

CollegeCountsSM

Alabama's 529 Fund

ADVISOR PLAN

Accountants' Report and Financial Statements

September 30, 2011



Offered by the
State of Alabama

UBT 529 Fund Services a Division of



Program Manager

CollegeCounts 529 Fund Advisor Plan
September 30, 2011

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Independent Accountants' Report

Members of the Board of Trustees of CollegeCounts 529 Fund Advisor Plan
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)
Montgomery, Alabama

We have audited the accompanying statement of fiduciary net assets and statement of changes in fiduciary net assets of the CollegeCounts 529 Fund Advisor Plan (the Plan), as of September 30, 2011, and for the year then ended. These financial statements are the responsibility of the Program Manager and the Board of Trustees (collectively, hereinafter referred to as "management of the Plan"). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CollegeCounts 529 Fund Advisor Plan as of September 30, 2011, and the changes in net assets for year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, on our consideration of the Plan's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BKD, LLP

December 15, 2011

CollegeCounts 529 Fund Advisor Plan Management's Discussion and Analysis

The following is a discussion and analysis of the financial performance of the State of Alabama's CollegeCounts 529 Fund Advisor Plan (the "Plan") as of September 30, 2011, and for the year then ended. CollegeCounts 529 Fund assets are held in the Alabama College Education Savings ("ACES") Trust Fund. Union Bank & Trust Company ("Union Bank") manages the CollegeCounts 529 Fund under a Program Management Agreement with the Board of Trustees of the ACES Trust Fund. The CollegeCounts 529 Fund is intended to be a qualified state tuition program under Section 529 of the Internal Revenue Code. The CollegeCounts 529 Fund was created pursuant to an Alabama statute to encourage the investment of funds to be used for qualified higher education expenses at eligible educational institutions.

Financial Highlights

The following financial highlights occurred during the year ending September 30, 2011:

- The Plan had contributions of \$101.3 million, exchanges within Plan funds of \$163.4 million, and withdrawals of \$81.8 million during the year;
- At September 30, 2011, the Plan's net assets totaled \$637.1 million, an increase of \$10.3 million since September 30, 2010;
- The Plan earned \$17.9 million from investment income and recognized \$(21.1) million from net realized gain (loss) and net appreciation (depreciation) in fair value of investments during the year. The Plan incurred \$6.0 million for operating expenses during the year.

Overview of the Financial Statements

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

This report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements consist of a Statement of Fiduciary Net Assets, a Statement of Changes in Fiduciary Net Assets and Notes to the Financial Statements that explain some of the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Assets presents information on the Plan's assets and liabilities, with the difference between the two reported as net assets as of September 30, 2011. This statement is 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 received or paid.

The Statement of Changes in Fiduciary Net Assets presents information showing how the Plan's net assets changed during the year ending September 30, 2011, another important factor that needs to be considered in order to determine the financial health of the CollegeCounts 529 Fund. This statement presents information showing how the plan's net assets changed during the year ending September 30, 2011 based on activities from securities transactions and market activity. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The Notes to the Financial Statements provide additional information that is integral to a full understanding of the data provided in the basic financial statements. As a fiduciary fund, the CollegeCounts 529 Fund Trust assets do not represent discretionary assets of the State of Alabama to finance its operations. CollegeCounts 529 Fund Trust assets can only be used for the benefit of account owners and beneficiaries of the Plan.

Financial Analysis

Net Assets

The following is a condensed Statement of Fiduciary Net Assets for the Program as of September 30, 2011:

Assets	
Investments, at fair value	\$ 638,341,736
Cash	156,517
Receivables for contributions	684,277
Accrued investment income	<u>323,785</u>
Total Assets	<u>639,506,315</u>
Liabilities	
Distributions payable to shareholders	332
Withdrawals payable	1,181,331
Accrued expenses	<u>1,221,500</u>
Total Liabilities	<u>2,403,163</u>
Net Assets Held in Trust	<u>\$ 637,103,152</u>

Investments make up more than 99% of total net assets, and consist of 28 Investment Portfolios, each of which is invested in one or more underlying mutual funds. Net assets represent cumulative contributions from participants plus net increases from operations less redemptions and expenses. Other assets consist of receivables for securities sold, receivables for units sold and receivables for accrued income. Liabilities consist of payables for securities purchased, payables for withdrawals, payables for reinvestment of net investment income and payables for accrued expenses.

Changes in Fiduciary Net Assets

The following is a condensed Statement of Changes in Fiduciary Net Assets for the year ended September 30, 2011:

Additions:	
Contributions	\$ 101,320,710
Exchanges in	163,434,590
Dividends and interest	<u>17,850,935</u>
Total Additions	<u>282,606,235</u>
Deductions:	
Withdrawals	81,755,489
Exchanges out	163,434,590
Management fees	<u>6,021,686</u>
Total Deductions	<u>251,211,765</u>
Net Realized Gain (Loss) and Net Depreciation in Fair Value of Investments	<u>(21,076,250)</u>
Net Increase	10,318,220
Net Assets Held in Trust, Beginning of Year	<u>626,784,932</u>
Net Assets Held in Trust, End of Year	<u>\$ 637,103,152</u>

CollegeCounts 529 Fund Advisor Plan
Statement of Fiduciary Net Assets
September 30, 2011

Assets

Investments, at fair value	\$ 638,341,736
Cash	156,517
Receivables for contributions	684,277
Accrued investment income	<u>323,785</u>
Total assets	<u>639,506,315</u>

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Distributions payable to shareholders	332
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Accrued expenses	<u>1,221,500</u>
Total liabilities	<u>2,403,163</u>

Net Assets Held in Trust \$ 637,103,152

CollegeCounts 529 Fund Advisor Plan
Statement of Changes in Fiduciary Net Assets
For the Year Ended September 30, 2011

Additions	
Contributions	\$ 101,320,710
Exchanges in	163,434,590
Investment income	
Dividends and interest	<u>17,850,935</u>
Total additions	<u>282,606,235</u>
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Net Assets Held in Trust, End of Year	<u><u>\$ 637,103,152</u></u>

CollegeCounts 529 Fund Advisor Plan

Notes to the Financial Statements

September 30, 2011

Note 1: Description of the Plan

The following provides a brief description of the CollegeCounts 529 Fund Advisor Plan (the Plan). For more information about the Plan, call 866.529.2228 or visit www.CollegeCounts529advisor.com to obtain a Disclosure Statement.

General

The Plan is one of two college savings plans offered by the Alabama College Education Savings (ACES) Program (the Program) to help individuals and families save for higher education costs. This Plan and the CollegeCounts 529 Fund, which were established as authorized under the Wallace Folsom College Savings Investment Plan Act, 16-33C-1 to 16-33C-13 of the Code of Alabama 1975, as amended from time to time, are designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued there under (Section 529). The Board of Trustees of the ACES Trust Fund (the Board) administers the Program and has oversight responsibility for establishing rules and regulations governing operation of the plans, overseeing the administration of the plans and ensuring that the plans comply with state and federal laws and regulations. The Board acts as trustee of the Plan and is responsible for the overall administration of the Program. The Board has delegated day-to-day administration of the Program to the Alabama State Treasurer.

Plan assets are held for the benefit of account owners and their designated beneficiaries in the CollegeCounts 529 Fund Advisor Plan, thereby ensuring the assets of the Plan can only be used for the benefit of account owners and their beneficiaries and cannot be used by the State of Alabama to finance its operations.

These financial statements present only the activities and balances attributable to the CollegeCounts 529 Fund Advisor Plan and do not include any balances or activities attributable to the CollegeCounts 529 Fund.

Plan Administration

UBT 529 Fund Services (Union Bank), a division of Union Bank & Trust Company (the Program Manager), serves as the agent responsible for the custody of the Plan's assets. The Program Manager has engaged Wilshire Associates, Inc. (Wilshire) to advise with respect to the structures, underlying investments, and asset allocations of the Plan.

CollegeCounts 529 Fund Advisor Plan

Notes to the Financial Statements

September 30, 2011

Note 2: Significant Accounting Policies

Basis of Accounting

The Plan prepares its financial statements in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The Plan's financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America applicable to special-purpose governments engaged in fiduciary activities. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Investments

The Plan's investment alternatives are made available through investment portfolios (the Portfolios), each of which represents a separate, segregated portfolio of investments in mutual funds (the Underlying Funds). The asset allocations for each Portfolio are recommended by the Board of Trustees in consultation with the Program Manager and Wilshire.

