163</u>

\* Includes \$2.2 million transfer of investments from the Balanced Option (SEED OK) to the Moderate Managed Allocation on December 19, 2018.



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 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 Life; 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 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. On December 19, 2018, investments totaling \$2.2 million in SEED OK were transferred to the Moderate Managed Allocation Option.

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, as amended 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 this 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.

### Note 3 – Direct Plan Fees

Each Option, with the exception of the Guaranteed Option, pays TFI, as the Direct Plan manager, a fee at an annual rate of 0.30% (30 basis points) of the average daily net position held by each Option. 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 Direct Plan manager fee will be reduced by 0.05% (5 basis points) to the annual rate of 0.25% (25 basis points).

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

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

### Note 4 – Investments

**Cash deposits:** All cash deposits at June 30, 2019 were covered by federal depository insurance coverage.

# OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN

## NOTES TO FINANCIAL STATEMENTS (continued)

**Investments:** As of June 30, 2019, net unrealized appreciation of portfolio investments was \$168,514,040 consisting of gross unrealized appreciation of \$168,595,733 and gross unrealized depreciation of \$81,693.

At June 30, 2019, 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	12,542,843	\$	132,369,094	\$	137,971,270
Emerging Markets Equity Fund	359,815		3,457,549		4,022,728
Emerging Markets Equity Index Fund	2,420,747		23,134,920		26,821,879
Equity Index Fund	14,241,690		199,058,281		307,478,079
Growth & Income Fund	2,127,721		21,701,427		30,809,405
High-Yield Fund	3,054,941		29,534,854		29,785,678
Inflation-Linked Bond Fund	3,300,023		35,161,914		37,884,265
International Equity Fund	1,303,636		11,730,870		13,961,945
International Equity Index Fund	4,422,879		68,150,665		85,405,795
Large-Cap Growth Fund	145,272		1,622,991		3,076,870
Large-Cap Value Fund	162,726		2,336,137		2,777,732
Mid-Cap Growth Fund	108,534		1,930,841		2,486,522
Mid-Cap Value Fund	116,864		2,179,084		2,372,343
Quant Small-Cap Equity Fund	251,107		3,732,869		4,188,472
Real Estate Securities Fund	2,110,251		21,180,514		36,528,445
Short-Term Bond Index Fund	3,330,707		33,049,143		33,273,765
TIAA-CREF Life Insurance Company:					
Funding Agreements	4,367,658		181,881,025		181,881,025
			<u>\$ 772,212,178</u>		<u>\$ 940,726,218</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, 2019.

# 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, 2019, 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	\$ 137,971,270	7.65 years
High-Yield Fund	29,785,678	6.55 years
Inflation-Linked Bond Fund	37,884,265	5.34 years
Short-Term Bond Index Fund	33,273,765	1.98 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, 2019, 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	\$ 4,022,728
Emerging Markets Equity Index Fund	26,821,879
International Equity Fund	13,961,945
International Equity Index Fund	85,405,795

### 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, 2019.

**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**

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	\$	331,749	\$	1,233,708	\$	1,305,276	\$	1,155,046	\$	1,063,339	\$	1,156,225	\$	6,245,343
Emerging Markets Equity Index Fund		92,409		208,280		149,059		97,123		61,400		—		608,271
Equity Index Fund		763,168		1,875,097		1,390,679		860,050		646,037		—		5,535,031
High-Yield Fund		61,221		268,160		287,887		253,921		260,332		262,852		1,394,373
Inflation-Linked Bond Fund		74,052		379,881		406,998		309,345		312,698		340,365		1,823,339
International Equity Index Fund		257,758		625,841		461,456		308,680		236,968		—		1,890,703
Real Estate Securities Fund		92,629		225,170		170,701		114,350		81,868		—		684,718
Short-Term Bond Index Fund		48,302		194,650		203,959		246,379		463,270		1,245,829		2,402,389
SUBTOTAL		1,721,288		5,010,787		4,376,015		3,344,894		3,125,912		3,005,271		20,584,167
TIAA-CREF Life Insurance Company:														
Funding Agreements		63,857		241,109		260,175		976,705		2,957,379		5,441,249		9,940,474
TOTAL INVESTMENTS		1,785,145		5,251,896		4,636,190		4,321,599		6,083,291		8,446,520		30,524,641
Dividends and interest receivable		1,373		4,915		5,005		6,110		9,271		14,275		40,949
Receivable from securities transactions		—		3,616		—		—		809		—		4,425
Receivable from Plan units sold		1,637		2,413		2,105		1,319		1,691		65,324		74,489
TOTAL ASSETS		1,788,155		5,262,840		4,643,300		4,329,028		6,095,062		8,526,119		30,644,504
LIABILITIES														
Accrued Plan manager fee		982		2,628		2,205		2,254		2,993		3,989		15,051
Payable for securities transactions		3,010		4,915		6,810		7,428		9,271		66,799		98,233
Payable for Plan units redeemed		—		6,030		300		—		2,500		12,800		21,630
TOTAL LIABILITIES		3,992		13,573		9,315		9,682		14,764		83,588		134,914
NET POSITION														
	\$	1,784,163	\$	5,249,267	\$	4,633,985	\$	4,319,346	\$	6,080,298	\$	8,442,531	\$	30,509,590
UNITS OUTSTANDING														
		89,839		288,814		276,575		290,331		470,695		762,046		
NET POSITION VALUE PER UNIT														
	\$	19.86	\$	18.18	\$	16.75	\$	14.88	\$	12.92	\$	11.08		
INVESTMENTS AT COST														
	\$	1,378,807	\$	4,524,172	\$	4,106,099	\$	3,924,085	\$	5,811,529	\$	8,370,865	\$	28,115,557

