

# **Connecticut Higher Education Trust Program Advisor Plan**

**Financial Statements as of and for the  
Year Ended June 30, 2016, and  
Independent Auditors' Report**

# Connecticut Higher Education Trust Program Advisor Plan

## Table of Contents

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Statement of Fiduciary Net Position at June 30, 2016	5
Statement of Changes in Fiduciary Net Position for the Year Ended June 30, 2016	6
Notes to Financial Statements	7
Combining Statements of Fiduciary Net Position at June 30, 2016	12
Combining Statements of Changes in Fiduciary Net Position for the Year Ended June 30, 2016	16
Financial Highlights for the Year Ended June 30, 2016	20
Independent Auditors' 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>	23

# Connecticut Higher Education Trust Program Advisor Plan

## *Independent Auditors' Report*

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To the Board of Trustees of the Connecticut Higher Education Trust  
Hartford, Connecticut

### **Report on Financial Statements**

We have audited the accompanying statement of fiduciary net position of the Connecticut Higher Education Trust Program Advisor Plan (the "Plan"), a Plan of the State of Connecticut, as of and for the year ended June 30, 2016, and the related statement of changes in fiduciary net position for the year then ended, and the notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on 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 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 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan, as of June 30, 2016, and the related changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 and 4 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# Connecticut Higher Education Trust Program Advisor Plan

## *Independent Auditors' Report*

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of fiduciary net position, the combining statements of changes in fiduciary net position, and financial highlights, as listed in the table of contents, on pages 12 through 22 are supplemental schedules presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplemental schedules are the responsibility of the Plan's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are 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 23, 2016 on our consideration of the Plan's 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 Plan's internal control over financial reporting and compliance.

*Deloitte & Touche LLP*

Jericho, NY  
September 23, 2016

# Connecticut Higher Education Trust Program Advisor Plan

## *Management's Discussion and Analysis*

The Connecticut Higher Education Trust ("CHET" or the "Trust") Program (the "Program") was formed on July 1, 1997, by Connecticut law, to help people save for the costs of education after high school. The Program is administered by the Treasurer of the State of Connecticut, as trustee (the "Trustee") of the Trust. The Trustee has the authority to enter into contracts for program management services, adopt regulations for the administration of the Program, and establish investment policies for the Program. The Program consists of two components – CHET Direct Plan, which is offered directly by the state, and an advisor plan which began on September 30, 2010 ("CHET Advisor Plan"), for which Hartford Life Insurance Company ("Hartford Life") and the Trustee have entered into a management agreement under which Hartford Life serves as plan manager. The Hartford Financial Services Group, Inc. ("The Hartford"), Hartford Life's ultimate parent company, has provided insurance and other financial management services for its clients since 1810. As plan manager, Hartford Life provides readers of the financial statements of the plan this discussion and analysis of the financial performance as of and for the fiscal year ended June 30, 2016. The following should be considered in conjunction with the plan's financial statements and notes to financial statements, which follow this section.

These financial statements are intended for use in connection with an account opened in the CHET Advisor Plan only, and are not intended to include information relevant to the CHET Direct Plan, which is described in a separate report, and offers investment options different from those offered under the CHET Advisor Plan. For more information on the CHET Direct Plan, you may call 1-888-799-2438 or go to [www.aboutchet.com](http://www.aboutchet.com).

### **Financial Highlights**

The following financial highlights occurred during the year ended June 30, 2016:

- The Plan had contributions of \$77.6 million and withdrawals of \$26 million during the year;
- At June 30, 2016, the Plan's Fiduciary Net Position totaled \$385.9 million, an increase of \$46 million, or 14% since June 30, 2015;
- The Plan earned \$4.8 million from investment income, \$11.8 million from capital gain distributions, lost \$17.3 million from net change in depreciation in fair value of investments, and recognized loss on the sale of investments of \$2.5 million during the year. The Plan incurred \$2.4 million for operating expenses net of waivers during the year.

### **Overview of the Financial Statements**

The Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

This annual report consists of two sections: Management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, the Notes to Financial Statements, Supplemental Combining Statements and the Financial Highlights included in the table of contents. The statements are prepared using the accrual basis of accounting. Contributions and withdrawals are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is disbursed.

The Statement of Fiduciary Net Position presents information on all of the Plan's assets and liabilities, with the difference reported as net position.

The Statement of Changes in Fiduciary Net Position reports the additions and deductions to the Plan for the fiscal year.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report presents the operating results and financial status of the Plan, which the State of Connecticut reports as a fiduciary fund (private purpose trust fund). Fiduciary fund reporting at the State of Connecticut represents assets held for benefit of parties outside the governmental entity.

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## Financial Analysis

*Fiduciary Net Position:* The following is a condensed Statement of Fiduciary Net Position for the Plan as of June 30, 2016 and June 30, 2015.

	<u>2016</u>	<u>2015</u>
<b>Assets:</b>		
Investments	\$ 386,049,364	\$ 339,987,299
Receivables and other assets	591,103	417,402
Total assets	<u>386,640,467</u>	<u>340,404,701</u>
<b>Liabilities:</b>		
Payables and other liabilities	550,559	336,660
Accrued expenses	216,555	193,690
Total liabilities	<u>767,114</u>	<u>530,350</u>
<b>Fiduciary Net Position</b>	<u>\$ 385,873,353</u>	<u>\$ 339,874,351</u>

Total Fiduciary Net Position represent cumulative contributions from participants since the Plan's inception, plus net increases and (decreases) from investment operations less withdrawals and expenses.

Investments make up 100% of total Fiduciary Net Position, and consist of 22 investment options, each of which is invested in underlying mutual funds. Other assets consist of cash, receivables for investments sold, receivables for capital shares sold and receivables for accrued income. Liabilities consist of payables for investments purchased, payables for capital shares redeemed, and payables for accrued expenses for management and administrative services.

*Changes in Net Position:* The following is a condensed Statement of Changes in Fiduciary Net Position for the Plan for the years ended June 30, 2016 and June 30, 2015.

	<u>2016</u>	<u>2015</u>
<b>Additions:</b>		
Contributions	\$ 77,568,456	\$ 85,339,820
Increase from investment operations	-	425,563
Total additions	<u>77,568,456</u>	<u>85,765,383</u>
<b>Deductions:</b>		
Withdrawals	26,010,599	19,019,419
Decrease from investment operations	3,158,783	-
Expenses after fees waived	2,400,072	2,065,062
Total deductions	<u>31,569,454</u>	<u>21,084,481</u>
Change in net position	<u>45,999,002</u>	<u>64,680,902</u>
Fiduciary net position, beginning of year	<u>339,874,351</u>	<u>275,193,449</u>
<b>Fiduciary Net Position, end of year</b>	<u>\$ 385,873,353</u>	<u>\$ 339,874,351</u>

# Connecticut Higher Education Trust Program Advisor Plan

## Statement of Fiduciary Net Position June 30, 2016

<b>Assets:</b>	
Investments at fair value (cost \$404,036,116)	\$ 386,049,364
Receivables:	
Investments sold	144,938
Capital shares sold	372,399
Dividends	73,766
Total assets	<u>386,640,467</u>
<b>Liabilities:</b>	
Payables:	
Investments purchased	333,753
Capital shares redeemed	216,806
Accrued distribution fees	137,284
Accrued plan manager fees	73,175
Accrued administration fees	6,096
Total liabilities	<u>767,114</u>
<b>Fiduciary Net Position</b>	<u>\$ 385,873,353</u>

See Notes to Financial Statements

## Connecticut Higher Education Trust Program Advisor Plan

### Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2016

**Additions:**

Contributions from account holders	\$ 77,568,456
Transfers	66,174,983
Decrease from investment operations:	
Dividends	4,811,622
Capital gain distributions received from underlying funds	11,846,390
Net realized loss on sale of underlying fund shares	(2,540,348)
Net change in unrealized depreciation on underlying fund shares	(17,276,447)
Net decrease from investment operations	<u>(3,158,783)</u>
Total additions	<u>140,584,656</u>

**Deductions:**

Withdrawals	26,010,599
Transfers	66,174,983
Expenses:	
Plan manager fees	838,123
Administrative fees	69,846
Distribution fees	1,583,789
Total expenses (before waivers)	<u>2,491,758</u>
Total waivers	<u>(91,686)</u>
Total expenses after fees waived	<u>2,400,072</u>
Total deductions	<u>94,585,654</u>

**Fiduciary Net Position**

Net increase in fiduciary net position	45,999,002
Beginning of year	<u>339,874,351</u>
End of Year	<u>\$ 385,873,353</u>

See Notes to Financial Statements



# Connecticut Higher Education Trust Program Advisor Plan

## Notes to Financial Statements

### Note 1 — Organization

The Connecticut Higher Education Trust (“CHET” or the “Trust”) Advisor Plan (“Plan”) is a qualified tuition program offered by the Trust. Hartford Life Insurance Company (“Hartford Life”) serves as plan manager and manages the Plan under the direction of the Trustee. The Plan is intended to meet the requirements of the qualified tuition program under Section 529 of the Internal Revenue Code and was established pursuant to the Connecticut General Statutes Section 3-22f to 3-22o. Investment options and allocations, as adopted by the Trustee, are described in the current Disclosure Booklet for the Program.