Investments in the Underlying Funds are valued at the closing net asset value per share of each Underlying Fund determined as of the close of the New York Stock Exchange on the day of valuation, which approximates fair value. Net realized and unrealized gains and losses are reported as net appreciation or depreciation in fair value of investments in the Statement of Changes in Fiduciary Net Assets. Purchases and sales of Underlying Fund shares are recorded on a trade date basis. Dividend income and any capital gain distributions are recorded on the ex-dividend date as an accrual and are automatically reinvested in additional shares of the respective Underlying Fund.

Cash

Cash generally includes account owner contributions that have not been invested in Underlying Funds or redemption proceeds from Underlying Funds that have not yet been distributed in accordance with account owner instruction. These transactions are processed through the Program Manager. The financial institution holding these accounts is participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2012, all non interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account.

Distributions Payable to Shareholders

Distributions payable to shareholders represent income distributions from money market investment funds that have not yet been distributed in accordance with each account owner's instruction.

CollegeCounts 529 Fund Advisor Plan

Notes to the Financial Statements

September 30, 2011

Note 2: Significant Accounting Policies - Continued

Contributions

Individuals or entities that have properly executed an enrollment form with the Plan may establish an account to which cash contributions may be made, subject to certain account balance limitations. Contributions received prior to the close of the New York Stock Exchange are recorded as increases in net assets on the date they are received, provided that all related documentation is found to be in good order. Contributions are reported net of applicable initial sales charges, as more fully discussed in Note 4.

Account owners may elect to invest their contributions in one or more of several different investment options, which are Individual Fund Portfolios, Age-Based Portfolios, Target Portfolios or based upon the account owner's investing preference and risk tolerance. The investment options are composed of mutual funds and one money-market fund offered by PIMCO, BlackRock, T. Rowe Price, Northern Funds, Fidelity, American Century, William Blair Funds, Lazard, Neuberger Berman, Lord Abbett, or Harbor Funds ("Investment Managers").

The Individual Fund Portfolios consist of 18 single mutual funds and one money market fund. The six Target Portfolios are allocated among equity, real estate, fixed income, and money market securities. These allocations are maintained over the life of the account.

The account owner may also choose from three Age-Based options, which are a simplified approach to college investing. These have been designed by the Program, the Program Manager, and Wilshire to allow account owners to select a Portfolio based upon the beneficiary's age and risk tolerance. Money invested in these investment options is allocated to individual Target Portfolios and is automatically adjusted annually over time to become more conservative as the beneficiary's year of enrollment in college draws nearer.

The Plan offers Class A, C, and F Units for each investment option. The Plan only offers Class B units to account owners who acquired Class B units prior to the transition of the Plan from the Higher Education 529 Fund. Each class of units has different fee structures as outlined in the Note 4. A full description of the respective fees associated with each class of units is located in the Program Disclosure Statement.

Contributions by a participant are evidenced through the issuance of units in a particular Portfolio. These units are municipal fund securities. Although money contributed to the Plan is invested in portfolio options that hold mutual funds, the Plan units themselves are not direct investments in these investments. The units issued by the Plan are not insured by the FDIC, the Program Manager, the Distributor, or the State of Alabama nor have they been registered with the Securities and Exchange Commission or any state commission. Although the account owners can direct the portfolio options in which their contributions are invested, they cannot direct the selection or allocation of the Underlying Funds comprising each portfolio option.

CollegeCounts 529 Fund Advisor Plan
Notes to the Financial Statements
September 30, 2011

Note 2: Significant Accounting Policies - Continued

Withdrawals

Account owners may request withdrawals for qualified or nonqualified expenses. It is the responsibility of the account owner to determine whether the withdrawal is for qualified or nonqualified purposes and to calculate the applicable amount of federal or state tax or penalties for nonqualified withdrawals, if any. Withdrawals are recorded as deductions from net assets on the date the withdrawal request is found to be in good order and approved for payment. Withdrawals, as presented on the Statement of Changes in Fiduciary Net Assets, include annual account fees and contingent deferred sales charges, as more fully discussed in Note 4.

Unit Valuation

Each account owner's full and/or fractional interest in a portfolio option is evidenced by a unit. The net asset value of a unit in a portfolio option is calculated daily based on the fair market value of the Underlying Funds, adjusted for the effects of such transactions as accrued administrative fees, contributions and withdrawal requests that have been approved but have not yet been processed, and investment income that has not been reinvested in the Underlying Funds. The value of any individual account is determined by multiplying the number of units in a portfolio attributable to that account holder by the net asset value per unit of that portfolio.

Exchanges

As explained above, for each of the Age-Based Options, account balances will automatically be exchanged from one portfolio to another more conservative portfolio as the beneficiary gets older. In addition, subject to certain limitations and restrictions, account owners may generally direct that their account balance be reinvested in a different portfolio option one time each year. The transfers of funds between portfolios are referred to as "exchanges." The amounts of contributions and withdrawals reported in the Statement of Changes in Fiduciary Net Assets do not include these exchanges, as they have no impact on the overall financial position of the Plan.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

CollegeCounts 529 Fund Advisor Plan
Notes to the Financial Statements
September 30, 2011

Note 3: Investments

The Underlying Fund allocations at September 30, 2011 are as follows:

Portfolio	Investment	Balance
American Century Equity Growth 529 Portfolio	American Century Equity Growth Fund	\$ 331,707
BlackRock Cash Funds 529 Portfolio	BlackRock Cash Funds	7,196,146
BlackRock Inflation Protected Bond 529 Portfolio	BlackRock Inflation Protected Bond Fund	1,327,278
Fidelity Advisor Mid Cap II 529 Portfolio	Fidelity Advisor Mid Cap II Fund	7,941,066
Harbor Large Cap Value 529 Portfolio	Harbor Large Cap Value Fund	19,901,567
Lazard Emerging Market Equity 529 Portfolio	Lazard Emerging Markets Equity Fund	2,964,051
Lord Abbett Developing Growth 529 Portfolio	Lord Abbett Developing Growth Fund	1,104,266
Neuberger Berman International Large Cap 529	Neuberger Berman International Large Cap Fund	7,672,245
Northern Bond Index 529 Portfolio	Northern Bond Index Fund	5,582,733
Northern Equity Index 529 Portfolio	Northern Equity Index Fund	6,989,172
Northern International Equity Index 529 Portfolio	Northern International Equity Index Fund	4,265,534
Northern Mid Cap Index 529 Portfolio	Northern Mid Cap Index Fund	3,042,647
Northern Small Company Index 529 Portfolio	Northern Small Company Index Fund	1,252,719
PIMCO Short-Term 529 Portfolio	PIMCO Short-Term Fund	6,194,908
PIMCO Total Return 529 Portfolio	PIMCO Total Return Fund	12,141,252
T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Balanced Fund	34,484,594
T. Rowe Price Large-Cap Growth 529 Portfolio	T. Rowe Price Large-Cap Growth Fund	6,682,497
T. Rowe Price Real Estate 529 Portfolio	T. Rowe Price Real Estate Fund	731,645
William Blair Small Cap Value 529 Portfolio	William Blair Small Cap Value Fund	7,253,288
CollegeCounts Conservative Money Market Fund	BlackRock Cash Funds	6,718,681
CollegeCounts Fixed Income Fund	BlackRock Inflation Protected Bond Fund	2,757,428
CollegeCounts Fixed Income Fund	Northern Bond Index Fund	4,386,193
CollegeCounts Fixed Income Fund	PIMCO Total Return Fund	4,370,171
CollegeCounts Fixed Income Fund	BlackRock Cash Funds	<u>11,577,274</u>
Total CollegeCounts Fixed Income Fund		<u>23,091,066</u>
CollegeCounts Fund 20	Harbor Large Cap Value Fund	1,874,470
CollegeCounts Fund 20	Lord Abbett Developing Growth Fund	232,812
CollegeCounts Fund 20	Northern Equity Index Fund	4,363,657
CollegeCounts Fund 20	Northern Mid-Cap Index Fund	490,924
CollegeCounts Fund 20	Northern Small Cap Value Fund	237,924
CollegeCounts Fund 20	T. Rowe Price Large Cap Growth Fund	1,281,361
CollegeCounts Fund 20	BlackRock Inflation Protected Bond Fund	6,312,838
CollegeCounts Fund 20	Northern Bond Index Fund	16,534,565
CollegeCounts Fund 20	PIMCO Total Return Fund	17,037,636
CollegeCounts Fund 20	Northern International Equity Index Fund	1,077,430
CollegeCounts Fund 20	Neuberger Berman International Large Cap Fund	1,059,233
CollegeCounts Fund 20	BlackRock Cash Funds	<u>5,732,316</u>
Total CollegeCounts Fund 20		<u>56,235,166</u>

