



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, 2021**

Release Date: June 8, 2022

FINDINGS THIS AUDIT:	0
FINDINGS 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, 2021 and for the year then ended.

As of June 30, 2021, the Program has a **deficit** of \$216 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	\$ (238,281,263)
Present value of accrued future administrative expense	23,131,164
Other accrued liabilities	<u>(1,098,017)</u>
Fund deficit per Statement of Net Position	<u>\$ (216,248,116)</u>

AUDITOR’S OPINION

The auditors stated the financial statements of the Commission - Program as of and for the year ended June 30, 2021 are fairly stated in all material respects. The auditors included a paragraph emphasizing that the Program has a deficit of \$216 million as of June 30, 2021.

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, 2021**

STATEMENT OF NET POSITION	2021	2020
Assets		
Cash and cash equivalents.....	\$ 2,297,246	\$ 3,926,657
Investments.....	526,981,324	567,661,072
Contracts receivable.....	11,814,477	16,995,180
Recoverable taxes.....	24,686	25,469
Accrued interest on investments.....	70	2,591
Due from other State Funds.....	30,000,000	-
Total.....	<u>571,117,803</u>	<u>588,610,969</u>
Liabilities		
Accounts payable and accrued expenses.....	937,924	1,922,338
Due to other ISAC funds.....	133,927	340,429
Due to State of Illinois component units.....	26,237	73,863
Tuition obligation.....	786,267,831	908,101,822
Total.....	<u>787,365,919</u>	<u>910,438,452</u>
Net Position, Unrestricted (Deficit).....	<u>\$ (216,248,116)</u>	<u>\$ (321,827,483)</u>
REVENUES, EXPENSES AND CHANGES IN NET POSITION	2021	2020
Operating and non-operating revenues		
Income from investment securities.....	\$ 89,485,043	\$ 9,611,899
Fees.....	201,609	140,233
Interest Revenue.....	19,211	235,656
Transfer from other State Funds.....	30,000,000	-
Total.....	<u>119,705,863</u>	<u>9,987,788</u>
Operating expenses		
Accreted tuition expense.....	8,801,914	31,562,373
Salaries and employee benefits.....	1,599,649	1,688,089
Management and professional services.....	1,980,683	2,060,891
Investment advisory fees.....	1,398,958	1,170,981
Investment management fees.....	345,292	380,798
Total.....	<u>14,126,496</u>	<u>36,863,132</u>
Change in net position.....	<u>\$ 105,579,367</u>	<u>\$ (26,875,344)</u>
Actuarial Report on Soundness (Unaudited)	2021	2020
Unfunded liabilities.....	\$ (238,281,263)	\$ (340,312,560)
Funded Ratio.....	70.6%	63.4%

AGENCY EXECUTIVE DIRECTOR

During Audit Period and Currently: Mr. Eric Zarnikow