
RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE
EXECUTIVE DIRECTOR

To: NC ABLE Program Board of Trustees

From: Mary Buonfiglio, Deputy Director Supplemental Retirement Plans

Date: November 9, 2017

Subject: NC ABLE Program Financial Statements

Financial statements of the National ABLE Alliance and NC ABLE Program (the ABLE Consortium Trust, "Trust") have been completed for the fiscal year ending June 30, 2017. These statements (the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position) were prepared by Ascensus Investment Advisors, LLC, the administrator of the Trust. The complete financial statements along with this summary memorandum are provided for review to the NC ABLE Program Board of Trustees (the "Board").

Thomas & Thomas, LLP, Certified Public Accountants, have audited the financial statements and provided a "clean opinion" stating "the financial statements present fairly, in all material respects, the fiduciary net position of the Trust as of June 30, 2017, and the changes in fiduciary net position for the period from December 15, 2016 (the date on which Trust operations commenced) through June 30, 2017, in accordance with accounting principles generally accepted in the United States of America."

As described on pg. 37 of the auditor's report, consideration was given to the "Trust's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control." The results of these tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Independent Auditor's Report, beginning on pg. 1, defines the roles and responsibilities of both management and the auditor in the preparation of the financial statements, as well as the scope of the audit. The Management's Discussion & Analysis (MD & A) is found on pages 7 through 12, and while unaudited, it provides key financial highlights and important supplemental information for consideration. Included in the Supplementary Member Plan section (which has also not been audited) are the details of each of the Alliance members, including North Carolina (pages 32 through 35).

RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE
EXECUTIVE DIRECTOR

Financial Highlights

Highlights of the financial statements include:

- Trust operations commenced on December 15, 2016, with the launch of the Rhode Island and the Alaska ABLE plans.
- On June 30, 2017, the Trust's fiduciary net position totaled \$3.0 million.
- During 2017, amounts received from Alliance Member Plans exceeded distributions to Alliance Member Plans by \$2.9 million.
- Amounts received from Member Plans and distributions to Member Plans for the period December 15, 2016 through June 30, 2017, were \$3.2 million and \$329.6 thousand, respectively.
- For the period December 15, 2016 through June 30, 2017, the Trust experienced net investment income of \$36.6 thousand, resulting from net appreciation in the fair value of its investments of \$26.2 thousand and dividends totaling \$10.4 thousand.
- During the period December 15, 2016 through June 30, 2017, \$885 of program management fees were paid to ACSR. These fees are based on the value of investments held in the Trust.

Financial Analysis

Fiduciary Net Position

The following condensed Statement of Fiduciary Net Position provides a "snapshot" of the overall financial position of the Trust:

	6.30.17
Total assets	\$ 2,989,349
Total liabilities	38,545
Net position held in trust	\$ 2,950,804

Changes in Fiduciary Net Position

The following condensed Statement of Changes in Fiduciary Net Position summarizes the Trust's net position change during the period presented (December 15, 2016 through June 30, 2017):

Received from Member Plans	\$ 3,244,594
Net investment income	36,673
Distributed to Member Plans	(329,578)
Program management fees paid	(885)
Net increase	2,950,804
Net position held in trust, beginning of period	-
Net position held in trust, end of period	\$ 2,950,804

RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE
EXECUTIVE DIRECTOR

**SUPPLEMENTARY MEMBER PLAN
INFORMATION STATEMENTS OF FIDUCIARY
NET POSITION AND INVESTMENT DETAIL
June 30, 2017**

NC ABLE

Assets

Investments	\$322,484
Receivable from Trust for redeemed units	50
Total Assets	<u>\$322,534</u>

Liabilities

Withdrawals payable	50
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Net Position Held in Trust for

Account Owners	<u>\$322,484</u>
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Investments (Dollars)

Aggressive Portfolio	\$25,549
Moderately Aggressive Portfolio	59,057
Growth Portfolio	40,641
Moderate Portfolio	68,515
Moderately Conservative Portfolio	48,965
Conservative Portfolio	54,018
Checking Option Portfolio	25,739

Total	<u>\$322,484</u>
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Investments (Units)

Aggressive Portfolio	2,368
Moderately Aggressive Portfolio	5,524
Growth Portfolio	3,845
Moderate Portfolio	6,538
Moderately Conservative Portfolio	4,736
Conservative Portfolio	5,317
Checking Option Portfolio	25,739