CollegeCounts 529 Fund Advisor Plan
Notes to the Financial Statements
September 30, 2011

Note 3: Investments - Continued

Portfolio	Investment	Balance
CollegeCounts Fund 40	Harbor Large Cap Value Fund	\$ 5,842,704
CollegeCounts Fund 40	Lord Abbett Developing Growth Fund	1,134,453
CollegeCounts Fund 40	Northern Equity Index Fund	10,558,502
CollegeCounts Fund 40	Northern Mid-Cap Index Fund	1,148,069
CollegeCounts Fund 40	Northern Small Cap Value Fund	1,160,296
CollegeCounts Fund 40	T. Rowe Price Large Cap Growth Fund	4,816,777
CollegeCounts Fund 40	BlackRock Inflation Protected Bond Fund	8,198,799
CollegeCounts Fund 40	Northern Bond Index Fund	20,440,901
CollegeCounts Fund 40	PIMCO Total Return Fund	24,332,081
CollegeCounts Fund 40	Lazard Emerging Markets Equity Fund	751,863
CollegeCounts Fund 40	Northern International Equity Index Fund	2,460,193
CollegeCounts Fund 40	Neuberger Berman International Large Cap Fund	4,115,972
CollegeCounts Fund 40	T. Rowe Price Real Estate Fund	751,478
Total CollegeCounts Fund 40		85,712,088
CollegeCounts Fund 60	Harbor Large Cap Value Fund	11,104,406
CollegeCounts Fund 60	Lord Abbett Developing Growth Fund	3,029,849
CollegeCounts Fund 60	Northern Equity Index Fund	16,765,752
CollegeCounts Fund 60	Northern Mid-Cap Index Fund	1,992,270
CollegeCounts Fund 60	Northern Small Cap Value Fund	3,089,581
CollegeCounts Fund 60	T. Rowe Price Large Cap Growth Fund	10,949,628
CollegeCounts Fund 60	BlackRock Inflation Protected Bond Fund	8,971,684
CollegeCounts Fund 60	Northern Bond Index Fund	17,237,087
CollegeCounts Fund 60	PIMCO Total Return Fund	22,926,874
CollegeCounts Fund 60	Lazard Emerging Markets Equity Fund	1,480,761
CollegeCounts Fund 60	Northern International Equity Index Fund	6,612,129
CollegeCounts Fund 60	Neuberger Berman International Large Cap Fund	8,314,761
CollegeCounts Fund 60	T. Rowe Price Real Estate Fund	2,073,261
Total CollegeCounts Fund 60		114,548,043
CollegeCounts Fund 80	Harbor Large Cap Value Fund	15,882,235
CollegeCounts Fund 80	Lord Abbett Developing Growth Fund	4,349,255
CollegeCounts Fund 80	Northern Equity Index Fund	21,638,341
CollegeCounts Fund 80	Northern Mid-Cap Index Fund	2,075,854
CollegeCounts Fund 80	Northern Small Cap Value Fund	4,359,789
CollegeCounts Fund 80	T. Rowe Price Large Cap Growth Fund	15,620,004
CollegeCounts Fund 80	BlackRock Inflation Protected Bond Fund	5,990,405
CollegeCounts Fund 80	Northern Bond Index Fund	6,022,587

CollegeCounts 529 Fund Advisor Plan
Notes to the Financial Statements
September 30, 2011

Note 3: Investments - Continued

Portfolio	Investment	Balance
CollegeCounts Fund 80	PIMCO Total Return Fund	\$ 11,632,523
CollegeCounts Fund 80	Lazard Emerging Markets Equity Fund	3,138,006
CollegeCounts Fund 80	Northern International Equity Index Fund	7,662,718
CollegeCounts Fund 80	Neuberger Berman International Large Cap Fund	12,065,675
CollegeCounts Fund 80	T. Rowe Price Real Estate Fund	<u>2,157,487</u>
Total CollegeCounts Fund 80		<u>112,594,879</u>
CollegeCounts Fund 100	Harbor Large Cap Value Fund	17,856,785
CollegeCounts Fund 100	Lord Abbett Developing Growth Fund	6,203,864
CollegeCounts Fund 100	Northern Equity Index Fund	20,790,552
CollegeCounts Fund 100	Northern Mid-Cap Index Fund	3,076,680
CollegeCounts Fund 100	Northern Small Cap Value Fund	5,165,071
CollegeCounts Fund 100	T. Rowe Price Large Cap Growth Fund	19,244,945
CollegeCounts Fund 100	Lazard Emerging Markets Equity Fund	4,858,000
CollegeCounts Fund 100	Northern International Equity Index Fund	8,072,306
CollegeCounts Fund 100	Neuberger Berman International Large Cap Fund	14,011,438
CollegeCounts Fund 100	T. Rowe Price Real Estate Fund	<u>3,102,857</u>
Total CollegeCounts Fund 100		<u>102,382,498</u>
		<u><u>\$ 638,341,736</u></u>

The following table reconciles the fair value of investments to the net assets held in trust at September 30, 2011:

Fair value of investments, end of year	\$ 638,341,736
Plus cash, receivables and accrued investment income	1,164,579
Less payables and accrued expenses	<u>(2,403,163)</u>
Net assets held in trust, end of year	<u><u>\$ 637,103,152</u></u>

CollegeCounts 529 Fund Advisor Plan
Notes to the Financial Statements
September 30, 2011

Note 3: Investments - Continued

The following table calculates the net realized gain (loss) and net depreciation in the value of investments for the year ended September 30, 2011:

Fair value of investments, end of year	\$ 638,341,736
Less cost of investments purchased and dividends reinvested during the year	(118,007,066)
Plus proceeds from investments sold during the year and management and administrative fees	85,374,012
Less net assets held in trust, beginning of year	<u>(626,784,932)</u>
Net realized gain (loss) and net depreciation in fair value of investments	<u>\$ (21,076,250)</u>

GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*, as amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that certain disclosures be made related to the Plan's exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy does not specifically address credit risk, as permitted investments are generally mutual funds. At September 30, 2011, approximately 23% of the investments in the plan have an AAA risk rating, approximately 61% have a Baa>AA risk rating and approximately 11% have a B>Ba rating. Approximately 5% of the investments in the plan are money market mutual funds which are not rated.

Interest Rate Risk – Although BlackRock Cash Funds, BlackRock Inflation Protected Bond Fund, Northern Bond Index Fund, PIMCO Short-Term Fund, PIMCO Total Return Fund and T. Rowe Price Balanced Fund are invested primarily in short and intermediate-term bonds, these Underlying Funds are exposed to interest rate risk, which is the risk that changes in interest rates will adversely affect their fair values. As of September 30, 2011, the average duration and effective maturity of holdings in each of these mutual funds was as follows:

	<u>Average Duration</u>	<u>Average Maturity</u>
BlackRock Cash Funds	n/a	0.1 years
BlackRock Inflation Protected Bond Fund	7.4 years	10.2 years
Northern Bond Index Fund	5.1 years	7.3 years
PIMCO Short-Term Fund	0.7 years	1.2 years
PIMCO Total Return Fund	7.1 years	9.0 years
T. Rowe Price Balanced Fund	4.6 years	7.7 years

CollegeCounts 529 Fund Advisor Plan

Notes to the Financial Statements

September 30, 2011

Note 3: Investments - Continued

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Since the Underlying Funds represent shares of mutual funds rather than individual securities, they are not subject to classification by custodial credit risk.

Concentration of Credit Risk – The Plan places no limit on the amount that may be invested in any one issuer; however as stated above, all investments are with mutual funds.

Foreign Currency Risk – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Plan's exposure to foreign currency risk derives from its investment in Underlying Funds with international holdings. The Plan had no investments denominated in foreign currency at September 30, 2011.