The Plan offers Age-Based Investment Options tailored to the length of time until the designated beneficiary reaches college age, Static Investment Options that allow investing in fixed allocations of underlying investments or Individual Investment Options (collectively, “Investment Options”). The CHET Advisor Plan consists of 22 portfolios that make up the Investment Options in which plan participants can direct their contributions. These Investment Options are as follows:

#### Age Based Investment Options

CHET Advisor Age-Based Portfolio 0-8  
CHET Advisor Age-Based Portfolio 9-13  
CHET Advisor Age-Based Portfolio 14-15  
CHET Advisor Age-Based Portfolio 16-17  
CHET Advisor Age-Based Portfolio 18+

#### Static Investment Options

CHET Advisor Aggressive Growth Portfolio  
CHET Advisor Balanced Portfolio  
CHET Advisor Checks & Balances Portfolio  
CHET Advisor Conservative Portfolio  
CHET Advisor Growth Portfolio

#### Individual Investment Options

The Hartford Capital Appreciation 529 Portfolio  
The Hartford Dividend and Growth 529 Portfolio  
Hartford Equity Income 529 Portfolio  
Hartford Global Real Asset 529 Portfolio  
The Hartford Growth Opportunities 529 Portfolio  
The Hartford Inflation Plus 529 Portfolio  
The Hartford International Opportunities 529 Portfolio  
The Hartford MidCap 529 Portfolio  
Advisor Money Market 529 Portfolio  
Hartford SmallCap Growth 529 Portfolio  
The Hartford Total Return Bond 529 Portfolio  
Hartford World Bond 529 Portfolio

The Investment Options operate in the manner of a “Fund of Funds,” investing the majority of their assets in Class Y shares of underlying mutual funds of Hartford Mutual Funds (the “underlying mutual funds”) and the State Street Global Advisors Money Market Fund, a mutual fund unaffiliated with Hartford Funds (together the “Underlying Funds”).

Financial statements of the underlying mutual funds contain additional information about the expenses and investments of the underlying mutual funds and are available from the EDGAR database on the Securities and Exchange Commission website at <http://www.sec.gov>.

The Investment Options offer Class A Units, Class C Units and Class E Units. Each Class of Units has a different fee structure determined by the sales charge. Class A units are sold with a front-end sales charge of up to 5.50%, with the exception of the following Investment Options that have a maximum front-end sales charge rate of:

<u>Investment Option</u>	<u>Rate</u>
CHET Advisor Age-Based Portfolio 16-17	3.00%
CHET Advisor Age-Based Portfolio 18+	3.00
CHET Advisor Conservative Portfolio	3.00
The Hartford Inflation Plus 529 Portfolio	3.00
The Hartford Total Return Bond 529 Portfolio	3.00
Hartford World Bond 529 Portfolio	3.00
CHET Advisor Money Market 529 Portfolio	-

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Class C units are sold with a contingent deferred sales charge of up to 1% on shares redeemed within 12 months of purchase, with the exception of the CHET Advisor Money Market 529 Portfolio, which has no contingent deferred sales charge. Class E units are sold without sales charges to certain eligible investors. All classes of units have identical withdrawal, dividend, liquidation, and other rights and the same terms and conditions, with the exceptions that each class may have different expenses, which may affect performance.

## **Note 2 — Significant Accounting Policies**

The following is a summary of significant accounting policies of the CHET Advisor Plan in the preparation of its financial statements, which are in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP"), as defined by the Governmental Accounting Standards Board ("GASB"). The preparation of financial statements in accordance with U.S. GAAP may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of increases and decreases in fiduciary net position from operations during the reporting period. Actual results could differ from those estimates.

**Determination of Net Position Value ("NPV")** – The NPV of each class of the Investment Option's units is based on the value of all underlying investment holdings, determined as of the close of regular trading (normally 4:00 p.m. Eastern Time) (the "NYSE Close") on each day that the New York Stock Exchange is open ("Valuation Date"). Information that becomes known to the Investment Option after the NPV has been calculated on a particular day will not generally be used to retroactively adjust the NPV determined earlier that day.

**Investment Valuation** – Investments in open-end mutual funds are valued at the respective Net Asset Value per share of each underlying mutual fund as determined as of the NYSE Close on the Valuation Date. Money market funds are valued at Net Asset Value on the Valuation Date.

**Fair Value Measurements** – The Investment Options' investments valuation process is based on several considerations and may use multiple inputs to determine the fair value of the investments held by the Investment Option. In conformity with accounting principles generally accepted in the United States of America, the inputs used to determine a valuation are classified into three broad levels.

- Level 1 valuation inputs consist of unadjusted quoted prices in an active market for identical assets and liabilities.
- Level 2 valuation inputs consist of direct or indirect observable market data (including quoted prices for comparable investments, evaluations of subsequent market events, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 valuation inputs consist of unobservable data (including the plan manager's own assumptions).

The level classification is based on the lowest level input that is significant to the fair valuation measurement. The valuation inputs are not necessarily an indication of the risks associated with investing in these securities or other financial instruments. There were no significant transfers between levels during the year.

As of year-end, the Investment Options' investment securities were classified as Level 1.

**Security Transactions and Investment Income** – Underlying Fund transactions are recorded as of the trade date (the date the order to buy or sell is executed) for financial reporting purposes. Realized gains and losses are determined on the basis of specific identified cost. Income, realized and unrealized gains and losses of each class are allocated daily based on the relative fiduciary net position of each class of units of the Investment Option.

Income and capital gain distributions from Underlying Funds are recorded on the ex-dividend date.

**Units** – Contributions by a participant are evidenced through the issuance of units in the particular Investment Option according to the investment elections made by the participant. Contributions and withdrawals are subject to terms and limitations defined in the participation agreement between the participant and the CHET Advisor Plan. Contributions are invested in units of the assigned Investment Option on the same day as the credit of the contribution to the participant's account. Withdrawals are based on the unit value calculated for such Investment Option on the day that the withdrawal request is accepted. The earnings portion of non-qualified withdrawals, in addition to applicable federal and state income taxes, may be subject to a 10% non-qualified withdrawal penalty to be withheld from the amount withdrawn.

**Receivables** – Receivables for investment securities sold and receivables from the sale of units to participants of the CHET Advisor Plan represent the sales of the Investment Options and the contributions of the participants that have not settled as of the reporting date, respectively.

**Payables** – Payables for investment securities purchased and payables from units redeemed from participants of the CHET Advisor Plan represent the purchases of the Investment Options and the withdrawals of the participants that have not settled as of the reporting date, respectively.

**Expenses** – Expenses are recorded on the accrual basis of accounting. Under this method of accounting, expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

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### Note 3 — Investment Risks

The CHET Advisor Plan's investments represent shares of the Underlying Funds, rather than individual securities and therefore, are not subject to classification by custodial credit risk or disclosure of concentration of credit risk under GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The Underlying Funds are not rated by any nationally recognized statistical rating organization.

An Investment Option is exposed to the risks of the Underlying Funds in direct proportion to the amount of assets the Investment Option allocates to each Underlying Fund.

**Interest Rate Risks** – Certain Underlying Funds invest in debt securities, including bonds, and are subject to interest rate risk. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. The exposure to interest rate risk is greater with Underlying Funds with longer average effective maturity and average effective duration.

The Underlying Funds listed below have investments with exposure to interest rate risk. As of June 30, 2016, the average effective maturity and the average effective duration measured in years are as follows:

	<b><u>Average Effective Maturity</u></b>	<b><u>Average Effective Duration</u></b>
The Hartford Global Real Asset Fund	4.77	11.12
The Hartford Inflation Plus Fund	6.26	5.56
The Hartford Short Duration Fund	2.90	1.58
The Hartford Strategic Income Fund	9.35	5.84
The Hartford Total Return Bond Fund	9.44	4.16
The Hartford Unconstrained Bond Fund	6.57	2.77
The Hartford World Bond Fund	3.95	2.86
State Street Global Advisors Prime Money Market Fund	0.08	0.09

**Foreign Currency Risks** – Certain Underlying Funds invest in foreign securities. Certain additional risks are involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign exchange rate fluctuations, adverse political and economic developments and the possible prevention of currency exchange or other foreign governmental laws or restrictions. In addition, the liquidity of foreign securities may be more limited than that of domestic securities.