**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**

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	\$	886,776	\$	3,865,768	\$	14,231,574	\$	22,182,912	\$	28,682,902	\$	17,861,038	\$	87,710,970
Emerging Markets Equity Index Fund		382,237		991,973		1,984,345		2,378,300		2,416,941		1,953,571		10,107,367
Equity Index Fund		4,387,966		12,047,055		22,572,051		24,089,045		21,252,758		17,770,292		102,119,167
High-Yield Fund		157,542		721,215		3,247,485		4,993,704		6,369,968		4,359,557		19,849,471
Inflation-Linked Bond Fund		169,107		1,256,070		4,139,755		6,879,416		7,331,766		5,174,966		24,951,080
International Equity Index Fund		1,464,397		4,157,522		7,662,539		8,653,104		8,209,280		6,381,467		36,528,309
Real Estate Securities Fund		558,216		1,947,322		2,796,661		3,353,511		3,052,018		1,945,734		13,653,462
Short-Term Bond Index Fund		146,554		532,628		2,213,527		3,084,696		6,145,694		14,980,471		27,103,570
SUBTOTAL		8,152,795		25,519,553		58,847,937		75,614,688		83,461,327		70,427,096		322,023,396
TIAA-CREF Life Insurance Company:														
Funding Agreements		145,679		691,912		2,644,493		4,389,634		24,423,665		54,217,258		86,512,641
TOTAL INVESTMENTS		8,298,474		26,211,465		61,492,430		80,004,322		107,884,992		124,644,354		408,536,037
Cash		—		—		—		—		21		—		21
Dividends and interest receivable		3,523		14,706		58,824		89,007		146,276		167,899		480,235
Receivable from securities transactions		—		—		—		—		—		16,096		16,096
Receivable from Plan units sold		2,585		4,777		20,541		14,672		12,927		17,894		73,396
TOTAL ASSETS		8,304,582		26,230,948		61,571,795		80,108,001		108,044,216		124,846,243		409,105,785
LIABILITIES														
Accrued Plan manager fee		4,380		13,227		31,942		40,364		53,435		58,242		201,590
Payable for securities transactions		6,108		19,483		71,014		103,679		158,102		167,899		526,285
Payable for Plan units redeemed		—		—		8,350		—		1,100		33,990		43,440
TOTAL LIABILITIES		10,488		32,710		111,306		144,043		212,637		260,131		771,315
NET POSITION	\$	8,294,094	\$	26,198,238	\$	61,460,489	\$	79,963,958	\$	107,831,579	\$	124,586,112	\$	408,334,470
UNITS OUTSTANDING		279,809		1,162,162		2,764,868		3,453,196		5,085,406		6,725,871		
NET POSITION VALUE PER UNIT	\$	29.64	\$	22.54	\$	22.23	\$	23.16	\$	21.20	\$	18.52		
INVESTMENTS AT COST	\$	5,469,484	\$	17,978,583	\$	46,599,997	\$	64,135,295	\$	94,807,843	\$	115,165,135	\$	344,156,337

<sup>#</sup> Includes investments transferred from Balanced Option (SEED OK) on December 19, 2018.