Note 4: Fees and Expenses

Annual Account Fee

An annual account fee of \$12 is assessed on accounts when neither the account owner nor the designated beneficiary is an Alabama resident. The fees, which are paid to the Program Manager annually from respective accounts in November, were approximately \$187,000 for the year ended September 30, 2011.

Asset-Based Fees

All classes of units of each investment option are assessed a program manager fee of 0.32%, which is accrued daily and paid to the Program Manager for providing administrative and management services. All units are also assessed a state administration fee of 0.10%. These fees are accrued daily and paid to the Program to be used for the purpose of administering and marketing the Program and paying certain costs associated with the administration of the Plan. These fees are reflected as an expense in the daily net asset value calculation for each Portfolio, and are calculated based on the average daily net assets with respect to a Portfolio.

Class A units and Class C units invested in Underlying Funds, except for BlackRock Cash Funds 529 Portfolio or the Age-Based Conservative (21+) Portfolio, are assessed an annual account servicing fee of 0.25% and 0.50%, respectively, based on the average daily net assets which remain invested for more than twelve months this fee is paid to the financial advisors through which account owners invest in the Plan, depending on the nature and terms of agreements.

CollegeCounts 529 Fund Advisor Plan
Notes to the Financial Statements
September 30, 2011

Note 4: Fees and Expenses - Continued

Sales Charges

With certain exceptions, account owners investing in Class A units are required to pay an initial sales charge of up to 3.50% for each new contribution. Account owners in Class B units are required to pay a contingent deferred sales charge if they withdraw a contribution within a specified period of time, not to exceed 5%. Account owners investing in Class C or Class F units are not required to pay an initial sales charge. All or a portion of these sales charges are paid to financial advisors through which account owners invest in the Plan, depending on the nature and terms of agreements.

For contributions and withdrawals with trade dates during the year ended September 30, 2011, initial sales charges and contingent deferred sales charges totaled approximately \$1,137,000.

Underlying Fund Expenses

Fees related to the management of each of the Underlying Funds are paid directly to the related fund manager or advisor and reduce the amount of income available for distribution to account owners. These expenses are not reflected in the Plan's financial statements. The expense ratios of the Underlying Funds, which are the ratios of the total operating expenses of the Underlying Funds as a percentage of their average daily net assets, vary over time and ranged from 0.12% - 0.64% for Age-Based Portfolios, 0.28% - 0.64% for Target Portfolios, and 0.12% - 1.15% for Individual Fund Portfolios during the year ended September 30, 2011.

Management and administrative fees related to the year ended September 30, 2011, are comprised of the following amounts attributable to the Program Manager, the State and the financial advisors:

Program management fees	\$ 2,157,412
State administration fees	669,245
Annual account servicing fees	<u>3,195,029</u>
Total management and administrative fees	<u><u>\$ 6,021,686</u></u>

Note 5: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the account owners' account balances and the amounts reported in the statements of net assets available for benefits.

CollegeCounts 529 Fund Advisor Plan
Notes to the Financial Statements
September 30, 2011

Note 5: Risks and Uncertainties - Continued

The current economic environment presents 529 plans with difficult circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments. The financial statements have been prepared using values and information currently available to the Plan. Given the volatility of current economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

Note 6: Subsequent Events

Subsequent events have been evaluated through December 15, 2011, which is the date the financial statements were available to be issued.

Supplemental Schedules

CollegeCounts 529 Fund Advisor Plan
Schedule of Fiduciary Net Assets by Portfolio
September 30, 2011

	Portfolio						
	American Century Equity Growth 529 Portfolio	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Fidelity Advisor Mid Cap II 529 Portfolio	Harbor Large Cap Value 529 Portfolio	Lazard Emerging Markets Equity 529 Portfolio	Lord Abbett Developing Growth 529 Portfolio
Assets							
Investments, at fair value	\$ 331,707	\$ 7,196,146	\$ 1,327,278	\$ 7,941,066	\$ 19,901,567	\$ 2,964,051	\$ 1,104,266
Cash	2	-	3,881	-	-	142	36
Receivables for contributions	-	42	312	1,179	2,895	1,105	469
Accrued investment income	-	943	1,235	-	-	-	-
Total assets	331,709	7,197,131	1,332,706	7,942,245	19,904,462	2,965,298	1,104,771
Liabilities							
Distributions payable to shareholders	-	172	-	-	-	-	-
Withdrawals payable	-	26,557	-	2,478	4,664	-	9
Accrued expenses	448	386	1,773	13,336	39,067	2,931	1,431
Total liabilities	448	27,115	1,773	15,814	43,731	2,931	1,440
Net Assets Held in Trust	\$ 331,261	\$ 7,170,016	\$ 1,330,933	\$ 7,926,431	\$ 19,860,731	\$ 2,962,367	\$ 1,103,331
Unit Information							
Class A							
Total net assets - fee structure A	\$ 209,198	\$ 3,012,497	\$ 613,438	\$ 4,808,242	\$ 12,155,178	\$ 1,031,901	\$ 560,184
Units outstanding	20,262	3,012,549	55,605	476,510	1,235,829	116,050	50,196
Net asset value per unit, ending	\$ 10.32	\$ 1.00	\$ 11.03	\$ 10.09	\$ 9.84	\$ 8.89	\$ 11.16
Net asset value per unit, beginning	\$ 10.16	\$ 1.00	\$ 10.27	\$ 10.88	\$ 10.09	\$ 10.77	\$ 10.77
Class B							
Total net assets - fee structure B	\$ 43,705	\$ 1,394,365	\$ 210,455	\$ 1,384,071	\$ 3,159,390	\$ 157,054	\$ 109,251
Units outstanding	4,270	1,394,393	19,236	138,366	324,027	17,807	9,877
Net asset value per unit, ending	\$ 10.23	\$ 1.00	\$ 10.94	\$ 10.00	\$ 9.75	\$ 8.82	\$ 11.06
Net asset value per unit, beginning	\$ 10.14	\$ 1.00	\$ 10.26	\$ 10.87	\$ 10.08	\$ 10.76	\$ 10.76
Class C							
Total net assets - fee structure C	\$ 76,319	\$ 2,652,246	\$ 409,707	\$ 1,705,203	\$ 3,790,505	\$ 486,130	\$ 241,964
Units outstanding	7,418	2,652,307	37,228	169,485	386,496	54,808	21,740
Net asset value per unit, ending	\$ 10.29	\$ 1.00	\$ 11.01	\$ 10.06	\$ 9.81	\$ 8.87	\$ 11.13
Net asset value per unit, beginning	\$ 10.15	\$ 1.00	\$ 10.27	\$ 10.88	\$ 10.09	\$ 10.77	\$ 10.77
Class F							
Total net assets - fee structure F	\$ 2,039	\$ 110,908	\$ 97,333	\$ 28,915	\$ 755,658	\$ 1,287,282	\$ 191,932
Units outstanding	197	110,908	8,794	2,858	76,546	144,242	17,145
Net asset value per unit, ending	\$ 10.36	\$ 1.00	\$ 11.07	\$ 10.12	\$ 9.87	\$ 8.92	\$ 11.19
Net asset value per unit, beginning	\$ 10.16	\$ 1.00	\$ 10.28	\$ 10.89	\$ 10.10	\$ 10.78	\$ 10.77

CollegeCounts 529 Fund Advisor Plan
Schedule of Fiduciary Net Assets by Portfolio
September 30, 2011

