

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

**REPORT ON**

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

**FINANCIAL STATEMENTS  
AND  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**



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

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

FINANCIAL STATEMENTS  
AND  
MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

TABLE OF CONTENTS

Independent Auditors’ Report .....	1
Management’s Discussion and Analysis (Unaudited).....	3
Participant Fund Statement of Fiduciary Net Position .....	5
Participant Fund Statement of Changes in Fiduciary Position .....	6
Administrative Fund Statement of Fiduciary Net Position .....	7
Administrative Fund Statement of Changes in Fiduciary Position .....	8
Notes to Financial Statements .....	9
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 <i>Government Auditing Standards</i> .....	14

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the respective Participant Fund Fiduciary Net Position, and the Administrative Fund Fiduciary Net Position of the District of Columbia 529 College Savings Program Trust Funds (the Program) as of September 30, 2014; the respective changes in Participant Fund and Administrative Fund, Net Position for the year then ended; and the related notes to the financial statements, which collectively comprise the Program's financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with U.S. Generally Accepted Accounting Principles. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective Participant Fund Fiduciary Net Position, and the Administrative Fund Fiduciary Net Position as of September 30, 2014, and the respective changes in Participant Fund and Administrative Fund Net Position for the year then ended, in accordance with accounting principles, generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplemental Information***

Generally, Accepted Accounting Principles require that Management's Discussion on pages 3 and 4, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting, for placing the financial statements in an appropriate, operational, economic, or historic context. We have applied certain limited procedures to the required supplemental information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information; and comparing the information for consistency with management's responses to our inquiries; the financial statements; and knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report, dated December 22, 2014, on our consideration of the Participant and Administrative Funds' internal control over financial reporting; and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Fund's internal control over financial reporting and compliance.



Regis & Associates, PC  
Washington, DC  
December 22, 2014

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
529 COLLEGE SAVINGS PROGRAM TRUST  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
SEPTEMBER 30, 2014**

The following presents management's discussion and analysis of the financial performance of the Government of the District of Columbia's (the District) College Savings Program (Program) for the fiscal year ended September 30, 2014. This discussion and analysis should be read in conjunction with the financial statements and note disclosures.

**Basic Financial Statements**

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

The Statement of Fiduciary Net Position presents the assets, liabilities, and net position of the Program.

The Statement of Changes in Fiduciary Net Position presents the additions to and deductions from, the Program's net position.

**Financial Highlights**

- Investments increased by \$63,229,796, or 22.16%
- Participant Contributions increased by \$6,583,388, or 14.57%
- Net Investment income decreased by \$2,552,725, or 7.56%
- Distributions to participants increased by \$2,357,103, or 14.21%

**Financial Analysis**

**Table 1-Statement of Fiduciary Net Position (IN DOLLARS)**

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Variance</u>
<i>Assets</i>				
Receivables	\$ 258,524	\$ 262,748	\$ (4,224)	-1.61%
Investments	348,501,959	285,272,163	63,229,796	22.16%
<b>Total Assets</b>	<u>348,760,483</u>	<u>285,534,911</u>	<u>63,225,572</u>	<u>22.14%</u>
<i>Liabilities</i>				
Total Liabilities	<u>287,611</u>	<u>277,667</u>	<u>9,944</u>	<u>3.58%</u>
<b>Net Assets</b>				
Net Position held in Trust for Program participants	<u>\$ 348,472,872</u>	<u>\$ 285,257,244</u>	<u>\$ 63,215,628</u>	<u>22.16%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The Program's primary asset was investments, which totaled \$348,501,959. Investments increased by 22.16% from 2013, due to a net increase in plan participants and overall positive performance in the market. The top three Program investments were: Calvert Social Index Fund, \$75,646,572; State Street Equity 500 Index Fund, \$62,562,075; and Acacia Principal Plus, \$55,348,313.

A significant portion of the Program's liabilities represents amounts owed to portfolio management firms for investment activities during the fiscal year. As of September 30, 2014, the payables totaled \$287,611.