**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**

**Aggressive Managed Allocation Option**  
**Age Bands Within the Managed Allocation Option**

	<b>Ages 0-3</b>	<b>Ages 4-7</b>	<b>Ages 8-11</b>	<b>Ages 12-14</b>	<b>Ages 15-17</b>	<b>Ages 18 &amp; Over</b>	<b>Total</b>
<b>ASSETS</b>							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Index Fund	\$ —	\$ 3,861,649	\$ 5,511,213	\$ 4,852,264	\$ 5,140,045	\$ 4,157,921	\$ 23,523,092
Emerging Markets Equity Index Fund	1,056,787	1,922,367	1,686,786	787,414	566,163	332,106	6,351,623
Equity Index Fund	8,960,028	19,085,188	16,025,821	7,234,862	5,224,075	3,115,117	59,645,091
High-Yield Fund	—	799,108	1,175,108	1,084,019	1,112,254	942,394	5,112,883
Inflation-Linked Bond Fund	—	914,834	1,444,825	1,246,471	1,355,790	1,171,000	6,132,920
International Equity Index Fund	2,947,982	6,259,902	5,412,858	2,514,082	1,740,492	1,082,253	19,957,569
Real Estate Securities Fund	1,051,692	2,148,293	1,859,838	884,535	643,469	382,424	6,970,251
Short-Term Bond Index Fund	—	504,066	978,663	756,292	824,682	704,103	3,767,806
<b>SUBTOTAL</b>	<b>14,016,489</b>	<b>35,495,407</b>	<b>34,095,112</b>	<b>19,359,939</b>	<b>16,606,970</b>	<b>11,887,318</b>	<b>131,461,235</b>
TIAA-CREF Life Insurance Company:							
Funding Agreements	—	643,901	968,694	937,185	979,757	3,729,902	7,259,439
<b>TOTAL INVESTMENTS</b>	<b>14,016,489</b>	<b>36,139,308</b>	<b>35,063,806</b>	<b>20,297,124</b>	<b>17,586,727</b>	<b>15,617,220</b>	<b>138,720,674</b>
Dividends and interest receivable	—	14,992	20,853	18,785	20,389	19,793	94,812
Receivable from securities transactions	—	—	—	—	—	58,987	58,987
Receivable from Plan units sold	33,330	34,875	11,035	4,186	4,501	5,311	93,238
<b>TOTAL ASSETS</b>	<b>14,049,819</b>	<b>36,189,175</b>	<b>35,095,694</b>	<b>20,320,095</b>	<b>17,611,617</b>	<b>15,701,311</b>	<b>138,967,711</b>
<b>LIABILITIES</b>							
Accrued Plan manager fee	7,341	18,316	16,516	9,762	8,795	7,077	67,807
Payable for securities transactions	33,330	49,867	28,585	22,668	23,468	19,793	177,711
Payable for Plan units redeemed	—	—	3,303	303	1,422	64,298	69,326
<b>TOTAL LIABILITIES</b>	<b>40,671</b>	<b>68,183</b>	<b>48,404</b>	<b>32,733</b>	<b>33,685</b>	<b>91,168</b>	<b>314,844</b>
<b>NET POSITION</b>	<b>\$ 14,009,148</b>	<b>\$ 36,120,992</b>	<b>\$ 35,047,290</b>	<b>\$ 20,287,362</b>	<b>\$ 17,577,932</b>	<b>\$ 15,610,143</b>	<b>\$ 138,652,867</b>
<b>UNITS OUTSTANDING</b>	<b>561,469</b>	<b>1,697,050</b>	<b>1,744,568</b>	<b>1,115,030</b>	<b>1,030,786</b>	<b>1,052,183</b>	
<b>NET POSITION VALUE PER UNIT</b>	<b>\$ 24.95</b>	<b>\$ 21.28</b>	<b>\$ 20.09</b>	<b>\$ 18.19</b>	<b>\$ 17.05</b>	<b>\$ 14.84</b>	
<b>INVESTMENTS AT COST</b>	<b>\$ 9,581,111</b>	<b>\$ 29,285,929</b>	<b>\$ 30,408,002</b>	<b>\$ 17,651,114</b>	<b>\$ 15,627,422</b>	<b>\$ 14,554,445</b>	<b>\$ 117,108,023</b>