Total	<u>54,067</u>
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RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE
EXECUTIVE DIRECTOR

**SUPPLEMENTARY MEMBER PLAN
INFORMATION STATEMENTS OF CHANGES
IN FIDUCIARY NET POSITION
For the Period from December 15, 2016 through
June 30, 2017**

	<u>NC ABLE</u>
Additions	
Contributions	\$343,461
Net investment income	4,248
Total Additions	<u>347,709</u>
Deductions	
Withdrawals	25,225
Total Deductions	<u>25,225</u>
Net Increase	322,484
Net Position Held in Trust for Account Owners	
Beginning of Period	-
Net Position Held in Trust for Account Owners	
End of Period	<u><u>322,484</u></u>

ABLE Consortium Trust

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
June 30, 2017
(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 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 the period from December 15, 2016 (the date on which Trust operations commenced) through June 30, 2017, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements.

Management's Responsibility for the 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 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, 2017, and the changes in fiduciary net position for the period from December 15, 2016 through June 30, 2017, 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, 2017 and for the period from December 15, 2016 through June 30, 2017. 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 12 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 Information

Our audit was conducted for the purpose of forming an opinion on the Trust's basic financial statements. The supplementary Trust 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 35 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 22, 2017, 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 22, 2017
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, 2017

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, 2017, and for the period from December 15, 2016 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 14 through 22. In addition, readers may find useful the supplementary information on pages 24 through 35.

The GASB requires that management's discussion and analysis contain comparative financial information; however, this is the initial year of Trust operations. Comparative financial information will be included in future years.

* * * * *

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.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2017

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 ABLE plans.
- At June 30, 2017 the Trust's fiduciary net position totaled \$3.0 million.
- During 2017, amounts received from Member Plans exceeded distributions to Member Plans by \$2.9 million. Amounts received from Member Plans and distributions to Member Plans for the period December 15, 2016 through June 30, 2017, were \$3.2 million and \$329.6 thousand, respectively.
- For the period December 15, 2016 through June 30, 2017, the Trust experienced net investment income of \$36.6 thousand, resulting from net appreciation in the fair value of its investments of \$26.2 thousand and dividends totaling \$10.4 thousand.
- During the period December 15, 2016 through June 30, 2017, \$885 of program management fees were paid to ACSR. These fees are based on the value of investments held in the Trust.

Overview of the 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. 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.

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 (losses), are included in 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, but are paid monthly and recognized in the period when the fees are paid.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2017

Financial Analysis

Fiduciary Net Position

The following condensed statement of fiduciary net position provides a "snapshot" of the overall financial position of the Trust:

	<u>June 30, 2017</u>
Total assets	\$ 2,989,349
Total liabilities	<u>38,545</u>
Net position held in trust	<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 and program management fees paid.

Investments, which totaled \$2.95 million at June 30, 2017, 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, structured for different levels of risk tolerance and time horizons.

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

Financial Analysis

Changes in Fiduciary Net Position

The following condensed statement of changes in fiduciary net position summarizes how the Trust's net position held in trust changed during the period presented:

	<u>Period from December 15, 2016 through June 30, 2017</u>
Received from Member Plans	\$ 3,244,594
Net investment income	36,673
Distributed to Member Plans	(329,578)
Program management fees paid	<u>(885)</u>
Net increase	2,950,804
Net position held in trust, beginning of period	<u>-</u>
Net position held in trust, end of period	<u>\$ 2,950,804</u>

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2017

Investment Commentary

The following provides a brief description of each of the Trust's investments. More complete information can be found in each state's National ABLE Alliance Plan Disclosure Booklet 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 seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, which is dominated by the stocks of large U.S. 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.

The Vanguard Extended Market Index Fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and medium-size U.S. companies. The Standard & Poor's Completion Index contains all of the U.S. common stocks regularly traded on the New York and American Stock Exchanges, and the NASDAQ over-the-counter market, except those stocks included in the Standard & Poor's 500 Index. The fund invests all, or substantially all, of its assets in stocks of its target index, with nearly 80% of its assets invested in the 1,200 largest stocks in its target index (covering nearly 80% of the index's total market capitalization), and the rest of its assets in a representative sample of the remaining stocks. The fund holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures such as price/earnings ratio and dividend yield.