	Portfolio						
	Neuberger Berman International Large Cap 529 Portfolio	Northern Bond Index 529 Portfolio	Northern Equity Index 529 Portfolio	Northern International Equity Index 529 Portfolio	Northern Mid Cap Index 529 Portfolio	Northern Small Company Index 529 Portfolio	PIMCO Short- Term 529 Portfolio
Assets							
Investments, at fair value	\$ 7,672,245	\$ 5,582,733	\$ 6,989,172	\$ 4,265,534	\$ 3,042,647	\$ 1,252,719	\$ 6,194,908
Cash	-	-	-	-	-	-	-
Receivables for contributions	1,483	790	2,381	1,118	447	408	1,442
Accrued investment income	-	1,812	-	-	-	-	6,978
Total assets	<u>7,673,728</u>	<u>5,585,335</u>	<u>6,991,553</u>	<u>4,266,652</u>	<u>3,043,094</u>	<u>1,253,127</u>	<u>6,203,328</u>
Liabilities							
Distributions payable	-	-	-	-	-	-	-
Withdrawals payable	1,250	6,439	2,898	1,192	537	251	870
Accrued expenses	13,917	9,876	15,871	10,024	5,655	2,799	8,876
Total liabilities	<u>15,167</u>	<u>16,315</u>	<u>18,769</u>	<u>11,216</u>	<u>6,192</u>	<u>3,050</u>	<u>9,746</u>
Net Assets Held in Trust	<u>\$ 7,658,561</u>	<u>\$ 5,569,020</u>	<u>\$ 6,972,784</u>	<u>\$ 4,255,436</u>	<u>\$ 3,036,902</u>	<u>\$ 1,250,077</u>	<u>\$ 6,193,582</u>
Unit Information							
Class A							
Total net assets - fee structure A	\$ 4,048,112	\$ 3,272,509	\$ 4,007,823	\$ 2,414,723	\$ 1,377,609	\$ 652,192	\$ 2,289,567
Units outstanding	431,142	309,422	392,890	265,004	136,120	66,591	229,315
Net asset value per unit, ending	\$ 9.39	\$ 10.58	\$ 10.20	\$ 9.11	\$ 10.12	\$ 9.79	\$ 9.98
Net asset value per unit, beginning	\$ 10.43	\$ 10.14	\$ 10.17	\$ 10.28	\$ 10.37	\$ 10.23	\$ 10.05
Class B							
Total net assets - fee structure B	\$ 1,061,284	\$ 934,177	\$ 1,305,314	\$ 823,802	\$ 452,491	\$ 269,698	\$ 712,716
Units outstanding	114,020	89,098	129,078	91,197	45,101	27,778	71,795
Net asset value per unit, ending	\$ 9.31	\$ 10.48	\$ 10.11	\$ 9.03	\$ 10.03	\$ 9.71	\$ 9.93
Net asset value per unit, beginning	\$ 10.42	\$ 10.13	\$ 10.15	\$ 10.26	\$ 10.36	\$ 10.22	\$ 10.04
Class C							
Total net assets - fee structure C	\$ 1,473,535	\$ 1,362,232	\$ 1,649,827	\$ 1,007,786	\$ 592,960	\$ 326,256	\$ 2,010,966
Units outstanding	157,394	129,175	162,206	110,919	58,759	33,409	201,981
Net asset value per unit, ending	\$ 9.36	\$ 10.55	\$ 10.17	\$ 9.09	\$ 10.09	\$ 9.77	\$ 9.96
Net asset value per unit, beginning	\$ 10.43	\$ 10.14	\$ 10.16	\$ 10.27	\$ 10.37	\$ 10.23	\$ 10.04
Class F							
Total net assets - fee structure F	\$ 1,075,630	\$ 102	\$ 9,820	\$ 9,125	\$ 613,842	\$ 1,931	\$ 1,180,333
Units outstanding	114,187	10	959	999	60,500	197	117,971
Net asset value per unit, ending	\$ 9.42	\$ 10.48	\$ 10.23	\$ 9.14	\$ 10.15	\$ 9.82	\$ 10.01
Net asset value per unit, beginning	\$ 10.44	\$ 10.15	\$ 10.17	\$ 10.28	\$ 10.38	\$ 10.24	\$ 10.05

CollegeCounts 529 Fund Advisor Plan

Schedule of Fiduciary Net Assets by Portfolio

September 30, 2011

	Portfolio						
	PIMCO Total Return 529 Portfolio	T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Large-Cap Growth 529 Portfolio	T. Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Value 529 Portfolio	CollegeCounts Conservative Money Market Fund	CollegeCounts Fixed Income Fund
Assets							
Investments, at fair value	\$ 12,141,252	\$ 34,484,594	\$ 6,682,497	\$ 731,645	\$ 7,253,288	\$ 6,718,681	\$ 23,091,066
Cash	5,599	-	-	-	-	-	64,343
Receivables for contributions	878	5,848	826	696	1,722	421	16,761
Accrued investment income	33,667	-	-	-	-	879	17,274
Total assets	<u>12,181,396</u>	<u>34,490,442</u>	<u>6,683,323</u>	<u>732,341</u>	<u>7,255,010</u>	<u>6,719,981</u>	<u>23,189,444</u>
Liabilities							
Distributions payable	-	-	-	-	-	160	-
Withdrawals payable	270	69,930	54	36	1,020	4,650	8,876
Accrued expenses	16,292	76,606	11,020	1,138	11,809	354	32,544
Total liabilities	<u>16,562</u>	<u>146,536</u>	<u>11,074</u>	<u>1,174</u>	<u>12,829</u>	<u>5,164</u>	<u>41,420</u>
Net Assets Held in Trust	<u>\$ 12,164,834</u>	<u>\$ 34,343,906</u>	<u>\$ 6,672,249</u>	<u>\$ 731,167</u>	<u>\$ 7,242,181</u>	<u>\$ 6,714,817</u>	<u>\$ 23,148,024</u>
Unit Information							
Class A							
Total net assets - fee structure A	\$ 5,412,753	\$ 21,159,963	\$ 3,430,778	\$ 484,279	\$ 3,430,469	\$ 2,317,940	\$ 10,399,064
Units outstanding	527,549	2,075,006	328,114	48,063	364,521	2,317,995	1,014,600
Net asset value per unit, ending	\$ 10.26	\$ 10.20	\$ 10.46	\$ 10.08	\$ 9.41	\$ 1.00	\$ 10.25
Net asset value per unit, beginning	\$ 10.23	\$ 10.20	\$ 10.43	\$ 10.05	\$ 10.26	\$ 1.00	\$ 10.10
Class B							
Total net assets - fee structure B	\$ 1,316,315	\$ 5,226,648	\$ 776,439	\$ 66,760	\$ 1,111,736	\$ 952,053	\$ 2,347,031
Units outstanding	129,415	517,010	74,905	6,682	119,167	952,000	230,974
Net asset value per unit, ending	\$ 10.17	\$ 10.11	\$ 10.37	\$ 9.99	\$ 9.33	\$ 1.00	\$ 10.16
Net asset value per unit, beginning	\$ 10.22	\$ 10.19	\$ 10.42	\$ 10.04	\$ 10.25	\$ 1.00	\$ 10.09
Class C							
Total net assets - fee structure C	\$ 4,257,549	\$ 7,882,173	\$ 1,510,612	\$ 136,548	\$ 1,060,072	\$ 3,421,138	\$ 10,377,643
Units outstanding	416,166	775,184	144,890	13,590	112,970	3,421,222	1,015,422
Net asset value per unit, ending	\$ 10.23	\$ 10.17	\$ 10.43	\$ 10.05	\$ 9.38	\$ 1.00	\$ 10.22
Net asset value per unit, beginning	\$ 10.23	\$ 10.20	\$ 10.43	\$ 10.04	\$ 10.25	\$ 1.00	\$ 10.09
Class F							
Total net assets - fee structure F	\$ 1,178,217	\$ 75,122	\$ 954,420	\$ 43,580	\$ 1,639,904	\$ 23,686	\$ 24,286
Units outstanding	114,493	7,346	91,022	4,313	173,656	23,687	2,362
Net asset value per unit, ending	\$ 10.29	\$ 10.23	\$ 10.49	\$ 10.11	\$ 9.44	\$ 1.00	\$ 10.28
Net asset value per unit, beginning	\$ 10.24	\$ 10.21	\$ 10.43	\$ 10.05	\$ 10.26	\$ 1.00	\$ 10.11

CollegeCounts 529 Fund Advisor Plan
Schedule of Fiduciary Net Assets by Portfolio
September 30, 2011