**OKLAHOMA COLLEGE SAVINGS PLAN – DIRECT PLAN**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**

Risk-Based Investment Options							
	Diversified Equity Option	Global Equity Index Option	U.S. Equity Index Option	Balanced Option	Fixed Income Option	Guaranteed Option	Total
<b>ASSETS</b>							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Index Fund	\$ —	\$ —	\$ —	\$ 12,186,294	\$ 8,305,571	\$ —	\$ 20,491,865
Emerging Markets Equity Fund	2,266,616	—	—	1,756,112	—	—	4,022,728
Emerging Markets Equity Index Fund	—	9,754,618	—	—	—	—	9,754,618
Equity Index Fund	—	81,677,776	58,501,014	—	—	—	140,178,790
Growth & Income Fund	16,041,700	—	—	14,767,705	—	—	30,809,405
High-Yield Fund	—	—	—	2,088,224	1,340,727	—	3,428,951
Inflation-Linked Bond Fund	—	—	—	2,815,599	2,161,327	—	4,976,926
International Equity Fund	8,156,075	—	—	5,805,870	—	—	13,961,945
International Equity Index Fund	—	27,029,214	—	—	—	—	27,029,214
Large-Cap Growth Fund	3,076,870	—	—	—	—	—	3,076,870
Large-Cap Value Fund	2,777,732	—	—	—	—	—	2,777,732
Mid-Cap Growth Fund	1,126,686	—	—	1,359,836	—	—	2,486,522
Mid-Cap Value Fund	1,214,385	—	—	1,157,958	—	—	2,372,343
Quant Small-Cap Equity Fund	2,203,392	—	—	1,985,080	—	—	4,188,472
Real Estate Securities Fund	2,662,110	10,176,227	—	2,381,677	—	—	15,220,014
<b>SUBTOTAL</b>	<b>39,525,566</b>	<b>128,637,835</b>	<b>58,501,014</b>	<b>46,304,355</b>	<b>11,807,625</b>	<b>—</b>	<b>284,776,395</b>
TIAA-CREF Life Insurance Company:							
Funding Agreements	—	—	—	—	—	78,168,471	78,168,471
<b>TOTAL INVESTMENTS</b>	<b>39,525,566</b>	<b>128,637,835</b>	<b>58,501,014</b>	<b>46,304,355</b>	<b>11,807,625</b>	<b>78,168,471</b>	<b>362,944,866</b>
Dividends and interest receivable	—	—	—	37,611	25,192	—	62,803
Receivable from securities transactions	—	5,938	5,691	—	—	—	11,629
Receivable from Plan units sold	6,353	26,483	21,815	9,883	8,833	78,407	151,774
<b>TOTAL ASSETS</b>	<b>39,531,919</b>	<b>128,670,256</b>	<b>58,528,520</b>	<b>46,351,849</b>	<b>11,841,650</b>	<b>78,246,878</b>	<b>363,171,072</b>
<b>LIABILITIES</b>							
Accrued Plan manager fee	19,415	63,179	28,406	22,813	5,817	—	139,630
Payable for securities transactions	4,188	—	—	46,612	27,018	13,509	91,327
Payable for Plan units redeemed	2,165	32,422	27,505	882	7,007	64,898	134,879
<b>TOTAL LIABILITIES</b>	<b>25,768</b>	<b>95,601</b>	<b>55,911</b>	<b>70,307</b>	<b>39,842</b>	<b>78,407</b>	<b>365,836</b>
<b>NET POSITION</b>	<b>\$ 39,506,151</b>	<b>\$ 128,574,655</b>	<b>\$ 58,472,609</b>	<b>\$ 46,281,542</b>	<b>\$ 11,801,808</b>	<b>\$ 78,168,471</b>	<b>\$ 362,805,236</b>
<b>UNITS OUTSTANDING</b>	<b>1,699,624</b>	<b>4,777,122</b>	<b>1,993,715</b>	<b>2,169,101</b>	<b>729,848</b>	<b>4,924,634</b>	
<b>NET POSITION VALUE PER UNIT</b>	<b>\$ 23.24</b>	<b>\$ 26.91</b>	<b>\$ 29.33</b>	<b>\$ 21.34</b>	<b>\$ 16.17</b>	<b>\$ 15.87</b>	
<b>INVESTMENTS AT COST</b>	<b>\$ 29,890,950</b>	<b>\$ 82,935,408</b>	<b>\$ 42,149,131</b>	<b>\$ 38,455,558</b>	<b>\$ 11,232,743</b>	<b>\$ 78,168,471</b>	<b>\$ 282,832,261</b>

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**OKLAHOMA COLLEGE SAVINGS PLAN**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Conservative Managed Allocation Option**  
**Age Bands Within the Managed Allocation Option**