**Market Risks** – In the normal course of business, the Underlying Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk). The market values of Underlying Funds may decline due to general market conditions, which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The market value of equity securities may also decline due to factors, which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

**Credit Risks** – Certain underlying funds invest in fixed-income securities and are subject to credit risks. Generally credit risk is the risk that an issuer (issuer credit risk) or other counterparty (counterparty credit risk) to an investment will not fulfill its obligation to the holder of the investment.

Financial assets, which potentially expose the Underlying Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Underlying Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value as recorded in the underlying funds' Statements of Assets and Liabilities. Refer to the prospectuses and financial statements of the underlying funds for information on the respective underlying fund's investment strategy.

### Note 4 — Federal and State Income Tax

The Program has been designated to comply with the requirements for treatment as a qualified state tuition program under Section 529 of the Internal Revenue Code, which is exempt from federal and state income tax. Therefore, no provision for income tax is required.

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## Note 5 — Plan Management and Other Fees

Allocable expenses incurred by the CHET Advisor Plan are allocated to each Investment Option and allocated to classes within the Investment Option in proportion to the average daily fiduciary net position of the Investment Option and each class, except where otherwise noted.

**Plan Manager Fee** – Hartford Life has entered into a Plan Management Agreement with the Trust which provides for the payment of a Plan Manager Fee for services performed on behalf of the Trust. Currently, the Plan Manager Fee is 0.24% and is accrued daily and paid monthly to Hartford Life and its affiliate, Hartford Funds Management Company, LLC. (“HFMC”). In addition, HFMC receives investment management fees from the underlying Hartford mutual funds.

Given the current low interest rate environment, Hartford Life has waived the annual plan manager fee for existing and new contributions to the CHET Advisor Money Market 529 Portfolio. As of June 30, 2016, the amount of the waiver was \$91,686. These fees may be resumed at the sole discretion of Hartford Life.

**Administrative Fee** – The Administrative Fee of 0.02%, is charged to pay the Trust’s expenses related to the overall operation of the Connecticut Higher Education Trust. This fee is accrued and deducted daily as a percentage of average daily fiduciary net position of the Investment Options and paid monthly.

Given the current low interest rate environment, the Trust has waived the administrative fee for existing and new contributions to the CHET Advisor Money Market 529 Portfolio. This fee may be resumed at the sole discretion of the Trustee.

**Annual Distribution Fee** – The CHET Advisor Plan is authorized to charge an annual distribution fee to compensate Hartford Funds Distributors, LLC (“HFD”), an affiliate of Hartford Life, for activities intended to result in the sale and distribution of Classes A and C units and for providing services for shareholders. The fee is accrued and deducted daily as a percentage of average fiduciary net position in the Investment Options and paid monthly. From its receipt of the annual distribution fee, HFD may compensate other entities for distributing units of the CHET Advisor Plan. As of June 30, 2016, the amount of distribution fees paid was \$1,583,789. The schedule below reflects the fees effective as of June 30, 2016:

<u>Class of Units</u>	<u>Annual</u>
Class A	0.25%
Class C	1.00%

Given the current low interest rate environment, Hartford Life has waived the annual distribution fee for existing and new contributions to the CHET Advisor Money Market 529 Portfolio. These fees may be resumed at the sole discretion of Hartford Life.

## Note 6 — Affiliate Holdings

As of June 30, 2016, affiliates of The Hartford had ownership in certain Investment Options in order to create startup capital. The shares held in those Investment Options are as follows:

<u>Investment Option</u>	<u>Class A</u>	<u>Class C</u>	<u>Class E</u>
CHET Advisor Conservative Portfolio	-	-	393
CHET Hartford Global Real Asset 529 Portfolio	2,500	2,500	2,500
CHET Hartford World Bond 529 Portfolio	2,500	-	2,500

## Note 7 — Investments

The following table represents a calculation of the net change in investments during the year ended June 30, 2016:

Investments at fair value, end of year	\$386,049,364
Less cost of investments purchased during year	(134,829,167)
Plus proceeds from investments sold during year	71,490,655
Less investments at beginning of year	<u>(339,987,299)</u>
Net depreciation of investments during year	<u><u>\$(17,276,447)</u></u>

Investments on the Combining Statements of Fiduciary Net Position consist of the following as of June 30, 2016:

<b>CHET Advisor Plan</b>	<b>Shares</b>	<b>Cost</b>	<b>Market Value</b>
State Street Global Advisors Prime Money Market Fund	22,784,825	\$22,784,825	\$22,784,825
Hartford Emerging Markets Equity Fund, Class Y	1,309,607	10,299,168	9,075,578
The Hartford Capital Appreciation Fund, Class Y	929,157	39,551,370	35,568,125
The Hartford Dividend and Growth Fund, Class Y	1,900,255	45,993,099	44,808,010
The Hartford Equity Income Fund, Class Y	1,469,716	26,404,432	26,616,548
The Hartford Global Real Asset Fund, Class Y	2,625,471	24,512,654	22,132,717
The Hartford Growth Opportunities Fund, Class Y	206,213	8,409,055	8,291,811
The Hartford Inflation Plus Fund, Class Y	2,131,299	23,272,743	23,806,613
The Hartford International Opportunities Fund, Class Y	2,942,299	48,072,856	42,869,293
The Hartford International Small Company Fund, Class Y	957,312	14,702,766	13,076,876
The Hartford International Value Fund, Class Y	1,224,392	17,376,322	16,615,005
The Hartford MidCap Fund, Class Y	244,677	6,543,737	6,907,243
The Hartford MidCap Value Fund, Class Y	712,591	11,209,409	10,503,591
The Hartford Short Duration Fund, Class Y	547,074	5,393,624	5,377,734
The Hartford Small Cap Growth Fund, Class Y	269,536	13,153,466	12,657,418
The Hartford Strategic Income Fund, Class Y	2,509,557	22,350,670	21,657,473
The Hartford Total Return Bond Fund, Class Y	1,361,387	14,509,574	14,525,997
The Hartford Unconstrained Bond Fund, Class Y	610,842	6,009,635	5,729,699
The Hartford World Bond Fund, Class Y	4,146,899	43,486,711	43,044,808
		\$404,036,116	\$386,049,364

**Note 8 — Recent Accounting Pronouncement**

In February 2015, GASB issued Statement No. 72: *Fair Value Measurement and Application* which requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The Plan adopted this accounting guidance for the year ended June 30, 2016. Refer to Footnote 2 in the notes to financial statements for these added disclosures.

**Note 9 — Subsequent Event**

Subsequent events have been evaluated through September 23, 2016, which is the date the financial statements were issued. There were no subsequent events identified related to the CHET Advisor Plan that could have a material impact on the CHET Advisor Plan's financial statements.

