

**State of Illinois
Office of the Treasurer
College Savings Program**

Financial Audit
For the Years Ended June 30, 2017 and 2016

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

**State of Illinois
Office of the Treasurer**
**College Savings Program
Financial Audit
For the Years Ended June 30, 2017 and 2016**

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**State of Illinois
Office of the Treasurer**
**College Savings Program
Financial Audit**
For the Years Ended June 30, 2017 and 2016

Treasurer's Office Officials

Treasurer	The Honorable Michael W. Frerichs
Deputy Treasurer	Mr. Jay Rowell
Chief of Staff	Mr. Justin Cajindos (through January 5, 2018)*
Chief Investment Officer/Chief Financial Officer	Mr. Rodrigo Garcia
General Counsel	Mr. Allen Mayer (December 1, 2017 to present) Mr. Keith Horton (through December 8, 2017)
Chief Policy and Programs Officer	Mr. Julian Federle (through January 19, 2018)*
Chief Financial Products Officer	Mr. Fernando Diaz (January 16, 2018 to present)**
Director of College Savings	Mr. Fernando Diaz (through January 16, 2018)*
Director of Investment Analysis and Due Diligence	Mr. Joe Aguilar (January 18, 2018 to present)**
Deputy Director of Investment Analysis and Due Diligence	Mr. Joe Aguilar (through January 17, 2018)*
Director of Fiscal Operations	Ms. Deborah Miller
Inspector General	Mr. Ray Watson
Chief Internal Auditor	Ms. Leighann Manning

*Due to reorganization, these positions have been eliminated.

**New position due to reorganization.

The Office of the Treasurer maintains the following four office locations:

Executive Office
State Capitol
219 State House
Springfield, Illinois 62706

Operational Divisions
Illinois Business Center
400 West Monroe
Springfield, Illinois 62704

Unclaimed Property Division
Myers Building
1 W. Old State Capitol Plaza, 1st & 4th Floors
Springfield, Illinois 62701

Chicago Office Legal / Programmatic
James R. Thompson Center
100 West Randolph Street, Suite 15-600
Chicago, Illinois 60601

FINANCIAL STATEMENT REPORT

**State of Illinois
Office of the Treasurer**

**College Savings Program
Financial Audit
For the Years Ended June 30, 2017 and 2016**

Financial Statement Report

Summary

The audit of the accompanying Statement of Fiduciary Net Position of the College Savings Program of the State of Illinois, Office of the Treasurer (Treasurer) as of June 30, 2017 and the Statement of Changes in Fiduciary Net Position for the year then ended was performed by Crowe Horwath LLP.

Based on their audit, the auditors expressed an unmodified opinion on the College Savings Program's financial statements.

Summary of Findings

The auditors identified matters involving the Treasurer's internal control over financial reporting that they considered to be a material weakness and a significant deficiency. The material weakness is described in the accompanying Schedule of Findings on page 107 of this report as item 2017-001, Overstatement of Participant Contributions and Distributions. The significant deficiency is described in the accompanying Schedule of Findings on page 109 of this report as item 2017-002, Lack of Adequate Controls over the Review of External Service Provider.

Exit Conference

The Treasurer waived an exit conference in correspondence dated February 15, 2017. The responses to the recommendations were provided by Leighann Manning in correspondence dated February 28, 2018.

Independent Auditor's Report

Independent Auditor's Report

The Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the College Savings Program, a fiduciary (private-purpose trust) fund of the State of Illinois, Office of the Treasurer, as of and for the year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College Savings Program of the State of Illinois, Office of the Treasurer, as of June 30, 2017,

and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the College Savings Program and do not purport to, and do not, present fairly the financial position of the State of Illinois, or the State of Illinois, Office of the Treasurer as of June 30, 2017, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As disclosed in Note 4, the previously issued financial statements for Fiscal Year 2016 have been restated for the correction of a material misstatement related to participant contributions and participant distributions. Our opinion is not modified with respect to this matter.

Other Matters

The financial statements of the College Savings Program as of June 30, 2016, were audited by other auditors whose report dated December 29, 2016, expressed an unmodified opinion on those statements. The other auditors reported on the financial statements before the restatement adjustment as discussed in Note 4 to the financial statements.

As part of our audit of the 2017 financial statements, we also audited the adjustments described in Note 4 that were applied to restate the 2016 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2016 financial statements of the College Savings Program other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit for the year ended June 30, 2017 was conducted for the purpose of forming an opinion on the financial statements of the College Savings Program of the State of Illinois, Office of the Treasurer. The Supplementary Information (pages 24 - 89), and the Other Information (pages 90 – 104) as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The Supplementary Information for the year ended June 30, 2017, consisting of the combining statements and statements by portfolio are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The accompanying 2017 Supplementary Information has been subjected to the auditing procedures applied in the audit of the financial statements for the year ended June 30, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 Supplementary Information is fairly stated, in all material respects, in relation to the financial statements as a whole for the year ended June 30, 2017.

The College Savings Program's financial statements for the year ended June 30, 2016, were audited by other auditors whose report thereon dated December 29, 2016, expressed an unmodified opinion on the financial statements. The report of the other auditors dated December 29, 2016, stated that the Supplementary Information for the year ended June 30, 2016 consisting of the combining statements and statements by portfolio were subjected to the auditing procedures applied in the audit of the 2016 financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the financial statements as a whole for the year ended June 30, 2016.

The Other Information consisting of Key Performance Measures and the Bright Start and Bright Directions Investment Policies, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2018 on our consideration of the State of Illinois, Office of the Treasurer's internal control over financial reporting of the College Savings Program, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Office of the Treasurer's internal control over financial reporting of the College Savings Program and its compliance.

Signature on file
Crowe Horwath LLP

Springfield, Illinois
March 5, 2018

Financial Statements

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Fiduciary Net Position
June 30, 2017 and 2016**

	2017	2016
Assets		
Cash and Cash Equivalents	\$ 771,561,227	\$ 645,512,167
Capital Shares Receivable	12,775,509	9,716,797
Securities Sold Receivable	2,047,666	908,228
Dividends Receivable	4,860,869	4,381,748
Mutual Funds	<u>8,743,953,557</u>	<u>7,467,030,546</u>
Total Assets	<u>9,535,198,828</u>	<u>8,127,549,486</u>
 Liabilities and Net Position		
Liabilities		
Payable for Capital Shares	8,838,600	6,842,362
Payable for Securities Purchased	4,554,899	4,126,559
Other Liabilities	<u>3,137,007</u>	<u>2,716,952</u>
Total Liabilities	16,530,506	13,685,873
Net Position Held in Trust for Participants	<u>\$ 9,518,668,322</u>	<u>\$ 8,113,863,613</u>

The accompanying notes are an integral part of these statements.

**State of Illinois
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**College Savings Program
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2017 and 2016**

	2017	2016
Additions		
Investment Income (Expense)		
Investment Earnings	\$ 130,904,357	\$ 129,137,239
Net Change in Fair Value of Investments	810,292,289	(93,968,858)
State Administrative Fees	(2,242,188)	(1,991,891)
Other Operating Expenses	(3,214)	(3,851)
12b-1 Fees	(11,933,514)	(10,534,972)
Management and Bank Custodial Fees	(13,506,144)	(12,732,536)
	<u>913,511,586</u>	<u>9,905,131</u>
Distributions to Participants		
Net Investment Income	(146,291)	(84,756)
Total Decrease in Net Assets from Distributions	(146,291)	(84,756)
Other Participant Transactions		
Program Contributions	1,222,414,903	1,120,724,446
Distributions Reinvested	136,518	79,134
	<u>1,222,551,421</u>	<u>1,120,803,580</u>
Total Increase from Participant Transactions	<u>1,222,551,421</u>	<u>1,120,803,580</u>
Total Additions	2,135,916,716	1,130,623,955
Deductions		
Program Distributions	731,112,007	623,855,177
Total Deductions	731,112,007	623,855,177
Change in Net Position	1,404,804,709	506,768,778
Net Position, Beginning of Fiscal Year	<u>8,113,863,613</u>	<u>7,607,094,835</u>
Net Position, End of Fiscal Year	<u>\$ 9,518,668,322</u>	<u>\$ 8,113,863,613</u>

The accompanying notes are an integral part of these statements.

**State of Illinois
Office of the Treasurer**

**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Background

In May 1999, the General Assembly of the State of Illinois adopted Public Act 91-0607 authorizing the Illinois State Treasurer's Office (the "Treasurer") to establish and administer a program designed to be a "qualified state tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended. The program is known as the College Savings Program (the "Program"). Participants of the Program have a choice of two Section 529 investment programs, the Bright Start College Savings Program ("Bright Start") and the Bright Directions College Savings Program ("Bright Directions"). Bright Start commenced operations on March 27, 2000. Bright Directions commenced operations on November 18, 2005. Investors may participate in Bright Start directly ("Direct-sold Plan") or through participating financial advisors ("Advisor-sold Plan"). Bright Directions is available through participating financial advisors only.

The Program provides an opportunity for investors residing in Illinois to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary (the "Beneficiary") associated with attending an Institution of Higher Education. If the investor is not an Illinois taxpayer, depending upon the laws of the investor's home state or the home state of the investor's beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in Section 529 college savings plans may be available only if invested in the home state's Section 529 plan. Institutions of Higher Education generally include accredited postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential including certain proprietary, postsecondary vocational and foreign institutions. The institution must be eligible to participate in the U.S. Department of Education student aid programs. Qualified higher education expenses generally include tuition, fees, books, supplies, computers, and equipment required for the Beneficiary's enrollment plus, subject to certain limitations, room and board expenses provided the Beneficiary is enrolled on at least a half-time basis.

Under the Program, Program participants (the "Account Owners") select investment portfolios for their accounts established for the purpose of helping Account Owners meet the qualified higher education expenses of the Beneficiaries designated on the Program accounts (the "Accounts"). Amounts contributed to the Program will be invested in the College Savings Trust (the "Trust"). As of June 30, 2017 and 2016, OFI Private Investments, Inc. provided investment advisory, administrative, recordkeeping and marketing services for the Bright Start Program. As of June 30, 2017 and 2016, Union Bank and Trust Company advised the Treasurer on the investment of contributions and provided administrative, recordkeeping and marketing services for the Bright Directions Program. As such, OFI Private Investments, Inc. and Union Bank and Trust Company acted as program managers (the "Managers") of the two investment programs. The Treasurer acts as trustee and is responsible for the overall administration of the programs.

Note 1. Summary of Significant Accounting Policies

Financial Reporting Entity

As described in the Illinois Comprehensive Annual Financial Report, the State of Illinois is the primary government which includes all funds, elected offices, departments and agencies of the State, as well as boards, commissions, authorities, universities and colleges over which the State's executive or legislative branches exercise legal control.

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 1. Summary of Significant Accounting Policies (Continued)

The College Savings Program is an instrumentality of the State of Illinois, with the assets segregated into a Trust, and the Treasurer appointed as Trustee of the Trust, as established in the Declaration of Trust dated March 27, 2000. However, for financial reporting purposes, the College Savings Program is a part of the primary government. The Program is included in the Illinois Comprehensive Annual Financial Report as a private-purpose trust fund. The scope of the College Savings Program financial statements presented herein is limited to the financial position of the College Savings Program private-purpose trust fund.

Fiduciary Fund

The College Savings Fund is classified as a private-purpose trust fund. This trust fund is used to account for assets held by the Treasurer in a trustee capacity. This fund is not held in the State Treasury and is a non-appropriated fund.

Basis of Accounting and Measurement Focus

The accounts of the College Savings Program are maintained and reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Cash and Cash Equivalents

Cash and cash equivalents consist of money market mutual funds and timing differences associated with the purchase of mutual fund shares and short-term, highly liquid investments readily convertible to cash, with a maturity of 90 days or less at the time of purchase.

Investment Earnings

Investment earnings are a combination of dividend income and interest income generated from mutual fund investments. Mutual fund yields are subject to market rate fluctuations.

Fair Value of Investments

Investments in the underlying funds are carried at fair value as determined on the last business day on or prior to June 30.

Management Estimates

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make certain estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates may differ from actual results.

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 1. Summary of Significant Accounting Policies (Continued)

Eliminations

Intra-fund activity related to portfolio exchanges of \$3.59 billion in fiscal year 2017 and \$1.69 billion in fiscal year 2016 was eliminated on the Statement of Changes in Fiduciary Net Position. The amounts are not eliminated in the Statement of Changes in Fiduciary Net Position by Portfolio in the Supplementary Information.

Note 2. Investments

Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, established standards for accounting for investments held by governmental entities.

Fair Value Measurements:

The College Savings Program investments are recorded at fair value as of June 30, 2017 and 2016. GASB Statement No. 72 – *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- | | |
|---------|---|
| Level 1 | Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date. |
| Level 2 | Investments with inputs – other than quoted prices included within Level 1 – that are observable for an asset, either directly or indirectly. |
| Level 3 | Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment. |

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

Bright Start College Savings Program

Permitted Investments:

The Treasurer's Bright Start investment activities are governed by the Treasurer's published Bright Start investment policy (included in the "other information" section of this report), which was developed in accordance with the State statute. In addition, the Treasurer has adopted its own investment practices, which supplements the statutory requirements.

The Bright Start Investment Policy allows funds (contributions) to be invested in one of several Portfolios, each with a designated mix of investments that is appropriate for the investment objective of the Portfolio.

Each Portfolio allocates assets in a combination of underlying investments, investing among large capitalization U.S. stocks, small capitalization U.S. stocks, international stocks, fixed-income and/or short-term investments. The asset allocation of each Portfolio is established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds and cash in each Portfolio and may change the underlying investments within the Portfolios consistent with its Investment Policy Statement and its agreement with the Manager.

Investment Options:

General Overview

The Bright Start Program offered the following investment portfolios as of June 30, 2017 and 2016:

Direct-sold Plan:

- Blended Age-Based Portfolios
- Blended Fixed Income Portfolio
- Blended Equity Portfolio
- Blended Balanced Portfolio
- Money Market Portfolio
- Blended Conservative Fixed Income Portfolio
- Index Age-Based Portfolios
- Index Fixed Income Portfolio
- Index Equity Portfolio
- Index Balanced Portfolio

Advisor-sold Plan:

- Advisor Age-Based Portfolios
- Advisor Fixed Income Portfolio
- Advisor Equity Portfolio
- Advisor Balanced Portfolio
- Advisor Money Market Portfolio
- Advisor Conservative Fixed Income Portfolio

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

Brief Description of Investment Portfolios:

Age-Based Portfolios:

The goal of a portfolio under the Age-Based Option is to seek an asset allocation strategy consistent with the ages of the Beneficiaries of those Account Owners who have invested in that Portfolio.

Based on the age of the Beneficiary, the following Age-Based Portfolios are available:

Direct-sold Plan:

- Blended Age-Based 0-6 Years Portfolio
- Blended Age-Based 7-9 Years Portfolio
- Blended Age-Based 10-11 Years Portfolio
- Blended Age-Based 12-14 Years Portfolio
- Blended Age-Based 15-17 Years Portfolio
- Blended Age-Based 18 Years Portfolio
- Index Age-Based 0-6 Years Portfolio
- Index Age-Based 7-9 Years Portfolio
- Index Age-Based 10-11 Years Portfolio
- Index Age-Based 12-14 Years Portfolio
- Index Age-Based 15-17 Years Portfolio
- Index Age-Based 18 Years Portfolio

Advisor-sold Plan:

- Advisor Age-Based 0-6 Years Portfolio
- Advisor Age-Based 7-9 Years Portfolio
- Advisor Age-Based 10-11 Years Portfolio
- Advisor Age-Based 12-14 Years Portfolio
- Advisor Age-Based 15-17 Years Portfolio
- Advisor Age-Based 18 Years Portfolio

Account assets generally do not remain in the Age-Based Portfolio in which they are initially invested. Account assets are redeemed by the Manager when the Beneficiary attains an age that is greater than the upper limit of the age range that corresponds to a particular Portfolio, including the Portfolio in which assets were invested initially. The Manager then reinvests these assets in the Portfolio that corresponds to the age of the Beneficiary. This continues until the Beneficiary is 18 years old, or the assets are withdrawn from the Account, whichever occurs first. The asset allocation strategy for the Age-Based Portfolio becomes increasingly conservative with each successive Portfolio.

