



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

**ILLINOIS STUDENT ASSISTANCE COMMISSION -
 ILLINOIS PREPAID TUITION PROGRAM**

**Financial Audit
 For the Year Ended June 30, 2014**

Release Date: February 11, 2015

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

This report covers our financial audit of the Illinois Student Assistance Commission (Commission) – Illinois Prepaid Tuition Program (Program) as of June 30, 2014 and for the year then ended.

As of June 30, 2014, the Illinois Prepaid Tuition Program has a **deficit** of \$275,944,511. The table below details a reconciliation of the fund deficit in the financial statements to the fund deficit in the Actuarial Soundness Report as of June 30, 2014.

Reconciliation of Fund Deficit with Unfunded Liability in the Actuarial Report

Unfunded liability per actuarial soundness report	\$ (328,182,173)
Present value of accrued future administrative expense	53,879,932
Other accrued liabilities	<u>(1,642,270)</u>
Fund deficit per Statement of Net Position	<u>\$ (275,944,511)</u>

AUDITORS' OPINION

Our Special Assistant Auditors stated the financial statements of the Program are fairly presented in all material respects.

 WILLIAM G. HOLLAND
 Auditor General

WGH:JGR

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this audit were McGladrey LLP.

{Financial information is summarized on next page.}

ILLINOIS STUDENT ASSISTANCE COMMISSION
ILLINOIS PREPAID TUITION PROGRAM
FINANCIAL AUDIT
For the Year Ended June 30, 2014 (in thousands)

STATEMENT OF NET POSITION	2014	2013
Assets		
Cash and cash equivalents.....	\$ 3,836	\$ 6,998
Investments.....	1,092,472	1,071,096
Contracts receivable.....	76,045	91,775
Accrued interest on investments.....	-	-
Total.....	1,172,353	1,169,869
Liabilities		
Accounts payable and accrued expenses.....	773	1,083
Due to other State and ISAC funds.....	253	304
Due to State of Illinois component units.....	616	46
Tuition obligation.....	1,446,656	1,557,489
Total.....	1,448,298	1,558,922
Net Position, Unrestricted (Deficit).....	\$ (275,945)	\$ (389,053)
REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating revenues		
Income from investment securities.....	\$ 119,336	\$ 91,397
Tuition contract revenue.....	18,725	33,617
Fees.....	551	823
Interest revenue.....	91	188
Total.....	138,703	126,025
Operating expenses		
Accreted tuition expense.....	16,058	84,485
Salaries and employee benefits.....	2,186	2,076
Management and professional services.....	3,925	3,961
Investment advisory fees.....	1,960	2,813
Investment management fees.....	1,466	1,355
Total.....	25,595	94,690
Change in net position.....	\$ 113,108	\$ 31,335
Actuarial Report on Soundness (Unaudited)		
- Unfunded Liability (Actuarial Value of Assets)	\$ (367,126)	\$ (462,410)
- Unfunded Liability (Market Value of Assets)	\$ (328,182)	\$ (448,506)

AGENCY EXECUTIVE DIRECTOR		
During Audit Period: Mr. Eric Zarnikow		
Currently: Mr. Eric Zarnikow		