



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, 2010

Release Date: January 20, 2011

Summary of Findings:

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

INTRODUCTION

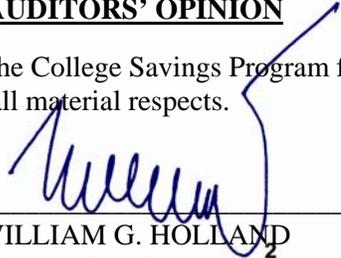
The College Savings Program (Program) was established in March 2000 pursuant to P.A. 91-0607 which authorizes the State Treasurer to establish and administer a “qualified state tuition program” under Section 529 of the Internal Revenue Code of 1986, as amended. Participants of the Program have a choice 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 \$1,047,634 in FY10 and \$980,084 in FY09.

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, 2010, assets in this fund totaled \$3,123,532,020.

AUDITORS’ OPINION

Our special assistant auditors stated that the College Savings Program financial statements, as of and for the year ended June 30, 2010 are fairly stated in all material respects.



WILLIAM G. HOLLAND
Auditor General

WGH:AKS

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this audit were Crowe Horwath 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, 2010

STATEMENTS OF FIDUCIARY NET ASSETS	FY 2010	FY 2009
STATEMENT OF FIDUCIARY NET ASSETS		
Cash and Cash Equivalents.....	\$ 174,843,388	\$ 116,526,703
Capital Shares, Securities Sold and Dividends Receivable.....	6,715,706	6,906,988
Mutual Funds.....	2,941,972,926	2,375,374,839
Total Assets.....	<u>\$ 3,123,532,020</u>	<u>\$ 2,498,808,530</u>
Cash overdraft.....	\$ -	\$ 9,804
Payable for capital shares.....	3,276,520	2,365,606
Payable for Securities Purchased.....	1,361,640	2,028,810
Other liabilities.....	1,057,144	526,176
Total Liabilities.....	<u>\$ 5,695,304</u>	<u>\$ 4,930,396</u>
Net Assets available to participants.....	<u>3,117,836,716</u>	<u>2,493,878,134</u>
Total Liabilities and Net Assets.....	<u>\$ 3,123,532,020</u>	<u>\$ 2,498,808,530</u>
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS		
Operations		
Investment Earnings.....	\$ 18,026,910	\$ 34,183,432
Gain (Loss) on Sale of Securities.....	(33,315,318)	(729,427,309)
Net Change in Fair Value of Investments (Unrealized).....	264,101,015	74,502,795
Interest expense.....	-	(11)
Distribution fees.....	(2,439,470)	(2,154,164)
State administrative fees.....	(608,097)	(531,308)
Insurance fees.....	(183,358)	(153,531)
12b-1 fees.....	(1,602,610)	(1,107,943)
Management and Bank Custodial fees.....	(6,524,196)	(4,986,539)
Net Investment Earnings.....	237,454,876	(629,674,578)
Distribution to Shareholders - Net Investment Income.....	(14,088)	(134,920)
Participant Transactions		
Program Contributions.....	1,334,724,498	2,279,663,667
Program Distributions.....	(948,223,446)	(1,946,934,761)
Distributions Reinvested.....	16,742	140,660
Net Changes in Net Assets.....	386,517,794	332,869,566
Net Increase in Net Assets.....	623,958,582	(296,939,932)
Net Assets Beginning of the Year.....	<u>2,493,878,134</u>	<u>2,790,818,066</u>
Net Assets End of the Year.....	<u>\$ 3,117,836,716</u>	<u>\$ 2,493,878,134</u>
SELECTED ACTIVITY MEASURES (unaudited)	FY 2010	FY 2009
Number of Illinois Participants (Bright Start).....	159,023	145,926
Balance of Illinois Participants (Bright Start).....	\$ 1,972,125,378	\$ 1,602,848,174
Number of Non-Illinois Participants (Bright Start).....	46,243	44,154
Balance of Non-Illinois Participants (Bright Start).....	\$ 577,298,055	\$ 486,351,613
Number of Illinois Participants (Bright Directions).....	47,599	40,102
Balance of Illinois Participants (Bright Directions).....	\$ 528,911,671	\$ 380,381,231
Number of Out of State Participants (Bright Directions).....	2,946	2,076
Balance of Out of State Participants (Bright Directions).....	\$ 39,445,247	\$ 24,404,518
STATE TREASURER		
During Audit Period: Honorable Alexi Giannoulis		
Currently: Honorable Dan Rutherford		