



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STUDENT ASSISTANCE COMMISSION

Financial Audit
 For the Year Ended June 30, 2021

Release Date: June 2, 2022

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2020		21-01	
Category 2:	0	1	1				
Category 3:	0	0	0				
TOTAL	0	0	1				
FINDINGS LAST AUDIT: 2							

INTRODUCTION

This digest covers the Illinois Student Assistance Commission’s (Commission) financial audit for the year ended June 30, 2021. Included in the financial statements of the Commission are the Illinois Prepaid Tuition Program (Program), a major fund of the Commission and the State of Illinois and the Illinois Designated Account Purchase Program (IDAPP), a major fund of the Commission.

SYNOPSIS

- (21-01) The Commission did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits plans was complete and accurate.

<p>Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).</p> <p>Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.</p> <p>Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.</p>

**ILLINOIS STUDENT ASSISTANCE COMMISSION
FINANCIAL AUDIT
For the Year Ended June 30, 2021**

STATEMENT OF NET POSITION (amounts in thousands)	2021	2020
Assets		
Unexpended appropriations.....	\$ 65,446	\$ 36,057
Cash and cash equivalents.....	126,116	130,690
Investments.....	549,079	588,259
Receivables.....	237,731	272,929
Securities lending collateral	37,814	33,526
Capital assets, net.....	8,960	9,708
Due from other State funds and component units.....	32,145	2,588
Total.....	<u>1,057,291</u>	<u>1,073,757</u>
Deferred Outflows of Resources		
Pension related amounts.....	44,871	45,143
OPEB related amounts.....	22,245	42,641
Total.....	<u>67,116</u>	<u>87,784</u>
Liabilities		
Accounts payable and accrued liabilities.....	10,855	10,288
Due to other State funds and component units.....	67,428	40,562
Securities lending collateral obligation.....	37,814	33,526
Line of credit.....	64,487	78,157
Revenue bonds payable.....	97,060	115,253
Tuition obligation.....	786,268	908,102
Net pension and OPEB liability.....	184,713	176,575
Other.....	2,738	2,124
Total.....	<u>1,251,363</u>	<u>1,364,587</u>
Deferred Inflows of Resources		
Unamortized deferred amount on refunding.....	20,886	24,929
Pension related amounts.....	32,623	45,386
OPEB related amounts.....	24,985	40,932
Total.....	<u>78,494</u>	<u>111,247</u>
Net position		
Net investment in capital assets.....	8,960	9,708
Restricted.....	81,924	80,833
Unrestricted.....	(296,334)	(404,834)
Total.....	<u>\$ (205,450)</u>	<u>\$ (314,293)</u>
STATEMENT OF ACTIVITIES (amounts in thousands)	2021	2020
Expenses		
Scholarships, awards and grants.....	\$ 517,067	\$ 523,696
Student loan purchase program.....	4,494	8,256
Prepaid tuition.....	14,127	36,863
Loan guarantee program.....	56,925	77,368
Total.....	<u>592,613</u>	<u>646,183</u>
Program revenues		
Charges for services.....	20,916	32,184
Operating grants and contributions.....	142,468	89,959
Total.....	<u>163,384</u>	<u>122,143</u>
Net program revenues.....	<u>(429,229)</u>	<u>(524,040)</u>
General revenues		
Appropriations from State resources.....	534,689	504,691
Other.....	3,274	(327)
Total.....	<u>537,963</u>	<u>504,364</u>
Change in net position.....	<u>\$ 108,734</u>	<u>\$ (19,676)</u>
COMMISSION EXECUTIVE DIRECTOR		
During Audit Period and Currently: Mr. Eric Zarnikow		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

LACK OF CENSUS DATA RECONCILIATIONS

The Commission did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans that was complete and accurate.

In FY21, Commission had not performed an initial or established an ongoing reconciliation of its census data

During testing, we noted the Commission had not performed an initial complete reconciliation of its census data recorded by the State Employees' Retirement System of Illinois (SERS) to its internal records to establish a base year of complete and accurate census data. After establishing a base year, the Commission had not developed a process to annually obtain from SERS the incremental changes recorded by SERS in their census data records and reconcile these changes back to the Commission's internal supporting records. (Finding 1, page 153-154)

We recommended the Commission work with SERS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary. After completing an initial full reconciliation, the Commission may limit the annual reconciliation to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods.

Commission agreed with auditors

Commission officials accepted our recommendation and stated after Fiscal Year 2021 the Commission completed an initial full reconciliation and implemented an annual reconciliation process.

AUDITOR'S OPINION

The auditors stated the financial statements of the Commission as of and for the year ended June 30, 2021, are fairly stated in all material respects.

This financial audit was conducted by Crowe LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:JGR