**Table 2-Statement of Changes in Fiduciary Net Position (IN DOLLARS)**

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Variance</u>
<b>Additions</b>				
Contributions	\$ 51,753,935	\$ 45,170,547	\$ 6,583,388	14.57%
Net Investments Income	<u>31,211,266</u>	<u>33,763,991</u>	<u>(2,552,725)</u>	<u>-7.56%</u>
<b>Total Additions</b>	<u>82,965,201</u>	<u>78,934,538</u>	<u>4,030,663</u>	<u>5.11%</u>
<b>Deductions</b>				
Distributions to participants	18,950,512	16,593,409	2,357,103	14.21%
Other Expenses	<u>799,061</u>	<u>648,603</u>	<u>150,458</u>	<u>23.20%</u>
<b>Total Deductions</b>	<u>19,749,573</u>	<u>17,242,012</u>	<u>2,507,561</u>	<u>14.54%</u>
<b>Net Increase</b>	<u>\$ 63,215,628</u>	<u>\$ 61,692,529</u>	<u>\$ 1,523,102</u>	<u>2.47%</u>

The Program's contributions increased by \$6,583,388, or 14.57%. The Program had an increase in participants, from 15,301 in 2013, to 17,386 in 2014.

The Program had net investment income of \$31,211,266 in 2014, which is a 7.56% decrease from 2013.

Distributions to participants in 2014 were \$18,950,512, a 14.21% increase from 2013.

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

**STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2014  
(IN DOLLARS)**

Assets	
Receivables	
Accrued Interest and Dividends Receivable	\$ 4,490
Receivable for Investments Sold	60,379
Receivables for Fund Shares Sold	<u>193,655</u>
Total Receivables	<u>258,524</u>
Investments	
Equity	239,956,687
Fixed Income	<u>108,545,272</u>
Total Investments	<u>348,501,959</u>
Total Assets	348,760,483
Liabilities	
Accounts payable for Investments purchased	252,834
Accrued expenses	20,344
Due to D.C. Government-Administrative Fund	<u>14,433</u>
Total Liabilities	<u>287,611</u>
Net Position held in Trust for Program Participants	<u><u>\$ 348,472,872</u></u>

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

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(IN DOLLARS)**

Additions	
Contributions	<u>\$ 51,753,935</u>
Investment Income	
Net appreciation in fair value of investments	29,431,457
Interest and dividends	4,937,319
Less Investment Expenses	<u>(3,157,510)</u>
Net Investment Income	<u>31,211,266</u>
Total Additions	<u>82,965,201</u>
Deductions	
Distributions to participants	18,950,512
Administrative expenses	487,889
Maintenance expenses	<u>311,172</u>
Total Deductions	<u>19,749,573</u>
Net Increase	63,215,628
Net Position held in Trust for Program Participants	
Beginning of year	<u>285,257,244</u>
End of year	<u>\$ 348,472,872</u>

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



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

**STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2014  
(IN DOLLARS)**

**ASSETS**

Investment

Fixed Income	\$ 444,555
Due from Program Manager	200
Due from Participant Fund	<u>14,433</u>
Total Assets	<u>459,188</u>
Net position held in trust for administrative expenses	<u><u>\$ 459,188</u></u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(IN DOLLARS)**

**ADDITIONS**

Administrative Fees	\$ 147,532
Maintenance Fees	81,075
Net Investments Income	<u>20,760</u>
Total Additions	249,367

**DEDUCTIONS**

Professional Fees	<u>133,100</u>
Net Decrease	116,267
Net position held in trust for administrative expense	
Beginning of year	<u>342,921</u>
End of year	<u><u>\$ 459,188</u></u>

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**529 COLLEGE SAVINGS PROGRAM TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 ORGANIZATION AND PURPOSE**