# Connecticut Higher Education Trust Program Advisor Plan

## Supplemental Information

### Combining Statements of Fiduciary Net Position

June 30, 2016

	CHET Advisor Age- Based Portfolio 0-8	CHET Advisor Age- Based Portfolio 9-13	CHET Advisor Age- Based Portfolio 14- 15
<b>Assets:</b>			
Investments in underlying funds, at value *			
State Street Global Advisors Prime Money Market Fund	\$ —	\$ —	\$ —
Hartford Emerging Markets Equity Fund, Class Y	3,054,736	2,616,813	844,492
The Hartford Capital Appreciation Fund, Class Y	7,440,205	5,964,523	2,020,329
The Hartford Dividend and Growth Fund, Class Y	8,113,336	6,707,804	2,355,719
The Hartford Equity Income Fund, Class Y	6,097,724	5,223,532	1,685,502
The Hartford Global Real Asset Fund, Class Y	3,363,579	7,411,585	3,345,332
The Hartford Growth Opportunities Fund, Class Y	—	—	—
The Hartford Inflation Plus Fund, Class Y	2,654,341	5,791,489	3,276,893
The Hartford International Opportunities Fund, Class Y	11,484,680	10,066,527	3,028,783
The Hartford International Small Company Fund, Class Y	4,368,446	3,704,775	1,338,050
The Hartford International Value Fund, Class Y	5,380,966	4,817,561	1,673,471
The Hartford MidCap Fund, Class Y	—	—	—
The Hartford MidCap Value Fund, Class Y	3,388,942	2,612,797	1,012,494
The Hartford Short Duration Fund, Class Y	—	—	—
The Hartford Small Cap Growth Fund, Class Y	2,734,354	2,260,636	850,480
The Hartford Strategic Income Fund, Class Y	3,323,246	3,644,277	3,290,982
The Hartford Total Return Bond Fund, Class Y	—	1,089,025	1,314,914
The Hartford Unconstrained Bond Fund, Class Y	—	1,088,722	1,314,532
The Hartford World Bond Fund, Class Y	5,973,269	10,858,065	5,897,001
Total Investments	\$ 67,377,824	\$ 73,858,131	\$ 33,248,974
Receivables for investments sold	—	—	—
Receivables for capital shares sold	109,697	3,950	32,522
Dividends receivable	—	6,587	7,844
Total assets	67,487,521	73,868,668	33,289,340
<b>Liabilities:</b>			
Payables for investments purchased	108,485	9,489	40,129
Payables for capital shares redeemed	—	—	—
Accrued distribution fees	22,238	23,965	11,329
Accrued plan manager fees	13,189	14,453	6,465
Accrued administration fees	1,099	1,204	539
Total liabilities	145,011	49,111	58,462
Fiduciary Net Position	\$ 67,342,510	\$ 73,819,557	\$ 33,230,878
<b>Fiduciary Net Position Consists of:</b>			
Class A			
Net Position	\$ 44,685,377	\$ 50,010,521	\$ 22,296,034
Units outstanding	2,933,860	3,530,945	1,648,251
Net Position Value	\$ 15.23	\$ 14.16	\$ 13.53
Class C			
Net Position	\$ 16,045,429	\$ 16,898,748	\$ 8,367,441
Units outstanding	1,099,854	1,245,491	645,650
Net Position Value	\$ 14.59	\$ 13.57	\$ 12.96
Class E			
Net Position	\$ 6,611,704	\$ 6,910,288	\$ 2,567,403
Units outstanding	428,038	481,140	186,975
Net Position Value	\$ 15.45	\$ 14.36	\$ 13.73
* Identified Cost	\$ 72,175,967	\$ 78,054,793	\$ 35,115,094

# Connecticut Higher Education Trust Program Advisor Plan

**Supplemental Information**  
**Combining Statements of Fiduciary Net Position**  
**June 30, 2016**

CHET Advisor Age-Based Portfolio 16-17	CHET Advisor Age-Based Portfolio 18+	CHET Advisor Aggressive Growth Portfolio	CHET Advisor Conservative Portfolio	CHET Advisor Growth Portfolio	CHET Advisor Balanced Portfolio	The Hartford Capital Appreciation 529 Portfolio	CHET Advisor Checks & Balances Portfolio	The Hartford Dividend and Growth 529 Portfolio
\$ 2,912,667	\$ 6,528,898	\$ —	\$ 661,896	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	796,410	—	1,099,986	663,141	—	—	—
1,500,289	508,606	2,021,601	341,669	2,679,869	1,513,004	9,407,263	2,170,767	—
—	—	2,098,208	—	2,922,452	1,701,305	—	2,169,495	18,739,691
2,102,064	765,900	1,594,516	478,660	2,196,260	1,324,792	—	—	—
2,086,745	1,267,030	719,616	475,182	1,211,276	1,879,459	—	—	—
—	—	—	—	—	—	—	—	—
2,914,372	2,511,977	—	663,066	946,207	1,468,749	—	—	—
2,096,994	509,212	2,890,830	477,853	4,135,657	2,553,798	—	—	—
—	—	1,153,081	—	1,572,947	939,577	—	—	—
—	—	1,583,294	—	1,937,659	1,222,054	—	—	—
—	—	—	—	—	—	—	—	—
600,553	—	868,905	136,761	1,220,471	662,668	—	—	—
2,333,140	2,514,198	—	530,396	—	—	—	—	—
—	—	729,129	—	984,667	570,640	—	—	—
4,692,605	3,523,160	—	1,068,380	1,190,620	924,203	—	—	—
1,460,087	1,258,684	—	331,793	—	275,672	—	2,108,694	—
1,459,674	1,259,041	—	331,839	—	275,891	—	—	—
5,245,808	4,522,311	—	1,193,658	2,129,325	2,753,698	—	—	—
\$ 29,404,998	\$ 25,169,017	\$ 14,455,590	\$ 6,691,153	\$ 24,227,396	\$ 18,728,651	\$ 9,407,263	\$ 6,448,956	\$ 18,739,691
—	85,301	—	—	—	3,184	—	—	14,350
31,543	19,224	30,857	5,628	2,543	4,195	4,159	339	4,962
13,782	14,024	—	3,095	—	1,651	—	5,626	—
29,450,323	25,287,566	14,486,447	6,699,876	24,229,939	18,737,681	9,411,422	6,454,921	18,759,003
36,080	14,024	30,858	3,723	1,204	1,651	3,846	5,665	—
6,300	96,881	—	—	121	6,495	—	—	19,217
12,244	11,353	4,675	3,022	7,909	7,453	3,371	2,639	8,962
5,791	4,982	2,849	1,296	4,783	3,650	1,866	1,253	3,667
482	415	236	108	399	304	155	105	306
60,897	127,655	38,618	8,149	14,416	19,553	9,238	9,662	32,152
\$ 29,389,426	\$ 25,159,911	\$ 14,447,829	\$ 6,691,727	\$ 24,215,523	\$ 18,718,128	\$ 9,402,184	\$ 6,445,259	\$ 18,726,851
\$ 15,106,384	\$ 12,271,264	\$ 7,141,729	\$ 3,435,448	\$ 16,049,774	\$ 10,324,639	\$ 4,109,200	\$ 3,514,711	\$ 7,391,536
1,225,773	1,100,854	436,952	278,030	1,055,205	757,177	240,191	221,265	395,806
\$ 12.32	\$ 11.15	\$ 16.34	\$ 12.36	\$ 15.21	\$ 13.64	\$ 17.11	\$ 15.88	\$ 18.67
\$ 10,985,929	\$ 10,779,089	\$ 3,921,318	\$ 2,916,766	\$ 5,679,820	\$ 6,714,343	\$ 3,038,303	\$ 2,382,116	\$ 9,180,451
931,100	1,009,586	250,411	246,291	389,727	513,997	185,376	156,554	513,354
\$ 11.80	\$ 10.68	\$ 15.66	\$ 11.84	\$ 14.57	\$ 13.06	\$ 16.39	\$ 15.22	\$ 17.88
\$ 3,297,113	\$ 2,109,558	\$ 3,384,782	\$ 339,513	\$ 2,485,929	\$ 1,679,146	\$ 2,254,681	\$ 548,432	\$ 2,154,864
263,706	186,670	204,175	27,085	161,069	121,403	129,882	34,031	113,830
\$ 12.50	\$ 11.30	\$ 16.58	\$ 12.54	\$ 15.43	\$ 13.83	\$ 17.36	\$ 16.12	\$ 18.93
\$ 30,171,184	\$ 25,217,272	\$ 15,579,920	\$ 6,896,765	\$ 25,562,263	\$ 19,900,427	\$ 10,413,084	\$ 6,583,914	\$ 19,317,871

