

ABLE Consortium Trust

**BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
June 30, 2018
(With Independent Auditor's Report Thereon)**



**Thomas &
Thomas LLP**
Certified Public Accountants

ABLE Consortium Trust

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INDEPENDENT AUDITOR'S REPORT

Ascensus Investment Advisors, LLC, Administrator
ABLE Consortium Trust
Newton, Massachusetts

Report on the Basic Financial Statements

We have audited the accompanying statement of fiduciary net position and statement of changes in fiduciary net position of the **ABLE Consortium Trust** (the Trust), as of and for year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 the basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic 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 basic financial statements referred to on the preceding page present fairly, in all material respects, the fiduciary net position of the Trust as of June 30, 2018, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully disclosed in Note 1 to the financial statements, these basic financial statements present only the fiduciary net position and changes in fiduciary net position of the Trust as of June 30, 2018. These basic financial statements do not purport to, and do not, present the fiduciary net position or changes in fiduciary net position of the Member Plans participating in the Trust. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 7 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, as it is considered 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 in management's discussion and analysis because the limited procedures we performed do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Trust's basic financial statements. The supplementary Trust investment information on pages 24 through 27, the supplementary investment option information on pages 28 through 31, and supplementary Member Plan information on pages 32 through 39 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This 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 of the Trust. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2018, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

Thomas & Thomas LLP

Certified Public Accountants

September 28, 2018
Little Rock, Arkansas

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Management's Discussion and Analysis
(Unaudited)

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ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2018

This management's discussion and analysis is intended to provide readers an objective discussion of the financial statements of the ABLE Consortium Trust (the Trust) as of June 30, 2018 and for the year then ended, and for the period from December 15, 2016 (commencement of Trust operations) through June 30, 2017. This discussion and analysis, which is supplementary information required by the Governmental Accounting Standards Board (GASB), is intended to provide a highly summarized overview of the Trust's assets, liabilities, fiduciary net position and changes in the fiduciary net position and should be read in conjunction with the Trust's financial statements and notes thereto, which are included on pages 16 through 22.

* * * * *

The Stephen Beck, Jr., *Achieving a Better Life Experience Act of 2014* (the ABLE Act), enacted on December 19, 2014, as part of *The Tax Increase Prevention Act of 2014* (Pub. L. 113-295), added section 529A to the Internal Revenue Code of 1986, as amended (Section 529). The ABLE Act provides eligible individuals with blindness or qualifying disabilities a means to save for disability-related expenses in a tax-advantaged way. Section 529A allows the creation of a "qualified ABLE program" by a state under which a separate ABLE account may be established for a disabled individual who is the designated beneficiary and owner of that account.

A consortium of states (the Member States) collaborated to facilitate the implementation and maintenance of qualified ABLE programs. Each Member State has adopted enabling legislation to establish a qualified plan under Section 529A (each, a Member Plan or collectively, the Member Plans).

Pursuant to the terms of the ABLE Master Agreement and related implementing agreements executed by the Member States, Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as the "Program Manager" and is responsible for providing administrative services and investment management services for the Member Plans.

To facilitate the investment of contributions received from account owners participating in the Member Plans in an efficient and cost effective manner, ACSR and the Member States established the Trust, with Ascensus Investment Advisors, LLC serving as the Administrator of the Trust. The Trust is a Delaware Statutory Trust and holds all assets of the Member Plans.

This management's discussion and analysis and the accompanying basic financial statements pertain only to the Trust. Readers may also find useful the supplementary information on pages 24 through 39, which provides more information about the Trust's investments, investment options available to participating Member Plans, and balances and transactions attributable to participating Member Plans.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2018

Financial Highlights

The following highlight some of the Trust's key financial results:

- Trust operations commenced on December 15, 2016, with the launch of the Rhode Island and Alaska ABLÉ plans. At June 30, 2018, fifteen Member Plans are participating in the Trust.
- At June 30, 2018 and 2017, the Trust's fiduciary net position totaled \$21.7 million and \$3.0 million, respectively. Fiduciary net position increased \$18.7 million, or 636.6%, from June 30, 2017, to June 30, 2018.
- During the year ended June 30, 2018 and the period from December 15, 2016 through June 30, 2017, amounts received from Member Plans exceeded distributions to Member Plans by \$18.4 million and \$2.9 million, respectively. Amounts received from Member Plans during the year ended June 30, 2018, totaled \$23.1 million, an increase of \$19.9 million, or 612.2%, over amounts received from Member Plans during the period from December 15, 2016 through June 30, 2017. Amounts distributed from the Trust to Member Plans during the year ended June 30, 2018, totaled \$4.7 million, an increase of \$4.4 million, or 1322.2%, over amounts distributed from the Trust to Member Plans during the period from December 15, 2016 through June 30, 2017.
- During the year ended June 30, 2018, the Trust experienced net investment income of \$387.6 thousand, resulting from net appreciation in the fair value of investments of \$200.3 thousand and dividends and interest totaling \$187.3 thousand. During the period December 15, 2016 through June 30, 2017, net investment income totaled \$36.6 thousand, resulting from net appreciation in the fair value of investments of \$26.2 thousand and dividends and interest totaling \$10.4 thousand.

Overview of the Basic Financial Statements

The Trust's basic financial statements comprise the statement of fiduciary net position, the statement of changes in fiduciary net position and the related notes to the financial statements. The statement of fiduciary net position presents information on the Trust's assets and liabilities, with the difference between them representing net position held in trust for Member Plans. The statement of changes in fiduciary net position shows how the Trust's fiduciary net position changed during the year. The notes to the financial statements provide additional explanatory information about the amounts presented in the financial statements. It is essential that readers of this report consider the information in the notes to obtain a full understanding of the Trust's financial statements.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2018

Overview of the Basic Financial Statements (Continued)

The Trust's financial statements are prepared in accordance with accounting and financial reporting standards for governmental entities set forth by the GASB. As required under generally accepted accounting principles applicable to fiduciary fund types, the Trust's financial statements are prepared using the accrual basis of accounting. Investments are reported at fair value, and all investment transactions are recorded on a trade-date basis, regardless of when the transaction settles. Changes in fair value, along with realized gains and losses, are reported as net appreciation (depreciation) on the statement of changes in fiduciary net position. Dividends and capital gain distributions are recorded on the ex-dividend date rather than when they are received. Amounts received from Member Plans are recognized when they are received, and distributions to Member Plans are recognized when paid. Program management fees are accrued daily by the Member Plans and paid monthly to ACSR. Distributions to Member Plans necessary to pay such fees are recognized in the period when the cash is transferred.