The District of Columbia College Savings Program (the Program) was created by D.C. Law 47-4501 et seq., as amended; and pursuant to D.C. Regulations, 49 DCR 9859, November 1, 2002, made final at D.C. Mun. Regs, title 9 sec. 155 (2004), as a Trust of the District of Columbia government (District). The Program enables participants to save for qualified higher education expenses. The Chief Financial Officer of the District of Columbia or his/her designee is the Trustee of the Program. The current designee is the D.C. Treasurer. The Trustee is responsible for entering into contracts for Program management services, adopting Program administration rules and regulations, and establishing investment policies. Since the Program's inception, the Trustee has contracted Calvert Investment, Inc. (Calvert) to perform recordkeeping, administrative and custodial services, investment management, marketing, and customer services. Calvert subcontracted the responsibility of the recordkeeping and related services of the Program to Boston Financial Data Services, a subsidiary of State Street Bank and Trust Company.

The Program is available to both District of Columbia and non-District of Columbia residents. It is a qualified tuition program that allows participants to make contributions into twelve different investment options. The account balance limit is \$260,000, per beneficiary. Accounts are subject to market investment risk, except for those that are invested in the Acacia Principal Plus product, which focuses on protecting the invested principal. As of September 30, 2014, the Plan had 17,386 participants, with a net asset value of approximately \$348,501,959. Fees and expenses of the program are paid by each account owner, and vary according to the Fund in which they are invested.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Reporting Entity**

The accompanying financial statements report the fiduciary net position; and the changes in fiduciary net position of, and for, the fiscal year ended September 30, 2014. For financial reporting purposes, the Program includes all funds over which the Program exercises, or has the ability to exercise, oversight authority.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

Units represent the beneficial interest of each participant in the net assets of a portfolio. Contributions to, and distributions from, the portfolios are subject to terms and limitations defined in the Participation Agreement between the participant and the Program. Contributions and distributions are recorded upon receipt of the participant's instructions in good order, based on the next determined net asset value per unit. Net investment income and net unrealized gains accumulate in the net asset value of each Portfolio (with the exception of Acacia Principal Plus product) and are not separately distributed to participants. To maintain a stable value, dividends from net investment income are accrued daily, and reinvested monthly by Acacia Principal Plus product.

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

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

### **Income Tax Status**

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

### NOTE 3 INVESTMENTS

At September 30, 2014, the Program held the following aggregate investments, which are stated at aggregate fair value, based on quoted market prices:

	<u>Aggregate Cost</u>	<u>Aggregate Fair Value</u>	<u>Unrealized/ Appreciation</u>
<b>Domestic Stock Funds</b>			
Calvert Equity Portfolio	\$ 17,415,189	\$ 25,609,158	\$ 8,193,969
Calvert Social Index Fund	50,635,189	75,646,572	25,011,383
State Street Equity 500 Index Fund	42,432,600	62,562,075	20,129,475
Calvert Capital Accumulation Fund	6,761,562	8,997,809	2,236,247
Calvert Small Cap Value Fund	13,888,701	17,805,322	3,916,621
Calvert Balanced Fund	9,491,307	11,560,035	2,068,728
<b>International Stock Funds</b>			
Calvert International Equity Fund	32,588,962	37,775,716	5,186,754
<b>Bond Funds</b>			
Calvert Income Fund	5,948,834	6,082,679	133,845
Calvert Bond Portfolio	46,184,210	47,078,280	894,070
<b>Cash (Funding Agreement)</b>			
Acacia Principal Plus	<u>55,384,313</u>	<u>55,384,313</u>	<u>-</u>
Aggregate Investments	<u>\$ 280,730,867</u>	<u>\$ 348,501,959</u>	<u>\$ 67,771,092</u>

The net appreciation in the fair value of the investments in the financial statements consists of the following at September 30, 2014:

Net Unrealized Gain	\$ 14,249,307
Net realized Gain	<u>15,182,150</u>
Appreciation in fair value of investments	<u>\$ 29,431,457</u>

The net unrealized gain consists of unrealized gains of \$18,167,127 and unrealized losses of \$3,917,818. The realized gains consist primary of gains in age base portfolio strategies and single portfolio investment strategies. Based on changing participant strategies, the representation of the net unrealized gains and losses represent a change to better reflect the estimated appreciation in fair values from the prior year.