# Connecticut Higher Education Trust Program Advisor Plan

**Supplemental Information**  
**Combining Statements of Fiduciary Net Position**  
**June 30, 2016**

	Hartford Equity Income 529 Portfolio	Hartford Global Real Asset 529 Portfolio	The Hartford Growth Opportunities 529 Portfolio
<b>Assets:</b>			
Investments in underlying funds, at value *			
State Street Global Advisors Prime Money Market Fund	\$ —	\$ —	\$ —
Hartford Emerging Markets Equity Fund, Class Y	—	—	—
The Hartford Capital Appreciation Fund, Class Y	—	—	—
The Hartford Dividend and Growth Fund, Class Y	—	—	—
The Hartford Equity Income Fund, Class Y	5,147,598	—	—
The Hartford Global Real Asset Fund, Class Y	—	372,913	—
The Hartford Growth Opportunities Fund, Class Y	—	—	8,291,811
The Hartford Inflation Plus Fund, Class Y	—	—	—
The Hartford International Opportunities Fund, Class Y	—	—	—
The Hartford International Small Company Fund, Class Y	—	—	—
The Hartford International Value Fund, Class Y	—	—	—
The Hartford MidCap Fund, Class Y	—	—	—
The Hartford MidCap Value Fund, Class Y	—	—	—
The Hartford Short Duration Fund, Class Y	—	—	—
The Hartford Small Cap Growth Fund, Class Y	—	—	—
The Hartford Strategic Income Fund, Class Y	—	—	—
The Hartford Total Return Bond Fund, Class Y	—	—	—
The Hartford Unconstrained Bond Fund, Class Y	—	—	—
The Hartford World Bond Fund, Class Y	—	—	—
<b>Total Investments</b>	<b>\$ 5,147,598</b>	<b>\$ 372,913</b>	<b>\$ 8,291,811</b>
Receivables for investments sold	7,202	—	—
Receivables for capital shares sold	287	35	32,358
Dividends receivable	—	—	—
<b>Total assets</b>	<b>5,155,087</b>	<b>372,948</b>	<b>8,324,169</b>
<b>Liabilities:</b>			
Payables for investments purchased	—	35	23,132
Payables for capital shares redeemed	7,489	—	7,560
Accrued distribution fees	1,908	143	2,853
Accrued plan manager fees	990	72	1,629
Accrued administration fees	83	6	136
<b>Total liabilities</b>	<b>10,470</b>	<b>256</b>	<b>35,310</b>
<b>Fiduciary Net Position</b>	<b>\$ 5,144,617</b>	<b>\$ 372,692</b>	<b>\$ 8,288,859</b>
<b>Fiduciary Net Position Consists of:</b>			
Class A			
Net Position	\$ 2,930,337	\$ 122,248	\$ 5,040,408
Units outstanding	153,241	14,318	235,667
<b>Net Position Value</b>	<b>\$ 19.12</b>	<b>\$ 8.54</b>	<b>\$ 21.39</b>
Class C			
Net Position	\$ 1,635,440	\$ 146,609	\$ 2,205,431
Units outstanding	89,259	17,553	107,627
<b>Net Position Value</b>	<b>\$ 18.32</b>	<b>\$ 8.35</b>	<b>\$ 20.49</b>
Class E			
Net Position	\$ 578,840	\$ 103,835	\$ 1,043,020
Units outstanding	29,837	12,074	48,063
<b>Net Position Value</b>	<b>\$ 19.40</b>	<b>\$ 8.60</b>	<b>\$ 21.70</b>
<b>* Identified Cost</b>	<b>\$ 5,124,306</b>	<b>\$ 403,097</b>	<b>\$ 8,409,055</b>



# Connecticut Higher Education Trust Program Advisor Plan

Supplemental Information  
 Combining Statements of Fiduciary Net Position  
 June 30, 2016

The Hartford Inflation Plus 529 Portfolio	The Hartford International Opportunities 529 Portfolio	The Hartford MidCap 529 Portfolio	CHET Advisor Money Market 529 Portfolio	Hartford SmallCap Growth 529 Portfolio	The Hartford Total Return Bond 529 Portfolio	Hartford World Bond 529 Portfolio	Total Combining Statements of Fiduciary Net Position
\$ —	\$ —	\$ —	\$ 12,681,364	\$ —	\$ —	\$ —	\$ 22,784,825
—	—	—	—	—	—	—	9,075,578
—	—	—	—	—	—	—	35,568,125
—	—	—	—	—	—	—	44,808,010
—	—	—	—	—	—	—	26,616,548
—	—	—	—	—	—	—	22,132,717
—	—	—	—	—	—	—	8,291,811
3,579,519	—	—	—	—	—	—	23,806,613
—	5,624,959	—	—	—	—	—	42,869,293
—	—	—	—	—	—	—	13,076,876
—	—	—	—	—	—	—	16,615,005
—	—	6,907,243	—	—	—	—	6,907,243
—	—	—	—	—	—	—	10,503,591
—	—	—	—	—	—	—	5,377,734
—	—	—	—	4,527,512	—	—	12,657,418
—	—	—	—	—	—	—	21,657,473
—	—	—	—	—	6,687,128	—	14,525,997
—	—	—	—	—	—	—	5,729,699
—	—	—	—	—	—	4,471,673	43,044,808
\$ 3,579,519	\$ 5,624,959	\$ 6,907,243	\$ 12,681,364	\$ 4,527,512	\$ 6,687,128	\$ 4,471,673	\$ 386,049,364
9,888	43	—	—	701	141	24,128	144,938
50	2,598	30,143	51,676	1,393	4,132	108	372,399
—	—	—	3,821	—	17,336	—	73,766
3,589,457	5,627,600	6,937,386	12,736,861	4,529,606	6,708,737	4,495,909	386,640,467
—	—	26,480	11,616	—	17,336	—	333,753
9,938	2,547	3,469	26,381	1,999	4,173	24,236	216,806
1,605	2,089	2,491	—	1,469	2,921	2,645	137,284
702	1,117	1,355	—	897	1,288	881	73,175
58	93	113	—	75	107	73	6,096
12,303	5,846	33,908	37,997	4,440	25,825	27,835	767,114
\$ 3,577,154	\$ 5,621,754	\$ 6,903,478	\$ 12,698,864	\$ 4,525,166	\$ 6,682,912	\$ 4,468,074	\$ 385,873,353
\$ 1,747,988	\$ 3,033,243	\$ 3,297,752	\$ 4,177,417	\$ 2,640,098	\$ 3,070,201	\$ 718,438	
158,097	246,154	168,418	416,707	140,652	254,529	67,840	
\$ 11.06	\$ 12.32	\$ 19.58	\$ 10.02	\$ 18.77	\$ 12.06	\$ 10.59	
\$ 1,522,078	\$ 1,764,270	\$ 2,215,203	\$ 6,399,560	\$ 1,121,970	\$ 2,872,501	\$ 3,066,642	
143,740	149,548	118,058	638,277	62,427	248,788	295,928	
\$ 10.59	\$ 11.80	\$ 18.76	\$ 10.03	\$ 17.97	\$ 11.55	\$ 10.36	
\$ 307,088	\$ 824,241	\$ 1,390,523	\$ 2,121,887	\$ 763,098	\$ 740,210	\$ 682,994	
27,389	65,957	70,019	211,663	40,087	60,517	64,050	
\$ 11.21	\$ 12.50	\$ 19.86	\$ 10.02	\$ 19.04	\$ 12.23	\$ 10.66	
\$ 3,663,450	\$ 6,206,673	\$ 6,543,737	\$ 12,681,364	\$ 4,767,410	\$ 6,713,944	\$ 4,534,526	\$ 404,036,116

# Connecticut Higher Education Trust Program Advisor Plan

## Supplemental Information Combining Statements of Changes in Fiduciary Net Position For the Year Ended June 30, 2016

	CHET Advisor Age-Based Portfolio 0-8	CHET Advisor Age-Based Portfolio 9-13	CHET Advisor Age-Based Portfolio 14-15	CHET Advisor Age-Based Portfolio 16-17
<b>Investment Income:</b>				
Dividends	\$ 879,352	\$ 937,233	\$ 474,915	\$ 478,243
Total investment income	879,352	937,233	474,915	478,243
<b>Expenses:</b>				
Administration fees	12,630	13,617	5,974	5,332
Plan manager fees	151,566	163,402	71,684	63,979
Distribution fees				
Class A	104,697	116,265	48,528	33,720
Class C	148,696	152,093	81,327	104,233
Class E	—	—	—	—
Total expenses (before waivers)	417,589	445,377	207,513	207,264
Total waivers	—	—	—	—
Total expenses, net	417,589	445,377	207,513	207,264
<b>Net Investment Income (Loss)</b>	461,763	491,856	267,402	270,979
<b>Net Realized and Unrealized Gain (Loss):</b>				
Capital gain distributions received from underlying funds	2,362,087	2,081,294	727,360	419,851
Net realized gain (loss) on sale of underlying fund shares	(672,196)	(622,437)	(356,046)	(400,003)
Net change in unrealized appreciation (depreciation) on underlying fund shares	(4,297,105)	(3,539,831)	(1,042,596)	(58,605)
<b>Net Realized and Unrealized Gain (Loss)</b>	(2,607,214)	(2,080,974)	(671,282)	(38,757)
<b>Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations</b>	(2,145,451)	(1,589,118)	(403,880)	232,222
<b>Unit Transactions:</b>				
<b>Contributions</b>				
Class A	12,895,386	7,658,740	2,437,169	1,730,760
Class C	4,561,650	3,845,014	2,288,706	2,002,314
Class E	1,290,359	1,006,039	545,310	323,766
Net proceeds from sale of units to account holders	18,747,395	12,509,793	5,271,185	4,056,840
<b>Transfers in</b>				
Class A	347,502	8,258,254	9,299,065	7,925,131
Class C	129,767	2,527,876	3,324,015	5,131,478
Class E	24,542	1,157,045	1,101,876	1,737,049
Total transfers in	501,811	11,943,175	13,724,956	14,793,658
<b>Transfers out</b>				
Class A	(8,682,922)	(9,565,235)	(7,931,721)	(5,921,584)
Class C	(2,659,447)	(3,534,535)	(5,192,116)	(5,290,703)
Class E	(1,162,162)	(1,067,058)	(1,765,262)	(889,688)
Total transfers out	(12,504,531)	(14,166,828)	(14,889,099)	(12,101,975)
<b>Withdrawals</b>				
Class A	(635,380)	(532,948)	(206,490)	(590,823)
Class C	(188,449)	(366,220)	(51,976)	(449,838)
Class E	(102,602)	(96,445)	—	(84,715)
Total cost of units redeemed	(926,431)	(995,613)	(258,466)	(1,125,376)
<b>Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions</b>	5,818,244	9,290,527	3,848,576	5,623,147
<b>Fiduciary Net Position:</b>				
<b>Total Increase (decrease) in Fiduciary Net Position</b>	3,672,793	7,701,409	3,444,696	5,855,369
<b>Beginning of year</b>	63,669,717	66,118,148	29,786,182	23,534,057
<b>End of year</b>	\$ 67,342,510	\$ 73,819,557	\$ 33,230,878	\$ 29,389,426