Financial Analysis

Fiduciary Net Position

The following condensed statements of fiduciary net position provide a "snapshot" of the overall financial position of the Trust:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total assets	\$ 21,927,851	\$ 2,989,349
Total liabilities	<u>192,620</u>	<u>38,545</u>
Net position held in trust	<u>\$ 21,735,231</u>	<u>\$ 2,950,804</u>

The reported balance of net position held in trust represents the cumulative total of amounts received from Member Plans since the Trust's inception, increased (decreased) by net investment income (loss), and decreased by distributions to Member Plans to satisfy withdrawal requests and pay program management fees.

Investments, which totaled \$21.6 million and \$3.0 million at June 30, 2018 and 2017, respectively, represent 99% of the Trust's total assets. Account owners participating in Member Plans may choose to invest in a Checking Option, which invests in a checking account, or one or more Target Risk Options, each of which invests in a predetermined asset allocation of mutual funds, exchanged-traded funds (ETFs) and/or an interest-bearing savings account. The Target Risk Options are structured for different levels of risk tolerance.

Other assets, which totaled \$307.9 thousand at June 30, 2018, and \$35.9 thousand at June 30, 2017, comprise an uninvested cash position that is maintained to satisfy liquidity needs and receivables for investment sale transactions. The Trust's liabilities, which totaled \$192.6 thousand at June 30, 2018, and \$38.5 thousand at June 30, 2017, comprise payables for investment purchase transactions.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2018

Financial Analysis (Continued)

Changes in Fiduciary Net Position

The following condensed statements of changes in fiduciary net position summarize how the Trust's net position held in trust changed during the periods presented:

	Year Ended June 30, 2018	Period from December 15, 2016 to June 30, 2017
Received from Member Plans	\$ 23,107,551	\$ 3,244,594
Net investment income	387,644	36,673
Distributed to Member Plans	(4,687,276)	(329,578)
Program management fee distributions	(23,492)	(885)
Net increase	18,784,427	2,950,804
Net position held in trust, beginning of period	2,950,804	-
Net position held in trust, end of period	<u>\$ 21,735,231</u>	<u>\$ 2,950,804</u>

Investment Commentary

The following provides a brief description of each of the Trust's investments. More complete information can be found in the National ABLE Alliance Plan Disclosure Statement and each state's Member Plan addendum, and related supplements, or in each mutual fund's or ETF's prospectus and annual report.

Target Risk Option Investments

The Vanguard Institutional Index Fund employs an indexing investment approach designed to track the performance of the Standard & Poor's (S&P) 500 Index, a widely recognized benchmark of US stock market performance that is dominated by the stocks of large US companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

The Vanguard Extended Market Index Fund employs an indexing investment approach designed to track the performance of the S&P's Completion Index, a broadly diversified index of stocks of small and mid-size US companies. The index contains all of the US common stocks regularly traded on the New York Stock Exchange and the NASDAQ over-the-counter market, except those stocks included in the S&P 500 Index. The fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2018

Investment Commentary (Continued)

Target Risk Option Investments (Continued)

The iShares Core MSCI EAFE ETF seeks to track the investment results of the MSCI EAFE IMI Index, which has been developed by MSCI Inc. as an equity benchmark for international stock performance. The index is designed to measure large-, mid- and small-capitalization equity market performance and includes stocks from Europe, Australasia and the Far East and, as of July 31, 2017, consisted of stocks from the following 21 developed market countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. As of July 31, 2017, a significant portion of the index is represented by securities of financial and industrial companies. The components of the index, and the degree to which these components represent certain industries and/or countries, are likely to change over time.

The Schwab Emerging Markets Equity ETF generally invests in stocks that are included in the FTSE Emerging Index. The index comprises of large and mid-capitalization companies in emerging market countries, as defined by the index provider. The index defines the large and mid-capitalization universe as approximately the top 90% of the eligible universe. As of August 31, 2017, the index was composed of 991 stocks in 23 emerging market countries. It is the fund's policy that under normal circumstances, it will invest at least 90% of its net assets (net assets plus borrowings for investment purposes) in these stocks, including depositary receipts representing securities of the index; such depositary receipts may be in the form of American Depositary receipts (ADRs), Global Depositary receipts (GDRs) and European Depositary receipts (EDRs). The fund will notify its shareholders at least 60 days before changing this policy. The fund may sell securities that are represented in the index in anticipation of their removal from the index, or buy securities that are not yet represented in the index in anticipation of their addition to the index. Under normal circumstances, the fund may invest up to 10% of its net assets in securities not included in the index. The principal types of these investments include those that the investment adviser believes will help the fund track the index, such as investments in (a) securities that are not represented in the index but the investment adviser anticipates will be added to the index or as necessary to reflect various corporate actions (such as mergers and spin-offs); (b) other investment companies; and (c) derivatives, principally futures contracts. The fund may use futures contracts and other derivatives primarily to seek returns on the fund's otherwise uninvested cash assets to help it better track the index.

The Schwab US REIT ETF generally invests in securities that are included in the Dow Jones US Select REIT Index. The index is a float-adjusted market capitalization weighted index comprised of real estate investment trusts (REITs). The index generally includes REITs that own and operate income producing commercial and/or residential real estate, derive at least 75% of the REIT's total revenue from the ownership and operation of real estate assets and have a minimum total market capitalization of \$200 million at the time of its inclusion. The index excludes mortgage REITs, net-lease REITs, real estate finance companies, mortgage brokers and bankers, commercial and residential real estate brokers and estate agents, home builders, large landowners and subdividers of unimproved land, hybrid REITs, timber REITs and companies that have more than 25% of their assets in direct mortgage investments. As of February 28, 2018, the index was composed of 101 REITs.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2018

Investment Commentary (Continued)

Target Risk Option Investments (Continued)

The Vanguard Total Bond Market Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays US Aggregate Float Adjusted Index. This index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities— all with maturities of more than 1 year. The fund invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index. The fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years, and as of December 31, 2017, was 8.4 years.

The Vanguard Short-Term Bond Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays US 1–5 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of US government, investment-grade corporate and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. The fund invests by sampling the index, meaning that it holds a range of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index. The fund maintains a dollar-weighted average maturity consistent with that of the index, which generally does not exceed 3 years, and as of December 31, 2017, was 2.8 years.