	<b>Ages 0-3</b>	<b>Ages 4-7</b>	<b>Ages 8-11</b>	<b>Ages 12-14</b>	<b>Ages 15-17</b>	<b>Ages 18 &amp; Over</b>	<b>Total</b>
ADDITIONS							
Subscriptions	\$ 912,204	\$ 2,131,280	\$ 2,290,482	\$ 2,104,258	\$ 3,528,586	\$ 4,926,617	\$ 15,893,427
Increase from investment operations:							
Interest	1,243	3,978	3,865	18,137	46,567	84,987	158,777
Dividends from underlying funds	41,949	110,186	90,464	88,083	72,477	72,033	475,192
Realized gain distributions from underlying funds	3,457	7,302	4,946	3,792	2,501	—	21,998
Net unrealized appreciation on underlying fund shares	86,371	221,567	177,079	146,440	120,282	96,153	847,892
Net realized gain on investments in underlying fund shares	4,837	—	—	850	—	—	5,687
Net increase from investment operations	137,857	343,033	276,354	257,302	241,827	253,173	1,509,546
<b>TOTAL ADDITIONS</b>	<b>\$ 1,050,061</b>	<b>\$ 2,474,313</b>	<b>\$ 2,566,836</b>	<b>\$ 2,361,560</b>	<b>\$ 3,770,413</b>	<b>\$ 5,179,790</b>	<b>\$ 17,402,973</b>
DEDUCTIONS							
Redemptions	\$ 1,045,101	\$ 1,358,861	\$ 1,217,484	\$ 2,289,152	\$ 2,261,457	\$ 3,740,494	\$ 11,912,549
Expenses:							
Plan manager fee	5,507	13,935	11,154	13,001	15,745	21,932	81,274
Total expenses	5,507	13,935	11,154	13,001	15,745	21,932	81,274
Net realized loss on investments in underlying fund shares	—	1,925	15,111	—	10,762	14,757	42,555
<b>TOTAL DEDUCTIONS</b>	<b>\$ 1,050,608</b>	<b>\$ 1,374,721</b>	<b>\$ 1,243,749</b>	<b>\$ 2,302,153</b>	<b>\$ 2,287,964</b>	<b>\$ 3,777,183</b>	<b>\$ 12,036,378</b>
NET POSITION							
Net increase (decrease) in fiduciary net position	(547)	1,099,592	1,323,087	59,407	1,482,449	1,402,607	5,366,595
Beginning of year	1,784,710	4,149,675	3,310,898	4,259,939	4,597,849	7,039,924	25,142,995
End of year	\$ 1,784,163	\$ 5,249,267	\$ 4,633,985	\$ 4,319,346	\$ 6,080,298	\$ 8,442,531	\$ 30,509,590

**OKLAHOMA COLLEGE SAVINGS PLAN**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Moderate Managed Allocation Option <sup>#</sup>**  
**Age Bands Within the Managed Allocation Option**

	<b>Ages 0-3</b>	<b>Ages 4-7</b>	<b>Ages 8-11</b>	<b>Ages 12-14</b>	<b>Ages 15-17</b>	<b>Ages 18 &amp; Over</b>	<b>Total</b>
ADDITIONS							
Subscriptions	\$ 4,074,714	\$ 8,778,500	\$ 19,444,123	\$ 29,785,466	\$ 43,100,401	\$ 46,783,001	\$ 151,966,205
Increase from investment operations:							
Interest	2,718	13,078	51,235	82,268	426,497	872,001	1,447,797
Dividends from underlying funds	185,949	605,383	1,492,950	1,990,759	2,100,755	1,584,325	7,960,121
Realized gain distributions from underlying funds	20,077	58,407	100,993	112,756	91,810	67,393	451,436
Net unrealized appreciation on underlying fund shares	341,694	439,111	1,283,576	2,448,572	3,199,747	2,632,227	10,344,927
Net realized gain on investments in underlying fund shares	33,450	723,824	1,347,177	587,324	12,823	—	2,704,598
Net increase from investment operations	583,888	1,839,803	4,275,931	5,221,679	5,831,632	5,155,946	22,908,879
<b>TOTAL ADDITIONS</b>	<b>\$ 4,658,602</b>	<b>\$ 10,618,303</b>	<b>\$ 23,720,054</b>	<b>\$ 35,007,145</b>	<b>\$ 48,932,033</b>	<b>\$ 51,938,947</b>	<b>\$ 174,875,084</b>
DEDUCTIONS							
Redemptions	\$ 4,187,909	\$ 11,365,338	\$ 24,071,979	\$ 36,298,269	\$ 41,433,865	\$ 38,455,125	\$ 155,812,485
Expenses:							
Plan manager fee	24,632	79,112	186,525	240,978	306,347	330,481	1,168,075
Total expenses	24,632	79,112	186,525	240,978	306,347	330,481	1,168,075
Net realized loss on investments in underlying fund shares	—	—	—	—	—	375,766	375,766
<b>TOTAL DEDUCTIONS</b>	<b>\$ 4,212,541</b>	<b>\$ 11,444,450</b>	<b>\$ 24,258,504</b>	<b>\$ 36,539,247</b>	<b>\$ 41,740,212</b>	<b>\$ 39,161,372</b>	<b>\$ 157,356,326</b>
NET POSITION							
Net increase (decrease) in fiduciary net position	446,061	(826,147)	(538,450)	(1,532,102)	7,191,821	12,777,575	17,518,758
Beginning of year	7,848,033	27,024,385	61,998,939	81,496,060	100,639,758	111,808,537	390,815,712
End of year	\$ 8,294,094	\$ 26,198,238	\$ 61,460,489	\$ 79,963,958	\$ 107,831,579	\$ 124,586,112	\$ 408,334,470

<sup>#</sup> Includes investments transferred from Balanced Option (SEED OK) on December 19, 2018.

