



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, 2013

Release Date: February 6, 2014

Summary of Findings:

Total this audit:	0
Total last audit:	1
Repeated from 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, 2013 and for the year then ended.

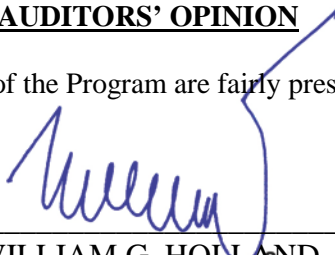
As of June 30, 2013, the Illinois Prepaid Tuition Program has a **deficit** of \$389,052,907. The table below details a reconciliation of the fund deficit in the financial statements to the fund deficit in the Actuarial Soundness Report as of June 30, 2013.

Reconciliation of Fund Deficit with Unfunded Liability in the Actuarial Report

Unfunded liability per actuarial soundness report	\$ (448,506,323)
Present value of accrued future administrative expense	60,886,378
Other accrued liabilities	<u>(1,432,962)</u>
Fund deficit per Statement of Net Position	<u>\$ (389,052,907)</u>

AUDITORS' OPINION

Our auditors stated the financial statements of the Program are fairly presented in all material respects.



WILLIAM G. HOLLAND
Auditor General

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this audit were McGladrey LLP.

WGH:DJB

{Financial information is summarized on the reverse page.}

ILLINOIS STUDENT ASSISTANCE COMMISSION
ILLINOIS PREPAID TUITION PROGRAM
FINANCIAL AUDIT
For the Year Ended June 30, 2013 (in thousands)

STATEMENT OF NET POSITION	2013	2012
Assets		
Cash and cash equivalents.....	\$ 6,998	\$ 7,417
Investments.....	1,071,096	1,063,512
Contracts receivable.....	91,775	105,126
Accrued interest on investments.....	-	1
Total.....	<u>1,169,869</u>	<u>1,176,056</u>
Liabilities		
Accounts payable and accrued expenses.....	1,083	1,349
Due to other ISAC funds.....	304	175
Due to State of Illinois component units.....	46	198
Tuition obligation.....	1,557,489	1,594,657
Compensated absences.....	-	65
Total.....	<u>1,558,922</u>	<u>1,596,444</u>
Net Position, Unrestricted (Deficit)	<u>\$ (389,053)</u>	<u>\$ (420,388)</u>
REVENUES, EXPENSES AND CHANGES IN NET POSITION	2013	2012
Operating revenues		
Income from investment securities.....	\$ 91,397	\$ 34,543
Contributions.....	33,617	-
Fees.....	823	610
Interest revenue.....	188	141
Total.....	<u>126,025</u>	<u>35,294</u>
Operating expenses		
Accreted tuition expense.....	84,485	184,400
Salaries and employee benefits.....	2,076	2,836
Management and professional services.....	3,961	2,223
Investment advisory fees.....	2,813	2,572
Investment management fees.....	1,355	1,493
Total.....	<u>94,690</u>	<u>193,524</u>
Operating income (loss)	31,335	(158,230)
Transfers out.....	-	(27)
Change in net position.....	<u>\$ 31,335</u>	<u>\$ (158,257)</u>
Actuarial Report on Soundness (Unaudited)	2013	2012
- Unfunded Liability (Actuarial Value of Assets)	\$ (462,410)	\$ (431,540)
- Unfunded Liability (Market Value of Assets)	\$ (448,506)	\$ (467,405)

AGENCY EXECUTIVE DIRECTOR

During Examination Period: Mr. Eric Zarnikow
Currently: Mr. Eric Zarnikow