Fixed Income Portfolios:

- Blended Fixed Income Portfolio
- Advisor Fixed Income Portfolio
- Index Fixed Income Portfolio

The goal of the Fixed Income Portfolios is to seek the relatively more stable returns of a fixed income investment in exchange for giving up the long-term return potential that the stock market may offer.

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

Equity Portfolios:

- Blended Equity Portfolio
- Advisor Equity Portfolio
- Index Equity Portfolio

The goal of the Equity Portfolios is to seek long-term capital appreciation through investments in equity mutual funds. The Equity Portfolio is only appropriate for investors with longer time horizons, who are comfortable with an increased level of risk while seeking higher longer-term returns, or who use this investment Portfolio as part of an overall college savings strategy that includes less aggressive investments.

Balanced Portfolios:

- Blended Balanced Portfolio
- Advisor Balanced Portfolio
- Index Balanced Portfolio

The goal of the Balanced Portfolios is to seek attractive total return with reasonable safety of principal through investment in equity and fixed income securities.

Money Market Portfolios:

- Money Market Portfolio
- Advisor Money Market Portfolio

The goal of the Money Market Portfolios is to seek current income and preservation of principal.

Conservative Fixed Income Portfolios:

- Blended Conservative Fixed Income Portfolio
- Advisor Conservative Fixed Income Portfolio

The goal of the Conservative Fixed Income Portfolios is to seek total return by investing primarily in short-term government securities.

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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

Additional Program Information:

Additional information concerning the Bright Start College Savings Program may be obtained online at www.brightstartsavings.com, www.brightstartadvisor.com or by calling toll free 1-877-432-7444.

Investment Risk:

Interest Rate and Credit Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In its investment policy, the Treasurer has adopted a long-term total return strategy. A long-term diversified asset allocation strategy based on (1) asset classes (stocks, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity will be the primary method of risk control.

The investments in the Bright Start College Savings Program are not guaranteed or insured by the State of Illinois, Office of the Treasurer, the Program Manager, affiliates of the Program Manager, the FDIC, or any other party.

The fair values, interest rate risk and credit risk of the money market and fixed income funds, which make up a portion of the total Cash and Cash Equivalents and Mutual Funds, for the Bright Start Program as of June 30, 2017 are detailed in the table below.

<u>Type</u>	<u>Fair Value</u>	<u>Interest Rate Risk Duration</u>	<u>Calculation Method</u>	<u>Credit Risk</u>	<u>Rating Service</u>
Money Market:	\$ 609,567,649	34 days	Weighted Average Maturity	NR*	NA**
Fixed Income Funds:					
	1,270,016,583	5.36 yrs	Effective Maturity	NR*	NA**
	707,630,497	1.26 yrs	Duration	NR*	NA**
	253,127,927	6.12 yrs	Effective Duration	NR*	NA**
	<u>\$ 2,840,342,656</u>				

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

The fair values, interest rate risk and credit risk of the money market and fixed income funds, which make up a portion of the total Cash and Cash Equivalents and Mutual Funds, for the Bright Start Program as of June 30, 2016 are detailed in the table below.

Type	Fair Value	Interest Rate Risk Duration	Calculation Method	Credit Risk	Rating Service
Money Market:	\$ 519,311,777	30 days	Weighted Average Maturity	AAAm	S&P
Fixed Income Funds:					
	1,089,863,465	5.08 yrs	Effective Maturity	NR*	NA**
	646,037,406	1.38 yrs	Duration	NR*	NA**
	<u>234,217,938</u>	5.50 yrs	Effective Duration	NR*	NA**
	<u>\$ 2,489,430,586</u>				

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bright Start Program is managed by Oppenheimer Funds, which has provided the Treasurer with the fair value measurements, the level of fair value hierarchy, and the valuation techniques as of June 30, 2017.

The Program determines the fair value for investments classified in Level 1 by using quoted prices as of the close of the New York Stock Exchange (the Exchange). The fair value of investments classified in Level 2 are valued using quoted prices for identical assets in markets that are not active.

Each investment asset or liability of Bright Start is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Various data inputs are used in determining the value of each of the Program's investments as of the reporting period end.

As of June 30, 2017, and without consideration as to the classification level of the specific investments held by the underlying investments, the Program classified its investments in the underlying investments as \$5,201,502,237 Level 1 and \$1,793,318,358 Level 2.

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

The following table summarizes the Program's investments within the fair value hierarchy at June 30, 2017:

Type	Fair Value	Level 1	Level 2	Level 3
Money Market:	\$ 609,567,649	\$ 609,567,649	\$ -	\$ -
Mutual Funds:	6,385,252,946	4,591,934,588	1,793,318,358	-
Total:	<u>\$ 6,994,820,595</u>	<u>\$ 5,201,502,237</u>	<u>\$ 1,793,318,358</u>	<u>\$ -</u>

The following table summarizes the Program's investments within the fair value hierarchy at June 30, 2016:

Type	Fair Value	Level 1	Level 2	Level 3
Money Market:	\$ 519,311,777	\$ 519,311,777	\$ -	\$ -
Mutual Funds:	5,533,399,558	3,883,223,214	1,650,176,344	-
Total:	<u>\$ 6,052,711,335</u>	<u>\$ 4,402,534,991</u>	<u>\$ 1,650,176,344</u>	<u>\$ -</u>

Bright Directions College Savings Program

Permitted Investments:

The Treasurer's Bright Directions investment activities are governed by the Treasurer's published Bright Directions investment policy (included in the "other information" section of this report), which was developed in accordance with the State statute. In addition, the Treasurer has adopted its own investment practices, which supplements the statutory requirements.

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or money market investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by Union Bank. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the mutual funds within the Portfolios consistent with its Investment Policy Statement.

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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

Investment Options:

General Overview

The Bright Directions Program offered the following investment portfolios as of June 30, 2017, which included three Age-Based Tracks, each with five portfolio options before October 25, 2016 and nine portfolio options effective October 25, 2016:

- Eleven Target Portfolios
- Thirty-one Individual Fund Portfolios
- Fifteen Exchange-Traded Fund Portfolios
- Two Female & Minority Owned Portfolios

The Bright Directions Program offered the following investment portfolios as of June 30, 2016, which included three Age-Based Tracks, each with five portfolio options:

- Seven Target Portfolios
- Thirty-one Individual Fund Portfolios
- Fifteen Exchange-Traded Fund Portfolios
- Two Female & Minority Owned Portfolios

The Age-Based portfolios are designed to reduce the account's exposure to principal loss the closer the Beneficiary is to college age; the Target Portfolios maintain a constant asset allocation between equity, fixed income, and money market securities; the Individual Fund Portfolios each invest in a single mutual fund; the Exchange-Traded Fund Portfolios invest in Vanguard ETFs; and the Female & Minority Owned Portfolios invest in underlying investment funds which are managed by female or minority-owned investment advisors. The Age-Based, Target, Individual, Exchange-Traded and Female & Minority Owned Fund Portfolios have been designed by the Treasurer, Manager, and Wilshire Associates.

Brief Description of Investment Options:

Age-Based Portfolios:

The Age-Based Portfolios generally invest in a mix of equity, fixed income, and money market funds allocated based on the current age of the Beneficiary. The Age-Based Portfolios adjust over time so that as the Beneficiary nears college age each Age-Based Portfolio's allocation between equity, fixed income, and money market funds becomes more conservative relative to the allocation in earlier years.

Program participants may choose from the following three Age-Based Tracks:

- Age-Based Aggressive Portfolio
- Age-Based Growth Portfolio
- Age-Based Balanced Portfolio

The beneficiary age bands within each of the above portfolios effective October 25, 2016 include: 0-2 years, 3-5 years, 6-8 years, 9-10 years, 11-12 years, 13-14 years, 15-16 years, 17-18 years, and 19 years and over. The beneficiary age bands before October 25, 2016 included: 0-8 years, 9-12 years, 13-16 years, 17-20 years, and 21 years and over.

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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

Target Portfolios:

The Target Portfolios are asset allocation portfolios that invest in a set or “static” mix of equity, fixed income, or money market funds. The allocation between equity, fixed income, and money market investments within the Target Portfolios does not change as the Beneficiary gets older. The eleven Target Portfolios, ranging from the most aggressive to conservative, are as follows:

- Fund 100
- Fund 90 (Added October 25, 2016)
- Fund 80
- Fund 70 (Added October 25, 2016)
- Fund 60
- Fund 50 (Added October 25, 2016)
- Fund 40
- Fund 30 (Added October 25, 2016)
- Fund 20
- Fund 10
- Fixed Income Fund

Individual Fund Portfolios:

The Bright Directions Program offered thirty-one Individual Fund Portfolios. Each Individual Fund Portfolio is invested solely in shares of a single underlying mutual fund. Account balances may be allocated among one or more Individual Fund Portfolios according to the Account Owners investment objectives, investment time horizon, and risk tolerance.

The Individual Fund Portfolios offered are as follows:

- American Century Equity Growth 529 Portfolio
- American Century Growth 529 Portfolio
- American Century Short Duration Inflation Protection Bond 529 Portfolio
- American Century Value 529 Portfolio
- Baird Short-Term Bond Institutional 529 Portfolio
- BlackRock Cash Funds 529 Portfolio (Removed July 28, 2016)
- BlackRock Inflation Protected Bond 529 Portfolio
- Calvert Equity 529 Portfolio
- Causeway Emerging Markets 529 Portfolio
- Delaware Small Cap Core 529 Portfolio
- DFA International Small Company 529 Portfolio
- Dodge & Cox International Stock 529 Portfolio
- Eagle Small Cap Growth 529 Portfolio (Removed on October 1, 2015)
- Harbor Small Cap Growth Opportunities 529 Portfolio (Added on October 1, 2015)
- Invesco Government & Agency 529 Portfolio (Added on July 28, 2016)
- MainStay Total Return Bond 529 Portfolio
- MFS Value 529 Portfolio
- Northern Funds Bond Index 529 Portfolio
- Northern Funds International Equity Index 529 Portfolio
- Northern Funds Small Cap Index 529 Portfolio

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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

- Northern Funds Small Cap Value 529 Portfolio
- Northern Funds Stock Index 529 Portfolio
- Oppenheimer International Growth 529 Portfolio
- PIMCO Short-Term 529 Portfolio
- T. Rowe Price Balanced 529 Portfolio
- T. Rowe Price Equity Income 529 Portfolio
- T. Rowe Price Extended Equity Market Index 529 Portfolio
- T. Rowe Price Institutional Large Cap Growth 529 Portfolio
- T. Rowe Price Real Estate 529 Portfolio
- Templeton International Bond 529 Portfolio
- Voya Global Real Estate 529 Portfolio
- William Blair Mid Cap Growth 529 Portfolio

Exchange-Traded Fund Portfolios:

The Bright Directions Program offers fifteen Exchange-Traded Fund Portfolios. These portfolios are additional Individual Fund Portfolios that invest in certain exchange-traded funds available under Fee Structure F. Fee Structure F is available only to Account Owners that establish an Account through registered investment advisors or other financial advisors that are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management.

The Exchange-Traded Fund Portfolios offered are as follows:

- Vanguard FTSE Developed Markets ETF 529 Portfolio
- Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio
- Vanguard Global Ex-U.S. Real Estate ETF 529 Portfolio
- Vanguard Mega Cap ETF 529 Portfolio
- Vanguard Mega Cap Growth ETF 529 Portfolio
- Vanguard Mega Cap Value ETF 529 Portfolio
- Vanguard Mid-Cap ETF 529 Portfolio
- Vanguard Mid-Cap Growth ETF 529 Portfolio
- Vanguard Mid-Cap Value ETF 529 Portfolio
- Vanguard REIT ETF 529 Portfolio
- Vanguard Short-Term Bond ETF 529 Portfolio
- Vanguard Small-Cap ETF 529 Portfolio
- Vanguard Small-Cap Growth ETF 529 Portfolio
- Vanguard Small-Cap Value ETF 529 Portfolio
- Vanguard Total Bond Market ETF 529 Portfolio

Female & Minority Owned Portfolios:

The Bright Directions Program offers two Female & Minority Owned Portfolios. Each portfolio is invested in funds which are managed by female and/or minority-owned investment advisors.

The Female & Minority Owned Portfolios are as follows:

- Ariel Fund 529 Portfolio
- SIT Dividend Growth 529 Portfolio

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

Additional Program Information

Additional information concerning the Bright Directions College Savings Program, including a complete description of investment options, may be obtained online at www.brightdirections.com or by calling 1-866-722-7283.

Investment Risk:

Interest Rate and Credit Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In its investment policy the Treasurer has adopted a long-term total return strategy. A long-term diversified asset allocation strategy based on (1) asset classes (stocks, bonds, cash, etc.), (2) geography/country, (3) industry, and (4) maturity is the primary method of risk control.

The investments in the Bright Directions College Savings Program are not guaranteed or insured by the State of Illinois, Office of the Treasurer, the Program Manager, affiliates of the Program Manager, the FDIC, or any other party.

The fair values, interest rate risk and credit risk of the money market and fixed income funds, which make up a portion of the total Cash and Cash Equivalents and Mutual Funds, for the Bright Directions Program as of June 30, 2017 are detailed in the table below.

<u>Type</u>	<u>Fair Value</u>	<u>Interest Rate Risk Duration</u>	<u>Calculation Method</u>	<u>Credit Risk</u>	<u>Rating Service</u>
Money Market:	\$ 147,034,820	19 days	Weighted Average Maturity	AAAm	S&P
Fixed Income Funds:					
	78,660,745	8.20 yrs	Average Maturity	NR*	NA**
	411,458,454	3.34 yrs	Effective Maturity	NR*	NA**
	32,554,975	3.90 yrs	Weight Average Maturity	NR*	NA**
	61,780,164	3.06 yrs	Effective Duration	NR*	NA**
	<u>\$ 731,489,158</u>				

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

State of Illinois
Office of the Treasurer

College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

Note 2. Investments (Continued)

The fair values, interest rate risk and credit risk of the money market and fixed income funds, which make up a portion of the total Cash and Cash Equivalents and Mutual Funds, for the Bright Directions Program as of June 30, 2016 are detailed in the table below.

Type	Fair Value	Interest Rate Risk Duration	Calculation Method	Credit Risk	Rating Service
Money Market:	\$ 114,815,227	24 days	Weighted Average Maturity	NR*	NA**
Fixed Income Funds:					
	96,833,794	7.40 yrs	Average Maturity	NR*	NA**
	454,267,359	3.26 yrs	Effective Maturity	NR*	NA**
	41,457,668	3.71 yrs	Weight Average Maturity	NR*	NA**
	<u>62,906,809</u>	3.18 yrs	Effective Duration	NR*	NA**
	<u>\$ 770,280,857</u>				

*Credit Risk of NR indicates that while the underlying securities within the funds may be rated, the mutual fund itself is not rated.

**Not applicable

Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bright Directions Program is managed by Union Bank and Trust, which has provided the Treasurer with the fair value measurements, the level of fair value hierarchy, and the valuation techniques as of June 30, 2017.

