



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, 2014**

Release Date: January 22, 2015

FINDINGS THIS AUDIT:	0
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FINDINGS LAST AUDIT:	0
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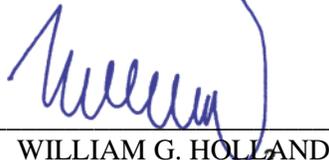
INTRODUCTION

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 and the Bright Directions College Savings Program. 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. A private-purpose trust fund was used to account for assets held by the Program in a trustee capacity or as an agent for individuals throughout the United States. At June 30, 2014, assets in this fund totaled \$6,895,975,116.

AUDITORS' OPINION

Our auditors stated that the June 30, 2014 financial statements of the Office of the State Treasurer – College Savings Program are presented fairly in all material respects.



WILLIAM G. HOLLAND
- Auditor General

WGH:tmh

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this audit were McGladrey LLP.

{Financial information is summarized on next page.}

OFFICE OF THE STATE TREASURER - COLLEGE SAVINGS PROGRAM

FINANCIAL AUDIT

For the Year Ended June 30, 2014

STATEMENTS OF FIDUCIARY NET POSITION	2014	2013
Assets:		
Cash and cash equivalents.....	\$ 504,427,284	\$ 488,703,327
Capital shares, securities sold and dividends receivable.....	20,456,144	8,647,915
Mutual funds.....	6,371,091,688	5,042,858,790
Total assets.....	<u>\$ 6,895,975,116</u>	<u>\$ 5,540,210,032</u>
Liabilities and Net Position:		
Payable for capital shares.....	\$ 14,408,174	\$ 4,637,923
Payable for securities purchased.....	2,675,487	2,564,018
Other liabilities.....	2,229,156	2,307,329
Total liabilities.....	<u>19,312,817</u>	<u>9,509,270</u>
Net position held in trust for participants.....	6,876,662,299	5,530,700,762
Total liabilities and net position.....	<u>\$ 6,895,975,116</u>	<u>\$ 5,540,210,032</u>

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	2014	2013
Investment Income (Expense):		
Investment earnings.....	\$ 71,661,061	\$ 57,135,162
Net change in fair value of investments	811,626,146	496,742,916
Distribution fees.....	(3,953,042)	(3,365,834)
State administrative fees.....	(1,661,182)	(879,579)
Insurance fees.....	-	(94,530)
12b-1 fees.....	(4,596,232)	(3,524,367)
Other operating expenses.....	(1,544)	(750)
Management and bank custodial fees.....	(11,778,224)	(10,153,385)
Net investment earnings.....	<u>861,296,983</u>	<u>535,859,633</u>
Distribution to participants - Net investment income.....	<u>(15,356)</u>	<u>(23,183)</u>
Other participant transactions:		
Program contributions.....	2,403,440,826	2,140,685,699
Program distributions.....	(1,918,776,076)	(1,684,927,953)
Distributions reinvested.....	15,160	24,312
Total increase from participant transactions.....	<u>484,679,910</u>	<u>455,782,058</u>
Change in Net Position.....	1,345,961,537	991,618,508
Net position beginning of the year.....	5,530,700,762	4,539,082,254
Net position end of the year.....	<u>\$ 6,876,662,299</u>	<u>\$ 5,530,700,762</u>

SELECTED ACTIVITY MEASURES (unaudited)	2014	2013
Number of Illinois Participants (Bright Start).....	216,484	198,108
Balance of Illinois Participants (Bright Start).....	\$ 4,071,589,835	\$ 3,214,811,524
Number of Out of State Participants (Bright Start).....	57,703	54,807
Balance of Out of State Participants (Bright Start).....	\$ 1,135,051,318	\$ 1,051,753,872
Number of Illinois Participants (Bright Directions).....	79,852	70,711
Balance of Illinois Participants (Bright Directions).....	\$ 1,484,937,436	\$ 1,132,433,983
Number of Out of State Participants (Bright Directions).....	8,444	6,946
Balance of Out of State Participants (Bright Directions).....	\$ 183,230,975	\$ 130,580,694

STATE TREASURER
 During Audit Period: Honorable Dan Rutherford
 Currently: Honorable Michael Frerichs