The iShares Core MSCI EAFE ETF seeks to track the investment results of an index composed of large-, mid- and small-capitalization developed market equities, excluding the U.S. and Canada. The fund provides exposure to a broad range of companies in Europe, Australia, Asia, and the Far East. It gives low cost, comprehensive access to stocks in developed international countries. The fund allows a portfolio to diversify internationally and seek long-term growth.

The Schwab Emerging Markets Equity ETFTM seeks to track as closely as possible, before fees and expenses, the total return of the FTSE Emerging Index. The fund will invest at least 90% of its net assets in stocks that are included in the index. The index is comprised of large and mid-capitalization companies in emerging market countries, as defined by the index provider. It will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry, group of industries or sector to approximately the same extent that the index is so concentrated.

The Schwab U.S. REIT ETFTM seeks to track as closely as possible, before fees and expenses, the total return of the Dow Jones U.S. Select REIT IndexTM. The fund invests at least 90% of its net assets (net assets plus borrowings for investment purposes) in securities included in the index. It will generally give the same weight to a given security as the index does. The index is a float-adjusted market capitalization weighted index comprised of real estate investment trusts (REITs). The fund may invest up to 10% of its net assets in securities not included in its index.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2017

Investment Commentary (*Continued*)

Target Risk Option Investments (*Continued*)

The Vanguard Total Bond Market Index Fund seeks to track the performance of a broad, market-weighted bond index. The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Bond Index. This index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the U.S.—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 range of securities that, in the aggregate, approximate 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 currently ranges between 5 and 10 years.

The Vanguard Short-Term Bond Index Fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity. The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays 1–5 Year U.S. Government/Credit Float Adjusted Bond Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of 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. Under normal circumstances, the fund's dollar-weighted average maturity is not expected to exceed 3 years.

The Vanguard Short-Term Inflation-Protected Securities Index Fund seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years. The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 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 U.S. Treasury with remaining maturities of less than five years. The fund attempts to replicate the target index by investing all, or most, 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 iShares Core International Aggregate Bond ETF seeks to track the investment results of an index composed of global non-U.S. dollar denominated investment-grade bonds that mitigates exposure to fluctuations between the value of the component currencies and the U.S. dollar. The fund provides low cost, convenient access to international bonds in a single fund. It diversifies fixed income holdings by adding broad international exposure to investment grade bonds. The fund seeks to mitigate exposure to fluctuations between the value of the component currencies and the U.S. dollar.

ABLE Consortium Trust

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) June 30, 2017

Investment Commentary (Continued)

Target Risk Option Investments (Continued)

The Sallie Mae High-Yield Savings Account (HYSA) is an omnibus savings account insured by the Federal Deposit Insurance Corporation (FDIC), 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 investments held in the Target Risk Options for the period December 15, 2016 through June 30, 2017 are listed in the following table:

Underlying Funds	Since Inception December 15, 2016 through June 30, 2017
Vanguard Institutional Index Fund	8.71%
Vanguard Extended Market Index Fund	7.32%
iShares Core MSCI EAFE ETF	13.86%
Schwab Emerging Markets Equity ETF	14.15%
Schwab U.S. REIT ETF	4.01%
Vanguard Total Bond Market Index Fund	3.35%
Vanguard Short-Term Bond Index Fund	1.58%
Vanguard Short-Term Inflation-Protected Securities Index Fund	0.69%
iShares Core International Aggregate Bond ETF	1.30%
Sallie Mae High Yield Savings Account	1.00%

Checking Option Underlying Fund

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.

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, 2017

ASSETS

Investments	\$ 2,953,502
Cash	<u>35,847</u>
Total Assets	<u><u>2,989,349</u></u>

LIABILITIES

Payables for investments purchased	<u>38,545</u>
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NET POSITION HELD IN TRUST

\$ 2,950,804

See accompanying notes to financial statements.

ABLE Consortium Trust

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION Period from December 15, 2016 through June 30, 2017

ADDITIONS	
Received from Member Plans	<u>\$ 3,244,594</u>
Investment income:	
Dividends and interest	10,440
Net appreciation in fair value of investments	<u>26,233</u>
Net investment income	<u>36,673</u>
Total Additions	<u>3,281,267</u>
DEDUCTIONS	
Distributed to Member Plans	329,578
Program management fees paid	<u>885</u>
Total Deductions	<u>330,463</u>
NET INCREASE	2,950,804
NET POSITION HELD IN TRUST, BEGINNING OF PERIOD	<u>-</u>
NET POSITION HELD IN TRUST, END OF PERIOD	<u><u>\$ 2,950,804</u></u>

See accompanying notes to financial statements.