The Program's investments, which are uninsured and unregistered and are held by counterparty in the Program's name, are also subject to certain credit, interest rate, and foreign currency risks.

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

### NOTE 3 INVESTMENTS (Continued)

<b>Fund</b>	<b>Credit Ratings</b>
Calvert Bond Portfolio	AAA, BBB/baa/BBB
Calvert Income Fund	AAA, BBB/baa/BBB
Acacia Principle Plus	AAA, AA, A, BBB

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

<b>Fund</b>	<b>Average Duration</b>
Calvert Bond Portfolio	5.84 years
Calvert Income Fund	6.30 years
Acacia Principle Plus	7.12 years

Calvert Income Fund actively manages duration so that it will differ from the benchmark. The Acacia product's duration is typically tied to the projected long-term duration of the Program. However, the respective Fund's prospectus provides greater detail about the investment strategies and practices of the Program, in compliance with federal regulations; and specifically, the Form N-1A of the Investment Company Act of 1940, which focuses on disclosure to the investing public, of information about the fund and its investment objectives, as well as on investment company structure and operations.

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

### NOTE 4 ADMINISTRATIVE AND MAINTENANCE FEES

Account owners are charged certain fees that are used to pay reasonable and necessary operating and maintenance expenses incurred by the Program. The fees collected are still considered assets of the Program. The Program Manager remits a portion of the fees collected to the District, who maintains the fees in a separate administrative fund account. In Fiscal Year 2014, total administrative fees assessed to account owners were \$487,889. The District's portion of the fees was \$162,630. As of September 30, 2014, the total amount not remitted to the District was \$14,433.

The Program also assesses an annual maintenance fee and a separate enrollment fee to new account owners. The maintenance fee is \$15 for District residents, and \$30 for non-residents. The enrollment fee is \$25 for non-District residents. The District receives \$5 per account, for each assessed fee. During the fiscal year, the maintenance and enrollment fees totaled \$310,750. The District's portion of the fees was \$78,715 and \$2,360, respectively.

The District incurred administrative expenses of \$133,100 in Fiscal Year 2014. The expenses were for the compilation and audit of the Program's financial statements. At year-end, the Program had an administrative net position balance of \$459,188.

**NOTE 5            INVESTMENT EXPENSES**

Investment expenses represent the operating expenses and load fees paid to the broker dealers. The fees charged by the investment funds for operating expenses and load fees are reflected in the net appreciation in fair value of investments amount in the Statement of Changes in Fiduciary Net Position. Operating expenses ratios ranged from 0.15% to 2.01% of the fund's average daily net asset value.

**NOTE 6            RELATED PARTY TRANSACTIONS**

All of the Program's investments are invested in funds or portfolios that are managed, by either the Program Manager; the Program Manager's parent company, Acacia Life Insurance Company; or State Street Bank and Trust. The market value of those funds totaled \$348,501,959.

**NOTE 7            RISKS AND UNCERTAINTIES**

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE; AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING, BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the District of Columbia 529 College Savings Program's (the Program) Participant and Administrative Funds as of September 30, 2014, and have issued our report thereon dated December 22, 2014. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District of Columbia College Savings Program's Participant and Administrative Funds' internal control over financial reporting, as a basis for designing our auditing procedures 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 District of Columbia College Savings Program's Participant and Administrative Funds' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Program's Participant and Administrative Funds' internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

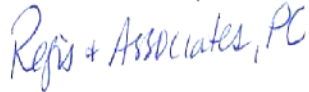
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District of Columbia College Savings Program's Participant and Administrative Funds financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 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 Program'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 Program's internal control and compliance. Accordingly, this communication is not intended to be, and should not be used by anyone other than the specified party.



Regis & Associates, PC  
Washington, DC

December 22, 2014