# Connecticut Higher Education Trust Program Advisor Plan

## Supplemental Information Combining Statements of Changes in Fiduciary Net Position For the Year Ended June 30, 2016

CHET Advisor Age-Based Portfolio 18+	CHET Advisor Aggressive Growth Portfolio	CHET Advisor Conservative Portfolio	CHET Advisor Growth Portfolio	CHET Advisor Balanced Portfolio	The Hartford Capital Appreciation 529 Portfolio	CHET Advisor Checks & Balances Portfolio	The Hartford Dividend and Growth 529 Portfolio
\$ 317,727	\$ 180,281	\$ 113,095	\$ 307,515	\$ 229,307	\$ 62,101	\$ 105,826	\$ 309,850
317,727	180,281	113,095	307,515	229,307	62,101	105,826	309,850
4,076	2,693	1,266	4,457	3,383	1,796	1,132	3,301
48,917	32,314	15,188	53,487	40,594	21,546	13,580	39,606
25,281	16,714	8,081	36,712	23,713	9,521	8,036	16,067
84,234	36,386	27,419	53,183	58,077	29,917	20,239	81,949
—	—	—	—	—	—	—	—
162,508	88,107	51,954	147,839	125,767	62,780	42,987	140,923
—	—	—	—	—	—	—	—
162,508	88,107	51,954	147,839	125,767	62,780	42,987	140,923
155,219	92,174	61,141	159,676	103,540	(679)	62,839	168,927
167,618	595,231	100,281	842,904	505,749	673,405	283,785	1,317,692
(448,963)	(12,741)	(139,431)	(142,083)	(182,749)	117,559	56,983	232,756
362,332	(1,311,756)	2,063	(1,564,185)	(819,366)	(1,206,531)	(331,239)	(1,262,145)
80,987	(729,266)	(37,087)	(863,364)	(496,366)	(415,567)	9,529	288,303
236,206	(637,092)	24,054	(703,688)	(392,826)	(416,246)	72,368	457,230
774,621	1,246,463	360,594	3,051,646	1,670,290	957,248	434,124	1,517,399
1,834,257	720,167	718,783	1,327,441	1,262,464	664,896	653,253	2,124,552
467,958	652,521	58,411	464,088	159,186	358,035	136,546	498,206
3,076,836	2,619,151	1,137,788	4,843,175	3,091,940	1,980,179	1,223,923	4,140,157
5,849,110	250,045	423,834	227,563	447,715	170,482	499,691	616,733
5,001,485	210,341	156,541	110,525	645,398	195,981	168,760	453,340
875,420	116,987	191	153,628	185,585	76,802	178,789	54,634
11,726,015	577,373	580,566	491,716	1,278,698	443,265	847,240	1,124,707
(594,952)	(429,449)	(90,619)	(904,729)	(493,482)	(175,996)	(168,234)	(384,384)
(270,008)	(241,612)	(161,173)	(676,388)	(409,351)	(332,188)	(105,375)	(820,382)
(184,439)	(233,443)	(3,663)	(151,274)	(188,356)	(171,950)	(69,613)	(166,739)
(1,049,399)	(904,504)	(255,455)	(1,732,391)	(1,091,189)	(680,134)	(343,222)	(1,371,505)
(3,776,892)	(206,690)	(554,245)	(497,855)	(632,388)	(224,557)	(349,774)	(378,833)
(3,225,248)	(194,133)	(774,533)	(181,574)	(569,196)	(398,124)	(339,846)	(809,843)
(910,158)	(78,789)	(128,445)	(87,668)	(92,837)	(88,213)	(48,470)	(93,511)
(7,912,298)	(479,612)	(1,457,223)	(767,097)	(1,294,421)	(710,894)	(738,090)	(1,282,187)
5,841,154	1,812,408	5,676	2,835,403	1,985,028	1,032,416	989,851	2,611,172
6,077,360	1,175,316	29,730	2,131,715	1,592,202	616,170	1,062,219	3,068,402
19,082,551	13,272,513	6,661,997	22,083,808	17,125,926	8,786,014	5,383,040	15,658,449
\$ 25,159,911	\$ 14,447,829	\$ 6,691,727	\$ 24,215,523	\$ 18,718,128	\$ 9,402,184	\$ 6,445,259	\$ 18,726,851

# Connecticut Higher Education Trust Program Advisor Plan

## Supplemental Information Combining Statements of Changes in Fiduciary Net Position For the Year Ended June 30, 2016

	Hartford Equity Income 529 Portfolio	Hartford Global Real Asset 529 Portfolio	The Hartford Growth Opportunities 529 Portfolio	The Hartford Inflation Plus 529 Portfolio
<b>Investment Income:</b>				
Dividends	\$ 101,598	\$ 3,353	\$ 19,237	\$ —
Total investment income	101,598	3,353	19,237	—
<b>Expenses:</b>				
Administration fees	850	55	1,451	648
Plan manager fees	10,197	663	17,416	7,769
Distribution fees				
Class A	5,991	276	10,783	4,073
Class C	13,672	855	19,959	13,104
Class E	—	—	—	—
Total expenses (before waivers)	30,710	1,849	49,609	25,594
Total waivers	—	—	—	—
Total expenses, net	30,710	1,849	49,609	25,594
<b>Net Investment Income (Loss)</b>	70,888	1,504	(30,372)	(25,594)
<b>Net Realized and Unrealized Gain (Loss):</b>				
Capital gain distributions received from underlying funds	310,289	—	555,767	—
Net realized gain (loss) on sale of underlying fund shares	4,010	(6,357)	122,981	(91,375)
Net change in unrealized appreciation (depreciation) on underlying fund shares	(62,147)	(3,873)	(766,342)	187,076
<b>Net Realized and Unrealized Gain (Loss)</b>	252,152	(10,230)	(87,594)	95,701
<b>Net Increase (Decrease) in Fiduciary Net Position Resulting from Operations</b>	323,040	(8,726)	(117,966)	70,107
<b>Unit Transactions:</b>				
<b>Contributions</b>				
Class A	360,447	30,646	1,301,239	366,876
Class C	411,730	22,379	631,201	292,448
Class E	109,987	31,368	290,169	48,876
Net proceeds from sale of units to account holders	882,164	84,393	2,222,609	708,200
<b>Transfers in</b>				
Class A	262,066	11,922	539,187	94,950
Class C	81,684	52,741	373,084	290,080
Class E	45,476	1,000	157,538	13,252
Total transfers in	389,226	65,663	1,069,809	398,282
<b>Transfers out</b>				
Class A	(20,433)	(5,800)	(278,778)	(240,711)
Class C	(78,026)	(1,675)	(289,054)	(186,842)
Class E	(46,813)	(156)	(109,952)	(24,861)
Total transfers out	(145,272)	(7,631)	(677,784)	(452,414)
<b>Withdrawals</b>				
Class A	(72,792)	(20,750)	(243,136)	(116,963)
Class C	(133,518)	(1,176)	(178,137)	(241,779)
Class E	(33,654)	(2,422)	(150,286)	(27,197)
Total cost of units redeemed	(239,964)	(24,348)	(571,559)	(385,939)
<b>Net Increase (Decrease) in Fiduciary Net Position Derived from Unit Transactions</b>	886,154	118,077	2,043,075	268,129
<b>Fiduciary Net Position:</b>				
<b>Total Increase (decrease) in Fiduciary Net Position</b>	1,209,194	109,351	1,925,109	338,236
<b>Beginning of year</b>	3,935,423	263,341	6,363,750	3,238,918
<b>End of year</b>	\$ 5,144,617	\$ 372,692	\$ 8,288,859	\$ 3,577,154