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ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS June 30, 2017

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 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.

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, structured for different levels of risk tolerance and time horizons. 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 mutual funds or ETFs.

All assets of the Member Plans are held in the Trust.

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, 2017

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 believes 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(e).

The Target Risk Option assets are invested in varying allocations of mutual funds, ETFs and an interest-bearing savings account. The Checking Option assets are invested in a checking account. A separate checking account is established for each account owner that chooses the Checking Option.

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 varying rate of interest, which is compounded daily and credited to the account monthly. The interest rate earned on this account during the period December 15, 2016 to June 30, 2017 ranged from 0.90% to 1.14%.

The Checking Option allows the account owner to maintain assets in a checking account at Fifth Third Bank. This account earns a varying rate of interest, which is compounded daily and credited to the account monthly. The interest rate earned on this account during the period from December 15, 2016 through June 30, 2017 was 0.01%. Balances in this account are insured by the FDIC on a pass-through basis to each account owner participating in the Checking Option, up to the maximum amount allowable under federal law.

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments (Continued)

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. The fair value standards are not applicable to the Sallie Mae High Yield Savings Account and the Checking Option, since they are not reported at fair value.

(e) 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

The Trust's investments at June 30, 2017, are as follows:

	<u>Category</u>	<u>Fair Value</u>
Mutual funds, at fair value:		
Vanguard Institutional Index Fund	Large Blend	\$ 442,768
Vanguard Extended Market Index Fund	Mid-Cap Blend	379,717
Vanguard Total Bond Market Index Fund	Intermediate-Term Bond	229,903
Vanguard Short-Term Bond Index Fund	Short-Term Bond	190,525
Vanguard Short-Term Inflation-Protected Securities Index Fund	Inflation-Protected Bond	265,041
Total mutual funds		<u>1,507,954</u>
ETFs, at fair value:		
iShares Core MSCI EAFE ETF	Foreign Large Blend	226,020
Schwab Emerging Markets Equity ETF	Diversified Emerging Markets	86,133
Schwab US REIT ETF	Real Estate	121,118
iShares Core International Aggregate Bond ETF	World Bond	73,832
Total ETFs		<u>507,103</u>
Sallie Mae High Yield Savings Account	Cash Equivalent	<u>294,565</u>
FDIC-insured Checking Account	Cash Equivalent	<u>643,880</u>
Total Investments		<u>\$ 2,953,502</u>

ABLE Consortium Trust

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 3: INVESTMENTS (Continued)

The following table calculates the net change in the fair value of investments during the period from December 15, 2016 through June 30, 2017:

Fair value of investments, end of period	\$ 2,953,502
Less cost of investments purchased and dividends reinvested during the period	(3,109,253)
Plus proceeds from investments sold during the period	181,984
Less fair value of investments, beginning of period	<u>-</u>
Net appreciation in fair value of investments	<u><u>\$ 26,233</u></u>

The mutual funds and ETFs in which the Trust invests comprise various investment securities whose asset holdings include corporate debt and equity securities, obligations of the United States government and government agencies, and international equity securities. 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.

(a) 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.

(b) Credit 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 include bonds issued by corporations, foreign governments, and the U.S. government, its agencies and instrumentalities. 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 subject to classification by 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, 2017

NOTE 3: INVESTMENTS (Continued)

(b) Credit Risk (Continued)

None of the mutual funds and 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.

(c) 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. 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, 2017, the average maturity of holdings in each of these investments are as follows:

	<u>Average Maturity</u>
Vanguard Total Bond Market Index Fund	8.3 years
Vanguard Short-Term Bond Index Fund	2.9 years
Vanguard Short-Term Inflation-Protected Securities Index Fund	2.8 years
iShares Core International Aggregate Bond ETF	8.9 years

(d) 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, natural disasters 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, 2017

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.