	Portfolio					
	CollegeCounts Fund 20	CollegeCounts Fund 40	CollegeCounts Fund 60	CollegeCounts Fund 80	CollegeCounts Fund 100	Plan Total
Assets						
Investments, at fair value	\$ 56,235,166	\$ 85,712,088	\$ 114,548,043	\$ 112,594,879	\$ 102,382,498	\$ 638,341,736
Cash	-	57,735	24,779	-	-	156,517
Receivables for contributions	179,427	40,451	110,943	157,679	154,554	684,277
Accrued investment income	59,633	82,137	78,305	40,922	-	323,785
Total assets	<u>56,474,226</u>	<u>85,892,411</u>	<u>114,762,070</u>	<u>112,793,480</u>	<u>102,537,052</u>	<u>639,506,315</u>
Liabilities						
Distributions payable	-	-	-	-	-	332
Withdrawals payable	69,106	440,563	125,014	396,994	17,673	1,181,331
Accrued expenses	207,702	135,046	182,969	191,125	228,505	1,221,500
Total liabilities	<u>276,808</u>	<u>575,609</u>	<u>307,983</u>	<u>588,119</u>	<u>246,178</u>	<u>2,403,163</u>
Net Assets Held in Trust	<u>\$ 56,197,418</u>	<u>\$ 85,316,802</u>	<u>\$ 114,454,087</u>	<u>\$ 112,205,361</u>	<u>\$ 102,290,874</u>	<u>\$ 637,103,152</u>
Unit Information						
Class A						
Total net assets - fee structure A	\$ 25,066,698	\$ 39,520,824	\$ 57,575,958	\$ 64,097,603	\$ 54,997,162	
Units outstanding	2,414,058	3,824,354	5,623,021	6,344,714	5,521,603	
Net asset value per unit, ending	\$ 10.38	\$ 10.33	\$ 10.24	\$ 10.10	\$ 9.96	
Net asset value per unit, beginning	\$ 10.19	\$ 10.23	\$ 10.26	\$ 10.28	\$ 10.31	
Class B						
Total net assets - fee structure B	\$ 10,719,824	\$ 17,538,057	\$ 24,334,891	\$ 21,147,062	\$ 16,729,270	
Units outstanding	1,041,468	1,712,000	2,397,350	2,111,460	1,694,174	
Net asset value per unit, ending	\$ 10.29	\$ 10.24	\$ 10.15	\$ 10.02	\$ 9.87	
Net asset value per unit, beginning	\$ 10.18	\$ 10.22	\$ 10.24	\$ 10.27	\$ 10.30	
Class C						
Total net assets - fee structure C	\$ 20,345,174	\$ 28,200,811	\$ 32,133,136	\$ 26,584,910	\$ 30,300,645	
Units outstanding	1,965,019	2,736,860	3,147,354	2,639,122	3,050,902	
Net asset value per unit, ending	\$ 10.35	\$ 10.30	\$ 10.21	\$ 10.07	\$ 9.93	
Net asset value per unit, beginning	\$ 10.19	\$ 10.23	\$ 10.25	\$ 10.28	\$ 10.31	
Class F						
Total net assets - fee structure F	\$ 65,722	\$ 57,110	\$ 410,102	\$ 375,786	\$ 263,797	
Units outstanding	6,271	5,511	39,931	37,094	26,408	
Net asset value per unit, ending	\$ 10.48	\$ 10.36	\$ 10.27	\$ 10.13	\$ 9.99	
Net asset value per unit, beginning	\$ 10.20	\$ 10.24	\$ 10.26	\$ 10.28	\$ 10.31	

CollegeCounts 529 Fund Advisor Plan
Schedule of Changes in Fiduciary Net Assets by Portfolio
For the Year Ended September 30, 2011

	Portfolio						
	American Century Equity Growth 529 Portfolio	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Fidelity Advisor Mid Cap II 529 Portfolio	Harbor Large Cap Value 529 Portfolio	Lazard Emerging Markets Equity 529 Portfolio	Lord Abbett Developing Growth 529 Portfolio
Additions							
Contributions	\$ 202,659	\$ 1,044,046	\$ 419,710	\$ 1,135,482	\$ 2,766,989	\$ 2,376,799	\$ 611,325
Exchanges in	102,283	4,220,543	727,119	638,447	919,266	1,081,782	330,984
Investment income							
Dividends and interest	3,939	11,608	47,880	-	369,438	33,464	-
Total additions	<u>308,881</u>	<u>5,276,197</u>	<u>1,194,709</u>	<u>1,773,929</u>	<u>4,055,693</u>	<u>3,492,045</u>	<u>942,309</u>
Deductions							
Withdrawals	38,186	2,690,977	56,235	1,281,805	3,409,835	123,887	113,256
Exchanges out	1,111	487,575	11,733	1,431,323	1,695,857	78,747	270,413
Management and administrative fees	2,023	7,440	7,034	83,547	194,744	16,255	8,183
Total deductions	<u>41,320</u>	<u>3,185,992</u>	<u>75,002</u>	<u>2,796,675</u>	<u>5,300,436</u>	<u>218,889</u>	<u>391,852</u>
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	<u>(22,727)</u>	<u>-</u>	<u>27,573</u>	<u>(505,873)</u>	<u>(651,038)</u>	<u>(708,971)</u>	<u>(51,371)</u>
Net Increase (Decrease)	244,834	2,090,205	1,147,280	(1,528,619)	(1,895,781)	2,564,185	499,086
Net Assets Held in Trust, Beginning of Year	<u>86,427</u>	<u>5,079,811</u>	<u>183,653</u>	<u>9,455,050</u>	<u>21,756,512</u>	<u>398,182</u>	<u>604,245</u>
Net Assets Held in Trust, End of Year	<u>\$ 331,261</u>	<u>\$ 7,170,016</u>	<u>\$ 1,330,933</u>	<u>\$ 7,926,431</u>	<u>\$ 19,860,731</u>	<u>\$ 2,962,367</u>	<u>\$ 1,103,331</u>

CollegeCounts 529 Fund Advisor Plan
Schedule of Changes in Fiduciary Net Assets by Portfolio
For the Year Ended September 30, 2011

	Portfolio						
	Neuberger Berman International Large Cap 529 Portfolio	Northern Bond Index 529 Portfolio	Northern Equity Index 529 Portfolio	Northern International Equity Index 529 Portfolio	Northern Mid Cap Index 529 Portfolio	Northern Small Company Index 529 Portfolio	PIMCO Short- Term 529 Portfolio
Additions							
Contributions	\$ 2,302,296	\$ 511,707	\$ 835,334	\$ 483,065	\$ 1,341,183	\$ 180,134	\$ 2,272,102
Exchanges in	653,648	248,870	271,085	204,933	241,994	359,059	1,374,529
Investment income							
Dividends and interest	60,826	228,441	156,015	116,526	21,869	14,110	90,868
Total additions	<u>3,016,770</u>	<u>989,018</u>	<u>1,262,434</u>	<u>804,524</u>	<u>1,605,046</u>	<u>553,303</u>	<u>3,737,499</u>
Deductions							
Withdrawals	977,687	1,143,019	1,115,897	747,406	487,426	69,371	1,447,529
Exchanges out	764,425	730,188	1,332,881	833,003	165,984	273,892	577,605
Management and administrative fees	70,079	51,438	71,791	47,452	25,484	12,742	44,805
Total deductions	<u>1,812,191</u>	<u>1,924,645</u>	<u>2,520,569</u>	<u>1,627,861</u>	<u>678,894</u>	<u>356,005</u>	<u>2,069,939</u>
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	<u>(980,586)</u>	<u>36,010</u>	<u>48,031</u>	<u>(571,838)</u>	<u>(206,793)</u>	<u>(86,536)</u>	<u>(99,281)</u>
Net Increase (Decrease)	223,993	(899,617)	(1,210,104)	(1,395,175)	719,359	110,762	1,568,279
Net Assets Held in Trust, Beginning of Year	<u>7,434,568</u>	<u>6,468,637</u>	<u>8,182,888</u>	<u>5,650,611</u>	<u>2,317,543</u>	<u>1,139,315</u>	<u>4,625,303</u>
Net Assets Held in Trust, End of Year	<u>\$ 7,658,561</u>	<u>\$ 5,569,020</u>	<u>\$ 6,972,784</u>	<u>\$ 4,255,436</u>	<u>\$ 3,036,902</u>	<u>\$ 1,250,077</u>	<u>\$ 6,193,582</u>

CollegeCounts 529 Fund Advisor Plan
Schedule of Changes in Fiduciary Net Assets by Portfolio
For the Year Ended September 30, 2011

