

Minutes of the Meeting of the College Savings Program Board

Held in the State Treasurer's Conference Room, Third Floor
1 South Pinckney Street
Madison, Wisconsin

October 13, 2010
1:15 p.m.

MEMBERS PRESENT: *Adamski, Cook, Darling [by phone], Durcan [by phone], Sass [by phone], and Liza Simon for Dr. Wegenke.*

MEMBERS ABSENT: *Johnson, Oemichen, Plale, Rosen, and Sheehy*

OTHERS PRESENT: Michael Wolff, DOA; Sarah Henriksen and Shane Martwick (by phone), Wells Fargo Funds; Jessica Pautzke, Treasurer's Office; Connie Schulze, Sen. Darling's staff; Matt Tomasicchio and Sean Seefelt [by phone], KPMG, LLP. and Jim DiUlio

I. Call to Order and Roll Call – The meeting was called to order with a quorum at approximately 1:30 p.m. by Board Chair *Darling*. (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 *Cook*, second by *Durcan* to approve. Motion passed unanimously by voice vote.

III. Public Presentations – There were none requested.

IV. Approval of Minutes – The approval of the last meeting's minutes will be added to the Board's next meeting agenda

V. Administrative Reports

A. Board Chair Comments – None today.

B. State Treasurer Comments – *Sass* reported that the annual contests related to higher education day are now open. Coloring, writing, and photo/video projects are set and regional and state winners will receive EdVest starter accounts ranging from \$250 to \$2,500. This is the fifth year the program has conducted this popular statewide promotion.

C. Program Director Comments – *DiUlio* had two announcements for information only. On September 27, United Corporate Credit Union and two others were taken over by the federal NCUA. Their relationship with our program is that of the wholesaler, placing CDs with the local CUs. We have been in contact with NCUA, reminding them of our relationship. There does not appear to be any fiduciary situation affecting us, and we watch as events occur. Secondly, it is likely that the Strong Funds settlement check will arrive before the end of the year. The mechanism to handle the funds has been worked out with the state controller.

DiUlio also acknowledged the proactive role of Wells Fargo Funds in responding to this year's 120-day SEC Audit Rule change. The approach we have taken is the most conservative and safest as we comply with the new reporting deadlines later this month. Also, the cooperation of KPMG's staff working on a tight timeline is appreciated. We will pursue steps with other 529 state programs to return to the previous rule.

D. Manager [Wells Fargo] Comments – None today.

VI. Old Business

Strong Funds Settlement – Awaiting action by SEC.

VII. New Business

Report of the Independent Auditor – Financial Audit for Fiscal Year 2009-2010

Matt Tomasicchio and Sean Seefeldt 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.

The overall audit results were favorable, and they received good cooperation from management and service providers. The audit report is unqualified and the study of internal controls did not detect any material weakness in those controls. 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.

During the audit year, the 529 plans converted fund accounting and custody from PNC and Wells Fargo Bank NA, respectively, to State Street Bank. Control testing, accounting, and additional audit procedures were conducted both pre- and post-conversion. A review of tax status, recomputation, and analytical analysis have not raised any significant issue. The portfolios' financial statements receive an unqualified opinion with respect to generally accepted accounting principles in the United States.

Both Matt and Sean expressed their appreciation to the Board and staff, along with Wells Fargo and related companies for engaging KPMG, LLP, to conduct this year's audit.

Motion by *Darling*, second by *Cook*: Move to accept the audit report of Wisconsin's College Savings Program for the fiscal year 2009-2010. Motion passed unanimously by voice vote.

VIII. Other Announcements – The Investment Advisory Committee will meet on Tuesday, November 2, and the full Board will meet on Monday November 8. Both meetings will begin at 1:00 p.m. in the State Treasurer's Conference Room.

IX. Adjournment — Motion to adjourn the meeting by *Simon*, second by *Cook*. Motion passed unanimously by voice vote.

Adjourn at 2:10 p.m.