**OKLAHOMA COLLEGE SAVINGS PLAN**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Aggressive Managed Allocation Option**  
**Age Bands Within the Managed Allocation Option**

	<b>Ages 0-3</b>	<b>Ages 4-7</b>	<b>Ages 8-11</b>	<b>Ages 12-14</b>	<b>Ages 15-17</b>	<b>Ages 18 &amp; Over</b>	<b>Total</b>
ADDITIONS							
Subscriptions	\$ 6,863,177	\$ 13,158,211	\$ 17,859,460	\$ 10,258,192	\$ 8,451,755	\$ 8,858,045	\$ 65,448,840
Increase from investment operations:							
Interest	—	11,656	14,445	14,834	16,939	53,970	111,844
Dividends from underlying funds	274,580	783,980	636,883	408,464	399,317	248,119	2,751,343
Realized gain distributions from underlying funds	37,195	81,860	55,718	26,785	21,435	10,679	233,672
Net unrealized appreciation on underlying fund shares	728,390	1,748,500	1,421,244	817,691	740,453	484,525	5,940,803
Net realized gain on investments in underlying fund shares	68,202	—	—	—	—	—	68,202
Net increase from investment operations	1,108,367	2,625,996	2,128,290	1,267,774	1,178,144	797,293	9,105,864
TOTAL ADDITIONS	\$ 7,971,544	\$ 15,784,207	\$ 19,987,750	\$ 11,525,966	\$ 9,629,899	\$ 9,655,338	\$ 74,554,704
DEDUCTIONS							
Redemptions	\$ 6,173,429	\$ 13,128,919	\$ 8,956,753	\$ 6,977,718	\$ 7,655,526	\$ 5,018,561	\$ 47,910,906
Expenses:							
Plan manager fee	40,036	104,589	84,456	51,875	48,981	36,874	366,811
Total expenses	40,036	104,589	84,456	51,875	48,981	36,874	366,811
Net realized loss on investments in underlying fund shares	—	178,290	34,364	7,146	36,904	66,928	323,632
TOTAL DEDUCTIONS	\$ 6,213,465	\$ 13,411,798	\$ 9,075,573	\$ 7,036,739	\$ 7,741,411	\$ 5,122,363	\$ 48,601,349
NET POSITION							
Net increase in fiduciary net position	1,758,079	2,372,409	10,912,177	4,489,227	1,888,488	4,532,975	25,953,355
Beginning of year	12,251,069	33,748,583	24,135,113	15,798,135	15,689,444	11,077,168	112,699,512
End of year	\$ 14,009,148	\$ 36,120,992	\$ 35,047,290	\$ 20,287,362	\$ 17,577,932	\$ 15,610,143	\$ 138,652,867