The Program determines the fair value for investments classified in Level 1 by using quoted prices as of the close of the New York Stock Exchange (the Exchange). The fair value of investments classified in Level 2 are valued using quoted prices for identical assets in markets that are not active.

Various inputs may be used to determine the value of the fund's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

The Program classifies each of its investment in the registered underlying mutual funds as Level 1, totaling \$2,505,735,431, without consideration as to the classification level of the specific investments held by the underlying investments.

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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 2. Investments (Continued)

The following table summarizes the Program's investments within the fair value hierarchy at June 30, 2017:

Type	Fair Value	Level 1	Level 2	Level 3
Money Market:	\$ 147,034,820	\$ 147,034,820	\$ -	\$ -
Mutual Funds:	2,358,700,611	2,358,700,611	-	-
Total:	\$ 2,505,735,431	\$ 2,505,735,431	\$ -	\$ -

The following table summarizes the Program's investments within the fair value hierarchy at June 30, 2016:

Type	Fair Value	Level 1	Level 2	Level 3
Money Market:	\$ 114,815,227	\$ 114,815,227	\$ -	\$ -
Mutual Funds:	1,933,630,988	1,933,630,988	-	-
Total:	\$ 2,048,446,215	\$ 2,048,446,215	\$ -	\$ -

**State of Illinois
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**College Savings Program
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016**

Note 3. Administrative Fees

To administer the College Savings Program, the Treasurer has a division entitled, "The College Savings Program Division." This division had two employees as of June 30, 2017. The revenues and expenses of the division are recorded in an enterprise proprietary fund maintained by the Treasurer entitled College Savings Program Administrative Trust Fund No. 668.

The Managers of the College Savings Program receive fees for their services. The Bright Start Program Manager received an amount equal to a charge against the assets of the Trust at an annual rate of 0.15% on the blended and advisor portfolios and 0.14% on the index portfolios of the average daily balance of the net assets of the Trust. The fee is calculated daily but payable monthly. The Bright Directions Program management fee was at an annual rate of 0.32% of the average daily net assets of each Portfolio through November 14, 2015. The annual rate was reduced to 0.18% effective November 15, 2015.

The College Savings Program management and bank custodial fees paid from the Trust and the College Savings Program Administrative Trust Fund expenses are as follows:

	<u>2017</u>	<u>2016</u>
Management & Bank Custodial fees	\$ 13,506,144	\$ 12,732,536
Administrative Trust Fund expenses	2,347,446	1,701,846

Note 4. Restatement

The contributions and distributions reported in the fiscal year 2016 financial statements included activity representing participant exchanges of \$1.69 billion between investment portfolios. The Fiscal Year 2016 contributions and distributions reported in the Statements of Changes of Fiduciary Net Position have been restated to eliminate the investment portfolio exchanges, as follows:

Contributions for the year ended June 30, 2016	\$2,808,547,476	
Prior period adjustment	<u>1,687,823,030</u>	
Contributions for the year ended June 30, 2016	<u>\$1,120,724,446</u>	(as restated)
Distributions for the year ended June 30, 2016	\$2,311,678,207	
Prior period adjustment	<u>1,687,823,030</u>	
Distributions for the year ended June 30, 2016	<u>\$ 623,855,177</u>	(as restated)

SUPPLEMENTARY INFORMATION

**State of Illinois
Office of the Treasurer**

**College Savings Program
Combining Statements of Fiduciary Net Position
June 30, 2017 and 2016**

	Bright Start		Bright Directions		Totals	
	2017	2016	2017	2016	2017	2016
Assets						
Cash and Cash Equivalents	\$ 623,651,917	\$ 529,810,292	\$ 147,909,310	\$ 115,701,875	\$ 771,561,227	\$ 645,512,167
Capital Shares Receivable	9,046,830	7,805,911	3,728,679	1,910,886	12,775,509	9,716,797
Securities Sold Receivable	2,047,666	908,228	-	-	2,047,666	908,228
Dividends Receivable	2,890,400	2,520,035	1,970,469	1,861,713	4,860,869	4,381,748
Mutual Funds	6,385,252,946	5,533,399,558	2,358,700,611	1,933,630,988	8,743,953,557	7,467,030,546
Total Assets	7,022,889,759	6,074,444,024	2,512,309,069	2,053,105,462	9,535,198,828	8,127,549,486
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	5,520,618	5,447,041	3,317,982	1,395,321	8,838,600	6,842,362
Payable for Securities Purchased	4,554,899	4,126,559	-	-	4,554,899	4,126,559
Other Liabilities	17,510	288,371	3,119,497	2,428,581	3,137,007	2,716,952
Total Liabilities	10,093,027	9,861,971	6,437,479	3,823,902	16,530,506	13,685,873
Net Position Held in Trust for Participants	\$ 7,012,796,732	\$ 6,064,582,053	\$ 2,505,871,590	\$ 2,049,281,560	\$ 9,518,668,322	\$ 8,113,863,613

**State of Illinois
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**College Savings Program
Combining Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2017 and 2016**

	Bright Start		Bright Directions		Totals	
	2017	2016	2017	2016	2017	2016
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 76,487,555	\$ 63,115,697	\$ 54,416,802	\$ 66,021,542	\$ 130,904,357	\$ 129,137,239
Net Change in Fair Value of Investments	587,337,899	(7,011,741)	222,954,390	(86,957,117)	810,292,289	(93,968,858)
State Administrative Fees	(1,145,211)	(1,060,983)	(1,096,977)	(930,908)	(2,242,188)	(1,991,891)
Other Operating Expenses	-	-	(3,214)	(3,851)	(3,214)	(3,851)
12b-1 Fees	(5,054,902)	(4,640,447)	(6,878,612)	(5,894,525)	(11,933,514)	(10,534,972)
Management and Bank Custodial Fees	(9,441,642)	(8,356,661)	(4,064,502)	(4,375,875)	(13,506,144)	(12,732,536)
	<u>648,183,699</u>	<u>42,045,865</u>	<u>265,327,887</u>	<u>(32,140,734)</u>	<u>913,511,586</u>	<u>9,905,131</u>
Distributions to Participants						
Net Investment Income	-	-	(146,291)	(84,756)	(146,291)	(84,756)
Other Participant Transactions						
Program Contributions	846,471,590	777,037,803	375,943,313	343,686,643	1,222,414,903	1,120,724,446
Distributions Reinvested	-	-	136,518	79,134	136,518	79,134
Total Increase from Participant Transactions	846,471,590	777,037,803	376,079,831	343,765,777	1,222,551,421	1,120,803,580
Total Additions	1,494,655,289	819,083,668	641,261,427	311,540,287	2,135,916,716	1,130,623,955
Deductions						
Program Distributions	546,440,610	466,178,263	184,671,397	157,676,914	731,112,007	623,855,177
Total Deductions	546,440,610	466,178,263	184,671,397	157,676,914	731,112,007	623,855,177
Change in Net Position	948,214,679	352,905,405	456,590,030	153,863,373	1,404,804,709	506,768,778
Net Position, Beginning of Fiscal Year	6,064,582,053	5,711,676,648	2,049,281,560	1,895,418,187	8,113,863,613	7,607,094,835
Net Position, End of Fiscal Year	<u>\$7,012,796,732</u>	<u>\$6,064,582,053</u>	<u>\$2,505,871,590</u>	<u>\$2,049,281,560</u>	<u>\$9,518,668,322</u>	<u>\$8,113,863,613</u>

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College Savings Program
Statements of Fiduciary Net Position by Portfolio
Bright Start
June 30, 2017

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Assets						
Cash and Cash Equivalents	\$ 1,191,720	\$ 821,464	\$ 668,399	\$ 1,689,982	\$ 47,004,954	\$ 62,309,289
Capital Shares Receivable	251,896	238,500	231,872	620,322	450,476	558,521
Securities Sold Receivable	-	215,038	-	-	298,635	-
Dividends Receivable	20,979	58,908	54,854	170,073	264,488	175,707
Mutual Funds	147,134,644	166,578,101	153,547,328	326,746,195	332,766,073	224,633,129
Total Assets	148,599,239	167,912,011	154,502,453	329,226,572	380,784,626	287,676,646
Liabilities and Net Position						
Liabilities						
Other Liabilities	606	686	631	1,342	1,556	1,171
Payable for Capital Shares	75,701	54,078	359,136	212,645	521,541	490,867
Payable for Securities Purchased	23,213	58,554	58,054	310,464	241,115	524,971
Total Liabilities	99,520	113,318	417,821	524,451	764,212	1,017,009
Net Position Held in Trust for Participants	\$ 148,499,719	\$ 167,798,693	\$ 154,084,632	\$ 328,702,121	\$ 380,020,414	\$ 286,659,637

(Continued)

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2017

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Advisor Choice Based Conservative Fixed Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Assets						
Cash and Cash Equivalents	\$ 1,156,663	\$ 4,906,150	\$ 8,323,450	\$ 118,763	\$ 1,504,723	\$ 16,453,449
Capital Shares Receivable	223,196	183,335	7,237	1,791	479,308	615,745
Securities Sold Receivable	178,170	-	7,501	-	223,372	35,151
Dividends Receivable	354	59,493	19,449	1,237	71,496	171,309
Mutual Funds	472,884,562	97,709,241	15,909,675	6,949,728	346,411,782	322,531,464
Total Assets	474,442,945	102,858,219	24,267,312	7,071,519	348,690,681	339,807,118
Liabilities and Net Position						
Liabilities						
Other Liabilities	1,938	420	99	29	-	-
Payable for Capital Shares	279,007	16,404	11,276	1,047	423,224	251,332
Payable for Securities Purchased	-	79,729	17,130	1,193	66,604	151,035
Total Liabilities	280,945	96,553	28,505	2,269	489,828	402,367
Net Position Held in Trust for Participants	\$ 474,162,000	\$ 102,761,666	\$ 24,238,807	\$ 7,069,250	\$ 348,200,853	\$ 339,404,751

(Continued)

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2017

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Assets						
Cash and Cash Equivalents	\$ 9,740,823	\$ 27,150,865	\$ 36,331,632	\$ 27,550,456	\$ 1,157,532	\$ 20,046,950
Capital Shares Receivable	237,964	311,498	619,319	484,907	666,167	90,732
Securities Sold Receivable	-	-	95,916	-	-	-
Dividends Receivable	132,515	216,782	261,185	249,696	354	157,623
Mutual Funds	185,198,760	248,165,795	205,937,010	155,920,783	847,567,237	180,175,940
Total Assets	195,310,062	275,844,940	243,245,062	184,205,842	849,391,290	200,471,245
Liabilities and Net Position						
Liabilities						
Other Liabilities	-	-	-	-	-	-
Payable for Capital Shares	148,755	495,259	334,590	101,750	95,222	123,530
Payable for Securities Purchased	406,628	195,023	223,766	249,219	327,375	566,678
Total Liabilities	555,383	690,282	558,356	350,969	422,597	690,208
Net Position Held in Trust for Participants	\$ 194,754,679	\$ 275,154,658	\$ 242,686,706	\$ 183,854,873	\$ 848,968,693	\$ 199,781,037

(Continued)

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2017

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Blended Age Based 15-17 years
Assets						
Cash and Cash Equivalents	\$ 14,972,469	\$ 874,370	\$ 710,633	\$ 807,446	\$ 2,221,903	\$ 44,867,384
Capital Shares Receivable	87,705	232,935	211,826	328,679	537,969	254,261
Securities Sold Receivable	24,587	-	209,893	334,930	184,640	-
Dividends Receivable	159,058	9,058	26,665	27,057	117,447	156,271
Mutual Funds	82,480,514	132,909,658	156,874,859	159,145,936	347,036,583	318,672,334
Total Assets	97,724,333	134,026,021	158,033,876	160,644,048	350,098,542	363,950,250
Liabilities and Net Position						
Liabilities						
Other Liabilities	-	547	646	657	1,430	1,487
Payable for Capital Shares	24,976	152,128	245,695	333,361	164,580	313,877
Payable for Securities Purchased	140,477	107,608	26,433	26,763	116,800	124,777
Total Liabilities	165,453	260,283	272,774	360,781	282,810	440,141
Net Position Held in Trust for Participants	\$ 97,558,880	\$ 133,765,738	\$ 157,761,102	\$ 160,283,267	\$ 349,815,732	\$ 363,510,109

(Continued)

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2017

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Bright Start Blended Choice Based Conservative Fixed Income	Bright Start Advisor Money Market Portfolio
Assets						
Cash and Cash Equivalents	\$ 50,391,992	\$ 995,835	\$ 10,178,479	\$ 3,825,932	\$ 432,188	\$ 59,833,086
Capital Shares Receivable	518,747	146,642	45,228	50,119	35,814	104,672
Securities Sold Receivable	-	214,743	-	-	25,090	-
Dividends Receivable	117,334	371	12,957	33,070	5,335	37,233
Mutual Funds	177,558,603	443,455,679	19,851,395	79,885,860	30,614,078	-
Total Assets	228,586,676	444,813,270	30,088,059	83,794,981	31,112,505	59,974,991
Liabilities and Net Position						
Liabilities						
Other Liabilities	931	1,818	123	342	128	245
Payable for Capital Shares	179,070	69,526	3,352	16,058	22,631	-
Payable for Securities Purchased	339,927	-	19,909	46,636	5,177	49,484
Total Liabilities	519,928	71,344	23,384	63,036	27,936	49,729
Net Position Held in Trust for Participants	\$ 228,066,748	\$ 444,741,926	\$ 30,064,675	\$ 83,731,945	\$ 31,084,569	\$ 59,925,262

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2017

	Bright Start Direct Money Market Portfolio		Total
Assets			
Cash and Cash Equivalents	\$ 165,412,936	\$	623,651,917
Capital Shares Receivable	219,447		9,046,830
Securities Sold Receivable	-		2,047,666
Dividends Receivable	102,042		2,890,400
Mutual Funds	-		6,385,252,946
Total Assets	165,734,425		7,022,889,759
Liabilities and Net Position			
Liabilities			
Other Liabilities	678		17,510
Payable for Capital Shares	-		5,520,618
Payable for Securities Purchased	50,157		4,554,899
Total Liabilities	50,835		10,093,027
Net Position Held in Trust for Participants	\$ 165,683,590	\$	7,012,796,732

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Statements of Fiduciary Net Position by Portfolio
Bright Start
June 30, 2016

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Assets						
Cash and Cash Equivalents	\$ 587,606	\$ 752,606	\$ 686,536	\$ 1,156,485	\$ 41,708,407	\$ 54,782,134
Capital Shares Receivable	118,038	174,108	133,681	258,097	237,567	387,942
Securities Sold Receivable	-	298,939	65,602	94,556	-	-
Dividends Receivable	23,572	68,343	65,869	202,472	268,545	180,475
Mutual Funds	135,580,759	157,878,858	151,645,443	307,723,834	289,756,517	200,496,713
Total Assets	136,309,975	159,172,854	152,597,131	309,435,444	331,971,036	255,847,264
Liabilities and Net Position						
Liabilities						
Other Liabilities	-	-	-	-	-	-
Payable for Capital Shares	85,759	118,927	201,133	167,684	292,993	476,855
Payable for Securities Purchased	52,652	68,183	65,762	202,211	409,773	313,230
Total Liabilities	138,411	187,110	266,895	369,895	702,766	790,085
Net Position Held in Trust for Participants	\$ 136,171,564	\$ 158,985,744	\$ 152,330,236	\$ 309,065,549	\$ 331,268,270	\$ 255,057,179

