



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

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

**Financial Audit  
 For the Year Ended June 30, 2020**

**Release Date: June 16, 2021**

<b>FINDINGS THIS AUDIT:</b>	<b>0</b>
<b>FINDINGS LAST AUDIT:</b>	<b>0</b>

**INTRODUCTION**

This report covers our financial audit of the Illinois Student Assistance Commission (Commission) – Illinois Prepaid Tuition Program (Program) as of June 30, 2020 and for the year then ended.

As of June 30, 2020, the Program has a **deficit** of \$322 million. 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, 2020.

**Reconciliation of Fund Deficit with Unfunded Liability in the Actuarial Report**

Unfunded liability per actuarial soundness report	\$ (340,312,560)
Present value of accrued future administrative expense	20,819,116
Other accrued liabilities	<u>(2,334,039)</u>
Fund deficit per Statement of Net Position	<u>\$ (321,827,483)</u>

**AUDITOR’S OPINION**

The auditors stated the financial statements of the Commission Program as of and for the year ended June 30, 2020 are fairly stated in all material respects. The auditors included a paragraph emphasizing the Program has a deficit of \$322 million as of June 30, 2020.

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

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
ILLINOIS PREPAID TUITION PROGRAM  
FINANCIAL AUDIT  
For the Year Ended June 30, 2020**

<b>STATEMENT OF NET POSITION</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and cash equivalents.....	\$ 3,926,657	\$ 5,046,908
Investments.....	567,661,072	697,133,703
Contracts receivable.....	16,995,180	23,680,486
Recoverable taxes.....	25,469	35,586
Accrued interest on investments.....	2,591	7,030
Total.....	<u>588,610,969</u>	<u>725,903,713</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses.....	1,922,338	1,669,441
Due to other ISAC funds.....	340,429	179,020
Due to State of Illinois component units.....	73,863	10,194
Tuition obligation.....	908,101,822	1,018,997,197
Total.....	<u>910,438,452</u>	<u>1,020,855,852</u>
<b>Net Position, Unrestricted (Deficit).....</b>	<u>\$ (321,827,483)</u>	<u>\$ (294,952,139)</u>
<b>REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>	<b>2020</b>	<b>2019</b>
<b>Operating revenues</b>		
Income from investment securities.....	\$ 9,611,899	\$ 32,622,636
Fees.....	140,233	247,516
Interest revenue.....	235,656	181,793
Total.....	<u>9,987,788</u>	<u>33,051,945</u>
<b>Operating expenses</b>		
Accreted tuition expense.....	31,562,373	41,669,077
Salaries and employee benefits.....	1,688,089	1,725,709
Management and professional services.....	2,060,891	2,068,583
Investment advisory fees.....	1,170,981	1,810,641
Investment management fees.....	380,798	400,277
Total.....	<u>36,863,132</u>	<u>47,674,287</u>
<b>Change in net position.....</b>	<u>\$ (26,875,344)</u>	<u>\$ (14,622,342)</u>
<b>Actuarial Report on Soundness</b>	<b>2020</b>	<b>2019</b>
Unfunded liabilities.....	\$ (340,312,560)	\$ (317,491,361)
Funded Ratio.....	63.4%	69.6%

<b>AGENCY EXECUTIVE DIRECTOR</b>		
<b>During Audit Period:</b> Mr. Eric Zarnikow		
<b>Currently:</b> Mr. Eric Zarnikow		