The Vanguard Short-Term Inflation-Protected Securities Index Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index. The index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the US Treasury with remaining maturities of less than 5 years. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the index, holding each security in approximately the same proportion as its weighting in the index. The fund maintains a dollar-weighted average maturity consistent with that of the target index, which generally does not exceed 3 years.

The iShares Core International Aggregate Bond ETF seeks to track the investment results of the Bloomberg Barclays Global Aggregate ex USD 10% Issuer Capped (Hedged) Index, which measures the performance of the global investment grade (as determined by Bloomberg Index Services Limited) bond market. As of October 31, 2017, there were 8,983 issues in the index. The index includes investment-grade fixed-rate sovereign and government-related debt, corporate and securitized bonds from both developed and emerging market issuers. Securities included in the index are issued in currencies other than the US dollar, must have maturities of at least one year and are required to meet minimum outstanding issue size criteria. The index is market capitalization-weighted with a cap on each issuer of 10%. Debt that is publicly issued in

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2018

Investment Commentary (Continued)

Target Risk Option Investments (Continued)

the global and regional markets is included in the index. Certain types of securities, such as USD-denominated bonds, contingent capital securities, inflation-linked bonds, floating-rate issues, fixed-rate perpetuals, retail bonds, structured notes, pass-through certificates, private placements, sinkable Russian OFZ bonds issued prior to 2009 and securities where reliable pricing is unavailable are excluded from the index. The securities in the index are updated on the last business day of each month and the currency risk of the securities in the index are hedged to the US dollar on a monthly basis. As of October 31, 2017, a significant portion of the index is represented by fixed-rate foreign sovereign and government debt, non-U.S. government related bonds and corporate bonds. The components of the index, and the degree to which these components represent certain industries and/or countries, are likely to change over time.

The Sallie Mae High-Yield Savings Account (HYSA) is an omnibus account maintained at Sallie Mae Bank. Interest on the HYSA is compounded daily based on the actual number of days in a year (typically, 365/365 and 366/366 in leap years) and is credited to the HYSA on a monthly basis.

The returns for the Target Risk Option Investments are listed in the following table:

Underlying Funds	July 1, 2017 through June 30, 2018	December 15, 2016 through June 30, 2017
Vanguard Institutional Index Fund	14.51%	8.71%
Vanguard Extended Market Index Fund	16.90%	7.32%
iShares Core MSCI EAFE ETF	7.19%	13.86%
Schwab Emerging Markets Equity ETF	7.03%	14.15%
Schwab U.S. REIT ETF	4.03%	4.01%
Vanguard Total Bond Market Index Fund	(0.59%)	3.35%
Vanguard Short-Term Bond Index Fund	(0.29%)	1.58%
Vanguard Short-Term Inflation-Protected Securities Index Fund	1.32%	0.69%
iShares Core International Aggregate Bond ETF	3.00%	1.30%
Sallie Mae High Yield Savings Account	1.00%	1.00%

Checking Option Underlying Investment

The Checking Option invests 100% of its assets in FDIC-insured checking accounts held at Fifth Third Bank for each account owner invested in the Checking Option. Account owners who invest in the Checking Option are able to write checks or use a debit card to pay for qualified disability expenses.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2018

Legislative highlights

On December 22, 2017, President Trump signed the *Tax Cuts and Jobs Act* into law. The legislation includes the following provision related specifically to ABLE plan accounts, beginning with the 2018 tax year:

Account owners may roll over 529 plan account assets to a 529 ABLE plan account for the same beneficiary or a member of the family of the beneficiary, up to the ABLE annual contribution limit, without incurring federal or state income taxes, as applicable.

The *ABLE to Work Act of 2017* (H.R. 1896) was introduced on April 4, 2017 and, if passed, would amend Section 529 to allow an account owner who is employed and who is not contributing to a defined contribution plan, an annuity contract or an eligible deferred compensation plan as described in Section 529 to contribute additional money to his or her account. The additional amount that an account owner may contribute is the lesser of an amount equal to the account owner's compensation for the year, or the amount equal to the poverty line for a one-person household for the prior year. The account owner must retain adequate records to ensure that he or she does not exceed the limit. Any increase in contributions could have an effect on the account owner's state tax obligations. This bill was referred to the Committee on Finance on April 4, 2017.

ABLE account owners may qualify for a federal tax credit known as the Saver's Credit for contributions to their ABLE account, subject to eligibility and income limits, as described in Section 25B of the Internal Revenue Code of 1986, as amended.

Requests for Information

This financial report is designed to provide a general overview of the Trust's financial status and changes in financial status. The financial report does not purport to, and does not present the financial position or changes in financial position of the Member Plans. Additional information can be found at <https://savewithable.com>. If you have any questions about the Member Plans, please call a customer service representative at 1-888-627-7519.

Basic Financial Statements

ABLE Consortium Trust

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2018

ASSETS

Investments	\$ 21,619,940
Cash	101,833
Receivables for investments sold	<u>206,078</u>
Total Assets	<u>21,927,851</u>

LIABILITIES

Payables for investments purchased	<u>192,620</u>
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NET POSITION HELD IN TRUST

\$ 21,735,231

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2018

ADDITIONS

Received from Member Plans	\$ <u>23,107,551</u>
Investment income:	
Dividends and interest	187,296
Net appreciation in fair value of investments	<u>200,348</u>
Net investment income	<u>387,644</u>
Total Additions	<u>23,495,195</u>

DEDUCTIONS

Distributed to Member Plans	4,687,276
Program management fee distributions	<u>23,492</u>
Total Deductions	<u>4,710,768</u>

NET INCREASE 18,784,427

NET POSITION HELD IN TRUST, BEGINNING OF YEAR 2,950,804

NET POSITION HELD IN TRUST, END OF YEAR \$ 21,735,231

See accompanying notes to financial statements.

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS June 30, 2018

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (the ABLE Act), enacted on December 19, 2014, as part of The Tax Increase Prevention Act of 2014 (Pub. L. 113–295), added section 529A to the Internal Revenue Code of 1986, as amended (Section 529A). The ABLE Act provides eligible individuals with blindness or qualifying disabilities a means to save for disability-related expenses in a tax-advantaged way. Section 529A allows the creation of a “qualified ABLE program” by a state under which a separate ABLE account may be established for a disabled individual who is the designated beneficiary and owner of that account.

