

The Board of Trustees of the West Virginia College and Jumpstart Savings Programs

Board of Trustees Audit Committee Meeting Minutes

Microsoft TEAMS Meeting

October 7, 2025

1:00 p.m.

The Audit Committee Meeting of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs was called to order on Wednesday, October 7, 2025, at 1:00 p.m. A silent roll call was taken, and a quorum was established. The following members were present: Phillip Uy (Chair), Phyllis Arnold, and Brian Weingart. Dr. Bonny Copenhaver was absent.

The following representatives of Brown, Edwards & Company L.L.P. attended: Rob Adams, Stephen Linkous.

The following WVSTO staff members attended: Steve Bohman, Betsy Chapman, Amy Hamilton, Lisa Rutherford, and Karl Shanholtzer.

The agenda consisted of the following:

- I. Approval of the minutes of the May 12, 2025 Audit Committee meeting
- II. Internal Audit presentation of Risk Assessment review
- III. Presentation of FY2025 Audited Financial Statements of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs and related communications by independent auditors Brown, Edwards & Company L.L.P.
- IV. Review of Audit Committee Charter and duties

Adjournment

Agenda Item I. Approval of the minutes of the May 12, 2025 Audit Committee Meeting

The first order of business on the agenda was the approval of the minutes from the May 12, 2025, Audit Committee Meeting. The minutes were previously circulated with the Board packet. As there were no additions or corrections to the minutes, a motion to accept the minutes was made by Brian Weingart and seconded by Phyllis Arnold. There being no discussion, the Chair polled the members, and the minutes were approved as presented.

Agenda Item II. Internal Audit presentation of Risk Assessment Review

The Chair indicated the next agenda item was a presentation from the WVSTO Internal Auditor regarding the risk assessment review process. The Chair recognized Lisa Rutherford, to give the presentation.

Ms. Rutherford stated the Risk Assessment for the SMART529 and Jumpstart Savings Programs was completed in September 2025. The objectives of the review were to:

- Review and update the annual SMART529 Savings Plan and Jumpstart Savings Plan risk assessment questionnaires.
- Review and update vendor questionnaires performed for contracting and monitoring of related vendor/third-party service providers for both programs.
- Review reports of the most recently available external financial audit reports including reports on internal control over financial reporting and tests of compliance.

Ms. Rutherford stated there are three different areas included in the assessment which are information security (both electronic and physical), financial information, and fraud areas. There is also a data network system review done during the annual IT risk assessment and that corresponding tab is copied into all the other assessments once complete.

Ms. Rutherford reported the contract for Jumpstart Savings Program through June 30, 2025 was United Bank, but she noted that this will be converted to the new recordkeeping vendor and there will be the option for investment in the BTI Money Market Pool.

Ms. Rutherford states there were no significant issues noted during the audit. Based on work performed, procedures are deemed satisfactory. The overall score for the Jumpstart Savings Program was 6.89 indicating a medium risk. The overall score for the SMART529 Savings Program was 7.17, indicating a medium risk. A reason for the jump in scores from the prior year was due to change in management for the Savings Programs with Betsy Chapman as the new Assistant Treasurer and the Jumpstart Program also had a change with Annie Norrod being the new Director. Both programs are considered medium risk due to the level of private data handled by second party vendors and in limited instance by the WVSTO.

For third party vendor service reviews, there is a one-time review of the contract specifications, the RFP and evaluation process, and the creation of the new agreement or contract. The annual Risk Assessment process determines if there were any change orders to the contract, renewals and the current expiration date of all contracts. A review of current insurance certificates has also been completed.

The Chair asked if there were any questions, hearing none, the Chair moved to the next agenda item.

Agenda Item III. Presentation of FY2025 Audited Financial Statements of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs and related communications by independent auditors Brown, Edwards & Company L.L.P.

The Chair advised the next agenda item pertains to 2025 Audit Information. The Chair asked Betsy Chapman, WVSTO Assistant Treasurer, to introduce the representatives from Brown Edwards, Certified Public Accountants. Rob Adams and Stephen Linkous were in attendance.

Mr. Adams provided an overview of the letter in regard to Required Communications with Those Charged with Governance. He stated this is essentially the audit wrap-up letter. He noted that Brown Edwards performs the audit for all the Board's funds except for the College Savings Plan, which is audited by Deloitte. Mr. Adams indicated there were no significant issues with the audit and he appreciated the cooperation of staff. There were no past audit adjustments or major rewrites. Pending Audit Committee approval and signature of the Management Representation Letter, the audit can be released.

Mr. Adams noted that there were no material weaknesses or significant deficiencies noted during the audit. Brown Edwards does not give an opinion on Required Supplementary Information but is responsible for clerical accuracy and obvious mistakes. The financial statements as a whole received an unmodified opinion, which is the highest level of assurance.

Mr. Adams noted there was a new GASB Statement to implement which was Statement No. 101 – Compensated Absences which didn't have a significant effect to the financial statements as of June 30, 2025.

Mr. Adams noted there was one uncorrected misstatement. In the OPEB plan last year, there were no contributions related to any specific individual employees allocated. Because there were no PAYGO premiums paid last year, there was a remaining balance sheet classification for OPEB deferred outflows, deferred inflows and OPEB asset. To eliminate these from the balance sheet, \$3,941 was pushed through OPEB expense to basically write off the fact that there were no employees allocated in the previous year.

Mr. Adams directed the Board to page 13 of the financial statements and pointed out there is a healthy total net position for the Savings Programs administrative account. On page 16, the private purpose trust funds also have a healthy total net position.

Mr. Adams pointed out the footnote related to Compensated Absences was the only footnote that changed for FY2025. The only change to this footnote is the presentation. It still shows the current and noncurrent portions of liability, but it now shows the net change in balances from year to year.

