



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, 2012**

**Release Date: January 30, 2013**

**Summary of Findings:**

<b>Total this audit:</b>	<b>0</b>
<b>Total last audit:</b>	<b>0</b>
<b>Repeated from last audit:</b>	<b>0</b>

**INTRODUCTION**

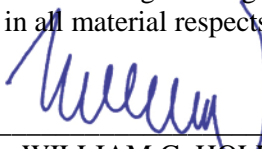
The College Savings Program (Program) was established in March 2000 pursuant to P.A. 91-0607 which authorizes the State Treasurer to establish and administer a “qualified state tuition program” under Section 529 of the Internal Revenue Code of 1986, as amended. Participants of the Program have a choice 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 \$918,593 in FY12 and \$1,204,368 in FY11.

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, 2012, assets in this fund totaled \$4,545,543,671.

**AUDITORS’ OPINION**

Our special assistant auditors stated that the College Savings Program financial statements, as of and for the year ended June 30, 2012 are fairly stated in all material respects.

  
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WILLIAM G. HOLLAND  
- Auditor General

WGH:JC:rt

**SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors for this audit were McGladrey 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, 2012**

<b>STATEMENTS OF FIDUCIARY NET ASSETS</b>	<b>FY 2012</b>	<b>FY 2011</b>
<b>STATEMENT OF FIDUCIARY NET ASSETS</b>		
Cash and cash equivalents.....	\$ 324,469,353	\$ 218,903,260
Capital shares, securities sold and dividends receivable.....	7,038,894	6,087,242
Mutual funds.....	4,214,035,424	3,907,719,754
Total assets.....	<u>\$ 4,545,543,671</u>	<u>\$ 4,132,710,256</u>
Payable for capital shares.....	\$ 3,377,245	\$ 5,656,591
Payable for securities purchased.....	1,809,674	1,738,153
Other liabilities.....	1,274,498	1,384,020
Total liabilities.....	<u>\$ 6,461,417</u>	<u>\$ 8,778,764</u>
Net assets available to participants.....	4,539,082,254	4,123,931,492
Total liabilities and net assets.....	<u>\$ 4,545,543,671</u>	<u>\$ 4,132,710,256</u>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS</b>		
Operations		
Investment earnings.....	\$ 39,715,905	\$ 34,501,712
Net change in fair value of investments .....	40,548,095	594,881,143
Distribution fees.....	(3,049,007)	(2,880,424)
State administrative fees.....	(748,048)	(796,993)
Insurance fees.....	(264,872)	(196,970)
12b-1 fees.....	(2,703,176)	(2,211,451)
Management and bank custodial fees.....	(8,783,468)	(7,994,225)
Net investment earnings.....	64,715,429	615,302,792
Distribution to participants - Net investment income.....	(24,308)	(16,111)
Other participant transactions		
Program contributions.....	1,628,541,126	1,539,502,826
Program distributions.....	(1,278,104,640)	(1,148,711,670)
Distributions reinvested.....	23,155	16,939
Total increase from participant transactions.....	350,459,641	390,808,095
Change in Net Assets.....	415,150,762	1,006,094,776
Net assets beginning of the year.....	4,123,931,492	3,117,836,716
Net assets end of the year.....	<u>\$ 4,539,082,254</u>	<u>\$ 4,123,931,492</u>
<b>SELECTED ACTIVITY MEASURES (unaudited)</b>	<b>FY 2012</b>	<b>FY 2011</b>
Number of Illinois Participants (Bright Start).....	185,233	172,332
Balance of Illinois Participants (Bright Start).....	\$ 2,773,394,993	\$ 2,550,670,139
Number of Non-Illinois Participants (Bright Start).....	52,248	48,986
Balance of Non-Illinois Participants (Bright Start).....	\$ 797,398,213	\$ 742,260,699
Number of Illinois Participants (Bright Directions).....	62,445	55,504
Balance of Illinois Participants (Bright Directions).....	\$ 875,905,528	\$ 765,733,522
Number of Out of State Participants (Bright Directions).....	5,521	4,050
Balance of Out of State Participants (Bright Directions).....	\$ 89,200,497	\$ 65,660,105
<b>STATE TREASURER</b>		
During Audit Period: Honorable Dan Rutherford		
Currently: Honorable Dan Rutherford		