(c) Account-Based Fees

Each individual account is charged a quarterly account maintenance fee of \$15, of which the Member State receives \$1.25 and ACSR receives \$13.75. This fee may be discounted if the account owner chooses electronic delivery of statements and confirmations. Additional discounts may be available based on the terms of the individual Member Plans. These fees are processed as withdrawals from the individual accounts and are included in the amount of distributions to Member Plans reported on the statement of changes in fiduciary net position. Total account fees for the period from December 15, 2016 through June 30, 2017 were \$505.

(d) Checking Option Service Charge

Each individual account that is invested in the Checking Option is assessed a monthly service charge of \$2.00. This fee is waived if the account owner maintains an average daily balance of \$250 or if the account owner chooses electronic statement delivery. This fee, which is paid to Fifth Third Bank, is included in the amount of distributions to Member Plans reported on the statement of changes in fiduciary net position, and totaled \$1,441 during the period from December 15, 2016 through June 30, 2017.

Supplementary Information

ABLE Consortium Trust

SUPPLEMENTARY TRUST INFORMATION STATEMENTS OF FIDUCIARY NET POSITION JUNE 30, 2017

	Vanguard Institutional Index Fund	Vanguard Extended Market Index Fund	iShares Core MSCI EAFE ETF	Schwab Emerging Markets Equity ETF	Schwab US REIT ETF
Assets					
Investments	\$ 442,768	\$ 379,717	\$ 226,020	\$ 86,133	\$ 121,118
Cash	-	-	15,381	5,954	8,496
Total Assets	<u>442,768</u>	<u>379,717</u>	<u>241,401</u>	<u>92,087</u>	<u>129,614</u>
Liabilities					
Payables for investments purchased	<u>3,641</u>	<u>3,120</u>	<u>10,816</u>	<u>4,212</u>	<u>6,021</u>
Net Position Held in Trust	<u>\$ 439,127</u>	<u>\$ 376,597</u>	<u>\$ 230,585</u>	<u>\$ 87,875</u>	<u>\$ 123,593</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY TRUST INFORMATION STATEMENTS OF FIDUCIARY NET POSITION JUNE 30, 2017

Vanguard Total Bond Market Index Fund	Vanguard Short-Term Bond Index Fund	Vanguard Short-Term Inflation- Securities Index Fund	iShares Core International Aggregate Bond ETF	Sallie Mae High Yield Savings Account	FDIC-insured Checking Account	Total
\$ 229,903	\$ 190,525	\$ 265,041	\$ 73,832	\$ 294,565	\$ 643,880	\$ 2,953,502
-	-	-	6,016	-	-	35,847
<u>229,903</u>	<u>190,525</u>	<u>265,041</u>	<u>79,848</u>	<u>294,565</u>	<u>643,880</u>	<u>2,989,349</u>
2,070	1,725	2,414	4,526	-	-	38,545
<u>\$ 227,833</u>	<u>\$ 188,800</u>	<u>\$ 262,627</u>	<u>\$ 75,322</u>	<u>\$ 294,565</u>	<u>\$ 643,880</u>	<u>\$ 2,950,804</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY TRUST INFORMATION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Period from December 15, 2016 through June 30, 2017

	Vanguard Institutional Index Fund	Vanguard Extended Market Index Fund	iShares Core MSCI EAFE ETF	Schwab Emerging Markets Equity ETF	Schwab US REIT ETF
Additions					
Received from Member Plans	\$ 463,537	\$ 397,317	\$ 238,390	\$ 92,707	\$ 132,439
Investment income:					
Dividends and interest	2,449	1,304	3,272	48	762
Net appreciation (depreciation) in fair value of investments	8,377	8,178	7,045	2,167	459
Net investment income	10,826	9,482	10,317	2,215	1,221
Total Additions	<u>474,363</u>	<u>406,799</u>	<u>248,707</u>	<u>94,922</u>	<u>133,660</u>
Deductions					
Distributed to Member Plans	35,063	30,054	18,033	7,012	10,018
Program management fees paid	173	148	89	35	49
Total Deductions	<u>35,236</u>	<u>30,202</u>	<u>18,122</u>	<u>7,047</u>	<u>10,067</u>
Net Increase	439,127	376,597	230,585	87,875	123,593
Net Position Held in Trust					
Beginning of Period	-	-	-	-	-
Net Position Held in Trust					
End of Period	<u>\$ 439,127</u>	<u>\$ 376,597</u>	<u>\$ 230,585</u>	<u>\$ 87,875</u>	<u>\$ 123,593</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY TRUST INFORMATION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Period from December 15, 2016 through June 30, 2017

