



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STUDENT ASSISTANCE COMMISSION -
ILLINOIS PREPAID TUITION PROGRAM

Financial Audit
For the Year Ended June 30, 2015

Release Date: Lcpwct {'48.'4238

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, 2015 and for the year then ended.

As of June 30, 2015, the Program has a **deficit** of \$236,113,466. 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, 2015.

Reconciliation of Fund Deficit with Unfunded Liability in the Actuarial Report

Unfunded liability per actuarial soundness report	\$ (292,111,181)
Present value of accrued future administrative expense	57,116,212
Other accrued liabilities	<u>(1,118,497)</u>
Fund deficit per Statement of Net Position	<u>\$ (236,113,466)</u>

AUDITORS' OPINION

The auditors stated the financial statements of the Program as of and for the year ended June 30, 2015, are fairly stated in all material respects.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:JGR

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this audit were RSM US LLP.

{Financial information is summarized on next page.}

ILLINOIS STUDENT ASSISTANCE COMMISSION
ILLINOIS PREPAID TUITION PROGRAM
FINANCIAL AUDIT
For the Year Ended June 30, 2015
(Amounts in Thousands)

STATEMENT OF NET POSITION	2015	2014
Assets		
Cash and cash equivalents.....	\$ 4,797	\$ 3,836
Investments.....	1,019,581	1,092,472
Contracts and notes receivable.....	60,829	76,045
Accrued interest on investments.....	-	-
Total.....	<u>1,085,207</u>	<u>1,172,353</u>
Liabilities		
Accounts payable and accrued expenses.....	914	773
Due to other State and ISAC funds.....	204	253
Due to State of Illinois component units.....	-	616
Tuition obligation.....	1,320,202	1,446,656
Total.....	<u>1,321,320</u>	<u>1,448,298</u>
Net Position, Unrestricted (Deficit).....	<u>\$ (236,113)</u>	<u>\$ (275,945)</u>
REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating revenues		
Income from investment securities.....	\$ 43,774	\$ 119,336
Tuition contract revenue.....	23,261	18,725
Fees.....	410	551
Interest revenue.....	317	91
Total.....	<u>67,762</u>	<u>138,703</u>
Operating expenses		
Accreted tuition expense.....	18,624	16,058
Salaries and employee benefits.....	1,995	2,186
Management and professional services.....	3,904	3,925
Investment advisory fees.....	1,917	1,960
Investment management fees.....	1,491	1,466
Total.....	<u>27,931</u>	<u>25,595</u>
Change in net position.....	<u>\$ 39,831</u>	<u>\$ 113,108</u>
Actuarial Report on Soundness (Unaudited)		
Unfunded Liability	\$ (292,111)	\$ (328,182)

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