# Connecticut Higher Education Trust Program Advisor Plan

## Supplemental Information Combining Statements of Changes in Fiduciary Net Position For the Year Ended June 30, 2016

The Hartford International Opportunities 529 Portfolio	The Hartford MidCap 529 Portfolio	CHET Advisor Money Market 529 Portfolio	Hartford SmallCap Growth 529 Portfolio	The Hartford Total Return Bond 529 Portfolio	Hartford World Bond 529 Portfolio	Total Combining Statements of Changes in Fiduciary Net Position
\$ 61,410	\$ —	\$ 24,880	\$ —	\$ 172,692	\$ 33,007	\$ 4,811,622
61,410	—	24,880	—	172,692	33,007	4,811,622
1,083	1,231	2,139	849	1,120	763	69,846
12,992	14,767	25,675	10,187	13,442	9,152	838,123
7,252	7,297	8,327	6,128	6,520	1,464	505,446
16,988	19,823	55,545	10,516	23,585	26,543	1,078,343
—	—	—	—	—	—	—
38,315	43,118	91,686	27,680	44,667	37,922	2,491,758
—	—	(91,686)	—	—	—	(91,686)
38,315	43,118	—	27,680	44,667	37,922	2,400,072
23,095	(43,118)	24,880	(27,680)	128,025	(4,915)	2,411,550
82,780	391,156	—	328,669	8,879	91,593	11,846,390
11,837	45,906	—	(1,312)	(44,772)	(11,915)	(2,540,348)
(582,025)	(442,660)	—	(716,000)	167,590	10,898	(17,276,447)
(487,408)	(5,598)	—	(388,643)	131,697	90,576	(7,970,405)
(464,313)	(48,716)	24,880	(416,323)	259,722	85,661	(5,558,855)
645,534	670,375	2,295,487	447,885	689,273	421,644	41,963,846
369,995	418,751	2,147,905	228,212	463,280	735,999	27,725,397
164,748	288,691	642,536	128,235	98,727	115,451	7,879,213
1,180,277	1,377,817	5,085,928	804,332	1,251,280	1,273,094	77,568,456
257,577	268,992	1,424,330	241,434	348,889	30,769	37,795,241
131,088	266,029	1,349,936	93,485	564,274	302,797	21,560,705
44,436	85,149	533,396	42,879	86,529	146,834	6,819,037
433,101	620,170	3,307,662	377,798	999,692	480,400	66,174,983
(296,323)	(238,790)	(760,974)	(263,039)	(321,147)	(25,311)	(37,794,613)
(182,341)	(260,542)	(430,445)	(145,837)	(102,827)	(190,826)	(21,561,693)
(200,662)	(120,440)	(120,618)	(80,356)	(31,841)	(29,331)	(6,818,677)
(679,326)	(619,772)	(1,312,037)	(489,232)	(455,815)	(245,468)	(66,174,983)
(134,891)	(190,193)	(1,564,595)	(64,993)	(217,157)	(117,714)	(11,330,059)
(133,098)	(100,005)	(2,662,337)	(35,210)	(369,554)	(387,369)	(11,791,163)
(29,770)	(58,041)	(648,173)	(50,714)	(33,016)	(44,251)	(2,889,377)
(297,759)	(348,239)	(4,875,105)	(150,917)	(619,727)	(549,334)	(26,010,599)
636,293	1,029,976	2,206,448	541,981	1,175,430	958,692	51,557,857
171,980	981,260	2,231,328	125,658	1,435,152	1,044,353	45,999,002
5,449,774	5,922,218	10,467,536	4,399,508	5,247,760	3,423,721	339,874,351
\$ 5,621,754	\$ 6,903,478	\$ 12,698,864	\$ 4,525,166	\$ 6,682,912	\$ 4,468,074	\$ 385,873,353

# Connecticut Higher Education Trust Program Advisor Plan

## Supplemental Information

### Financial Highlights

For the Year Ended June 30, 2016

-- Selected Per-Share Data <sup>(1)</sup> --					-- Ratios and Supplemental Data --					
Class	Net Position Value at Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Net Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>CHET Advisor Age-Based Portfolio 0-8</b>										
Class A	\$ 15.77	\$ 0.13	\$ (0.67)	\$ (0.54)	\$ 15.23	(3.42)%	\$ 44,685	0.51%	0.89%	27%
Class C	15.22	0.02	(0.65)	(0.63)	14.59	(4.14)	16,045	1.26	0.12	27
Class E	15.96	0.17	(0.68)	(0.51)	15.45	(3.20)	6,612	0.26	1.13	27
<b>CHET Advisor Age-Based Portfolio 9-13</b>										
Class A	\$ 14.54	\$ 0.12	\$ (0.50)	\$ (0.38)	\$ 14.16	(2.61)%	\$ 50,011	0.51%	0.87%	17%
Class C	14.03	0.01	(0.47)	(0.46)	13.57	(3.28)	16,899	1.26	0.11	17
Class E	14.71	0.16	(0.51)	(0.35)	14.36	(2.38)	6,910	0.26	1.11	17
<b>CHET Advisor Age-Based Portfolio 14-15</b>										
Class A	\$ 13.73	\$ 0.14	\$ (0.34)	\$ (0.20)	\$ 13.53	(1.46)%	\$ 22,296	0.51%	1.08%	21%
Class C	13.25	0.04	(0.33)	(0.29)	12.96	(2.19)	8,367	1.26	0.34	21
Class E	13.90	0.18	(0.35)	(0.17)	13.73	(1.22)	2,567	0.26	1.32	21
<b>CHET Advisor Age-Based Portfolio 16-17</b>										
Class A	\$ 12.25	\$ 0.15	\$ (0.08)	\$ 0.07	\$ 12.32	0.57%	\$ 15,106	0.51%	1.29%	19%
Class C	11.81	0.06	(0.07)	(0.01)	11.80	(0.08)	10,986	1.26	0.53	19
Class E	12.39	0.19	(0.08)	0.11	12.50	0.89	3,297	0.26	1.53	19
<b>CHET Advisor Age-Based Portfolio 18+</b>										
Class A	\$ 11.05	\$ 0.11	\$ (0.01)	\$ 0.10	\$ 11.15	0.90%	\$ 12,271	0.51%	1.04%	44%
Class C	10.66	0.03	(0.01)	0.02	10.68	0.19	10,779	1.26	0.31	44
Class E	11.17	0.14	(0.01)	0.13	11.30	1.16	2,110	0.26	1.30	44
<b>CHET Advisor Aggressive Growth Portfolio</b>										
Class A	\$ 17.14	\$ 0.13	\$ (0.93)	\$ (0.80)	\$ 16.34	(4.67)%	\$ 7,142	0.51%	0.83%	9%
Class C	16.55	0.01	(0.90)	(0.89)	15.66	(5.38)	3,921	1.26	0.08	9
Class E	17.34	0.18	(0.94)	(0.76)	16.58	(4.38)	3,385	0.26	1.07	9
<b>CHET Advisor Conservative Portfolio</b>										
Class A	\$ 12.27	\$ 0.15	\$ (0.06)	\$ 0.09	\$ 12.36	0.73%	\$ 3,435	0.51%	1.27%	33%
Class C	11.85	0.06	(0.07)	(0.01)	11.84	(0.08)	2,917	1.26	0.52	33
Class E	12.42	0.20	(0.08)	0.12	12.54	0.97	340	0.26	1.61	33
<b>CHET Advisor Growth Portfolio</b>										
Class A	\$ 15.75	\$ 0.13	\$ (0.67)	\$ (0.54)	\$ 15.21	(3.43)%	\$ 16,050	0.51%	0.86%	18%
Class C	15.20	0.02	(0.65)	(0.63)	14.57	(4.14)	5,680	1.26	0.15	18
Class E	15.94	0.17	(0.68)	(0.51)	15.43	(3.20)	2,486	0.26	1.10	18