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2016

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Advisor Choice Based Conservative Fixed Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Assets						
Cash and Cash Equivalents	\$ 912,744	\$ 6,291,265	\$ 4,370,958	\$ 84,258	\$ 1,875,708	\$ 13,627,281
Capital Shares Receivable	240,501	16,954	249,255	231	486,307	410,218
Securities Sold Receivable	-	19,102	1,625	1,776	-	-
Dividends Receivable	157	65,480	22,978	1,464	55,738	118,467
Mutual Funds	428,978,762	88,548,384	20,877,747	6,254,243	299,834,831	256,717,552
Total Assets	430,132,164	94,941,185	25,522,563	6,341,972	302,252,584	270,873,518
Liabilities and Net Position						
Liabilities						
Other Liabilities	-	-	-	-	-	-
Payable for Capital Shares	394,764	62,505	2,203	2,026	276,178	241,769
Payable for Securities Purchased	31,426	61,912	21,578	1,448	748,289	90,156
Total Liabilities	426,190	124,417	23,781	3,474	1,024,467	331,925
Net Position Held in Trust for Participants	\$ 429,705,974	\$ 94,816,768	\$ 25,498,782	\$ 6,338,498	\$ 301,228,117	\$ 270,541,593

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2016

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Assets						
Cash and Cash Equivalents	\$ 7,898,688	\$ 21,277,146	\$ 29,186,693	\$ 22,369,747	\$ 805,696	\$ 16,875,027
Capital Shares Receivable	368,479	825,196	499,433	335,448	528,203	104,219
Securities Sold Receivable	-	4,516	63,606	124,313	-	99,880
Dividends Receivable	85,964	146,617	178,672	171,173	153	115,659
Mutual Funds	135,693,303	195,394,321	165,803,307	127,608,877	660,370,496	153,265,604
Total Assets	144,046,434	217,647,796	195,731,711	150,609,558	661,704,548	170,460,389
Liabilities and Net Position						
Liabilities						
Other Liabilities	-	-	149,906	-	138,465	-
Payable for Capital Shares	557,928	403,232	270,966	40,352	64,271	173,057
Payable for Securities Purchased	573,911	112,579	-	-	152,921	83,136
Total Liabilities	1,131,839	515,811	420,872	40,352	355,657	256,193
Net Position Held in Trust for Participants	\$ 142,914,595	\$ 217,131,985	\$ 195,310,839	\$ 150,569,206	\$ 661,348,891	\$ 170,204,196

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2016

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years
Assets						
Cash and Cash Equivalents	\$ 13,761,790	\$ 787,843	\$ 874,940	\$ 752,154	\$ 1,349,501	\$ 36,983,175
Capital Shares Receivable	127,609	138,291	122,997	323,107	345,213	172,994
Securities Sold Receivable	-	61,463	-	44,040	28,810	-
Dividends Receivable	128,489	11,204	36,096	37,779	149,078	152,845
Mutual Funds	78,345,711	119,574,704	154,714,106	162,840,412	324,744,353	260,832,468
Total Assets	92,363,599	120,573,505	155,748,139	163,997,492	326,616,955	298,141,482
Liabilities and Net Position						
Liabilities						
Other Liabilities	-	-	-	-	-	-
Payable for Capital Shares	5,729	62,803	214,193	287,101	95,825	334,880
Payable for Securities Purchased	62,091	11,018	54,431	37,646	148,761	249,771
Total Liabilities	67,820	73,821	268,624	324,747	244,586	584,651
Net Position Held in Trust for Participants	\$ 92,295,779	\$ 120,499,684	\$ 155,479,515	\$ 163,672,745	\$ 326,372,369	\$ 297,556,831

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2016

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Bright Start Blended Choice Based Conservative Fixed Income	Bright Start Advisor Money Market Portfolio
Assets						
Cash and Cash Equivalents	\$ 40,779,094	\$ 725,426	\$ 1,889,609	\$ 12,235,892	\$ 238,784	\$ 59,837,588
Capital Shares Receivable	467,741	218,735	6,913	63,299	5,551	35,981
Securities Sold Receivable	-	-	-	-	-	-
Dividends Receivable	105,886	130	14,211	35,030	4,967	22,344
Mutual Funds	148,211,019	395,586,537	25,913,563	58,896,221	21,310,913	-
Total Assets	189,563,740	396,530,828	27,824,296	71,230,442	21,560,215	59,895,913
Liabilities and Net Position						
Liabilities						
Other Liabilities	-	-	-	-	-	-
Payable for Capital Shares	59,052	498,289	31,624	10,136	14,807	-
Payable for Securities Purchased	188,436	59,187	40,404	49,672	91,636	14,742
Total Liabilities	247,488	557,476	72,028	59,808	106,443	14,742
Net Position Held in Trust for Participants	\$ 189,316,252	\$ 395,973,352	\$ 27,752,268	\$ 71,170,634	\$ 21,453,772	\$ 59,881,171

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Start
June 30, 2016

	Bright Start Direct Money Market Portfolio		Total
Assets			
Cash and Cash Equivalents	\$ 134,345,511	\$	529,810,292
Capital Shares Receivable	403,603		7,805,911
Securities Sold Receivable	-		908,228
Dividends Receivable	50,178		2,520,035
Mutual Funds	-		5,533,399,558
	<u>134,799,292</u>		<u>6,074,444,024</u>
Liabilities and Net Position			
Liabilities			
Other Liabilities	-		288,371
Payable for Capital Shares	-		5,447,041
Payable for Securities Purchased	129,597		4,126,559
	<u>129,597</u>		<u>9,861,971</u>
Net Position Held in Trust for Participants	<u>\$ 134,669,695</u>	<u>\$</u>	<u>6,064,582,053</u>

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Statements of Fiduciary Net Position by Portfolio
Bright Directions
June 30, 2017

	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Short Duration Inflation Protection Bond 529 Portfolio	American Century Value 529 Portfolio	Ariel 529 Portfolio	Baird Short Term Bond Institutional 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 269	\$ -
Capital Shares Receivable	1,692	713	333	908	15,014	2,265
Dividends Receivable	-	-	-	-	-	-
Mutual Funds	12,924,117	8,870,467	1,938,093	14,740,770	11,232,929	18,445,827
Total Assets	12,925,809	8,871,180	1,938,426	14,741,678	11,248,212	18,448,092
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	441	5,471	1,575	17,707	97	636
Other Liabilities	12,581	10,032	1,305	26,085	9,994	21,234
Total Liabilities	13,022	15,503	2,880	43,792	10,091	21,870
Net Position Held in Trust for Participants	\$ 12,912,787	\$ 8,855,677	\$ 1,935,546	\$ 14,697,886	\$ 11,238,121	\$ 18,426,222

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Equity 529 Portfolio	Causeway Emerging Markets 529 Portfolio	Delaware Small Cap Core 529 Portfolio	DFA International Small Company 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ 290	\$ -	\$ -	\$ 644
Capital Shares Receivable	-	828	153	1,851	2,450	2,607
Dividends Receivable	-	25,233	-	-	-	37,203
Mutual Funds	-	8,845,693	7,945,006	8,790,566	14,161,473	6,210,665
Total Assets	-	8,871,754	7,945,449	8,792,417	14,163,923	6,251,119
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	-	969	10	1,739	23,423	53
Other Liabilities	-	14,656	7,920	7,413	26,327	4,448
Total Liabilities	-	15,625	7,930	9,152	49,750	4,501
Net Position Held in Trust for Participants	\$ -	\$ 8,856,129	\$ 7,937,519	\$ 8,783,265	\$ 14,114,173	\$ 6,246,618

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**College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017**

	Dodge & Cox International Stock 529 Portfolio	Harbor Small Cap Growth Opportunities 529 Portfolio	Invesco Government & Agency 529 Portfolio	Mainstay Total Return Bond 529 Portfolio	MFS Value 529 Portfolio	Northern Funds Bond Index 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ 378	\$ 53,106,480	\$ -	\$ -	\$ -
Capital Shares Receivable	2,960	5,076	87,399	27,195	7,267	1,264
Dividends Receivable	-	-	34,709	75,292	-	3,860
Mutual Funds	31,048,158	12,492,965	-	33,533,624	30,347,954	13,208,883
Total Assets	31,051,118	12,498,419	53,228,588	33,636,111	30,355,221	13,214,007
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	25,827	25,255	7,029	10,097	13,643	3,840
Other Liabilities	26,294	10,467	24,557	33,811	26,767	13,367
Total Liabilities	52,121	35,722	31,586	43,908	40,410	17,207
Net Position Held in Trust for Participants	\$ 30,998,997	\$ 12,462,697	\$ 53,197,002	\$ 33,592,203	\$ 30,314,811	\$ 13,196,800

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	Northern Funds International Equity Index 529 Portfolio	Northern Funds Small Cap Index 529 Portfolio	Northern Funds Small Cap Value 529 Portfolio	Northern Funds Stock Index 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Pimco Short-Term 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Shares Receivable	3,628	4,174	1,102	3,338	30,172	26,089
Dividends Receivable	-	-	-	-	-	31,148
Mutual Funds	9,183,515	9,523,330	9,416,721	35,632,388	23,645,060	19,874,026
Total Assets	9,187,143	9,527,504	9,417,823	35,635,726	23,675,232	19,931,263
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	7,068	1,925	47,352	39,275	2,671	5,304
Other Liabilities	14,295	13,108	21,778	55,323	23,084	25,392
Total Liabilities	21,363	15,033	69,130	94,598	25,755	30,696
Net Position Held in Trust for Participants	\$ 9,165,780	\$ 9,512,471	\$ 9,348,693	\$ 35,541,128	\$ 23,649,477	\$ 19,900,567

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	SIT Dividend Growth 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 7,793	\$ 3,071	\$ 2,637	\$ -	\$ 4,434	\$ -
Capital Shares Receivable	1,106	16,212	7,309	3,467	27,862	2,075
Dividends Receivable	-	-	-	-	-	-
Mutual Funds	11,962,018	41,676,563	34,760,324	18,934,964	49,185,952	10,592,160
Total Assets	11,970,917	41,695,846	34,770,270	18,938,431	49,218,248	10,594,235
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	-	1,410	3,227	2,522	16,061	11,763
Other Liabilities	9,898	44,494	31,808	21,003	44,539	17,966
Total Liabilities	9,898	45,904	35,035	23,525	60,600	29,729
Net Position Held in Trust for Participants	\$ 11,961,019	\$ 41,649,942	\$ 34,735,235	\$ 18,914,906	\$ 49,157,648	\$ 10,564,506

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	Templeton International Bond 529 Portfolio	Vanguard FTSE Developed Markets ETF 529 Portfolio	Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio	Vanguard Global Ex-US Real Estate ETF 529 Portfolio	Vanguard Mega Cap ETF 529 Portfolio	Vanguard Mega Cap Growth ETF 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ 250	\$ -	\$ 864	\$ -
Capital Shares Receivable	13,423	209	75	-	360	26
Dividends Receivable	-	-	-	4,244	42,845	7,633
Mutual Funds	8,521,467	4,463,006	3,281,820	859,216	8,787,942	2,219,648
Total Assets	8,534,890	4,463,215	3,282,145	863,460	8,832,011	2,227,307
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	1,384	79	221	-	1,138	104
Other Liabilities	8,284	802	579	154	1,568	392
Total Liabilities	9,668	881	800	154	2,706	496
Net Position Held in Trust for Participants	\$ 8,525,222	\$ 4,462,334	\$ 3,281,345	\$ 863,306	\$ 8,829,305	\$ 2,226,811

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	Vanguard Mega Cap Value ETF 529 Portfolio	Vanguard Mid-Cap ETF 529 Portfolio	Vanguard Mid-Cap Growth ETF 529 Portfolio	Vanguard Mid-Cap Value ETF 529 Portfolio	Vanguard REIT ETF 529 Portfolio	Vanguard Short- Term Bond ETF 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ 864	\$ -	\$ -	\$ -	\$ -
Capital Shares Receivable	11	23,997	35	-	5	532
Dividends Receivable	21,531	13,405	-	-	23,385	-
Mutual Funds	3,622,666	4,053,349	901,946	1,318,606	2,417,520	6,359,180
Total Assets	3,644,208	4,091,615	901,981	1,318,606	2,440,910	6,359,712
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	-	-	-	-	295	7,118
Other Liabilities	640	713	159	235	432	1,113
Total Liabilities	640	713	159	235	727	8,231
Net Position Held in Trust for Participants	\$ 3,643,568	\$ 4,090,902	\$ 901,822	\$ 1,318,371	\$ 2,440,183	\$ 6,351,481

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	Vanguard Small-Cap ETF 529 Portfolio	Vanguard Small-Cap Growth ETF 529 Portfolio	Vanguard Small-Cap Value ETF 529 Portfolio	Vanguard Total Bond Market ETF 529 Portfolio	Voya Global Real Estate 529 Portfolio	William Blair Mid Cap Growth 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 432	\$ -	\$ -	\$ -	\$ 5	\$ 96
Capital Shares Receivable	511	-	50	90	655	6,280
Dividends Receivable	-	-	5,331	-	-	-
Mutual Funds	3,716,916	754,759	1,571,528	4,431,437	3,879,845	14,768,177
Total Assets	3,717,859	754,759	1,576,909	4,431,527	3,880,505	14,774,553
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	157	-	-	-	6,597	2,134
Other Liabilities	648	130	274	773	3,770	13,045
Total Liabilities	805	130	274	773	10,367	15,179
Net Position Held in Trust for Participants	\$ 3,717,054	\$ 754,629	\$ 1,576,635	\$ 4,430,754	\$ 3,870,138	\$ 14,759,374

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	Fixed Income Fund	Fund 10	Fund 20	Fund 30	Fund 40	Fund 50
Assets						
Cash and Cash Equivalents	\$ 18,418,856	\$ 41,172,481	\$ 34,487,500	\$ 418,315	\$ -	\$ 197,892
Capital Shares Receivable	38,679	322,309	138,305	800,460	655,135	236,363
Dividends Receivable	27,848	76,660	138,961	145,273	170,032	156,671
Mutual Funds	18,399,578	61,561,893	137,949,999	183,740,679	214,535,735	200,687,961
Total Assets	36,884,961	103,133,343	172,714,765	185,104,727	215,360,902	201,278,887
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	45,071	145,260	414,683	131,603	679,218	566,765
Other Liabilities	37,797	107,139	259,445	185,083	436,278	192,674
Total Liabilities	82,868	252,399	674,128	316,686	1,115,496	759,439
Net Position Held in Trust for Participants	\$ 36,802,093	\$ 102,880,944	\$ 172,040,637	\$ 184,788,041	\$ 214,245,406	\$ 200,519,448

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College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2017

	Fund 60	Fund 70	Fund 80	Fund 90	Fund 100	Total
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ 32,526	\$ 53,233	\$ -	\$ 147,909,310
Capital Shares Receivable	260,279	577,544	230,856	89,983	45,998	3,728,679
Dividends Receivable	221,805	194,360	310,535	91,941	110,564	1,970,469
Mutual Funds	274,788,183	210,245,885	287,478,691	85,752,662	98,506,106	2,358,700,611
Total Assets	275,270,267	211,017,789	288,052,608	85,987,819	98,662,668	2,512,309,069
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	227,538	177,535	448,429	140,812	45,451	3,317,982
Other Liabilities	426,451	390,896	268,240	77,924	103,913	3,119,497
Total Liabilities	653,989	568,431	716,669	218,736	149,364	6,437,479
Net Position Held in Trust for Participants	\$ 274,616,278	\$ 210,449,358	\$ 287,335,939	\$ 85,769,083	\$ 98,513,304	\$ 2,505,871,590

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Statements of Fiduciary Net Position by Portfolio
Bright Directions
June 30, 2016