	Portfolio						
	PIMCO Total Return 529 Portfolio	T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Large-Cap Growth 529 Portfolio	T. Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Value 529 Portfolio	CollegeCounts Conservative Money Market Fund	CollegeCounts Fixed Income Fund
Additions							
Contributions	\$ 2,932,545	\$ 3,410,240	\$ 2,138,586	\$ 345,625	\$ 2,741,576	\$ 901,230	\$ 2,541,383
Exchanges in	1,671,034	1,116,336	1,064,232	343,003	390,190	2,932,612	11,740,109
Investment income							
Dividends and interest	960,955	809,229	13,930	12,901	24,533	13,036	685,153
Total additions	<u>5,564,534</u>	<u>5,335,805</u>	<u>3,216,748</u>	<u>701,529</u>	<u>3,156,299</u>	<u>3,846,878</u>	<u>14,966,645</u>
Deductions							
Withdrawals	2,049,521	4,509,908	652,721	41,295	962,354	2,790,926	7,441,309
Exchanges out	1,456,395	2,394,110	645,214	6,658	763,856	1,254,846	6,204,541
Management and administrative fees	100,848	322,789	55,145	4,323	67,946	8,376	193,285
Total deductions	<u>3,606,764</u>	<u>7,226,807</u>	<u>1,353,080</u>	<u>52,276</u>	<u>1,794,156</u>	<u>4,054,148</u>	<u>13,839,135</u>
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	<u>(853,440)</u>	<u>(431,281)</u>	<u>(207,320)</u>	<u>(67,640)</u>	<u>(722,791)</u>	<u>-</u>	<u>(195,781)</u>
Net Increase (Decrease)	1,104,330	(2,322,283)	1,656,348	581,613	639,352	(207,270)	931,729
Net Assets Held in Trust, Beginning of Year	<u>11,060,504</u>	<u>36,666,189</u>	<u>5,015,901</u>	<u>149,554</u>	<u>6,602,829</u>	<u>6,922,087</u>	<u>22,216,295</u>
Net Assets Held in Trust, End of Year	<u>\$ 12,164,834</u>	<u>\$ 34,343,906</u>	<u>\$ 6,672,249</u>	<u>\$ 731,167</u>	<u>\$ 7,242,181</u>	<u>\$ 6,714,817</u>	<u>\$ 23,148,024</u>

CollegeCounts 529 Fund Advisor Plan
Schedule of Changes in Fiduciary Net Assets by Portfolio
For the Year Ended September 30, 2011

	Portfolio					
	CollegeCounts Fund 20	CollegeCounts Fund 40	CollegeCounts Fund 60	CollegeCounts Fund 80	CollegeCounts Fund 100	Plan Total
Additions						
Contributions	\$ 5,518,718	\$ 9,039,952	\$ 15,015,627	\$ 21,701,363	\$ 18,551,034	\$ 101,320,710
Exchanges in	23,271,507	35,955,088	41,187,086	27,503,188	4,885,663	163,434,590
Investment income						
Dividends and interest	2,628,029	3,448,800	3,773,399	2,846,704	1,479,282	17,850,935
Total additions	<u>31,418,254</u>	<u>48,443,840</u>	<u>59,976,112</u>	<u>52,051,255</u>	<u>24,915,979</u>	<u>282,606,235</u>
Deductions						
Withdrawals	13,830,020	7,759,389	7,886,860	9,446,825	10,681,845	81,755,489
Exchanges out	16,148,530	25,199,661	36,971,902	36,822,052	26,912,088	163,434,590
Management and administrative fees	538,642	774,157	1,093,471	1,113,599	1,106,088	6,021,686
Total deductions	<u>30,517,192</u>	<u>33,733,207</u>	<u>45,952,233</u>	<u>47,382,476</u>	<u>38,700,021</u>	<u>251,211,765</u>
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	<u>(1,160,461)</u>	<u>(2,630,593)</u>	<u>(3,877,600)</u>	<u>(4,302,651)</u>	<u>(2,853,292)</u>	<u>(21,076,250)</u>
Net Increase (Decrease)	(259,399)	12,080,040	10,146,279	366,128	(16,637,334)	10,318,220
Net Assets Held in Trust, Beginning of Year	<u>56,456,817</u>	<u>73,236,762</u>	<u>104,307,808</u>	<u>111,839,233</u>	<u>118,928,208</u>	<u>626,784,932</u>
Net Assets Held in Trust, End of Year	<u>\$ 56,197,418</u>	<u>\$ 85,316,802</u>	<u>\$ 114,454,087</u>	<u>\$ 112,205,361</u>	<u>\$ 102,290,874</u>	<u>\$ 637,103,152</u>

CollegeCounts 529 Fund Advisor Plan
Financial Highlights by Portfolio
For the Year Ended September 30, 2011

	Portfolio						
	American Century Equity Growth 529 Portfolio	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Fidelity Advisor Mid Cap II 529 Portfolio	Harbor Large Cap Value 529 Portfolio	Lazard Emerging Markets Equity 529 Portfolio	Lord Abnett Developing Growth 529 Portfolio
Class A							
Ratio of net investment income to average net assets*	0.95%	0.07%	5.25%	-0.67%	0.93%	0.69%	-0.67%
Ratio of expense to average net assets**	0.67%	0.12%	0.67%	0.67%	0.67%	0.67%	0.67%
Total return ***	1.57%	0.07%	7.40%	-7.26%	-2.48%	-17.46%	3.62%
Class B							
Ratio of net investment income to average net assets *	0.20%	0.07%	4.52%	-1.42%	0.18%	-0.06%	-1.42%
Ratio of expense to average net assets**	1.42%	0.12%	1.42%	1.42%	1.42%	1.42%	1.42%
Total return ***	0.89%	0.07%	6.63%	-8.00%	-3.27%	-18.03%	2.79%
Class C							
Ratio of net investment income to average net assets *	0.70%	0.07%	5.02%	-0.92%	0.68%	0.44%	-0.92%
Ratio of expense to average net assets**	0.92%	0.12%	0.92%	0.92%	0.92%	0.92%	0.92%
Total return ***	1.38%	0.07%	7.21%	-7.54%	-2.78%	-17.64%	3.34%
Class F							
Ratio of net investment income to average net assets *	1.20%	0.07%	5.52%	-0.42%	1.19%	0.94%	-0.42%
Ratio of expense to average net assets**	0.42%	0.12%	0.42%	0.42%	0.42%	0.42%	0.42%
Total return ***	1.97%	0.07%	7.68%	-7.07%	-2.28%	-17.25%	3.90%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net assets.

** This ratio represents the Plan's expenses divided by average net assets.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund Advisor Plan
Financial Highlights by Portfolio
For the Year Ended September 30, 2011

	Portfolio						
	Neuberger Berman International Large Cap 529 Portfolio	Northern Bond Index 529 Portfolio	Northern Equity Index 529 Portfolio	Northern International Equity Index 529 Portfolio	Northern Mid Cap Index 529 Portfolio	Northern Small Company Index 529 Portfolio	PIMCO Short- Term 529 Portfolio
Class A							
Ratio of net investment income to average net assets*	0.04%	3.20%	1.23%	1.49%	0.04%	0.32%	0.99%
Ratio of expense to average net assets**	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%
Total return ***	-9.97%	4.34%	0.29%	-11.38%	-2.41%	-4.30%	-0.70%
Class B							
Ratio of net investment income to average net assets *	-0.71%	2.45%	0.48%	0.74%	-0.71%	-0.43%	0.49%
Ratio of expense to average net assets**	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.17%
Total return ***	-10.65%	3.46%	-0.39%	-11.99%	-3.19%	-4.99%	-1.10%
Class C							
Ratio of net investment income to average net assets *	-0.21%	2.95%	0.98%	1.24%	-0.21%	0.07%	0.74%
Ratio of expense to average net assets**	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%
Total return ***	-10.26%	4.04%	0.10%	-11.49%	-2.70%	-4.50%	-0.80%
Class F							
Ratio of net investment income to average net assets *	0.29%	3.48%	1.48%	1.75%	0.29%	0.57%	1.24%
Ratio of expense to average net assets**	0.42%	0.39%	0.42%	0.42%	0.42%	0.42%	0.42%
Total return ***	-9.77%	3.25%	0.59%	-11.09%	-2.22%	-4.10%	-0.40%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net assets.