**OKLAHOMA COLLEGE SAVINGS PLAN**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Risk-Based Investment Options							
	Diversified Equity Option	Global Equity Index Option	U.S. Equity Index Option	Balanced Option (SEED OK) <sup>##</sup>	Balanced Option	Fixed Income Option	Guaranteed Option	Total
ADDITIONS								
Subscriptions	\$ 5,152,414	\$ 9,201,686	\$ 13,810,766	\$ —	\$ 7,503,318	\$ 3,038,385	\$ 27,218,889	\$ 65,925,458
Increase from investment operations:								
Interest	—	—	—	—	—	—	1,218,566	1,218,566
Dividends from underlying funds	515,271	2,680,579	882,517	28,714	879,953	334,074	—	5,321,108
Realized gain distributions from underlying funds	2,690,998	365,165	174,484	102,325	1,826,670	—	—	5,159,642
Net unrealized appreciation on underlying fund shares	—	2,177,800	3,704,696	—	—	478,185	—	6,360,681
Net realized gain on investments in underlying fund shares	—	3,596,403	—	192,690	—	—	—	3,789,093
Net increase from investment operations	3,206,269	8,819,947	4,761,697	323,729	2,706,623	812,259	1,218,566	21,849,090
TOTAL ADDITIONS	\$ 8,358,683	\$ 18,021,633	\$ 18,572,463	\$ 323,729	\$ 10,209,941	\$ 3,850,644	\$ 28,437,455	\$ 87,774,548
DEDUCTIONS								
Redemptions	\$ 5,535,683	\$ 20,355,001	\$ 6,871,869	\$ 2,212,791	\$ 6,842,685	\$ 2,801,816	\$ 22,406,567	\$ 67,026,412
Expenses:								
Plan manager fee	114,395	378,315	152,303	3,403	130,831	32,345	—	811,592
Total expenses	114,395	378,315	152,303	3,403	130,831	32,345	—	811,592
Net unrealized depreciation on underlying fund shares	1,741,151	—	—	513,253	502,149	—	—	2,756,553
Net realized loss on investments in underlying fund shares	330,816	—	68,076	—	198,262	40,853	—	638,007
TOTAL DEDUCTIONS	\$ 7,722,045	\$ 20,733,316	\$ 7,092,248	\$ 2,729,447	\$ 7,673,927	\$ 2,875,014	\$ 22,406,567	\$ 71,232,564
NET POSITION								
Net increase (decrease) in fiduciary net position	636,638	(2,711,683)	11,480,215	(2,405,718)	2,536,014	975,630	6,030,888	16,541,984
Beginning 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
End of year	\$ 39,506,151	\$ 128,574,655	\$ 58,472,609	\$ —	\$ 46,281,542	\$ 11,801,808	\$ 78,168,471	\$ 362,805,236

\* For the period July 1, 2018 to December 19, 2018.

# Investments transferred from Balanced Option (SEED OK) to the Moderate Managed Allocation Option on December 19, 2018.

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**OKLAHOMA COLLEGE SAVINGS PLAN - DIRECT PLAN**  
**FINANCIAL HIGHLIGHTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Conservative Managed Allocation Option**  
**Age Bands Within the Managed Allocation Option**

	<b>Ages 0-3</b>	<b>Ages 4-7</b>	<b>Ages 8-11</b>	<b>Ages 12-14</b>	<b>Ages 15-17</b>	<b>Ages 18 &amp; Over</b>
<b>FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR</b>						
Net position value, beginning of year	\$ 18.64	\$ 17.06	\$ 15.75	\$ 14.10	\$ 12.43	\$ 10.77
Gain (loss) from investment operations:						
Net investment income <sup>(a)</sup>	0.39	0.37	0.36	0.31	0.25	0.20
Net realized and unrealized gain (loss) on investments	0.83	0.75	0.64	0.47	0.24	0.11
Total gain from investment operations	1.22	1.12	1.00	0.78	0.49	0.31
Net position value, end of year	<u>\$ 19.86</u>	<u>\$ 18.18</u>	<u>\$ 16.75</u>	<u>\$ 14.88</u>	<u>\$ 12.92</u>	<u>\$ 11.08</u>
<b>TOTAL RETURN</b>	<u>6.55%</u>	<u>6.57%</u>	<u>6.35%</u>	<u>5.53%</u>	<u>3.94%</u>	<u>2.88%</u>
<b>RATIOS AND SUPPLEMENTARY DATA</b>						
Net position at end of period (in thousands)	\$ 1,784	\$ 5,249	\$ 4,634	\$ 4,319	\$ 6,080	\$ 8,443
Ratio of expenses to average net position <sup>(b)</sup>	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Ratio of net investment income to average net position	2.05%	2.16%	2.24%	2.15%	1.97%	1.85%

(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, 2019**

**Moderate Managed Allocation Option <sup>#</sup>**  
**Age Bands Within the Managed Allocation Option**

	<b>Ages 0-3</b>	<b>Ages 4-7</b>	<b>Ages 8-11</b>	<b>Ages 12-14</b>	<b>Ages 15-17</b>	<b>Ages 18 &amp; Over</b>
<b>FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR</b>						
Net position value, beginning of year	\$ 27.78	\$ 21.12	\$ 20.86	\$ 21.77	\$ 20.12	\$ 17.80
Gain from investment operations:						
Net investment income <sup>(a)</sup>	0.56	0.44	0.46	0.50	0.44	0.35
Net realized and unrealized gain on investments	1.30	0.98	0.91	0.89	0.64	0.37
Total gain from investment operations	1.86	1.42	1.37	1.39	1.08	0.72
Net position value, end of year	<u>\$ 29.64</u>	<u>\$ 22.54</u>	<u>\$ 22.23</u>	<u>\$ 23.16</u>	<u>\$ 21.20</u>	<u>\$ 18.52</u>
 TOTAL RETURN	 <u>6.70%</u>	 <u>6.72%</u>	 <u>6.57%</u>	 <u>6.38%</u>	 <u>5.37%</u>	 <u>4.04%</u>
 <b>RATIOS AND SUPPLEMENTARY DATA</b>						
Net position at end of period (in thousands)	\$ 8,294	\$ 26,198	\$ 61,460	\$ 79,964	\$ 107,832	\$ 124,586
Ratio of expenses to average net position <sup>(b)</sup>	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Ratio of net investment income to average net position	2.00%	2.05%	2.18%	2.28%	2.17%	1.93%