A consortium of states (the Member States) collaborated to facilitate the implementation and maintenance of qualified ABLE programs. Each Member State has adopted enabling legislation to establish a qualified plan under Section 529A (each, a Member Plan or collectively, the Member Plans).

Pursuant to the terms of the ABLE Master Agreement and related implementing agreements executed by the Member States, Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as the “Program Manager” and is responsible for providing administrative services and investment management services for the Member Plans.

To facilitate the investment of contributions received from account owners participating in the Member Plans in an efficient and cost effective manner, ACSR and the Member States established the ABLE Consortium Trust (the Trust), with Ascensus Investment Advisors, LLC serving as the Administrator of the Trust. The Trust is a Delaware Statutory Trust. All assets of the Member Plans are held in the Trust.

Account owners participating in Member Plans may choose to invest their contributions in a Checking Option, which invests in a checking account, or one or more Target Risk Options, each of which invests in a predetermined asset allocation of mutual funds, exchange-traded funds (ETFs) and/or an interest-bearing savings account. The Target Risk Options structured for different levels of risk tolerance. In exchange for contributions to a Member Plan, an account owner receives units issued by the Member Plan. These units are municipal securities. The account owner does not own the underlying assets in the investment options.

The Bank of New York Mellon serves as the custodian of all Target Risk Option assets held in the Trust. Fifth Third Bank is the custodian of all assets held in the Checking Option.

The accompanying financial statements present only the financial position and changes in financial position of the Trust. They do not purport to, and do not, present the financial position or changes in financial position of the Member Plans. For more information about the Member Plans, readers should refer to <https://savewithable.com/> or call 1-888-627-7519.

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

In accordance with accounting principles generally accepted in the United States of America applicable to fiduciary fund types prescribed by the Governmental Accounting Standards Board (GASB), the Trust's financial statements are prepared using the flow of economics resources measurement focus and accrual basis of accounting.

(b) Income Taxes

The Trust Administrator has determined that the Trust is exempt from taxation.

(c) Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(d) Investments

Investments included in the statement of fiduciary net position consist of all assets in the Target Risk Options and the Checking Option, except for uninvested cash balances, which are described in Note 2(f), and receivables for investment sale transactions.

The Target Risk Option assets are invested in varying allocations of mutual funds, ETFs and an interest-bearing savings account.

Net realized and unrealized gains (losses) on mutual fund and ETF transactions are included in "net appreciation (depreciation) in fair value of investments" on the statement of changes in fiduciary net position. Purchases and sales are recorded on a trade-date basis. Dividends and capital gain distributions are recorded on the ex-dividend date.

The Sallie Mae High Yield Savings Account is an omnibus savings account held in trust at Sallie Mae Bank. This account earns a variable rate of interest, which is compounded daily and credited to the account monthly. The interest rate earned on this account for the year ended June 30, 2018 ranged from 1.29% to 1.73%.

The Checking Option allows the account owner to maintain assets in a checking account at Fifth Third Bank. A separate checking account is established for each account owner that chooses the Checking Option. This account earns a variable rate of interest, which is compounded daily and credited to the account monthly. The interest rate earned on Checking Option accounts during the year ended June 30, 2018 was 0.01%. Balances in Checking Option accounts are insured by the Federal Deposit Insurance Corporation (FDIC) on a pass-through basis to each account owner, up to the maximum amount allowable under federal law.

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investment Valuation

The mutual funds and ETFs are reported at fair value, based on net asset value per share (mutual funds) or closing market prices (ETFs) as of the close of the New York Stock Exchange (NYSE) on the reporting date. Accounting standards categorize fair value measurements according to a hierarchy that is based on valuation inputs that are used to measure fair value. Level 1 inputs are quoted prices for identical assets in active markets that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted market prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable. The fair values of the mutual funds and ETFs are determined using Level 1 inputs.

Investments in the Sallie Mae High Yield Savings Account and the Checking Option are reported at cost.

(f) Cash

Cash presented on the statement of fiduciary net position includes uninvested cash balances that are maintained in the Trust to meet liquidity needs. These uninvested cash balances are held by BNY Mellon as custodian. Balances in these accounts are insured by the FDIC up to \$250,000, and amounts in excess of FDIC insurance limits are not collateralized or covered by supplementary insurance.

NOTE 3: INVESTMENTS

(a) Investments by Type

The Trust's investments at June 30, 2018, are as follows:

	<u>Category</u>	<u>Fair Value</u>
Mutual funds, at fair value:		
Vanguard Institutional Index Fund	Large Blend	\$ 3,095,901
Vanguard Extended Market Index Fund	Mid-Cap Blend	2,652,083
Vanguard Total Bond Market Index Fund	Intermediate-Term Bond	1,588,210
Vanguard Short-Term Bond Index Fund	Short-Term Bond	1,323,455
Vanguard Short-Term Inflation-Protected Securities Index Fund	Inflation-Protected Bond	1,852,636
Total mutual funds		<u>10,512,285</u>
ETFs, at fair value:		
iShares Core MSCI EAFE ETF	Foreign Large Blend	1,508,079
Schwab Emerging Markets Equity ETF	Diversified Emerging Markets	558,085
Schwab US REIT ETF	Real Estate	880,346
iShares Core International Aggregate Bond ETF	World Bond	508,933
Total ETFs		<u>3,455,443</u>
Sallie Mae High Yield Savings Account	Cash Equivalent	<u>2,022,906</u>
FDIC-insured Checking Account	Cash Equivalent	<u>5,629,306</u>
Total Investments		<u>\$ 21,619,940</u>

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 3: INVESTMENTS (Continued)

(b) Net Appreciation in Fair Value of Investments

The following table calculates the net change in the fair value of investments during the year ended June 30, 2018:

Fair value of investments, end of year	\$ 21,619,940
Less cost of investments purchased and dividends reinvested during the year	(21,253,370)
Plus proceeds from investments sold during the year	2,787,280
Less fair value of investments, beginning of year	<u>(2,953,502)</u>
Net appreciation in fair value of investments	<u>\$ 200,348</u>

(c) Investment Risk

The mutual funds and ETFs in which the Trust invests may include corporate debt and equity securities, obligations of the United States government and government agencies, and international equity securities in their underlying asset holdings. These securities are exposed to various risks, such as interest rate, market and credit risk, and it is at least reasonably possible that changes in their fair values could occur in the near term, materially affecting the amounts reported in the Trust's financial statements.

GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures* and GASB Statement No. 59, *Financial Instruments Omnibus*, require that certain disclosures be made related to the Trust's investment policy and its exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Investment Policy

The investments that compose the various portfolio options are specified in the National ABLE Alliance Plan Disclosure Statement and may not be changed without approval of all participating Member States. There is no separate investment policy that specifically addresses credit risk, interest rate risk, concentrations of credit risk or foreign currency risk.

Credit Risk

As a result of its investment in the Vanguard Total Bond Market Index Fund, Vanguard Short-Term Bond Index Fund, Vanguard Short-Term Inflation-Protected Securities Index Fund and iShares Core International Aggregate Bond ETF, the Trust may be indirectly exposed to credit risk, which is the risk that a bond issuer will fail to pay interest and principal, when due, as a result of adverse market or economic conditions.

The Trust's mutual funds and ETFs are not exposed to custodial credit risk, which is the risk that the Trust will not recover the value of investments that are in the possession of an outside party.

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 3: INVESTMENTS (Continued)

(c) Investment Risk (Continued)

Credit Risk (Continued)

None of the mutual funds or ETFs in which the Trust invests are rated by a nationally recognized statistical rating organization, except the iShares Core International Aggregate Bond ETF, which is rated A-f by Standard & Poor's.

Interest Rate Risk

The Vanguard Total Bond Market Index Fund, Vanguard Short-Term Bond Index Fund, Vanguard Short-Term Inflation-Protected Securities Index Fund and iShares Core International Aggregate Bond ETF, due to their investment primarily in bonds, may also be exposed to interest rate risk, which is the risk that changes in interest rates will adversely impact the fair value of an investment. Average maturity is the average length of time until fixed-income securities held by a fund reach maturity and will be repaid, taking into consideration the possibility that the issuer may call a bond before its maturity date, and is a measure of interest rate risk. In general, the longer the average maturity, the more a fund's share price will fluctuate in response to changes in interest rates. As of June 30, 2018, the average maturity of holdings in each of these investments are as follows:

	<u>Average Maturity</u>
Vanguard Total Bond Market Index Fund	8.4 years
Vanguard Short-Term Bond Index Fund	2.8 years
Vanguard Short-Term Inflation-Protected Securities Index Fund	2.6 years
iShares Core International Aggregate Bond ETF	9.0 years

Foreign Currency Risk

The iShares Core MSCI EAFE ETF, Schwab Emerging Markets Equity ETF and iShares Core International Aggregate Bond ETF may include international securities and foreign currency in their underlying asset holdings. There are certain inherent risks involved when investing in international securities and foreign currency that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention or delay of currency exchange due to foreign governmental laws or restrictions.

NOTE 4: FEES AND EXPENSES

(a) Program Management Fees

ACSR is paid a program management fee as compensation for administering and managing the investment options and the Member Plans. This fee, which is 0.32% on net assets in each Target Risk Option, is accrued daily and reduces the net asset value per unit of each Target Risk Option. Program management fees are reported by the Trust when underlying investments are liquidated and proceeds are distributed to ACSR.

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS June 30, 2018

NOTE 4: FEES AND EXPENSES (Continued)

(b) Underlying Investment Fees

Investment advisory fees, administrative fees and other expenses related to management of the mutual funds and ETFs (underlying fund expenses) in which the Trust invests are paid out of the assets of the mutual funds and ETFs and reduce the amount of income available to be distributed to the Trust in the form of dividends or capital gains. These underlying fund expenses are not direct expenses paid from Trust assets, and therefore, are not reported in the Trust's financial statements.

Supplementary Information

ABLE Consortium Trust

SUPPLEMENTARY TRUST INVESTMENT INFORMATION STATEMENTS OF FIDUCIARY NET POSITION JUNE 30, 2018

	Vanguard Institutional Index Fund	Vanguard Extended Market Index Fund	Vanguard Total Bond Market Index Fund	Vanguard Short-Term Bond Index Fund	Vanguard Short-Term Inflation- Securities Index Fund
Assets					
Investments	\$ 3,095,901	\$ 2,652,083	\$ 1,588,210	\$ 1,323,455	\$ 1,852,636
Cash	-	-	-	-	-
Receivables for investments sold	64,874	136,432	-	-	-
Total Assets	<u>3,160,775</u>	<u>2,788,515</u>	<u>1,588,210</u>	<u>1,323,455</u>	<u>1,852,636</u>
Liabilities					
Payables for investments purchased	17,448	14,955	52,079	37,818	38,047
Net Position Held in Trust	<u>\$ 3,143,327</u>	<u>\$ 2,773,560</u>	<u>\$ 1,536,131</u>	<u>\$ 1,285,637</u>	<u>\$ 1,814,589</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY TRUST INVESTMENT INFORMATION STATEMENTS OF FIDUCIARY NET POSITION JUNE 30, 2018

iShares Core MSCI EAFE ETF	Schwab Emerging Markets Equity ETF	Schwab US REIT ETF	iShares Core International Aggregate Bond ETF	Sallie Mae High Yield Savings Account	FDIC-insured Checking Account	Total
\$ 1,508,079 48,791	\$ 558,085 13,300	\$ 880,346 26,894	\$ 508,933 12,848	\$ 2,022,906 -	\$ 5,629,306 -	\$ 21,619,940 101,833
-	-	-	-	4,772	-	206,078
<u>1,556,870</u>	<u>571,385</u>	<u>907,240</u>	<u>521,781</u>	<u>2,027,678</u>	<u>5,629,306</u>	<u>21,927,851</u>
16,936	-	8,973	-	6,364	-	192,620
<u>\$ 1,539,934</u>	<u>\$ 571,385</u>	<u>\$ 898,267</u>	<u>\$ 521,781</u>	<u>\$ 2,021,314</u>	<u>\$ 5,629,306</u>	<u>\$ 21,735,231</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY TRUST INVESTMENT INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2018

