



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

**OFFICE OF THE STATE TREASURER –
COLLEGE SAVINGS PROGRAM**

FINANCIAL AUDIT

For the Year Ended: June 30, 2011

Release Date: March 20, 2012

Summary of Findings:

Total this audit:	0
Total last audit:	0
Repeated from last audit:	0

INTRODUCTION

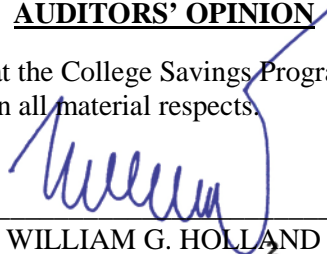
The College Savings Program (Program) was established in March 2000 pursuant to P.A. 91-0607 which authorizes the State Treasurer to establish and administer a “qualified state tuition program” under Section 529 of the Internal Revenue Code of 1986, as amended. Participants of the Program have a choice of two Section 529 investment programs, the Bright Start College Savings Program, which commenced operations on March 27, 2000, and the Bright Directions College Savings Program, which commenced operations on November 18, 2005. The State Treasurer selected an investment firm (Manager), one for Bright Start and one for Bright Directions, to advise the office on the investment of the Trust assets, to administer the Trust assets, and to provide other services relating to the Program. As such, the Managers act as agents of the Treasurer, and as trustees of the Trust. The Treasurer, however, retains ultimate authority to manage the investments of the Trust.

To administer the Program, the Treasurer has established a division entitled “The College Savings Program Division”. The revenues and expenditures of the Division are recorded in a fund maintained by the Treasurer entitled College Savings Program Administrative Trust Fund, which is classified as an enterprise fund. The administrative expenses paid out of this fund were \$1,204,368 in FY11 and \$1,047,634 in FY10.

An investment trust fund was used to account for assets held by the Program in a trustee capacity or as agent for individuals throughout the United States. At June 30, 2011, assets in this fund totaled \$4,132,710,256.

AUDITORS’ OPINION

Our special assistant auditors stated that the College Savings Program financial statements, as of and for the year ended June 30, 2011 are fairly stated in all material respects.



WILLIAM G. HOLLAND
Auditor General

WGH:JC:rt

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this audit were McGladrey & Pullen, LLP.

{Expenditures and Activity Measures are summarized on the reverse page.}

OFFICE OF THE STATE TREASURER - COLLEGE SAVINGS PROGRAM

FINANCIAL AUDIT

For The Year Ended June 30, 2011

STATEMENTS OF FIDUCIARY NET ASSETS	FY 2011	FY 2010
STATEMENT OF FIDUCIARY NET ASSETS		
Cash and Cash Equivalents.....	\$ 218,903,260	\$ 174,843,388
Capital Shares, Securities Sold and Dividends Receivable.....	6,087,242	6,715,706
Mutual Funds.....	3,907,719,754	2,941,972,926
Total Assets.....	<u>\$ 4,132,710,256</u>	<u>\$ 3,123,532,020</u>
Payable for capital shares.....	\$ 5,656,591	\$ 3,276,520
Payable for Securities Purchased.....	1,738,153	1,361,640
Other liabilities.....	1,384,020	1,057,144
Total Liabilities.....	<u>\$ 8,778,764</u>	<u>\$ 5,695,304</u>
Net Assets available to participants.....	<u>4,123,931,492</u>	<u>3,117,836,716</u>
Total Liabilities and Net Assets.....	<u>\$ 4,132,710,256</u>	<u>\$ 3,123,532,020</u>
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS		
Operations		
Investment Earnings.....	\$ 34,501,712	\$ 18,026,910
Net Change in Fair Value of Investments (Unrealized).....	594,881,143	230,785,697
Distribution fees.....	(2,880,424)	(2,439,470)
State administrative fees.....	(796,993)	(608,097)
Insurance fees.....	(196,970)	(183,358)
12b-1 fees.....	(2,211,451)	(1,602,610)
Management and Bank Custodial fees.....	(7,994,225)	(6,524,196)
Net Investment Earnings.....	615,302,792	237,454,876
Distribution to Shareholders - Net Investment Income.....	(16,111)	(14,088)
Participant Transactions		
Program Contributions.....	1,539,502,826	1,334,724,498
Program Distributions.....	(1,148,711,670)	(948,223,446)
Distributions Reinvested.....	16,939	16,742
Net Changes in Net Assets.....	390,808,095	386,517,794
Net Increase in Net Assets.....	1,006,094,776	623,958,582
Net Assets Beginning of the Year.....	3,117,836,716	2,493,878,134
Net Assets End of the Year.....	<u>\$ 4,123,931,492</u>	<u>\$ 3,117,836,716</u>
SELECTED ACTIVITY MEASURES (unaudited)	FY 2011	FY 2010
Number of Illinois Participants (Bright Start).....	172,332	159,023
Balance of Illinois Participants (Bright Start).....	\$ 2,550,670,139	\$ 1,972,125,378
Number of Non-Illinois Participants (Bright Start).....	48,986	46,243
Balance of Non-Illinois Participants (Bright Start).....	\$ 742,260,699	\$ 577,298,055
Number of Illinois Participants (Bright Directions).....	55,504	47,599
Balance of Illinois Participants (Bright Directions).....	\$ 765,733,522	\$ 528,911,671
Number of Out of State Participants (Bright Directions).....	4,050	2,946
Balance of Out of State Participants (Bright Directions).....	\$ 65,660,105	\$ 39,445,247
STATE TREASURER		
During Audit Period: Honorable Dan Rutherford (effective 1-10-11); Honorable Alexi Giannoulas (7-1-10 through 1-10-11)		
Currently: Honorable Dan Rutherford		