(a) Based on average units outstanding

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

<sup>#</sup> Investments transferred from Balanced Option (SEED OK) to the Moderate Managed Allocation Option on December 19, 2018

**OKLAHOMA COLLEGE SAVINGS PLAN - DIRECT PLAN**  
**FINANCIAL HIGHLIGHTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Aggressive Managed Allocation Option**  
**Age Bands Within the Managed Allocation Option**

	<b>Ages 0-3</b>	<b>Ages 4-7</b>	<b>Ages 8-11</b>	<b>Ages 12-14</b>	<b>Ages 15-17</b>	<b>Ages 18 &amp; Over</b>
<b>FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR</b>						
Net position value, beginning of year	\$ 23.34	\$ 19.96	\$ 18.85	\$ 17.08	\$ 16.02	\$ 14.06
Gain from investment operations:						
Net investment income <sup>(a)</sup>	0.41	0.40	0.38	0.37	0.37	0.31
Net realized and unrealized gain on investments	1.20	0.92	0.86	0.74	0.66	0.47
Total gain from investment operations	1.61	1.32	1.24	1.11	1.03	0.78
Net position value, end of year	\$ 24.95	\$ 21.28	\$ 20.09	\$ 18.19	\$ 17.05	\$ 14.84
<b>TOTAL RETURN</b>	<b>6.90%</b>	<b>6.61%</b>	<b>6.58%</b>	<b>6.56%</b>	<b>6.43%</b>	<b>5.55%</b>
<b>RATIOS AND SUPPLEMENTARY DATA</b>						
Net position at end of period (in thousands)	\$ 14,009	\$ 36,121	\$ 35,047	\$ 20,287	\$ 17,578	\$ 15,610
Ratio of expenses to average net position <sup>(b)</sup>	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
Ratio of net investment income to average net position	1.76%	1.98%	2.01%	2.15%	2.25%	2.16%

(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, 2019**

	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	\$ 22.66	\$ 25.17	\$ 27.00	\$ 17.37	\$ 20.48	\$ 15.13	\$ 15.61
Gain (loss) from investment operations:							
Net investment income <sup>(a)</sup>	0.23	0.46	0.40	0.18	0.35	0.43	0.26
Net realized and unrealized gain (loss) on investments	0.35	1.28	1.93	(1.57)	0.51	0.61	—
Total gain (loss) from investment operations	0.58	1.74	2.33	(1.39)	0.86	1.04	0.26
Net position value, end of year	<u>\$ 23.24</u>	<u>\$ 26.91</u>	<u>\$ 29.33</u>	<u>15.98<sup>^</sup></u>	<u>\$ 21.34</u>	<u>\$ 16.17</u>	<u>\$ 15.87</u>
TOTAL RETURN	<u>2.56%</u>	<u>6.91%</u>	<u>8.63%</u>	<u>(8.02)%</u>	<u>4.20%</u>	<u>6.87%</u>	<u>1.79%</u>
RATIOS AND SUPPLEMENTARY DATA							
Net position at end of period (in thousands)	\$ 39,506	\$ 128,575	\$ 58,473	\$ —	\$ 46,282	\$ 11,802	\$ 78,168
Ratio of expenses to average net position <sup>(b)</sup>	0.30%	0.30%	0.30%	0.30% (c)	0.30%	0.30%	—%
Ratio of net investment income to average net position	1.05%	1.83%	1.44%	2.26% (c)	1.72%	2.80%	1.64%

(a) Based on average units outstanding

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

(c) Periods less than one year are annualized and are not necessarily indicative of a full year of operations

\* For the period July 1, 2018 to December 19, 2018

# Investments transferred from Balanced Option (SEED OK) to the Moderate Managed Allocation Option on December 19, 2018

^ The net position value represents the date of the transfer which was December 19, 2018



## **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, which comprise the statement of fiduciary net position as of June 30, 2019, 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 September 13, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Oklahoma College Savings Plan - 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 Oklahoma College Savings Plan - Direct Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oklahoma College Savings Plan - 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 Oklahoma College Savings Plan - 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

Charlotte, North Carolina  
September 13, 2019