<u>Vanguard Total Bond Market Index Fund</u>	<u>Vanguard Short-Term Bond Index Fund</u>	<u>Vanguard Short-Term Inflation- Securities Index Fund</u>	<u>iShares Core International Aggregate Bond ETF</u>	<u>Sallie Mae High Yield Savings Account</u>	<u>FDIC-insured Checking Account</u>	<u>Total</u>
\$ 251,591	\$ 209,659	\$ 293,522	\$ 83,863	\$ 374,747	\$ 706,822	\$ 3,244,594
1,113	599	-	278	608	7	10,440
944	55	(778)	(214)	-	-	26,233
<u>2,057</u>	<u>654</u>	<u>(778)</u>	<u>64</u>	<u>608</u>	<u>7</u>	<u>36,673</u>
<u>253,648</u>	<u>210,313</u>	<u>292,744</u>	<u>83,927</u>	<u>375,355</u>	<u>706,829</u>	<u>3,281,267</u>
25,731	21,443	30,019	8,577	80,679	62,949	329,578
84	70	98	28	111	-	885
<u>25,815</u>	<u>21,513</u>	<u>30,117</u>	<u>8,605</u>	<u>80,790</u>	<u>62,949</u>	<u>330,463</u>
227,833	188,800	262,627	75,322	294,565	643,880	2,950,804
-	-	-	-	-	-	-
<u>\$ 227,833</u>	<u>\$ 188,800</u>	<u>\$ 262,627</u>	<u>\$ 75,322</u>	<u>\$ 294,565</u>	<u>\$ 643,880</u>	<u>\$ 2,950,804</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY INVESTMENT OPTION INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND UNIT INFORMATION
June 30, 2017**

	<u>Aggressive Option</u>	<u>Moderately Aggressive Option</u>	<u>Growth Option</u>
Assets			
Investments in Trust units	\$ 366,549	\$ 475,593	\$ 505,140
Net unsettled Member Plan transactions	4,598	2,499	2,936
Other asset	-	218	-
Total Assets	<u>371,147</u>	<u>478,310</u>	<u>508,076</u>
Liabilities			
Withdrawals payable	-	-	-
Accrued program management fees	86	115	118
Other liability	148	-	208
Total Liabilities	<u>234</u>	<u>115</u>	<u>326</u>
Net Position Held in Trust for Member Plans	<u>\$ 370,913</u>	<u>\$ 478,195</u>	<u>\$ 507,750</u>
Units Outstanding (rounded to the nearest whole unit)	<u>34,374</u>	<u>44,732</u>	<u>48,036</u>
Net Asset Value Per Unit	<u>\$ 10.79</u>	<u>\$ 10.69</u>	<u>\$ 10.57</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY INVESTMENT OPTION INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND UNIT INFORMATION
June 30, 2017**

<u>Moderate Option</u>	<u>Moderately Conservative Option</u>	<u>Conservative Option</u>	<u>Checking Option</u>	<u>Total</u>
\$ 330,013	\$ 234,684	\$ 394,945	\$ 643,880	\$ 2,950,804
1,288	4,911	5,786	-	22,018
-	14	95	-	327
<u>331,301</u>	<u>239,609</u>	<u>400,826</u>	<u>643,880</u>	<u>2,973,149</u>
-	-	50	-	50
68	52	95	-	534
55	-	-	-	411
<u>123</u>	<u>52</u>	<u>145</u>	<u>-</u>	<u>995</u>
<u>\$ 331,178</u>	<u>\$ 239,557</u>	<u>\$ 400,681</u>	<u>\$ 643,880</u>	<u>\$ 2,972,154</u>
<u>31,603</u>	<u>23,168</u>	<u>39,437</u>	<u>643,880</u>	<u>865,230</u>
<u>\$ 10.48</u>	<u>\$ 10.34</u>	<u>\$ 10.16</u>	<u>\$ 1.00</u>	

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY INVESTMENT OPTION INFORMATION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Period from December 15, 2016 through June 30, 2017**