	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Short Duration Inflation Protection Bond 529 Portfolio	American Century Value 529 Portfolio	Ariel 529 Portfolio	Baird Short Term Bond Institutional 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ 16	\$ 6,040	\$ -	\$ 5,956	\$ 16,263
Capital Shares Receivable	2,529	482	25	6,112	3,613	31,815
Dividends Receivable	-	-	-	-	-	-
Mutual Funds	11,495,740	7,045,216	1,159,030	11,502,106	7,851,669	17,817,681
Total Assets	11,498,269	7,045,714	1,165,095	11,508,218	7,861,238	17,865,759
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	-	-	-	696	2,556	31,884
Other Liabilities	21,273	6,892	702	11,218	7,585	14,839
Total Liabilities	21,273	6,892	702	11,914	10,141	46,723
Net Position Held in Trust for Participants	\$ 11,476,996	\$ 7,038,822	\$ 1,164,393	\$ 11,496,304	\$ 7,851,097	\$ 17,819,036

(Continued)

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016**

	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Equity 529 Portfolio	Causeway Emerging Markets 529 Portfolio	Delaware Small Cap Core 529 Portfolio	DFA International Small Company 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 45,734,957	\$ 15,036	\$ -	\$ 5,700	\$ 10,891	\$ 20,338
Capital Shares Receivable	106,853	27,211	1,257	1,610	2,246	252
Dividends Receivable	19,345	20,174	-	-	-	46,868
Mutual Funds	-	8,283,592	6,703,483	6,251,359	10,904,406	4,092,542
Total Assets	45,861,155	8,346,013	6,704,740	6,258,669	10,917,543	4,160,000
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	41,951	6,108	-	-	4,481	-
Other Liabilities	13,666	7,336	6,813	4,888	10,354	2,903
Total Liabilities	55,617	13,444	6,813	4,888	14,835	2,903
Net Position Held in Trust for Participants	\$ 45,805,538	\$ 8,332,569	\$ 6,697,927	\$ 6,253,781	\$ 10,902,708	\$ 4,157,097

(Continued)

State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016

	Dodge & Cox International Stock 529 Portfolio	Eagle Small Cap Growth 529 Portfolio	Harbor Small Cap Growth Opportunities 529 Portfolio	Mainstay Total Return Bond 529 Portfolio	MFS Value 529 Portfolio	Northern Funds Bond Index 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 35,777	\$ -	\$ -	\$ -	\$ 1,681	\$ 64
Capital Shares Receivable	4,989	-	1,535	5,539	3,082	1,492
Dividends Receivable	-	-	-	85,197	-	4,425
Mutual Funds	22,103,109	-	10,284,665	35,201,395	24,052,407	9,406,311
Total Assets	22,143,875	-	10,286,200	35,292,131	24,057,170	9,412,292
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	13,608	-	869	17,046	-	3,231
Other Liabilities	20,692	-	10,671	36,721	20,834	8,601
Total Liabilities	34,300	-	11,540	53,767	20,834	11,832
Net Position Held in Trust for Participants	\$ 22,109,575	\$ -	\$ 10,274,660	\$ 35,238,364	\$ 24,036,336	\$ 9,400,460

(Continued)

State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016

	Northern Funds International Equity Index 529 Portfolio	Northern Funds Small Cap Index 529 Portfolio	Northern Funds Small Cap Value 529 Portfolio	Northern Funds Stock Index 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Pimco Short-Term 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,471
Capital Shares Receivable	838	1,992	876	2,309	4,450	48,059
Dividends Receivable	-	-	-	-	-	26,284
Mutual Funds	7,186,947	6,462,434	7,262,299	25,232,863	20,206,345	16,514,653
Total Assets	7,187,785	6,464,426	7,263,175	25,235,172	20,210,795	16,618,467
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	403	-	1,011	19,799	3,582	-
Other Liabilities	6,369	13,540	6,871	34,687	25,471	13,857
Total Liabilities	6,772	13,540	7,882	54,486	29,053	13,857
Net Position Held in Trust for Participants	\$ 7,181,013	\$ 6,450,886	\$ 7,255,293	\$ 25,180,686	\$ 20,181,742	\$ 16,604,610

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016

	SIT Dividend Growth 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 297	\$ -	\$ -	\$ 6,926	\$ 5,910	\$ -
Capital Shares Receivable	1,054	38,239	85,443	1,072	4,873	5,658
Dividends Receivable	-	-	-	-	-	-
Mutual Funds	10,295,580	33,000,991	28,497,249	14,287,164	36,583,344	11,259,123
Total Assets	10,296,931	33,039,230	28,582,692	14,295,162	36,594,127	11,264,781
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	-	47,029	1,500	3,191	6,410	1,421
Other Liabilities	8,205	71,423	34,209	12,529	33,669	12,021
Total Liabilities	8,205	118,452	35,709	15,720	40,079	13,442
Net Position Held in Trust for Participants	\$ 10,288,726	\$ 32,920,778	\$ 28,546,983	\$ 14,279,442	\$ 36,554,048	\$ 11,251,339

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016

	Templeton International Bond 529 Portfolio	Vanguard FTSE Developed Markets ETF 529 Portfolio	Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio	Vanguard Global Ex-US Real Estate ETF 529 Portfolio	Vanguard Mega Cap ETF 529 Portfolio	Vanguard Mega Cap Growth ETF 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 39,356	\$ -	\$ 29,122	\$ 10,081	\$ 25,816	\$ -
Capital Shares Receivable	1,343	1,248	1,097	3	329	2,026
Dividends Receivable	-	-	-	-	-	-
Mutual Funds	7,927,380	2,265,058	1,807,844	499,936	4,884,138	1,288,565
Total Assets	7,968,079	2,266,306	1,838,063	510,020	4,910,283	1,290,591
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	1,524	-	-	-	-	-
Other Liabilities	6,814	401	373	93	830	215
Total Liabilities	8,338	401	373	93	830	215
Net Position Held in Trust for Participants	\$ 7,959,741	\$ 2,265,905	\$ 1,837,690	\$ 509,927	\$ 4,909,453	\$ 1,290,376

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016

	Vanguard Mega Cap Value ETF 529 Portfolio	Vanguard Mid-Cap ETF 529 Portfolio	Vanguard Mid-Cap Growth ETF 529 Portfolio	Vanguard Mid-Cap Value ETF 529 Portfolio	Vanguard REIT ETF 529 Portfolio	Vanguard Short- Term Bond ETF 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 17,735	\$ -	\$ -	\$ -	\$ 9,368	\$ 3,641
Capital Shares Receivable	478	197	2,000	-	2,023	558
Dividends Receivable	-	-	-	-	-	-
Mutual Funds	2,347,663	2,179,225	511,380	808,519	1,752,428	5,028,469
Total Assets	2,365,876	2,179,422	513,380	808,519	1,763,819	5,032,668
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	-	-	-	-	-	-
Other Liabilities	381	368	88	134	290	893
Total Liabilities	381	368	88	134	290	893
Net Position Held in Trust for Participants	\$ 2,365,495	\$ 2,179,054	\$ 513,292	\$ 808,385	\$ 1,763,529	\$ 5,031,775

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016

	Vanguard Small-Cap ETF 529 Portfolio	Vanguard Small-Cap Growth ETF 529 Portfolio	Vanguard Small-Cap Value ETF 529 Portfolio	Vanguard Total Bond Market ETF 529 Portfolio	Voya Global Real Estate 529 Portfolio	William Blair Mid Cap Growth 529 Portfolio
Assets						
Cash and Cash Equivalents	\$ 20,255	\$ -	\$ 8,867	\$ 21,282	\$ 14	\$ -
Capital Shares Receivable	226	2,051	5	222	697	2,177
Dividends Receivable	-	-	-	-	-	-
Mutual Funds	2,126,037	376,422	928,210	2,658,960	3,984,468	13,686,449
Total Assets	2,146,518	378,473	937,082	2,680,464	3,985,179	13,688,626
Liabilities and Net Position						
Liabilities						
Payable for Capital Shares	-	-	-	-	-	932
Other Liabilities	364	65	159	458	3,747	13,777
Total Liabilities	364	65	159	458	3,747	14,709
Net Position Held in Trust for Participants	\$ 2,146,154	\$ 378,408	\$ 936,923	\$ 2,680,006	\$ 3,981,432	\$ 13,673,917

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**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016**

	Fixed Income Fund	Fund 10	Fund 20	Fund 40	Fund 60	Fund 80
Assets						
Cash and Cash Equivalents	\$ 6,728,696	\$ 25,825,643	\$ 36,824,505	\$ -	\$ 37,177	\$ 185,456
Capital Shares Receivable	6,666	192,825	233,668	185,837	485,021	336,591
Dividends Receivable	8,836	43,293	147,002	240,798	373,095	556,826
Mutual Funds	6,728,697	38,738,465	146,103,725	282,428,376	376,055,944	415,001,064
Total Assets	13,472,895	64,800,226	183,308,900	282,855,011	376,951,237	416,079,937
Liabilities and Net Position						
Liabilities						
Capital Shares Payable	3,800	39,389	189,387	216,861	150,806	398,148
Other Liabilities	22,707	114,477	184,356	663,541	360,863	384,551
Total Liabilities	26,507	153,866	373,743	880,402	511,669	782,699
Net Position Held in Trust for Participants	\$ 13,446,388	\$ 64,646,360	\$ 182,935,157	\$ 281,974,609	\$ 376,439,568	\$ 415,297,238

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Fiduciary Net Position by Portfolio (Continued)
Bright Directions
June 30, 2016

	Fund 100	Total
Assets		
Cash and Cash Equivalents	\$ 19,538	\$ 115,701,875
Capital Shares Receivable	58,093	1,910,886
Dividends Receivable	289,570	1,861,713
Mutual Funds	202,569,863	1,933,630,988
	<hr/>	<hr/>
Total Assets	202,937,064	2,053,105,462
Liabilities and Net Position		
Liabilities		
Capital Shares Payable	187,698	1,395,321
Other Liabilities	189,797	2,428,581
	<hr/>	<hr/>
Total Liabilities	377,495	3,823,902
	<hr/>	<hr/>
Net Position Held in Trust for Participants	\$ 202,559,569	\$ 2,049,281,560

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio
Bright Start
For the Year Ended June 30, 2017**

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Addition						
Investment Income (Expense)						
Investment Earnings	\$ 579,660	\$ 1,037,491	\$ 958,046	\$ 2,629,186	\$ 3,498,171	\$ 2,056,595
Net Change in Fair Value of Investments	20,877,802	18,514,300	15,244,898	27,031,053	19,153,316	5,450,078
12-b1 Fees	(469,475)	(543,294)	(416,594)	(766,475)	(851,586)	(606,996)
State Administrative Fees	(42,970)	(48,558)	(46,339)	(95,203)	(107,066)	(76,350)
Management Fees	(214,609)	(242,502)	(231,423)	(475,462)	(534,697)	(381,292)
Net Investment Earnings (Loss)	20,730,408	18,717,437	15,508,588	28,323,099	21,158,138	6,442,035
Other Participant Transactions						
Program Contributions	38,482,292	62,755,778	83,720,414	121,711,048	150,648,204	133,666,156
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	38,482,292	62,755,778	83,720,414	121,711,048	150,648,204	133,666,156
Total Additions	59,212,700	81,473,215	99,229,002	150,034,147	171,806,342	140,108,191
Deductions						
Program Distributions	46,884,545	72,660,266	97,474,606	130,397,575	123,054,198	108,505,733
Total Deductions	46,884,545	72,660,266	97,474,606	130,397,575	123,054,198	108,505,733
Change in Net Position	12,328,155	8,812,949	1,754,396	19,636,572	48,752,144	31,602,458
Net Position, Beginning of Fiscal Year	136,171,564	158,985,744	152,330,236	309,065,549	331,268,270	255,057,179
Net Position, End of Fiscal Year	\$ 148,499,719	\$ 167,798,693	\$ 154,084,632	\$ 328,702,121	\$ 380,020,414	\$ 286,659,637

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2017

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Advisor Choice Based Conservative Fixed Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 1,039,310	\$ 848,426	\$ 250,301	\$ 16,060	\$ 7,748,727	\$ 6,887,486
Net Change in Fair Value of Investments	72,128,471	8,316,210	128,289	19,257	42,606,911	30,030,180
12-b1 Fees	(1,033,086)	(279,947)	(68,093)	(19,356)	-	-
State Administrative Fees	(133,586)	(29,233)	(7,287)	(2,045)	-	-
Management Fees	(667,128)	(145,982)	(36,388)	(10,215)	(455,789)	(427,412)
Net Investment Earnings (Loss)	71,333,981	8,709,474	266,822	3,701	49,899,849	36,490,254
Other Participant Transactions						
Program Contributions	41,950,889	17,432,210	4,162,192	2,876,201	96,654,613	135,348,726
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	41,950,889	17,432,210	4,162,192	2,876,201	96,654,613	135,348,726
Total Additions	113,284,870	26,141,684	4,429,014	2,879,902	146,554,462	171,838,980
Deductions						
Program Distributions	68,828,844	18,196,786	5,688,989	2,149,150	99,581,726	102,975,822
Total Deductions	68,828,844	18,196,786	5,688,989	2,149,150	99,581,726	102,975,822
Change in Net Position	44,456,026	7,944,898	(1,259,975)	730,752	46,972,736	68,863,158
Net Position, Beginning of Fiscal Year	429,705,974	94,816,768	25,498,782	6,338,498	301,228,117	270,541,593
Net Position, End of Fiscal Year	\$ 474,162,000	\$ 102,761,666	\$ 24,238,807	\$ 7,069,250	\$ 348,200,853	\$ 339,404,751

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**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2017**

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 3,704,404	\$ 5,078,600	\$ 4,146,540	\$ 2,707,568	\$ 18,048,564	\$ 3,758,160
Net Change in Fair Value of Investments	13,640,987	16,217,406	7,422,266	190,978	110,179,428	12,101,876
12-b1 Fees	-	-	-	-	-	-
State Administrative Fees	-	-	-	-	-	-
Management Fees	(233,198)	(341,491)	(305,231)	(219,226)	(1,045,014)	(254,236)
Net Investment Earnings (Loss)	17,112,193	20,954,515	11,263,575	2,679,320	127,182,978	15,605,800
Other Participant Transactions						
Program Contributions	118,822,976	120,981,430	112,516,113	96,860,629	141,830,410	45,700,061
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	118,822,976	120,981,430	112,516,113	96,860,629	141,830,410	45,700,061
Total Additions	135,935,169	141,935,945	123,779,688	99,539,949	269,013,388	61,305,861
Deductions						
Program Distributions	84,095,085	83,913,272	76,403,821	66,254,282	81,393,586	31,729,020
Total Deductions	84,095,085	83,913,272	76,403,821	66,254,282	81,393,586	31,729,020
Change in Net Position	51,840,084	58,022,673	47,375,867	33,285,667	187,619,802	29,576,841
Net Position, Beginning of Fiscal Year	142,914,595	217,131,985	195,310,839	150,569,206	661,348,891	170,204,196
Net Position, End of Fiscal Year	\$ 194,754,679	\$ 275,154,658	\$ 242,686,706	\$ 183,854,873	\$ 848,968,693	\$ 199,781,037

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**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2017**