** This ratio represents the Plan's expenses divided by average net assets.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund Advisor Plan

Financial Highlights by Portfolio

For the Year Ended September 30, 2011

	Portfolio						
	PIMCO Total Return 529 Portfolio	T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Large-Cap Growth 529 Portfolio	T. Rowe Price Real Estate 529 Portfolio	William Blair Small Cap Value 529 Portfolio	CollegeCounts Conservative Money Market Fund	CollegeCounts Fixed Income Fund
Class A							
Ratio of net investment income to average net assets*	7.33%	1.45%	-0.46%	1.67%	-0.38%	0.07%	2.46%
Ratio of expense to average net assets**	0.67%	0.67%	0.67%	0.67%	0.67%	0.12%	0.67%
Total return ***	0.29%	0.00%	0.29%	0.30%	-8.28%	0.07%	1.49%
Class B							
Ratio of net investment income to average net assets *	6.58%	0.70%	-1.21%	0.92%	-1.13%	0.07%	1.71%
Ratio of expense to average net assets**	1.42%	1.42%	1.42%	1.42%	1.42%	0.12%	1.42%
Total return ***	-0.49%	-0.79%	-0.48%	-0.50%	-8.98%	0.07%	0.69%
Class C							
Ratio of net investment income to average net assets *	7.08%	1.20%	-0.71%	1.42%	-0.63%	0.07%	2.21%
Ratio of expense to average net assets**	0.92%	0.92%	0.92%	0.92%	0.92%	0.12%	0.92%
Total return ***	0.00%	-0.29%	0.00%	0.10%	-8.49%	0.07%	1.29%
Class F							
Ratio of net investment income to average net assets *	7.58%	1.70%	-0.21%	1.92%	-0.13%	0.07%	2.71%
Ratio of expense to average net assets**	0.42%	0.42%	0.42%	0.42%	0.42%	0.12%	0.42%
Total return ***	0.49%	0.20%	0.58%	0.60%	-7.99%	0.07%	1.68%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net assets.

** This ratio represents the Plan's expenses divided by average net assets.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund Advisor Plan
Financial Highlights by Portfolio
For the Year Ended September 30, 2011

	Portfolio				
	CollegeCounts Fund 20	CollegeCounts Fund 40	CollegeCounts Fund 60	CollegeCounts Fund 80	CollegeCounts Fund 100
Class A					
Ratio of net investment income to average net assets*	3.89%	3.49%	2.55%	1.64%	0.52%
Ratio of expense to average net assets**	0.67%	0.67%	0.67%	0.67%	0.67%
Total return ***	1.86%	0.98%	-0.19%	-1.75%	-3.39%
Class B					
Ratio of net investment income to average net assets *	3.13%	2.74%	1.79%	0.89%	-0.24%
Ratio of expense to average net assets**	1.42%	1.42%	1.42%	1.42%	1.42%
Total return ***	1.08%	0.20%	-0.88%	-2.43%	-4.17%
Class C					
Ratio of net investment income to average net assets *	3.63%	3.24%	2.30%	1.39%	0.27%
Ratio of expense to average net assets**	0.92%	0.92%	0.92%	0.92%	0.92%
Total return ***	1.57%	0.68%	-0.39%	-2.04%	-3.69%
Class F					
Ratio of net investment income to average net assets *	4.15%	3.74%	2.80%	1.89%	0.77%
Ratio of expense to average net assets**	0.41%	0.42%	0.42%	0.42%	0.42%
Total return ***	2.75%	1.17%	0.10%	-1.46%	-3.10%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net assets.

** This ratio represents the Plan's expenses divided by average net assets.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund Advisor Plan
Schedule of Age-Based Target Portfolio
September 30, 2011

Target Portfolios	Age of Beneficiary	Portfolio						
		CollegeCounts Conservative Money Market Fund	CollegeCounts Fixed Income Fund	CollegeCounts Fund 20	CollegeCounts Fund 40	CollegeCounts Fund 60	CollegeCounts Fund 80	CollegeCounts Fund 100
Age-Based Aggressive Portfolios				<i>21 and over</i>	<i>17 - 20</i>	<i>13 - 16</i>	<i>9 - 12</i>	<i>newborn to 8</i>
Age-Based Moderate Portfolios			<i>21 and over</i>	<i>17 - 20</i>	<i>13 - 16</i>	<i>9 - 12</i>	<i>newborn to 8</i>	
Age-Based Conservative Portfolios		<i>21 and over</i>	<i>17 - 20</i>	<i>13 - 16</i>	<i>9 - 12</i>	<i>newborn to 8</i>		
BlackRock Cash Funds		\$ 6,718,681	\$ 11,577,274	\$ 5,732,316	\$ -	\$ -	\$ -	\$ -
Money Market Total		<u>6,718,681</u>	<u>11,577,274</u>	<u>5,732,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Northern Bond Index Fund		-	4,386,193	16,534,565	20,440,901	17,237,087	6,022,587	-
PIMCO Total Return Fund		-	4,370,171	17,037,636	24,332,081	22,926,874	11,632,523	-
BlackRock Inflation Protected Bond Fund		-	2,757,428	6,312,838	8,198,799	8,971,684	5,990,405	-
Fixed Income Total		<u>-</u>	<u>11,513,792</u>	<u>39,885,039</u>	<u>52,971,781</u>	<u>49,135,645</u>	<u>23,645,515</u>	<u>-</u>
T. Rowe Price Real Estate Fund		-	-	-	751,478	2,073,261	2,157,487	3,102,857
Real Estate Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>751,478</u>	<u>2,073,261</u>	<u>2,157,487</u>	<u>3,102,857</u>
Harbor Large Cap Value Fund		-	-	1,874,470	5,842,704	11,104,406	15,882,235	17,856,785
Northern Equity Index Portfolio		-	-	4,363,657	10,558,502	16,765,752	21,638,341	20,790,552
T. Rowe Price Large-Cap Growth Fund		-	-	1,281,361	4,816,777	10,949,628	15,620,004	19,244,945
Northern Mid-Cap Index Fund		-	-	490,924	1,148,069	1,992,270	2,075,854	3,076,680
Northern Small Cap Value Fund		-	-	237,924	1,160,296	3,089,581	4,359,789	5,165,071
Lord Abbett Developing Growth Fund		-	-	232,812	1,134,453	3,029,849	4,349,255	6,203,864
Domestic Equity Total		<u>-</u>	<u>-</u>	<u>8,481,148</u>	<u>24,660,801</u>	<u>46,931,486</u>	<u>63,925,478</u>	<u>72,337,897</u>
Northern International Equity Index Fund		-	-	1,077,430	2,460,193	6,612,129	7,662,718	8,072,306
Neuberger Berman International Large Cap Fund		-	-	1,059,233	4,115,972	8,314,761	12,065,675	14,011,438
Lazard Emerging Markets Equity Fund		-	-	-	751,863	1,480,761	3,138,006	4,858,000
International Equity Total		<u>-</u>	<u>-</u>	<u>2,136,663</u>	<u>7,328,028</u>	<u>16,407,651</u>	<u>22,866,399</u>	<u>26,941,744</u>
Fair Value of Investments, End of Year		<u>\$ 6,718,681</u>	<u>\$ 23,091,066</u>	<u>\$ 56,235,166</u>	<u>\$ 85,712,088</u>	<u>\$ 114,548,043</u>	<u>\$ 112,594,879</u>	<u>\$ 102,382,498</u>
Fair Value of Investments, End of Year Plus Cash, Receivables and Accrued Investment Income		\$ 6,718,681	\$ 23,091,066	\$ 56,235,166	\$ 85,712,088	\$ 114,548,043	\$ 112,594,879	\$ 102,382,498
Less Payables and Accrued Expenses		<u>1,300</u>	<u>98,378</u>	<u>239,060</u>	<u>180,323</u>	<u>214,027</u>	<u>198,601</u>	<u>154,554</u>
		<u>(5,164)</u>	<u>(41,420)</u>	<u>(276,808)</u>	<u>(575,609)</u>	<u>(307,983)</u>	<u>(588,119)</u>	<u>(246,178)</u>
Net Assets Held in Trust, End of Year		<u>\$ 6,714,817</u>	<u>\$ 23,148,024</u>	<u>\$ 56,197,418</u>	<u>\$ 85,316,802</u>	<u>\$ 114,454,087</u>	<u>\$ 112,205,361</u>	<u>\$ 102,290,874</u>

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Members of the Board of Trustees of the CollegeCounts 529 Fund Advisor Plan
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)
Montgomery, Alabama

We have audited the financial statements of CollegeCounts 529 Fund Advisor Plan (the Plan), as of and for the year ended September 30, 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Plan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Plan's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Plan's financial statements that is more than inconsequential will not be prevented or detected by the Plan's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Plan's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free of 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*.

This report is intended solely for the information and use of the governing body, management and others within the Plan and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

December 15, 2011