	<u>Aggressive Option</u>	<u>Moderately Aggressive Option</u>	<u>Growth Option</u>
Additions			
Contributions to Member Plans	\$ 364,817	\$ 486,550	\$ 503,575
Net investment income	9,240	11,634	8,027
Exchanges in	4,279	288	2,396
Other income	-	218	-
Total Additions	<u>378,336</u>	<u>498,690</u>	<u>513,998</u>
Deductions			
Withdrawals from Member Plans	7,042	17,287	5,114
Program management fees	232	347	283
Exchanges out	1	2,861	643
Other expense	148	-	208
Total Deductions	<u>7,423</u>	<u>20,495</u>	<u>6,248</u>
Net Increase	370,913	478,195	507,750
Net Position Held in Trust for Member Plans, Beginning of Period	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Held in Trust for Member Plans, End of Period	<u>\$ 370,913</u>	<u>\$ 478,195</u>	<u>\$ 507,750</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY INVESTMENT OPTION INFORMATION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Period from December 15, 2016 through June 30, 2017**

<u>Moderate Option</u>	<u>Moderately Conservative Option</u>	<u>Conservative Option</u>	<u>Checking Option</u>	<u>Total</u>
\$ 336,320	\$ 247,383	\$ 446,587	\$ 692,677	\$ 3,077,909
3,761	2,061	1,943	7	36,673
10	1,005	3,350	14,145	25,473
-	14	95	-	327
<u>340,091</u>	<u>250,463</u>	<u>451,975</u>	<u>706,829</u>	<u>3,140,382</u>
4,414	10,051	37,168	59,849	140,925
179	133	245	-	1,419
4,265	722	13,881	3,100	25,473
55	-	-	-	411
<u>8,913</u>	<u>10,906</u>	<u>51,294</u>	<u>62,949</u>	<u>168,228</u>
331,178	239,557	400,681	643,880	2,972,154
-	-	-	-	-
<u>\$ 331,178</u>	<u>\$ 239,557</u>	<u>\$ 400,681</u>	<u>\$ 643,880</u>	<u>\$ 2,972,154</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY MEMBER PLAN INFORMATION STATEMENTS OF FIDUCIARY NET POSITION AND INVESTMENT DETAIL June 30, 2017

	Alaska ABLE Plan	Illinois ABLE	IAble	Kansas ABLE Savings Plan
Assets				
Investments	\$ 155,141	\$ 426,744	\$ 193,508	\$ 185,557
Receivable from Trust for redeemed units	-	-	-	-
Total Assets	<u>155,141</u>	<u>426,744</u>	<u>193,508</u>	<u>185,557</u>
Liabilities				
Withdrawals payable	-	-	-	-
Net Position Held in Trust for Account Owners	<u>\$ 155,141</u>	<u>\$ 426,744</u>	<u>\$ 193,508</u>	<u>\$ 185,557</u>
Investments (Dollars)				
Aggressive Portfolio	\$ 9,964	\$ 79,651	\$ 15,152	\$ 15,547
Moderately Aggressive Portfolio	77,575	60,573	21,460	29,684
Growth Portfolio	15,001	62,192	47,695	52,653
Moderate Portfolio	17,895	58,013	20,175	10,858
Moderately Conservative Portfolio	12,365	23,629	16,227	18,433
Conservative Portfolio	12,978	72,293	20,034	21,167
Checking Option Portfolio	9,363	70,393	52,765	37,215
Total	<u>\$ 155,141</u>	<u>\$ 426,744</u>	<u>\$ 193,508</u>	<u>\$ 185,557</u>
Investments (Units)				
Aggressive Portfolio	923	7,382	1,404	1,441
Moderately Aggressive Portfolio	7,257	5,666	2,007	2,777
Growth Portfolio	1,419	5,884	4,512	4,981
Moderate Portfolio	1,708	5,536	1,925	1,036
Moderately Conservative Portfolio	1,196	2,285	1,569	1,783
Conservative Portfolio	1,277	7,115	1,972	2,084
Checking Option Portfolio	9,363	70,393	52,765	37,215
Total	<u>23,143</u>	<u>104,261</u>	<u>66,154</u>	<u>51,317</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY MEMBER PLAN INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION
AND INVESTMENT DETAIL
June 30, 2017**