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Blended Age Based 15-17 years
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 1,650,940	\$ 429,094	\$ 669,906	\$ 637,336	\$ 2,081,278	\$ 2,020,515
Net Change in Fair Value of Investments	(1,684,505)	18,002,903	17,409,352	15,017,557	27,861,821	16,489,882
12-b1 Fees	-	-	-	-	-	-
State Administrative Fees	-	(37,961)	(47,021)	(47,727)	(102,886)	(98,460)
Management Fees	(130,353)	(189,580)	(234,820)	(238,358)	(513,844)	(491,706)
Net Investment Earnings (Loss)	(163,918)	18,204,456	17,797,417	15,368,808	29,326,369	17,920,231
Other Participant Transactions						
Program Contributions	29,065,673	37,739,636	58,152,563	83,866,211	127,796,562	152,667,056
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	29,065,673	37,739,636	58,152,563	83,866,211	127,796,562	152,667,056
Total Additions	28,901,755	55,944,092	75,949,980	99,235,019	157,122,931	170,587,287
Deductions						
Program Distributions	23,638,654	42,678,038	73,668,393	102,624,497	133,679,568	104,634,009
Total Deductions	23,638,654	42,678,038	73,668,393	102,624,497	133,679,568	104,634,009
Change in Net Position	5,263,101	13,266,054	2,281,587	(3,389,478)	23,443,363	65,953,278
Net Position, Beginning of Fiscal Year	92,295,779	120,499,684	155,479,515	163,672,745	326,372,369	297,556,831
Net Position, End of Fiscal Year	\$ 97,558,880	\$ 133,765,738	\$ 157,761,102	\$ 160,283,267	\$ 349,815,732	\$ 363,510,109

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**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2017**

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Bright Start Blended Choice Based Conservative Fixed Income	Bright Start Advisor Money Market Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 1,236,047	\$ 1,150,149	\$ 148,810	\$ 490,283	\$ 60,764	\$ 255,160
Net Change in Fair Value of Investments	3,482,890	65,062,111	65,878	6,281,945	94,359	-
12-b1 Fees	-	-	-	-	-	-
State Administrative Fees	(59,059)	(124,446)	(8,377)	(22,816)	(7,821)	-
Management Fees	(294,935)	(621,489)	(41,837)	(113,936)	(39,051)	(87,513)
Net Investment Earnings (Loss)	4,364,943	65,466,325	164,474	6,635,476	108,251	167,647
Other Participant Transactions						
Program Contributions	119,171,374	46,195,138	8,179,606	19,333,522	17,595,262	26,631,682
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	119,171,374	46,195,138	8,179,606	19,333,522	17,595,262	26,631,682
Total Additions	123,536,317	111,661,463	8,344,080	25,968,998	17,703,513	26,799,329
Deductions						
Program Distributions	84,785,821	62,892,889	6,031,673	13,407,687	8,072,716	26,755,238
Total Deductions	84,785,821	62,892,889	6,031,673	13,407,687	8,072,716	26,755,238
Change in Net Position	38,750,496	48,768,574	2,312,407	12,561,311	9,630,797	44,091
Net Position, Beginning of Fiscal Year	189,316,252	395,973,352	27,752,268	71,170,634	21,453,772	59,881,171
Net Position, End of Fiscal Year	\$ 228,066,748	\$ 444,741,926	\$ 30,064,675	\$ 83,731,945	\$ 31,084,569	\$ 59,925,262

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2017**

	Bright Start Direct Money Market Portfolio	Total
Additions		
Investment Income (Expense)		
Investment Earnings	\$ 663,978	\$ 76,487,555
Net Change in Fair Value of Investments	-	587,337,899
12-b1 Fees	-	(5,054,902)
State Administrative Fees	-	(1,145,211)
Management Fees	(222,925)	(9,441,642)
	<u>441,053</u>	<u>648,183,699</u>
Net Investment Earnings (Loss)		
Other Participant Transactions		
Program Contributions	94,937,582	2,347,452,209
Distributions Reinvested	-	-
Total Increase from Participant Transactions	<u>94,937,582</u>	<u>2,347,452,209</u>
Total Additions	95,378,635	2,995,635,908
Deductions		
Program Distributions	<u>64,364,740</u>	<u>2,047,421,229</u>
Total Deductions	64,364,740	2,047,421,229
Change in Net Position	31,013,895	948,214,679
Net Position, Beginning of Fiscal Year	<u>134,669,695</u>	<u>6,064,582,053</u>
Net Position, End of Fiscal Year	<u>\$ 165,683,590</u>	<u>\$ 7,012,796,732</u>

**State of Illinois
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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio
Bright Start
For the Year Ended June 30, 2016**

	Bright Start Advisor Age Based 0-6 years	Bright Start Advisor Age Based 7-9 years	Bright Start Advisor Age Based 10-11 years	Bright Start Advisor Age Based 12-14 years	Bright Start Advisor Age Based 15-17 years	Bright Start Advisor Age Based 18 years
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 550,818	\$ 1,022,017	\$ 964,929	\$ 2,584,066	\$ 2,949,443	\$ 1,812,230
Net Change in Fair Value of Investments	(4,662,792)	(3,858,946)	(2,524,433)	(3,603,801)	236,244	1,623,430
12-b1 Fees	(462,072)	(497,776)	(392,052)	(708,696)	(728,353)	(529,692)
State Administrative Fees	(41,358)	(48,311)	(47,305)	(91,175)	(92,821)	(68,200)
Management Fees	(206,790)	(241,551)	(236,526)	(455,887)	(464,110)	(341,008)
Net Investment Earnings (Loss)	(4,822,194)	(3,624,567)	(2,235,387)	(2,275,493)	1,900,403	2,496,760
Other Participant Transactions						
Program Contributions	38,413,815	62,600,356	84,298,501	119,248,102	139,482,069	118,150,231
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	38,413,815	62,600,356	84,298,501	119,248,102	139,482,069	118,150,231
Total Additions	33,591,621	58,975,789	82,063,114	116,972,609	141,382,472	120,646,991
Deductions						
Program Distributions	45,660,589	71,194,528	94,709,810	122,122,268	108,411,467	92,361,262
Total Deductions	45,660,589	71,194,528	94,709,810	122,122,268	108,411,467	92,361,262
Change in Net Position	(12,068,968)	(12,218,739)	(12,646,696)	(5,149,659)	32,971,005	28,285,729
Net Position, Beginning of Fiscal Year	148,240,532	171,204,483	164,976,932	314,215,208	298,297,265	226,771,450
Net Position, End of Fiscal Year	\$ 136,171,564	\$ 158,985,744	\$ 152,330,236	\$ 309,065,549	\$ 331,268,270	\$ 255,057,179

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2016

	Bright Start Advisor Choice Based Equity	Bright Start Advisor Choice Based Balanced	Bright Start Advisor Choice Based Fixed Income	Bright Start Advisor Choice Based Conservative Fixed Income	Bright Start Index Age Based 0-6 years	Bright Start Index Age Based 7-9 years
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 1,035,602	\$ 804,261	\$ 230,456	\$ 14,333	\$ 6,573,921	\$ 5,260,450
Net Change in Fair Value of Investments	(18,871,498)	(1,141,027)	426,260	47,686	(3,220,273)	(131,313)
12-b1 Fees	(979,489)	(260,725)	(67,086)	(14,506)	-	-
State Administrative Fees	(130,448)	(27,453)	(7,116)	(1,626)	-	-
Management Fees	(652,225)	(137,265)	(35,577)	(8,136)	(403,744)	(338,840)
Net Investment Earnings (Loss)	(19,598,058)	(762,209)	546,937	37,751	2,949,904	4,790,297
Other Participant Transactions						
Program Contributions	39,019,767	17,989,599	5,893,936	2,943,420	88,816,356	116,322,844
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	39,019,767	17,989,599	5,893,936	2,943,420	88,816,356	116,322,844
Total Additions	19,421,709	17,227,390	6,440,873	2,981,171	91,766,260	121,113,141
Deductions						
Program Distributions	61,042,935	15,436,901	4,759,391	1,336,677	85,047,673	71,102,892
Total Deductions	61,042,935	15,436,901	4,759,391	1,336,677	85,047,673	71,102,892
Change in Net Position	(41,621,226)	1,790,489	1,681,482	1,644,494	6,718,587	50,010,249
Net Position, Beginning of Fiscal Year	471,327,200	93,026,279	23,817,300	4,694,004	294,509,530	220,531,344
Net Position, End of Fiscal Year	\$ 429,705,974	\$ 94,816,768	\$ 25,498,782	\$ 6,338,498	\$ 301,228,117	\$ 270,541,593

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State of Illinois
Office of the Treasurer

College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2016

	Bright Start Index Age Based 10-11 years	Bright Start Index Age Based 12-14 years	Bright Start Index Age Based 15-17 years	Bright Start Index Age Based 18 years	Bright Start Index Choice Based Equity	Bright Start Index Choice Based Balanced
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 2,769,841	\$ 3,867,071	\$ 3,225,327	\$ 2,085,964	\$ 14,100,833	\$ 3,150,568
Net Change in Fair Value of Investments	239,432	988,741	1,623,785	1,767,696	(8,211,523)	445,859
12-b1 Fees	-	-	-	-	-	-
State Administrative Fees	-	-	-	-	-	-
Management Fees	(181,325)	(271,035)	(247,771)	(175,980)	(856,481)	(222,101)
Net Investment Earnings (Loss)	2,827,948	4,584,777	4,601,341	3,677,680	5,032,829	3,374,326
Other Participant Transactions						
Program Contributions	87,223,020	98,872,590	90,017,942	79,860,585	127,197,336	36,760,417
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	87,223,020	98,872,590	90,017,942	79,860,585	127,197,336	36,760,417
Total Additions	90,050,968	103,457,367	94,619,283	83,538,265	132,230,165	40,134,743
Deductions						
Program Distributions	68,654,613	66,237,230	63,448,290	52,946,247	65,719,630	25,147,090
Total Deductions	68,654,613	66,237,230	63,448,290	52,946,247	65,719,630	25,147,090
Change in Net Position	21,396,355	37,220,137	31,170,993	30,592,018	66,510,535	14,987,653
Net Position, Beginning of Fiscal Year	121,518,240	179,911,848	164,139,846	119,977,188	594,838,356	155,216,543
Net Position, End of Fiscal Year	\$ 142,914,595	\$ 217,131,985	\$ 195,310,839	\$ 150,569,206	\$ 661,348,891	\$ 170,204,196

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**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2016**

	Bright Start Index Choice Based Fixed Income	Bright Start Blended Age Based 0-6 years	Bright Start Blended Age Based 7-9 years	Bright Start Blended Age Based 10-11 years	Bright Start Blended Age Based 12-14 years	Bright Start Blended Age Based 15-17 years
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 1,422,360	\$ 390,906	\$ 705,011	\$ 700,968	\$ 2,045,158	\$ 1,728,496
Net Change in Fair Value of Investments	1,605,617	1,888,439	2,832,089	3,432,519	6,038,984	4,680,783
12-b1 Fees	-	-	-	-	-	-
State Administrative Fees	-	(35,761)	(48,003)	(50,518)	(93,899)	(80,216)
Management Fees	(114,788)	(178,815)	(240,006)	(252,587)	(469,493)	(401,087)
Net Investment Earnings (Loss)	2,913,189	2,064,769	3,249,091	3,830,382	7,520,750	5,927,976
Other Participant Transactions						
Program Contributions	28,703,298	34,443,139	56,287,833	83,960,060	122,985,240	131,028,454
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	28,703,298	34,443,139	56,287,833	83,960,060	122,985,240	131,028,454
Total Additions	31,616,487	36,507,908	59,536,924	87,790,442	130,505,990	136,956,430
Deductions						
Program Distributions	18,337,738	41,179,807	72,669,127	101,495,985	115,618,583	84,252,951
Total Deductions	18,337,738	41,179,807	72,669,127	101,495,985	115,618,583	84,252,951
Change in Net Position	13,278,749	(4,671,899)	(13,132,203)	(13,705,543)	14,887,407	52,703,479
Net Position, Beginning of Fiscal Year	79,017,030	125,171,583	168,611,718	177,378,288	311,484,962	244,853,352
Net Position, End of Fiscal Year	\$ 92,295,779	\$ 120,499,684	\$ 155,479,515	\$ 163,672,745	\$ 326,372,369	\$ 297,556,831

**State of Illinois
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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2016**

	Bright Start Blended Age Based 18 years	Bright Start Blended Choice Based Equity	Bright Start Blended Choice Based Fixed Income	Bright Start Blended Choice Based Balanced	Bright Start Blended Choice Based Conservative Fixed Income	Bright Start Advisor Money Market Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 1,038,294	\$ 967,386	\$ 146,039	\$ 442,372	\$ 45,606	\$ 151,601
Net Change in Fair Value of Investments	2,291,411	6,879,961	666,334	1,338,351	160,244	-
12-b1 Fees	-	-	-	-	-	-
State Administrative Fees	(49,289)	(114,956)	(7,788)	(19,585)	(5,155)	-
Management Fees	(246,454)	(574,784)	(38,935)	(97,932)	(25,773)	(76,090)
Net Investment Earnings (Loss)	3,033,962	7,157,607	765,650	1,663,206	174,922	75,511
Other Participant Transactions						
Program Contributions	96,494,315	44,823,133	6,745,755	14,674,447	13,549,371	24,568,100
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	96,494,315	44,823,133	6,745,755	14,674,447	13,549,371	24,568,100
Total Additions	99,528,277	51,980,740	7,511,405	16,337,653	13,724,293	24,643,611
Deductions						
Program Distributions	75,671,030	48,200,062	5,245,321	9,770,900	4,948,774	25,019,678
Total Deductions	75,671,030	48,200,062	5,245,321	9,770,900	4,948,774	25,019,678
Change in Net Position	23,857,247	3,780,678	2,266,084	6,566,753	8,775,519	(376,067)
Net Position, Beginning of Fiscal Year	165,459,005	392,192,674	25,486,184	64,603,881	12,678,253	60,257,238
Net Position, End of Fiscal Year	\$ 189,316,252	\$ 395,973,352	\$ 27,752,268	\$ 71,170,634	\$ 21,453,772	\$ 59,881,171

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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Start
For the Year Ended June 30, 2016**

	Bright Start Direct Money Market Portfolio	Total
Additions		
Investment Income (Expense)		
Investment Earnings	\$ 329,370	\$ 63,115,697
Net Change in Fair Value of Investments	-	(7,011,741)
12-b1 Fees	-	(4,640,447)
State Administrative Fees	-	(1,060,983)
Management Fees	(163,565)	(8,356,661)
	<u>165,805</u>	<u>42,045,865</u>
Net Investment Earnings (Loss)		
Other Participant Transactions		
Program Contributions	75,078,746	2,086,452,777
Distributions Reinvested	-	-
Total Increase	<u>75,078,746</u>	<u>2,086,452,777</u>
from Participant Transactions		
Total Additions	75,244,551	2,128,498,642
Deductions		
Program Distributions	<u>57,843,788</u>	<u>1,775,593,237</u>
Total Deductions	57,843,788	1,775,593,237
Change in Net Position	17,400,763	352,905,405
Net Position, Beginning of Fiscal Year	<u>117,268,932</u>	<u>5,711,676,648</u>
Net Position, End of Fiscal Year	<u>\$ 134,669,695</u>	<u>\$ 6,064,582,053</u>

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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio
Bright Directions
For the Year Ended June 30, 2017**