	Vanguard Institutional Index Fund	Vanguard Extended Market Index Fund	Vanguard Total Bond Market Index Fund	Vanguard Short-Term Bond Index Fund	Vanguard Short-Term Inflation- Securities Index Fund
Additions					
Received from Member Plans	\$ 2,915,496	\$ 2,498,997	\$ 1,549,169	\$ 1,290,974	\$ 1,807,362
Investment income (loss):					
Dividends and interest	35,302	22,708	21,653	12,700	22,736
Net appreciation (depreciation) in fair value of investments	110,967	181,742	(30,988)	(13,890)	(8,012)
Net investment income (loss)	146,269	204,450	(9,335)	(1,190)	14,724
Total Additions	<u>3,061,765</u>	<u>2,703,447</u>	<u>1,539,834</u>	<u>1,289,784</u>	<u>1,822,086</u>
Deductions					
Distributed to Member Plans	353,027	302,594	229,235	191,029	267,439
Program management fee distributions	4,538	3,890	2,301	1,918	2,685
Total Deductions	<u>357,565</u>	<u>306,484</u>	<u>231,536</u>	<u>192,947</u>	<u>270,124</u>
Net Increase	2,704,200	2,396,963	1,308,298	1,096,837	1,551,962
Net Position Held in Trust, Beginning of Year	<u>439,127</u>	<u>376,597</u>	<u>227,833</u>	<u>188,800</u>	<u>262,627</u>
Net Position Held in Trust, End of Year	<u>\$ 3,143,327</u>	<u>\$ 2,773,560</u>	<u>\$ 1,536,131</u>	<u>\$ 1,285,637</u>	<u>\$ 1,814,589</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY TRUST INVESTMENT INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year ended June 30, 2018

iShares Core MSCI EAFE ETF	Schwab Emerging Markets Equity ETF	Schwab US REIT ETF	iShares Core International Aggregate Bond ETF	Sallie Mae High Yield Savings Account	FDIC-insured Checking Account	Total
\$ 1,499,398	\$ 583,099	\$ 832,999	\$ 516,388	\$ 2,182,322	\$ 7,431,347	\$ 23,107,551
33,727	6,092	14,436	2,066	15,592	284	187,296
(39,886)	(34,168)	29,400	5,183	-	-	200,348
(6,159)	(28,076)	43,836	7,249	15,592	284	387,644
<u>1,493,239</u>	<u>555,023</u>	<u>876,835</u>	<u>523,637</u>	<u>2,197,914</u>	<u>7,431,631</u>	<u>23,495,195</u>
181,556	70,605	100,864	76,411	468,311	2,446,205	4,687,276
2,334	908	1,297	767	2,854	-	23,492
<u>183,890</u>	<u>71,513</u>	<u>102,161</u>	<u>77,178</u>	<u>471,165</u>	<u>2,446,205</u>	<u>4,710,768</u>
1,309,349	483,510	774,674	446,459	1,726,749	4,985,426	18,784,427
230,585	87,875	123,593	75,322	294,565	643,880	2,950,804
<u>\$ 1,539,934</u>	<u>\$ 571,385</u>	<u>\$ 898,267</u>	<u>\$ 521,781</u>	<u>\$ 2,021,314</u>	<u>\$ 5,629,306</u>	<u>\$ 21,735,231</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY INVESTMENT OPTION INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND UNIT INFORMATION
June 30, 2018**

	Aggressive Option	Moderately Aggressive Option	Growth Option
Assets			
Investments in Trust units	\$ 3,066,240	\$ 2,815,347	\$ 3,493,239
Net unsettled Member Plan transactions	13,906	18,147	18,708
Other asset	584	-	1,364
Total Assets	3,080,730	2,833,494	3,513,311
Liabilities			
Withdrawals payable	1,311	1,283	256
Accrued program management fees	792	720	889
Other liability	-	555	-
Total Liabilities	2,103	2,558	1,145
Net Position Held in Trust for Member Plans	\$ 3,078,627	\$ 2,830,936	\$ 3,512,166
Units Outstanding (rounded to the nearest whole unit)	257,625	243,207	309,715
Net Asset Value Per Unit	\$ 11.95	\$ 11.64	\$ 11.34

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY INVESTMENT OPTION INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND UNIT INFORMATION
June 30, 2018**

<u>Moderate Option</u>	<u>Moderately Conservative Option</u>	<u>Conservative Option</u>	<u>Checking Option</u>	<u>Total</u>
\$ 2,416,474	\$ 1,600,805	\$ 2,713,820	\$ 5,629,306	\$ 21,735,231
27,413	12,862	(8,999)	39,166	121,203
-	656	-	-	2,604
<u>2,443,887</u>	<u>1,614,323</u>	<u>2,704,821</u>	<u>5,668,472</u>	<u>21,859,038</u>
5	249	4,211	14,973	22,288
617	398	684	-	4,100
703	-	553	-	1,811
<u>1,325</u>	<u>647</u>	<u>5,448</u>	<u>14,973</u>	<u>28,199</u>
<u>\$ 2,442,562</u>	<u>\$ 1,613,676</u>	<u>\$ 2,699,373</u>	<u>\$ 5,653,499</u>	<u>\$ 21,830,839</u>
<u>221,046</u>	<u>150,109</u>	<u>260,809</u>	<u>5,653,499</u>	<u>7,096,010</u>
<u>\$ 11.05</u>	<u>\$ 10.75</u>	<u>\$ 10.35</u>	<u>\$ 1.00</u>	

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY INVESTMENT OPTION INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2018

	Aggressive Option	Moderately Aggressive Option	Growth Option
Additions			
Contributions to Member Plans	\$ 2,659,386	\$ 2,405,383	\$ 3,137,468
Net investment income	101,956	95,211	91,058
Exchanges in	122,000	56,536	65,231
Other income	732	-	1,571
Total Additions	<u>2,884,074</u>	<u>2,557,130</u>	<u>3,295,328</u>
Deductions			
Withdrawals from Member Plans	106,818	100,329	202,467
Program management fees	5,196	4,910	5,826
Exchanges out	64,346	98,377	82,619
Other expense	-	773	-
Total Deductions	<u>176,360</u>	<u>204,389</u>	<u>290,912</u>
Net Increase	2,707,714	2,352,741	3,004,416
Net Position Held in Trust for Member Plans, Beginning of Year	<u>370,913</u>	<u>478,195</u>	<u>507,750</u>
Net Position Held in Trust for Member Plans, End of Year	<u>\$ 3,078,627</u>	<u>\$ 2,830,936</u>	<u>\$ 3,512,166</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY INVESTMENT OPTION INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2018