# Connecticut Higher Education Trust Program Advisor Plan

## Supplemental Information

### Financial Highlights

For the Year Ended June 30, 2016

-- Selected Per-Share Data <sup>(1)</sup> --					-- Ratios and Supplemental Data --					
Class	Net Position Value at Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Net Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>CHET Advisor Balanced Portfolio</b>										
Class A	\$ 13.99	\$ 0.11	\$ (0.46)	\$ (0.35)	\$ 13.64	(2.50)%	\$ 10,325	0.51%	0.84%	21%
Class C	13.51	0.01	(0.46)	(0.45)	13.06	(3.33)	6,714	1.26	0.10	21
Class E	14.16	0.15	(0.48)	(0.33)	13.83	(2.33)	1,679	0.26	1.10	21
<b>The Hartford Capital Appreciation 529 Portfolio</b>										
Class A	\$ 17.95	\$ 0.03	\$ (0.87)	\$ (0.84)	\$ 17.11	(4.68)%	\$ 4,109	0.51%	0.17%	8%
Class C	17.33	(0.09)	(0.85)	(0.94)	16.39	(5.42)	3,038	1.26	(0.56)	8
Class E	18.17	0.08	(0.89)	(0.81)	17.36	(4.46)	2,255	0.26	0.44	8
<b>CHET Advisor Checks &amp; Balances Portfolio</b>										
Class A	\$ 15.73	\$ 0.21	\$ (0.06)	\$ 0.15	\$ 15.88	0.95%	\$ 3,515	0.51%	1.35%	15%
Class C	15.18	0.09	(0.05)	0.04	15.22	0.26	2,382	1.26	0.62	15
Class E	15.92	0.25	(0.05)	0.20	16.12	1.26	548	0.26	1.63	15
<b>The Hartford Dividend and Growth 529 Portfolio</b>										
Class A	\$ 18.25	\$ 0.25	\$ 0.17	\$ 0.42	\$ 18.67	2.30%	\$ 7,392	0.51%	1.38%	8%
Class C	17.61	0.10	0.17	0.27	17.88	1.53	9,180	1.26	0.60	8
Class E	18.45	0.29	0.19	0.48	18.93	2.60	2,155	0.26	1.62	8
<b>Hartford Equity Income 529 Portfolio</b>										
Class A	\$ 17.85	\$ 0.34	\$ 0.93	\$ 1.27	\$ 19.12	7.11%	\$ 2,930	0.51%	1.89%	6%
Class C	17.23	0.19	0.90	1.09	18.32	6.33	1,635	1.26	1.11	6
Class E	18.06	0.39	0.95	1.34	19.40	7.42	579	0.26	2.16	6
<b>Hartford Global Real Asset 529 Portfolio</b>										
Class A	\$ 9.02	\$ 0.06	\$ (0.54)	\$ (0.48)	\$ 8.54	(5.32)%	\$ 122	0.51%	0.78%	9%
Class C	8.89	(0.01)	(0.53)	(0.54)	8.35	(6.07)	147	1.26	(0.18)	9
Class E	9.06	0.08	(0.54)	(0.46)	8.60	(5.08)	104	0.26	0.99	9
<b>The Hartford Growth Opportunities 529 Portfolio</b>										
Class A	\$ 21.85	\$ (0.05)	\$ (0.41)	\$ (0.46)	\$ 21.39	(2.11)%	\$ 5,040	0.51%	(0.24)%	7%
Class C	21.09	(0.20)	(0.40)	(0.60)	20.49	(2.84)	2,205	1.26	(1.00)	7
Class E	22.11	-	(0.41)	(0.41)	21.70	(1.85)	1,043	0.26	0.01	7
<b>The Hartford Inflation Plus 529 Portfolio</b>										
Class A	\$ 10.80	\$ (0.05)	\$ 0.31	\$ 0.26	\$ 11.06	2.41%	\$ 1,748	0.51%	(0.51)%	17%
Class C	10.43	(0.13)	0.29	0.16	10.59	1.53	1,522	1.26	(1.26)	17
Class E	10.93	(0.03)	0.31	0.28	11.21	2.56	307	0.26	(0.26)	17

# Connecticut Higher Education Trust Program Advisor Plan

**Supplemental Information**  
**Financial Highlights**  
**For the Year Ended June 30, 2016**

-- Selected Per-Share Data <sup>(1)</sup> --					-- Ratios and Supplemental Data --					
Class	Net Position Value at Beginning of Year	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Net Position Value at End of Year	Total Return Based on Net Position Value per Unit	Net Position at End of Year (000's)	Ratio of Net Expenses to Average Net Position	Ratio of Net Investment Income (Loss) to Average Net Position	Portfolio Turnover <sup>(2)</sup>
<b>The Hartford International Opportunities 529 Portfolio</b>										
Class A	\$ 13.40	\$ 0.08	\$ (1.16)	\$ (1.08)	\$ 12.32	(8.06)%	\$ 3,033	0.51%	0.64%	9%
Class C	12.93	(0.02)	(1.11)	(1.13)	11.80	(8.74)	1,764	1.26	(0.16)	9
Class E	13.55	0.11	(1.16)	(1.05)	12.50	(7.75)	824	0.26	0.90	9
<b>The Hartford MidCap 529 Portfolio</b>										
Class A	\$ 19.82	\$ (0.10)	\$ (0.14)	\$ (0.24)	\$ 19.58	(1.21)%	\$ 3,298	0.51%	(0.51)%	6%
Class C	19.13	(0.23)	(0.14)	(0.37)	18.76	(1.93)	2,215	1.26	(1.26)	6
Class E	20.05	(0.05)	(0.14)	(0.19)	19.86	(0.95)	1,391	0.26	(0.26)	6
<b>CHET Advisor Money Market 529 Portfolio</b>										
Class A	\$ 10.00	\$ 0.02	\$ -	\$ 0.02	\$ 10.02	0.20%	\$ 4,177	<sup>(3)</sup> %	0.24%	26%
Class C	10.00	0.02	0.01	0.03	10.03	0.30	6,400	<sup>(3)</sup>	0.23	26
Class E	10.00	0.02	-	0.02	10.02	0.20	2,122	<sup>(3)</sup>	0.23	26
<b>Hartford SmallCap Growth 529 Portfolio</b>										
Class A	\$ 20.69	\$ (0.10)	\$ (1.82)	\$ (1.92)	\$ 18.77	(9.28)%	\$ 2,640	0.51%	(0.51)%	6%
Class C	19.96	(0.23)	(1.76)	(1.99)	17.97	(9.97)	1,122	1.26	(1.26)	6
Class E	20.93	(0.05)	(1.84)	(1.89)	19.04	(9.03)	763	0.26	(0.25)	6
<b>The Hartford Total Return Bond 529 Portfolio</b>										
Class A	\$ 11.54	\$ 0.30	\$ 0.22	\$ 0.52	\$ 12.06	4.51%	\$ 3,070	0.51%	2.57%	11%
Class C	11.13	0.20	0.22	0.42	11.55	3.77	2,873	1.26	1.82	11
Class E	11.67	0.33	0.23	0.56	12.23	4.80	740	0.26	2.82	11
<b>Hartford World Bond 529 Portfolio</b>										
Class A	\$ 10.33	\$ 0.03	\$ 0.23	\$ 0.26	\$ 10.59	2.52%	\$ 718	0.51%	0.31%	12%
Class C	10.18	(0.04)	0.22	0.18	10.36	1.77	3,067	1.26	(0.39)	12
Class E	10.37	0.06	0.23	0.29	10.66	2.80	683	0.26	0.61	12

(1) Information presented relates to a unit outstanding throughout the indicated period.

(2) Portfolio turnover rate is calculated on the basis of the portfolio as a whole without distinguishing between the class of shares issued.

(3) As of June 30, 2016 the CHET Advisor Plan Manager is waiving the Plan Manager, Administration, and Distribution fees. If these fees were included, the ratio of expenses to average net assets would be as follows: 0.51% (Class A), 1.26% (Class C), and 0.26% (Class E).



# Connecticut Higher Education Trust Program Advisor Plan

## Independent Auditors' Report

### 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*

To the Board of Trustees of the Connecticut Higher Education Trust  
Hartford, Connecticut

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 governmental activities of the Connecticut Higher Education Trust Program Advisor Plan (the "Plan") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated September 23, 2016.

#### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

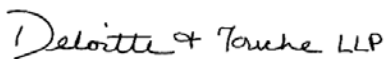
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

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



Jericho, NY  
September 23, 2016