	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Short Duration Inflation Protection Bond 529 Portfolio	American Century Value 529 Portfolio	Ariel 529 Portfolio	Baird Short Term Bond Institutional 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 248,143	\$ 365,598	\$ 19,571	\$ 432,442	\$ 604,854	\$ 289,111
Net Change in Fair Value of Investments	1,786,654	1,133,628	(11,152)	1,089,304	1,539,329	(106,538)
State Administrative Fee	(6,110)	(3,830)	(746)	(6,675)	(4,849)	(8,865)
12b-1 Fees	(36,300)	(24,804)	(3,036)	(36,917)	(28,941)	(49,282)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(21,995)	(13,788)	(2,682)	(24,029)	(17,458)	(31,916)
Net Investment Earnings (Loss)	1,970,392	1,456,804	1,955	1,454,125	2,092,935	92,510
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,702,992	1,578,263	1,180,710	3,816,316	2,728,917	5,792,330
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,702,992	1,578,263	1,180,710	3,816,316	2,728,917	5,792,330
Total Additions	3,673,384	3,035,067	1,182,665	5,270,441	4,821,852	5,884,840
Deductions						
Program Distributions	2,237,593	1,218,212	411,512	2,068,859	1,434,828	5,277,654
Total Deductions	2,237,593	1,218,212	411,512	2,068,859	1,434,828	5,277,654
Change in Net Position	1,435,791	1,816,855	771,153	3,201,582	3,387,024	607,186
Net Position, Beginning of Fiscal Year	11,476,996	7,038,822	1,164,393	11,496,304	7,851,097	17,819,036
Net Position, End of Fiscal Year	<u>\$ 12,912,787</u>	<u>\$ 8,855,677</u>	<u>\$ 1,935,546</u>	<u>\$ 14,697,886</u>	<u>\$ 11,238,121</u>	<u>\$ 18,426,222</u>

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State of Illinois
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College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017

	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Equity 529 Portfolio	Causeway Emerging Markets 529 Portfolio	Delaware Small Cap Core 529 Portfolio	DFA International Small Company 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 18,465	\$ 182,733	\$ 624,476	\$ 103,139	\$ 140,202	\$ 214,013
Net Change in Fair Value of Investments	10,599	(210,180)	403,188	1,503,669	2,555,142	925,541
State Administrative Fee	-	(4,261)	(3,498)	(3,693)	(6,298)	(2,598)
12b-1 Fees	-	(25,254)	(23,710)	(19,180)	(39,453)	(11,036)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(6,397)	(15,341)	(12,592)	(13,296)	(22,672)	(9,353)
Net Investment Earnings (Loss)	22,667	(72,303)	987,864	1,570,639	2,626,921	1,116,567
Distributions to Participants						
Net Investment Income	(12,765)	-	-	-	-	-
Total Decrease in Net Assets from Distributions	(12,765)	-	-	-	-	-
Other Participant Transactions						
Program Contributions	3,810,359	2,658,163	1,287,320	2,189,091	2,861,079	1,726,945
Distributions Reinvested	19,807	-	-	-	-	-
Total Increase from Participant Transactions	3,830,166	2,658,163	1,287,320	2,189,091	2,861,079	1,726,945
Total Additions	3,840,068	2,585,860	2,275,184	3,759,730	5,488,000	2,843,512
Deductions						
Program Distributions	49,645,606	2,062,300	1,035,592	1,230,246	2,276,535	753,991
Total Deductions	49,645,606	2,062,300	1,035,592	1,230,246	2,276,535	753,991
Change in Net Position	(45,805,538)	523,560	1,239,592	2,529,484	3,211,465	2,089,521
Net Position, Beginning of Fiscal Year	45,805,538	8,332,569	6,697,927	6,253,781	10,902,708	4,157,097
Net Position, End of Fiscal Year	\$ -	\$ 8,856,129	\$ 7,937,519	\$ 8,783,265	\$ 14,114,173	\$ 6,246,618

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State of Illinois
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College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017

	Dodge & Cox International Stock 529 Portfolio	Harbor Small Cap Growth Opportunities 529 Portfolio	Invesco Government & Agency 529 Portfolio	Mainstay Total Return Bond 529 Portfolio	MFS Value 529 Portfolio	Northern Funds Bond Index 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 887,604	\$ -	\$ 214,139	\$ 946,794	\$ 985,513	\$ 312,359
Net Change in Fair Value of Investments	5,954,970	2,700,576	(10,599)	(162,644)	3,255,558	(382,272)
State Administrative Fee	(13,180)	(5,696)	-	(16,758)	(13,529)	(5,720)
12b-1 Fees	(68,847)	(30,548)	-	(103,865)	(77,145)	(32,363)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(47,447)	(20,506)	(80,584)	(60,330)	(48,703)	(20,592)
Net Investment Earnings (Loss)	6,713,100	2,643,826	122,956	603,197	4,101,694	(128,588)
Distributions to Participants						
Net Investment Income	-	-	(133,526)	-	-	-
Total Decrease in Net Assets from Distributions	-	-	(133,526)	-	-	-
Other Participant Transactions						
Program Contributions	6,326,462	1,615,662	86,229,045	7,307,517	6,916,704	6,639,561
Distributions Reinvested	-	-	116,711	-	-	-
Total Increase from Participant Transactions	6,326,462	1,615,662	86,345,756	7,307,517	6,916,704	6,639,561
Total Additions	13,039,562	4,259,488	86,335,186	7,910,714	11,018,398	6,510,973
Deductions						
Program Distributions	4,150,140	2,071,451	33,138,184	9,556,875	4,739,923	2,714,633
Total Deductions	4,150,140	2,071,451	33,138,184	9,556,875	4,739,923	2,714,633
Change in Net Position	8,889,422	2,188,037	53,197,002	(1,646,161)	6,278,475	3,796,340
Net Position, Beginning of Fiscal Year	22,109,575	10,274,660	-	35,238,364	24,036,336	9,400,460
Net Position, End of Fiscal Year	\$ 30,998,997	\$ 12,462,697	\$ 53,197,002	\$ 33,592,203	\$ 30,314,811	\$ 13,196,800

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State of Illinois
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College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017

	Northern Funds International Equity Index 529 Portfolio	Northern Funds Small Cap Index 529 Portfolio	Northern Funds Small Cap Value 529 Portfolio	Northern Funds Stock Index 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Pimco Short- Term 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 239,716	\$ 314,147	\$ 193,967	\$ 800,642	\$ 308,210	\$ 313,601
Net Change in Fair Value of Investments	1,251,028	1,348,737	1,246,806	4,090,124	3,013,520	268,801
State Administrative Fee	(4,019)	(4,033)	(4,280)	(15,002)	(10,620)	(8,930)
12b-1 Fees	(22,794)	(26,184)	(24,709)	(93,106)	(63,743)	(46,485)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(14,470)	(14,519)	(15,407)	(54,006)	(38,231)	(32,150)
Net Investment Earnings (Loss)	1,449,461	1,618,148	1,396,377	4,728,652	3,209,136	494,837
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	2,261,292	2,575,236	2,779,124	10,598,074	3,798,166	8,193,414
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	2,261,292	2,575,236	2,779,124	10,598,074	3,798,166	8,193,414
Total Additions	3,710,753	4,193,384	4,175,501	15,326,726	7,007,302	8,688,251
Deductions						
Program Distributions	1,725,986	1,131,799	2,082,101	4,966,284	3,539,567	5,392,294
Total Deductions	1,725,986	1,131,799	2,082,101	4,966,284	3,539,567	5,392,294
Change in Net Position	1,984,767	3,061,585	2,093,400	10,360,442	3,467,735	3,295,957
Net Position, Beginning of Fiscal Year	7,181,013	6,450,886	7,255,293	25,180,686	20,181,742	16,604,610
Net Position, End of Fiscal Year	\$ 9,165,780	\$ 9,512,471	\$ 9,348,693	\$ 35,541,128	\$ 23,649,477	\$ 19,900,567

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**State of Illinois
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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017**

	SIT Dividend Growth 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 813,246	\$ 1,262,593	\$ 2,353,602	\$ 894,310	\$ 642,710	\$ 274,432
Net Change in Fair Value of Investments	760,017	3,726,382	2,757,654	2,277,940	10,894,617	(569,294)
State Administrative Fee	(5,503)	(18,332)	(15,770)	(8,296)	(21,002)	(5,478)
12b-1 Fees	(28,587)	(134,517)	(94,447)	(48,922)	(124,831)	(33,894)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(19,813)	(65,994)	(56,772)	(29,865)	(75,608)	(19,723)
Net Investment Earnings (Loss)	<u>1,519,360</u>	<u>4,770,132</u>	<u>4,944,267</u>	<u>3,085,167</u>	<u>11,315,886</u>	<u>(353,957)</u>
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	2,322,863	9,923,302	6,560,069	4,151,650	8,988,300	2,806,197
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	<u>2,322,863</u>	<u>9,923,302</u>	<u>6,560,069</u>	<u>4,151,650</u>	<u>8,988,300</u>	<u>2,806,197</u>
Total Additions	<u>3,842,223</u>	<u>14,693,434</u>	<u>11,504,336</u>	<u>7,236,817</u>	<u>20,304,186</u>	<u>2,452,240</u>
Deductions						
Program Distributions	2,169,930	5,964,270	5,316,084	2,601,353	7,700,586	3,139,073
Total Deductions	<u>2,169,930</u>	<u>5,964,270</u>	<u>5,316,084</u>	<u>2,601,353</u>	<u>7,700,586</u>	<u>3,139,073</u>
Change in Net Position	1,672,293	8,729,164	6,188,252	4,635,464	12,603,600	(686,833)
Net Position, Beginning of Fiscal Year	<u>10,288,726</u>	<u>32,920,778</u>	<u>28,546,983</u>	<u>14,279,442</u>	<u>36,554,048</u>	<u>11,251,339</u>
Net Position, End of Fiscal Year	<u>\$ 11,961,019</u>	<u>\$ 41,649,942</u>	<u>\$ 34,735,235</u>	<u>\$ 18,914,906</u>	<u>\$ 49,157,648</u>	<u>\$ 10,564,506</u>

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College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017

	Templeton International Bond 529 Portfolio	Vanguard FTSE Developed Markets ETF 529 Portfolio	Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio	Vanguard Global Ex-US Real Estate ETF 529 Portfolio	Vanguard Mega Cap ETF 529 Portfolio	Vanguard Mega Cap Growth ETF 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 139,946	\$ 101,800	\$ 61,327	\$ 28,021	\$ 155,101	\$ 25,704
Net Change in Fair Value of Investments	550,992	526,029	376,067	37,704	1,027,466	319,514
State Administrative Fee	(4,023)	(966)	(756)	(200)	(2,123)	(516)
12b-1 Fees	(22,346)	-	-	-	-	-
Other Operating Expenses	-	(559)	(292)	(71)	(529)	(117)
Management Fees	(14,483)	(5,798)	(4,537)	(1,200)	(12,739)	(3,096)
Net Investment Earnings (Loss)	650,086	620,506	431,809	64,254	1,167,176	341,489
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,987,080	2,060,898	1,288,049	366,580	3,661,741	873,416
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,987,080	2,060,898	1,288,049	366,580	3,661,741	873,416
Total Additions	2,637,166	2,681,404	1,719,858	430,834	4,828,917	1,214,905
Deductions						
Program Distributions	2,071,685	484,975	276,203	77,455	909,065	278,470
Total Deductions	2,071,685	484,975	276,203	77,455	909,065	278,470
Change in Net Position	565,481	2,196,429	1,443,655	353,379	3,919,852	936,435
Net Position, Beginning of Fiscal Year	7,959,741	2,265,905	1,837,690	509,927	4,909,453	1,290,376
Net Position, End of Fiscal Year	\$ 8,525,222	\$ 4,462,334	\$ 3,281,345	\$ 863,306	\$ 8,829,305	\$ 2,226,811

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College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017

	Vanguard Mega Cap Value ETF 529 Portfolio	Vanguard Mid-Cap ETF 529 Portfolio	Vanguard Mid-Cap Growth ETF 529 Portfolio	Vanguard Mid-Cap Value ETF 529 Portfolio	Vanguard REIT ETF 529 Portfolio	Vanguard Short- Term Bond ETF 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 80,981	\$ 51,119	\$ 5,974	\$ 24,852	\$ 95,322	\$ 85,989
Net Change in Fair Value of Investments	343,756	445,822	102,405	161,027	(116,294)	(77,780)
State Administrative Fee	(911)	(957)	(211)	(353)	(638)	(1,686)
12b-1 Fees	-	-	-	-	-	-
Other Operating Expenses	(252)	(161)	(48)	(78)	(138)	(397)
Management Fees	(5,466)	(5,743)	(1,268)	(2,121)	(3,828)	(10,114)
Net Investment Earnings (Loss)	418,108	490,080	106,852	183,327	(25,576)	(3,988)
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,390,813	1,972,925	441,973	548,025	1,003,586	2,857,868
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,390,813	1,972,925	441,973	548,025	1,003,586	2,857,868
Total Additions	1,808,921	2,463,005	548,825	731,352	978,010	2,853,880
Deductions						
Program Distributions	530,848	551,157	160,295	221,366	301,356	1,534,174
Total Deductions	530,848	551,157	160,295	221,366	301,356	1,534,174
Change in Net Position	1,278,073	1,911,848	388,530	509,986	676,654	1,319,706
Net Position, Beginning of Fiscal Year	2,365,495	2,179,054	513,292	808,385	1,763,529	5,031,775
Net Position, End of Fiscal Year	\$ 3,643,568	\$ 4,090,902	\$ 901,822	\$ 1,318,371	\$ 2,440,183	\$ 6,351,481

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College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017

	Vanguard Small-Cap ETF 529 Portfolio	Vanguard Small-Cap Growth ETF 529 Portfolio	Vanguard Small-Cap Value ETF 529 Portfolio	Vanguard Total Bond Market ETF 529 Portfolio	Voya Global Real Estate 529 Portfolio	William Blair Mid Cap Growth 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 47,524	\$ 6,504	\$ 26,631	\$ 84,029	\$ 147,560	\$ 719,130
Net Change in Fair Value of Investments	444,253	89,669	175,851	(86,166)	(213,127)	815,169
State Administrative Fee	(906)	(175)	(393)	(1,042)	(1,934)	(6,948)
12b-1 Fees	-	-	-	-	(12,233)	(38,645)
Other Operating Expenses	(134)	(26)	(72)	(340)	-	-
Management Fees	(5,433)	(1,049)	(2,356)	(6,250)	(6,963)	(25,013)
Net Investment Earnings (Loss)	485,304	94,923	199,661	(9,769)	(86,697)	1,463,693
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,635,777	355,836	687,023	2,571,696	657,784	2,529,900
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,635,777	355,836	687,023	2,571,696	657,784	2,529,900
Total Additions	2,121,081	450,759	886,684	2,561,927	571,087	3,993,593
Deductions						
Program Distributions	550,181	74,538	246,972	811,179	682,381	2,908,136
Total Deductions	550,181	74,538	246,972	811,179	682,381	2,908,136
Change in Net Position	1,570,900	376,221	639,712	1,750,748	(111,294)	1,085,457
Net Position, Beginning of Fiscal Year	2,146,154	378,408	936,923	2,680,006	3,981,432	13,673,917
Net Position, End of Fiscal Year	\$ 3,717,054	\$ 754,629	\$ 1,576,635	\$ 4,430,754	\$ 3,870,138	\$ 14,759,374

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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017**