Hearing no additional questions, the Chair asked for a motion to accept the FY25 Audited Financial Statements and all related communications. Mr. Weingart made the motion, and Ms. Arnold seconded the motion. There being no discussion, the members were polled, and the motion carried.

Agenda Item IV. Review of Audit Committee Charter and Duties

Moving to the final agenda item, the Chair recognized Assistant Treasurer, Betsy Chapman, to review the Audit Committee Charter. Ms. Chapman noted the Charter was last updated on November 7, 2023, and reviewed in 2024. Section 5, Other Responsibilities, requires that the Audit Committee review and assess the adequacy of the Charter annually. The Charter also calls for the Audit Committee to confirm annually that the responsibilities in the Charter have been carried out. To assist the Committee, Ms. Chapman reviewed the various sections of the Charter found in Tab 5 of the Board Packet.

The first section outlines the purpose of the Audit Committee and the Committee's primary duties and responsibilities which are listed as:

- Adopt and implement the Audit Committee Charter (the Charter).
- Serve as an independent and objective party to monitor the financial reporting process and internal control system.
- Provide oversight of the internal auditors' qualifications and independence.
- Review and appraise the audit efforts of the internal auditors.
- Provide an open avenue of communications among the external auditors, management, internal auditors, and the Board.

This section further highlights the importance of the WVSTO's Internal Audit division and how they support the Board in this role.

Section two outlines the Board's authority to conduct or authorize investigations into any matters within its scope or responsibility. Section three outlines the composition of the Committee – 4 members appointed by the Chairman of the Board, with a Committee Chair elected by the majority vote of the full Committee membership.

Section four relates to meetings, with a requirement that the Committee meet at least annually with other meetings as circumstances dictate.

Section five outlines in detail the responsibilities and duties of the Committee in the following areas:

- Financial Statements and Reporting, which includes reviewing and accepting the audited financial statements, management letter, and all other required auditor communications on behalf of the Board, reviewing Internal Audit reports, and making recommendations to the Board as needed in these areas.
- Internal and External Audit which includes reviewing audit plans, the management letter, the performance of the external auditors, and any other external auditor reports.
- Financial Reporting Process, which includes reviewing various aspects of the financials and the external audit report with the external auditors.

- Ethical and Legal Compliance, which includes monitoring compliance with the Ethics Act and any legal matter that could have a significant impact on the Board's financial statements.
- Internal Control, which includes reviewing the internal control system with the external auditors and understanding the scope of the audit review on internal control over financial reporting.
- Other Responsibilities, which includes reporting to the full Board the actions of the committee, providing an open avenue of communication among relevant parties, and ensuring a whistleblower policy is in place.

As a reminder, the Audit Committee met previously on May 12, 2025. During that spring meeting, the Audit Committee considered the Auditor's Engagement Letter and reviewed the Auditor's Planning Communication Letter. Lindsay Marchio from the WVSTO Legal division presented on legal matters and the whistleblower process, and Amy Hamilton presented on the monitoring process for the WV Ethics Act. Today, the Audit Committee heard a presentation from the WVSTO's Internal Auditor regarding the assessment of the SMART529 and Jumpstart Savings Programs as well as presentation from Brown Edwards regarding the results of the financial statement audit for the year ended June 30, 2025. Tab 6 of the packet includes the Brown Edwards report regarding their observation of drawing for the winner of the Fund the Future sweepstakes drawing dated May 19, 2025.

In conclusion, Ms. Chapman stated Board staff have no recommended changes to the language contained in the Audit Committee Charter. Further, Board staff believes that the duties outlined in the Audit Committee Charter have been fulfilled for the year ended June 30, 2025.

The Chair asked for questions. Ms. Arnold asked for an organizational chart as it relates to this area so the Board can understand how there is one less employee to cover the same amount of work as has been previously done by the Finance Director who retired in June and the Assistant Treasurer. Ms. Arnold asked for an explanation of what the organization looks like and how all the different responsibilities are being handled and asked what kind of staff Ms. Rutherford has in the Internal Auditor Division. Ms. Hamilton stated an organizational chart would be provided. Ms. Chapman explained when she was hired, the Financial Director's duties were rolled into her duties as the Assistant Treasurer of the Savings Programs and she is able to oversee the programs in addition to performing the financial reporting duties. Ms. Rutherford stated she has two additional staff in her department and will begin training them on the SMART529 and Jumpstart Savings Programs. Ms. Arnold also asked if a substantial amount of overtime was being worked to fulfill the duties and both Ms. Hamilton and Ms. Chapman stated no, they were not working a lot of overtime.

Hearing no further questions, the Chair asked for a motion to confirm the annual review of the Audit Committee Charter has been completed and that no changes are needed to the Charter at this time. A motion was made by Mr. Weingart and seconded by Ms. Arnold. There being no discussion, the members were polled, and the motion carried.

The Chair also noted that in accordance with the Audit Charter, the Chair held separate discussions (independent of management) with the independent auditors and WVSTO Legal Counsel to determine if there were any matters to be brought to the Committee's attention. No issues were identified during those discussions.


That being stated, the Chair asked for a motion to confirm the responsibilities outlined in the Charter were carried out for fiscal year ended June 30, 2025. The motion was made by Ms. Arnold and seconded by Mr. Weingart. There being no discussion, the members were polled, and the motion carried.

Adjournment

The Chair asked if there was further business to be brought before the Board. Hearing none, Mr. Weingart moved the meeting be adjourned and the motion was seconded by Ms. Arnold. Hearing no discussion, the members were polled, and the motion carried. The Chair declared the meeting adjourned at 1:44 p.m.

Prepared by: Amy Hamilton
Committee Approval Date: 5/6/26

Submitted by:



Phillip Uy, Chair