

REPORT DIGEST

**ILLINOIS STUDENT
ASSISTANCE
COMMISSION -
ILLINOIS
PREPAID TUITION
PROGRAM**

FINANCIAL AUDIT
For the Year Ended:
June 30, 2009

Release Date:
March 3, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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INTRODUCTION

This report covers our financial audit of the Illinois Student Assistance Commission (Commission) – Illinois Prepaid Tuition Program (Program) as of June 30, 2009 and for the year then ended.

AUDITORS' OPINION

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

WILLIAM G. HOLLAND, Auditor General

WGH:JAF:pp

SPECIAL ASSISTANT AUDITORS

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

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

**ILLINOIS STUDENT ASSISTANCE COMMISSION
PREPAID TUITION PROGRAM – FINANCIAL AUDIT
For The Year Ended June 30, 2009 (In Thousands)**

FINANCIAL OPERATIONS	2009	2008
OPERATING REVENUES		
Income (loss) from investment securities.....	\$(155,994)	\$(78,491)
Application and other fees.....	1,940	2,396
Interest income (other)	<u>121</u>	<u>355</u>
Net operating revenue.....	<u>(153,933)</u>	<u>(75,740)</u>
OPERATING EXPENSES		
Accreted tuition expenses	67,776	65,873
Management and professional services	3,438	3,872
Investment management fees.....	1,649	2,972
Salaries and employee benefits	<u>1,856</u>	<u>842</u>
Total operating expenses.....	<u>74,719</u>	<u>73,559</u>
Operating Income (Loss).....	(228,652)	(149,299)
Transfer out.....	<u>(31)</u>	<u>-</u>
Change in Net Assets.....	(228,683)	(149,299)
Net Assets (Deficit), July 1	<u>(112,977)</u>	<u>36,322</u>
Net Assets (Deficit), June 30	<u>\$(341,660)</u>	<u>\$(112,977)</u>
STATEMENT OF NET ASSETS		
	June 30, 2009	June 30, 2008
Assets:		
Cash and cash equivalents.....	\$ 61,332	\$ 5,998
Securities lending collateral.....	72,331	167,529
Investments and marketable securities.....	824,995	987,590
Accrued interest income.....	<u>7</u>	<u>31</u>
Total assets.....	<u>958,665</u>	<u>1,161,148</u>
Liabilities:		
Tuition payable.....	884,485	828,100
Accreted tuition payable	337,369	274,306
Securities lending collateral obligation	77,664	170,776
Other liabilities.....	<u>807</u>	<u>943</u>
Total liabilities	<u>1,300,325</u>	<u>1,274,125</u>
Net Assets, (deficit).....	<u>\$(341,660)</u>	<u>\$(112,977)</u>
ACTUARIAL (DEFICIT) as of June 30 - Per Actuarial Reports		
	2009	2008
Net assets, before tuition/accretion payable.....	\$880,194	\$992,676
Add - Actuarial present value of future payments expected to be made by contract purchasers..	196,581	193,922
Deduct - Actuarial present value of future payments expected to be paid by the program.....	<u>(1,592,332)</u>	<u>(1,459,764)</u>
Actuarial (deficit) as of June 30	<u>\$(515,557)</u>	<u>\$(273,166)</u>
Contracts purchased and outstanding.....	<u>55</u>	<u>53</u>
AGENCY DIRECTOR		
During Audit Period: Mr. Andrew Davis		
Currently: Mr. Andrew Davis		