<u>Moderate Option</u>	<u>Moderately Conservative Option</u>	<u>Conservative Option</u>	<u>Checking Option</u>	<u>Total</u>
\$ 2,269,047	\$ 1,496,446	\$ 2,681,527	\$ 7,217,029	\$ 21,866,286
48,439	24,917	25,781	284	387,646
71,291	38,072	92,661	239,571	685,362
55	656	-	-	3,014
<u>2,388,832</u>	<u>1,560,091</u>	<u>2,799,969</u>	<u>7,456,884</u>	<u>22,942,308</u>
184,770	114,284	351,546	2,308,851	3,369,065
4,051	2,717	4,357	-	27,057
87,924	68,957	144,725	138,414	685,362
703	14	649	-	2,139
<u>277,448</u>	<u>185,972</u>	<u>501,277</u>	<u>2,447,265</u>	<u>4,083,623</u>
2,111,384	1,374,119	2,298,692	5,009,619	18,858,685
<u>331,178</u>	<u>239,557</u>	<u>400,681</u>	<u>643,880</u>	<u>2,972,154</u>
<u>\$ 2,442,562</u>	<u>\$ 1,613,676</u>	<u>\$ 2,699,373</u>	<u>\$ 5,653,499</u>	<u>\$ 21,830,839</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY MEMBER PLAN INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND INVESTMENT DETAIL
June 30, 2018**

	<u>Alaska ABLE Plan</u>	<u>Colorado ABLE</u>	<u>DC ABLE Program</u>
Assets			
Investments	\$ 742,142	\$ 1,253,589	\$ 86,343
Redemption proceeds receivable	150	3,632	-
Total Assets	<u>742,292</u>	<u>1,257,221</u>	<u>86,343</u>
Liabilities			
Withdrawals payable	150	3,632	-
Net Position Held in Trust for Account Owners	<u>\$ 742,142</u>	<u>\$ 1,253,589</u>	<u>\$ 86,343</u>
Investments (Dollars)			
Aggressive Portfolio	\$ 62,444	\$ 281,854	\$ 16,914
Moderately Aggressive Portfolio	182,657	129,678	10,875
Growth Portfolio	82,327	150,585	19,874
Moderate Portfolio	55,583	120,746	1,431
Moderately Conservative Portfolio	84,961	102,323	2,646
Conservative Portfolio	88,581	169,362	8,836
Checking Option Portfolio	185,589	299,041	25,767
Total	<u>\$ 742,142</u>	<u>\$ 1,253,589</u>	<u>\$ 86,343</u>
Investments (Units)			
Aggressive Portfolio	5,225	23,586	1,415
Moderately Aggressive Portfolio	15,692	11,141	934
Growth Portfolio	7,260	13,279	1,753
Moderate Portfolio	5,030	10,927	130
Moderately Conservative Portfolio	7,903	9,518	246
Conservative Portfolio	8,558	16,363	854
Checking Option Portfolio	185,589	299,041	25,767
Total	<u>235,257</u>	<u>383,855</u>	<u>31,099</u>

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ABLE Consortium Trust

**SUPPLEMENTARY MEMBER PLAN INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND INVESTMENT DETAIL
June 30, 2018**

<u>DEPENDABLE</u>	<u>Illinois ABLE</u>	<u>INvestABLE Indiana</u>	<u>IABLE</u>	<u>Kansas ABLE Savings Plan</u>
\$ 1,308	\$ 2,295,650	\$ 524,979	\$ 1,367,310	\$ 832,003
-	14,000	-	108	-
<u>1,308</u>	<u>2,309,650</u>	<u>524,979</u>	<u>1,367,418</u>	<u>832,003</u>
-	14,000	-	108	-
<u>\$ 1,308</u>	<u>\$ 2,295,650</u>	<u>\$ 524,979</u>	<u>\$ 1,367,310</u>	<u>\$ 832,003</u>
\$ 1,003	\$ 390,329	\$ 112,142	\$ 120,760	\$ 97,413
-	297,175	55,587	197,473	128,132
300	445,424	102,136	199,325	213,419
-	250,251	72,078	163,941	61,728
-	146,972	43,495	128,314	44,760
-	201,359	36,806	201,168	112,519
5	564,140	102,735	356,329	174,032
<u>\$ 1,308</u>	<u>\$ 2,295,650</u>	<u>\$ 524,979</u>	<u>\$ 1,367,310</u>	<u>\$ 832,003</u>
84	32,664	9,384	10,105	8,152
-	25,531	4,775	16,965	11,008
26	39,279	9,007	17,577	18,820
-	22,647	6,523	14,836	5,586
-	13,672	4,046	11,936	4,164
-	19,455	3,556	19,437	10,871
5	564,140	102,735	356,329	174,032
<u>115</u>	<u>717,388</u>	<u>140,026</u>	<u>447,185</u>	<u>232,633</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY MEMBER PLAN INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND INVESTMENT DETAIL
June 30, 2018**

	<u>The Minnesota ABLE Plan</u>	<u>Montana ABLE Program</u>	<u>ABLE Nevada</u>
Assets			
Investments	\$ 2,830,590	\$ 433,470	\$ 1,065,927
Redemption proceeds receivable	300	-	-
Total Assets	<u>2,830,890</u>	<u>433,470</u>	<u>1,065,927</u>
Liabilities			
Withdrawals payable	300	-	-
Net Position Held in Trust for Account Owners	<u>\$ 2,830,590</u>	<u>\$ 433,470</u>	<u>\$ 1,065,927</u>
Investments (Dollars)			
Aggressive Portfolio	\$ 287,725	\$ 40,394	\$ 139,336
Moderately Aggressive Portfolio	232,790	34,658	109,901
Growth Portfolio	401,752	52,021	115,002
Moderate Portfolio	324,414	53,105	121,089
Moderately Conservative Portfolio	284,191	22,672	52,036
Conservative Portfolio	520,395	90,192	330,321
Checking Option Portfolio	779,323	140,428	198,242
Total	<u>\$ 2,830,590</u>	<u>\$ 433,470</u>	<u>\$ 1,065,927</u>
Investments (Units)			
Aggressive Portfolio	24,077	3,380	11,660
Moderately Aggressive Portfolio	19,999	2,977	9,442
Growth Portfolio	35,428	4,587	10,141
Moderate Portfolio	29,359	4,806	10,958
Moderately Conservative Portfolio	26,436	2,109	4,841
Conservative Portfolio	50,280	8,714	31,915
Checking Option Portfolio	779,323	140,428	198,242
Total	<u>964,902</u>	<u>167,001</u>	<u>277,199</u>

