



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS STUDENT ASSISTANCE COMMISSION**

**Compliance Examination  
 For the Two Years Ended June 30, 2018**

**Release Date: May 23, 2019**

FINDINGS THIS AUDIT: 1	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	2009			18-1
<b>Category 2:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Category 3:</b>	<u>0</u>	<u>1</u>	<u>1</u>				
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>				
<b>FINDINGS LAST AUDIT: 2</b>							

**INTRODUCTION**

This digest covers our Compliance Examination of the Illinois Student Assistance Commission (Commission) for the two years ended June 30, 2018. A separate Financial Audit as of and for the year ending June 30, 2018, will be released under separate cover. In total, this report contains one finding which was reported in the Financial Audit.

**GOLDEN APPLE SCHOLARS OF ILLINOIS PROGRAM**

Pursuant to the Higher Education Student Assistance Act, the Commission administers the Golden Apple Scholars of Illinois Program which is managed by the Golden Apple Foundation for Excellence in Teaching. During procedures performed, the auditors identified instances of noncompliance related to the Golden Apple Scholars of Illinois Program which is described in the separate agreed-upon procedures report.

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

{Expenditures and Activity Measures are summarized on next page.}

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018**

EXPENDITURE STATISTICS	2018	2017	2016
<b>Total Expenditures.....</b>	<b>\$ 721,119,380</b>	<b>\$ 849,272,663</b>	<b>\$ 515,935,467</b>
OPERATIONS TOTAL.....	\$ 312,779,033	\$ 336,705,398	\$ 345,731,685
% of Total Expenditures.....	43.4%	39.6%	67.0%
Personal Services.....	7,175,403	9,449,042	7,122,916
Other Payroll Costs (FICA, Retirement).....	5,829,282	7,742,583	6,145,344
Contractual Services.....	7,804,404	7,660,180	7,036,271
To Support Administrative Activities.....	-	2,299,050	6,022,894
Uncollectible Loan guarantees.....	131,006,856	151,138,982	148,448,782
Collection Agency Fees.....	5,678,751	5,993,648	5,114,713
Prepaid Tuition.....	153,064,458	151,019,532	147,184,674
Designated Account Purchase Program.....	626,198	344,091	729,413
All Other Operating Expenditures.....	1,593,681	1,058,290	17,926,678
AWARDS AND GRANTS.....	\$ 408,340,347	\$ 512,567,265	\$ 170,203,782
% of Total Expenditures.....	56.6%	60.4%	33.0%
Monetary Award Program Grant Awards.....	397,415,387	500,338,663	169,793,215
Golden Apple Scholars.....	6,562,211	5,734,358	224,599
All Other Awards and Grants.....	4,362,749	6,494,244	185,968
<b>Total Receipts.....</b>	<b>\$ 319,802,000</b>	<b>\$ 341,873,000</b>	<b>\$ 355,106,000</b>
<b>Average Number of Employees (Unaudited).....</b>	<b>277</b>	<b>272</b>	<b>281</b>
SELECTED ACTIVITY MEASURES	2018	2017	2016
Net Cost of Property and Equipment (in thousands)....	\$ 11,457	\$ 12,240	\$ 13,020
Investment Management Fees .....	\$ 4,357,847	\$ 5,941,209	\$ 5,414,819
Number of Students Receiving MAP Awards *.....	129,517	121,579	107,057
MAP Award Grant Dollars *.....	\$ 392,476,945	\$ 346,443,191	\$ 319,817,312
Number of Illinois Veterans Grants *.....	4,116	4,792	5,373
Illinois Veterans Grant Dollars *.....	\$ 18,708,254	\$ 21,250,113	\$ 23,440,145
Number of National Guard Grants *.....	2,155	2,199	1,982
National Guard Grant Dollars *.....	\$ 11,981,191	\$ 13,839,695	\$ 9,667,021
Number of Golden Apple Scholarships *.....	544	469	475
Golden Apple Scholarship Dollars *.....	\$ 2,039,941	\$ 1,831,458	\$ 1,697,642
*Unaudited			
AGENCY DIRECTOR			
During Examination Period: Mr. Eric Zarnikow			
Currently: Mr. Eric Zarnikow			

## **AUDITOR'S OPINION**

The Financial Audit report was previously released. The auditors stated the financial statements of the Commission as of and for the year ended June 30, 2018 are fairly stated in all material respects. Auditors included a paragraph emphasizing that the Illinois Prepaid Tuition Program has a deficit of \$280 million as of June 30, 2018.

## **ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Commission for the two years ended June 30, 2018 as required by the Illinois State Auditing Act. The accountants stated the Commission complied, in all material respects, with the requirements described in the report.

This engagement was conducted by Crowe LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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