

Minutes of the Meeting
of the
College Savings Program Board

Held in the MacArthur Conference Room, Tenth Floor
Department of Administration Building
101 E. Wilson Street; Madison, Wisconsin

October 19, 2011
1:00 p.m.

MEMBERS PRESENT: *Darling [by phone], Johnson, Oemichen [by phone], Sheehy [by phone], Wegenke [by phone], Zylstra [by phone].*

MEMBERS EXCUSED: *Adamski and Durcan*

OTHERS PRESENT: *Michael Wolff, DOA; Shane Martwick (by phone), Wells Fargo Funds; Lynda Graham and Lauren DiPrizio [by phone], KPMG, LLP., Yelena Radich [Sen. Darling's office, by phone] and Jim DiUlio [by phone].*

I. Call to Order and Roll Call – The meeting was called to order with a quorum at 1:00 p.m. by Board Chair Oemichen. (See above for attendance.)

II. Approval of Agenda - Staff reported that the meeting agenda was properly posted for the public. The Chair asked for approval of the Agenda. Motion by Wegenke, second by Sheehy to approve. Motion passed unanimously by voice vote.

III. Public Presentations – There were none requested.

IV. Approval of Minutes – The approval of the Board's last meeting on August 15 and this meeting will be deferred to the next regular meeting on November 14.

V. Administrative Reports

- A. Board Chair Comments** – None today.
- B. Department of Administration** – None today.
- C. Program Director Comments** – None today.
- D. Manager [Wells Fargo] Comments** – None today.

VI. Old Business – None today.

VII. New Business

Report of the Independent Auditor – Financial Audit for Fiscal Year 2010-2011

Lynda Graham and Lauren DiPrizio of KPMG, LLP presented highlights of their recent work, referring to their summary book presented to the Board's members. Their review of the portfolios of both plans, EdVest and tomorrow's scholar, were completed in accordance with established accounting standards. Their book included the required letters of engagement, auditors report, and management representation letter.

Ms Graham and Ms DiPrizio began with an overview of the process, including the favorable results overall and good cooperation from management and service providers. She said their study of the internal controls did not detect any material weaknesses,

resulting in an unqualified audit report. There were no disagreements with management on financial accounting and reporting matters and there were no limitations on the scope or access to personnel and accounting records. The control environment at Wells Fargo Funds Management and the servicing agents did not disclose any weaknesses.

The financial section of the audit has been moved to an earlier part of the report, and KPMG issues an unqualified opinion on the portfolios' financial statements. They comply with U.S. generally accepted accounting principles. Further audit tests did not raise any significant audit issues. No new accounting pronouncements or nonroutine transactions occurred during the period.

They then reviewed the required communications with the Board, showing no discrepancies or items of note.

Johnson asked questions relating to the auditors' relationship with the Legislative Audit Bureau. *Graham* responded that their work was primarily with Wells Fargo, but with the agreed-upon procedures. *DiUlio* added that *Bryan Naab* at LAB welcomed our lead in obtaining the needed documents and data for the audit, and has been informed during the process.

DiPrizio and *Graham* said the process worked smoothly from KPMG's perspective, and appreciated the engagement.

Motion by *Wegenke*, second by *Zylstra*: Move to accept the report of the independent auditor for fiscal year 2010-2011, as presented. Motion passed unanimously by voice vote.

VIII. Other Announcements – The Investment Advisory Committee and the Board will both meet on Monday, November 14—the Committee at 11:00 a.m. and the Board at 1:00 p.m., with a catered lunch break. *Johnson* invited all Board members to attend the Committee's meeting, to meet and work with our new investment consultants from Callan Associates. Both meetings will take place at the DOA Building, 101 E. Wilson Street in Madison.

IX. Adjournment — Motion to adjourn the meeting by *Johnson* second by *Darling*. Motion passed unanimously by voice vote.

Adjourn at 1:40 p.m.