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ABLE Consortium Trust

**SUPPLEMENTARY MEMBER PLAN INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
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June 30, 2018**

<u>NJ ABLE</u>	<u>NC ABLE</u>	<u>Pennsylvania ABLE Savings Program</u>	<u>RI's ABLE</u>	<u>Total</u>
\$ 1,823	\$ 1,767,228	\$ 8,222,201	\$ 406,276	\$ 21,830,839
-	1,679	300	2,119	22,288
<u>1,823</u>	<u>1,768,907</u>	<u>8,222,501</u>	<u>408,395</u>	<u>21,853,127</u>
-	1,679	300	2,119	22,288
<u>\$ 1,823</u>	<u>\$ 1,767,228</u>	<u>\$ 8,222,201</u>	<u>\$ 406,276</u>	<u>\$ 21,830,839</u>
\$ 701	\$ 219,234	\$ 1,286,296	\$ 22,082	\$ 3,078,627
214	228,234	1,179,317	44,245	2,830,936
612	269,466	1,405,542	54,381	3,512,166
109	259,703	892,997	65,387	2,442,562
92	155,995	509,367	35,852	1,613,676
42	141,180	777,736	20,876	2,699,373
53	493,416	2,170,946	163,453	5,653,499
<u>\$ 1,823</u>	<u>\$ 1,767,228</u>	<u>\$ 8,222,201</u>	<u>\$ 406,276</u>	<u>\$ 21,830,839</u>
59	18,346	107,640	1,848	257,625
18	19,608	101,316	3,801	243,207
54	23,762	123,946	4,796	309,715
10	23,503	80,814	5,917	221,046
9	14,511	47,383	3,335	150,109
4	13,641	75,144	2,017	260,809
53	493,416	2,170,946	163,453	5,653,499
<u>207</u>	<u>606,787</u>	<u>2,707,189</u>	<u>185,167</u>	<u>7,096,010</u>

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ABLE Consortium Trust

SUPPLEMENTARY MEMBER PLAN INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2018

	<u>Alaska ABLE Plan</u>	<u>Colorado ABLE</u>	<u>DC ABLE Program</u>
Additions			
Contributions	\$ 740,513	\$ 1,341,986	\$ 102,872
Net investment income	17,045	13,476	456
	<u>757,558</u>	<u>1,355,462</u>	<u>103,328</u>
Deductions			
Withdrawals	170,557	101,873	16,985
Total Deductions	<u>170,557</u>	<u>101,873</u>	<u>16,985</u>
Net Increase	587,001	1,253,589	86,343
Net Position Held in Trust for Account Owners, Beginning of Year	<u>155,141</u>	<u>-</u>	<u>-</u>
Net Position Held in Trust for Account Owners, End of Year	<u>\$ 742,142</u>	<u>\$ 1,253,589</u>	<u>\$ 86,343</u>

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ABLE Consortium Trust

SUPPLEMENTARY MEMBER PLAN INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2018

<u>DEPENDABLE</u>	<u>Illinois ABLE</u>	<u>INvestABLE Indiana</u>	<u>IABLE</u>	<u>Kansas ABLE Savings Plan</u>
\$ 1,305	\$ 2,155,909	\$ 618,449	\$ 1,407,837	\$ 744,617
3	49,194	5,750	23,235	16,756
<u>1,308</u>	<u>2,205,103</u>	<u>624,199</u>	<u>1,431,072</u>	<u>761,373</u>
-	336,197	99,220	257,270	114,927
-	<u>336,197</u>	<u>99,220</u>	<u>257,270</u>	<u>114,927</u>
1,308	1,868,906	524,979	1,173,802	646,446
-	426,744	-	193,508	185,557
<u>\$ 1,308</u>	<u>\$ 2,295,650</u>	<u>\$ 524,979</u>	<u>\$ 1,367,310</u>	<u>\$ 832,003</u>

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ABLE Consortium Trust

SUPPLEMENTARY MEMBER PLAN INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2018

	<u>The Minnesota ABLE Plan</u>	<u>Montana ABLE Program</u>	<u>ABLE Nevada</u>
Additions			
Contributions	\$ 2,716,551	\$ 486,430	\$ 1,097,251
Net investment income	49,682	2,458	15,377
	<u>2,766,233</u>	<u>488,888</u>	<u>1,112,628</u>
Deductions			
Withdrawals	447,851	55,418	175,471
Total Deductions	<u>447,851</u>	<u>55,418</u>	<u>175,471</u>
Net Increase	2,318,382	433,470	937,157
Net Position Held in Trust for Account Owners, Beginning of Year	<u>512,208</u>	<u>-</u>	<u>128,770</u>
Net Position Held in Trust for Account Owners, End of Year	<u>\$ 2,830,590</u>	<u>\$ 433,470</u>	<u>\$ 1,065,927</u>

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SUPPLEMENTARY MEMBER PLAN INFORMATION STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2018

<u>NJ ABLE</u>	<u>NC ABLE</u>	<u>Pennsylvania ABLE Savings Program</u>	<u>RI's ABLE</u>	<u>Total</u>
\$ 1,825	\$ 1,792,930	\$ 8,217,433	\$ 440,378	\$ 21,866,286
	32,491	128,488	7,053	361,464
<u>1,825</u>	<u>1,825,421</u>	<u>8,345,921</u>	<u>447,431</u>	<u>22,227,750</u>
2	380,677	1,015,356	197,261	3,369,065
<u>2</u>	<u>380,677</u>	<u>1,015,356</u>	<u>197,261</u>	<u>3,369,065</u>
1,823	1,444,744	7,330,565	250,170	18,858,685
-	322,484	891,636	156,106	2,972,154
<u>\$ 1,823</u>	<u>\$ 1,767,228</u>	<u>\$ 8,222,201</u>	<u>\$ 406,276</u>	<u>\$ 21,830,839</u>

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

Ascensus Investment Advisors, LLC, Administrator
ABLE Consortium Trust
Newton, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the ABLE Consortium Trust (the Trust), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated September 28, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Trust's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Thomas & Thomas LLP

Certified Public Accountants

September 28, 2018
Little Rock, Arkansas