The Minnesota ABLE Plan	ABLE Nevada	NC ABL	Pennsylvania ABLE Savings Program	RI's ABL	Total
\$ 512,208	\$ 128,770	\$ 322,484	\$ 891,636	\$ 156,106	\$ 2,972,154
-	-	50	-	-	50
<u>512,208</u>	<u>128,770</u>	<u>322,534</u>	<u>891,636</u>	<u>156,106</u>	<u>2,972,204</u>
-	-	50	-	-	50
<u>\$ 512,208</u>	<u>\$ 128,770</u>	<u>\$ 322,484</u>	<u>\$ 891,636</u>	<u>\$ 156,106</u>	<u>\$ 2,972,154</u>
\$ 62,755	\$ 10,504	\$ 25,549	\$ 135,645	\$ 16,146	\$ 370,913
53,446	17,452	59,057	139,156	19,792	478,195
92,825	22,761	40,641	154,503	19,479	507,750
55,781	25,139	68,515	57,483	17,319	331,178
52,298	4,418	48,965	48,404	14,818	239,557
97,197	42,442	54,018	67,491	13,061	400,681
97,906	6,054	25,739	288,954	55,491	643,880
<u>\$ 512,208</u>	<u>\$ 128,770</u>	<u>\$ 322,484</u>	<u>\$ 891,636</u>	<u>\$ 156,106</u>	<u>\$ 2,972,154</u>
5,816	973	2,368	12,571	1,496	34,374
5,000	1,633	5,524	13,017	1,851	44,732
8,782	2,153	3,845	14,617	1,843	48,036
5,323	2,399	6,538	5,485	1,653	31,603
5,058	427	4,736	4,681	1,433	23,168
9,567	4,177	5,317	6,643	1,285	39,437
97,906	6,054	25,739	288,954	55,491	643,880
<u>137,452</u>	<u>17,816</u>	<u>54,067</u>	<u>345,968</u>	<u>65,052</u>	<u>865,230</u>

See Independent Auditor's Report.

ABLE Consortium Trust

SUPPLEMENTARY MEMBER PLAN INFORMATION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Period from December 15, 2016 through June 30, 2017

	<u>Alaska ABLE Plan</u>	<u>Illinois ABLE</u>	<u>IABLE</u>	<u>Kansas ABL Savings Plan</u>
Additions				
Contributions	\$ 153,215	\$ 434,159	\$ 193,178	\$ 192,341
Net investment income	4,586	4,726	2,161	2,042
Total Additions	<u>157,801</u>	<u>438,885</u>	<u>195,339</u>	<u>194,383</u>
Deductions				
Withdrawals	2,660	12,141	1,831	8,826
Total Deductions	<u>2,660</u>	<u>12,141</u>	<u>1,831</u>	<u>8,826</u>
Net Increase	155,141	426,744	193,508	185,557
Net Position Held in Trust for Account Owners, Beginning of Period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Held in Trust for Account Owners, End of Period	<u>\$ 155,141</u>	<u>\$ 426,744</u>	<u>\$ 193,508</u>	<u>\$ 185,557</u>

See Independent Auditor's Report.

ABLE Consortium Trust

**SUPPLEMENTARY MEMBER PLAN INFORMATION
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Period from December 15, 2016 through June 30, 2017**

The Minnesota ABLE Plan	ABLE Nevada	NC ABLÉ	Pennsylvania ABLE Savings Program	RI's ABLÉ	Total
\$ 524,343	\$ 127,810	\$ 343,461	\$ 912,474	\$ 196,928	\$ 3,077,909
5,475	1,474	4,248	6,401	4,057	35,170
<u>529,818</u>	<u>129,284</u>	<u>347,709</u>	<u>918,875</u>	<u>200,985</u>	<u>3,113,079</u>
17,610	514	25,225	27,239	44,879	140,925
<u>17,610</u>	<u>514</u>	<u>25,225</u>	<u>27,239</u>	<u>44,879</u>	<u>140,925</u>
512,208	128,770	322,484	891,636	156,106	2,972,154
-	-	-	-	-	-
<u>\$ 512,208</u>	<u>\$ 128,770</u>	<u>\$ 322,484</u>	<u>\$ 891,636</u>	<u>\$ 156,106</u>	<u>\$ 2,972,154</u>

See Independent Auditor's Report.

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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 period from December 15, 2016 (the date on which Trust operations commenced) through June 30, 2017, 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 22, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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 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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas & Thomas LLP

Certified Public Accountants

September 22, 2017
Little Rock, Arkansas