	Fixed Income Fund	Fund 10	Fund 20	Fund 30	Fund 40	Fund 50
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 295,066	\$ 1,076,441	\$ 2,840,953	\$ 2,583,061	\$ 4,594,701	\$ 3,508,897
Net Change in Fair Value of Investments	49,542	1,741,830	5,625,068	6,039,417	15,992,148	11,590,785
State Administrative Fee	(13,513)	(41,747)	(83,737)	(57,215)	(114,915)	(63,214)
12b-1 Fees	(97,289)	(302,624)	(588,717)	(394,480)	(775,458)	(405,526)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(48,648)	(150,290)	(301,454)	(205,973)	(413,692)	(227,570)
Net Investment Earnings (Loss)	185,158	2,323,610	7,492,113	7,964,810	19,282,784	14,403,372
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	46,552,104	143,794,502	243,711,066	241,993,844	303,046,397	261,166,640
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	46,552,104	143,794,502	243,711,066	241,993,844	303,046,397	261,166,640
Total Additions	46,737,262	146,118,112	251,203,179	249,958,654	322,329,181	275,570,012
Deductions						
Program Distributions	23,381,557	107,883,528	262,097,699	65,170,613	390,058,384	75,050,564
Total Deductions	23,381,557	107,883,528	262,097,699	65,170,613	390,058,384	75,050,564
Change in Net Position	23,355,705	38,234,584	(10,894,520)	184,788,041	(67,729,203)	200,519,448
Net Position, Beginning of Fiscal Year	13,446,388	64,646,360	182,935,157	-	281,974,609	-
Net Position, End of Fiscal Year	\$ 36,802,093	\$ 102,880,944	\$ 172,040,637	\$ 184,788,041	\$ 214,245,406	\$ 200,519,448

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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2017**

	Fund 60	Fund 70	Fund 80	Fund 90	Fund 100	Total
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 6,495,604	\$ 4,383,842	\$ 7,384,756	\$ 1,828,613	\$ 2,537,022	\$ 54,416,802
Net Change in Fair Value of Investments	30,344,335	17,828,865	44,730,875	9,357,614	21,690,449	222,954,390
State Administrative Fee	(149,537)	(68,301)	(160,859)	(27,300)	(64,330)	(1,096,977)
12b-1 Fees	(942,840)	(406,832)	(983,795)	(160,745)	(394,182)	(6,878,612)
Other Operating Expenses	-	-	-	-	-	(3,214)
Management Fees	(538,334)	(245,884)	(579,091)	(98,282)	(231,588)	(4,064,502)
Net Investment Earnings (Loss)	35,209,228	21,491,690	50,391,886	10,899,900	23,537,371	265,327,887
Distributions to Participants						
Net Investment Income	-	-	-	-	-	(146,291)
Total Decrease in Net Assets from Distributions	-	-	-	-	-	(146,291)
Other Participant Transactions						
Program Contributions	316,155,280	260,324,891	250,187,688	105,362,898	56,590,485	2,467,101,888
Distributions Reinvested	-	-	-	-	-	136,518
Total Increase from Participant Transactions	316,155,280	260,324,891	250,187,688	105,362,898	56,590,485	2,467,238,406
Total Additions	351,364,508	281,816,581	300,579,574	116,262,798	80,127,856	2,732,420,002
Deductions						
Program Distributions	453,187,798	71,367,223	428,540,873	30,493,715	184,174,121	2,275,829,972
Total Deductions	453,187,798	71,367,223	428,540,873	30,493,715	184,174,121	2,275,829,972
Change in Net Position	(101,823,290)	210,449,358	(127,961,299)	85,769,083	(104,046,265)	456,590,030
Net Position, Beginning of Fiscal Year	376,439,568	-	415,297,238	-	202,559,569	2,049,281,560
Net Position, End of Fiscal Year	\$ 274,616,278	\$ 210,449,358	\$ 287,335,939	\$ 85,769,083	\$ 98,513,304	\$ 2,505,871,590

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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio
Bright Directions
For the Year Ended June 30, 2016**

	American Century Equity Growth 529 Portfolio	American Century Growth 529 Portfolio	American Century Short Duration Inflation Protection Bond 529 Portfolio	American Century Value 529 Portfolio	Ariel 529 Portfolio	Baird Short Term Bond Institutional 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 898,520	\$ 473,760	\$ 100	\$ 905,410	\$ 1,185,262	\$ 268,702
Net Change in Fair Value of Investments	(1,214,622)	(463,269)	20,034	(442,565)	(2,086,409)	128,866
State Administrative Fee	(5,686)	(3,468)	(506)	(5,394)	(4,069)	(8,324)
12b-1 Fees	(33,557)	(21,705)	(1,807)	(30,067)	(24,871)	(45,576)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(26,564)	(16,120)	(2,308)	(25,123)	(19,115)	(38,333)
Net Investment Earnings (Loss)	(381,909)	(30,802)	15,513	402,261	(949,202)	305,335
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,723,500	1,625,210	397,142	1,601,156	1,159,328	6,116,437
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,723,500	1,625,210	397,142	1,601,156	1,159,328	6,116,437
Total Additions	1,341,591	1,594,408	412,655	2,003,417	210,126	6,421,772
Deductions						
Program Distributions	2,108,824	1,622,871	180,572	1,936,080	1,473,249	4,947,836
Total Deductions	2,108,824	1,622,871	180,572	1,936,080	1,473,249	4,947,836
Change in Net Position	(767,233)	(28,463)	232,083	67,337	(1,263,123)	1,473,936
Net Position, Beginning of Fiscal Year	12,244,229	7,067,285	932,310	11,428,967	9,114,220	16,345,100
Net Position, End of Fiscal Year	\$ 11,476,996	\$ 7,038,822	\$ 1,164,393	\$ 11,496,304	\$ 7,851,097	\$ 17,819,036

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College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016

	BlackRock Cash Funds 529 Portfolio	BlackRock Inflation Protected Bond 529 Portfolio	Calvert Equity 529 Portfolio	Causeway Emerging Markets 529 Portfolio	Delaware Small Cap Core 529 Portfolio	DFA International Small Company 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 132,703	\$ 175,133	\$ 1,286,698	\$ 93,465	\$ 312,264	\$ 206,863
Net Change in Fair Value of Investments	-	53,384	(1,232,547)	(1,043,401)	(775,801)	(336,653)
State Administrative Fee	-	(3,920)	(3,267)	(2,908)	(5,186)	(1,873)
12b-1 Fees	-	(23,360)	(21,824)	(15,199)	(33,321)	(7,904)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(48,739)	(18,229)	(15,060)	(13,562)	(24,155)	(8,573)
Net Investment Earnings (Loss)	83,964	183,008	14,000	(981,605)	(526,199)	(148,140)
Distributions to Participants						
Net Investment Income	(84,756)	-	-	-	-	-
Total Decrease in Net Assets from Distributions	(84,756)	-	-	-	-	-
Other Participant Transactions						
Program Contributions	39,581,396	1,822,135	1,484,117	1,442,814	2,016,199	1,438,882
Distributions Reinvested	79,134	-	-	-	-	-
Total Increase from Participant Transactions	39,660,530	1,822,135	1,484,117	1,442,814	2,016,199	1,438,882
Total Additions	39,659,738	2,005,143	1,498,117	461,209	1,490,000	1,290,742
Deductions						
Program Distributions	33,027,822	1,735,698	969,798	727,055	1,527,093	629,190
Total Deductions	33,027,822	1,735,698	969,798	727,055	1,527,093	629,190
Change in Net Position	6,631,916	269,445	528,319	(265,846)	(37,093)	661,552
Net Position, Beginning of Fiscal Year	39,173,622	8,063,124	6,169,608	6,519,627	10,939,801	3,495,545
Net Position, End of Fiscal Year	\$ 45,805,538	\$ 8,332,569	\$ 6,697,927	\$ 6,253,781	\$ 10,902,708	\$ 4,157,097

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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016**

	Dodge & Cox International Stock 529 Portfolio	Eagle Small Cap Growth 529 Portfolio	Harbor Small Cap Growth Opportunities 529 Portfolio	Mainstay Total Return Bond 529 Portfolio	MFS Value 529 Portfolio	Northern Funds Bond Index 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 503,129	\$ -	\$ 358,316	\$ 1,033,161	\$ 1,181,577	\$ 215,066
Net Change in Fair Value of Investments	(5,421,129)	(1,465,436)	17,870	428,443	(53,413)	250,654
State Administrative Fee	(11,347)	(1,452)	(3,817)	(17,102)	(10,857)	(3,827)
12b-1 Fees	(62,266)	(7,631)	(20,421)	(107,722)	(62,113)	(21,324)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(53,505)	(9,291)	(15,517)	(79,692)	(50,126)	(17,389)
Net Investment Earnings (Loss)	(5,045,118)	(1,483,810)	336,431	1,257,088	1,005,068	423,180
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	4,970,707	577,157	10,176,883	6,568,912	5,005,868	3,501,382
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	4,970,707	577,157	10,176,883	6,568,912	5,005,868	3,501,382
Total Additions	(74,411)	(906,653)	10,513,314	7,826,000	6,010,936	3,924,562
Deductions						
Program Distributions	3,769,195	10,637,601	238,654	7,982,251	3,166,177	1,485,125
Total Deductions	3,769,195	10,637,601	238,654	7,982,251	3,166,177	1,485,125
Change in Net Position	(3,843,606)	(11,544,254)	10,274,660	(156,251)	2,844,759	2,439,437
Net Position, Beginning of Fiscal Year	25,953,181	11,544,254	-	35,394,615	21,191,577	6,961,023
Net Position, End of Fiscal Year	\$ 22,109,575	\$ -	\$ 10,274,660	\$ 35,238,364	\$ 24,036,336	\$ 9,400,460

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**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016**

	Northern Funds International Equity Index 529 Portfolio	Northern Funds Small Cap Index 529 Portfolio	Northern Funds Small Cap Value 529 Portfolio	Northern Funds Stock Index 529 Portfolio	Oppenheimer International Growth 529 Portfolio	Pimco Short-Term 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 191,009	\$ 379,558	\$ 291,979	\$ 806,813	\$ 251,756	\$ 321,542
Net Change in Fair Value of Investments	(963,609)	(811,005)	(342,664)	135,806	(1,345,017)	(196,015)
State Administrative Fee	(3,627)	(3,048)	(3,483)	(11,420)	(9,864)	(8,137)
12b-1 Fees	(20,494)	(19,220)	(19,896)	(69,856)	(58,968)	(44,262)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(17,014)	(14,203)	(16,315)	(52,619)	(45,645)	(38,000)
Net Investment Earnings (Loss)	(813,735)	(467,918)	(90,379)	808,724	(1,207,738)	35,128
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,690,277	1,550,337	1,117,959	6,336,559	4,128,991	6,080,938
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,690,277	1,550,337	1,117,959	6,336,559	4,128,991	6,080,938
Total Additions	876,542	1,082,419	1,027,580	7,145,283	2,921,253	6,116,066
Deductions						
Program Distributions	1,573,387	969,558	1,601,867	4,129,854	2,619,141	6,323,225
Total Deductions	1,573,387	969,558	1,601,867	4,129,854	2,619,141	6,323,225
Change in Net Position	(696,845)	112,861	(574,287)	3,015,429	302,112	(207,159)
Net Position, Beginning of Fiscal Year	7,877,858	6,338,025	7,829,580	22,165,257	19,879,630	16,811,769
Net Position, End of Fiscal Year	\$ 7,181,013	\$ 6,450,886	\$ 7,255,293	\$ 25,180,686	\$ 20,181,742	\$ 16,604,610

(Continued)

State of Illinois
Office of the Treasurer

College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016

	SIT Dividend Growth 529 Portfolio	T.Rowe Price Balanced 529 Portfolio	T.Rowe Price Equity Income 529 Portfolio	T.Rowe Price Extended Equity Market Index 529 Portfolio	T.Rowe Price Institutional Large Cap Growth 529 Portfolio	T.Rowe Price Real Estate 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 1,161,754	\$ 2,069,088	\$ 1,820,272	\$ 627,623	\$ 1,663,969	\$ 236,553
Net Change in Fair Value of Investments	(783,478)	(2,146,928)	(1,431,803)	(1,449,817)	(2,838,143)	1,630,981
State Administrative Fee	(4,644)	(15,220)	(13,057)	(6,868)	(17,666)	(4,952)
12b-1 Fees	(23,798)	(113,246)	(79,030)	(40,014)	(105,323)	(30,550)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(21,521)	(70,436)	(60,607)	(32,236)	(81,513)	(22,891)
Net Investment Earnings (Loss)	328,313	(276,742)	235,775	(901,312)	(1,378,676)	1,809,141
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	2,281,445	8,133,847	4,620,052	2,672,884	10,089,546	2,031,615
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	2,281,445	8,133,847	4,620,052	2,672,884	10,089,546	2,031,615
Total Additions	2,609,758	7,857,105	4,855,827	1,771,572	8,710,870	3,840,756
Deductions						
Program Distributions	1,588,823	5,448,689	3,617,239	2,214,874	4,983,004	2,236,786
Total Deductions	1,588,823	5,448,689	3,617,239	2,214,874	4,983,004	2,236,786
Change in Net Position	1,020,935	2,408,416	1,238,588	(443,302)	3,727,866	1,603,970
Net Position, Beginning of Fiscal Year	9,267,791	30,512,362	27,308,395	14,722,744	32,826,182	9,647,369
Net Position, End of Fiscal Year	<u>\$ 10,288,726</u>	<u>\$ 32,920,778</u>	<u>\$ 28,546,983</u>	<u>\$ 14,279,442</u>	<u>\$ 36,554,048</u>	<u>\$ 11,251,339</u>

(Continued)

State of Illinois
Office of the Treasurer

College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016

	Templeton International Bond 529 Portfolio	Vanguard FTSE Developed Markets ETF 529 Portfolio	Vanguard FTSE Emerging Markets Stock ETF 529 Portfolio	Vanguard Global Ex-US Real Estate ETF 529 Portfolio	Vanguard Mega Cap ETF 529 Portfolio	Vanguard Mega Cap Growth ETF 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 139,038	\$ 57,889	\$ 42,239	\$ 11,837	\$ 77,320	\$ 16,799
Net Change in Fair Value of Investments	(340,947)	(214,516)	(261,118)	(5,219)	110,403	24,971
State Administrative Fee	(3,824)	(580)	(489)	(110)	(968)	(331)
12b-1 Fees	(22,142)	-	-	-	-	-
Other Operating Expenses	-	(462)	(517)	(83)	(653)	(160)
Management Fees	(17,710)	(4,420)	(3,793)	(829)	(7,079)	(2,484)
Net Investment Earnings (Loss)	(245,585)	(162,089)	(223,678)	5,596	179,023	38,795
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	2,102,709	1,060,289	818,117	273,529	3,018,967	650,265
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	2,102,709	1,060,289	818,117	273,529	3,018,967	650,265
Total Additions	1,857,124	898,200	594,439	279,125	3,197,990	689,060
Deductions						
Program Distributions	1,587,159	311,295	509,283	79,833	522,662	279,563
Total Deductions	1,587,159	311,295	509,283	79,833	522,662	279,563
Change in Net Position	269,965	586,905	85,156	199,292	2,675,328	409,497
Net Position, Beginning of Fiscal Year	7,689,776	1,679,000	1,752,534	310,635	2,234,125	880,879
Net Position, End of Fiscal Year	\$ 7,959,741	\$ 2,265,905	\$ 1,837,690	\$ 509,927	\$ 4,909,453	\$ 1,290,376

(Continued)

State of Illinois
Office of the Treasurer

College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016

	Vanguard Mega Cap Value ETF 529 Portfolio	Vanguard Mid-Cap ETF 529 Portfolio	Vanguard Mid-Cap Growth ETF 529 Portfolio	Vanguard Mid-Cap Value ETF 529 Portfolio	Vanguard REIT ETF 529 Portfolio	Vanguard Short- Term Bond ETF 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 49,375	\$ 34,084	\$ 4,563	\$ 16,582	\$ 56,289	\$ 54,103
Net Change in Fair Value of Investments	77,826	(24,861)	(8,799)	3,147	235,442	55,346
State Administrative Fee	(537)	(506)	(127)	(179)	(367)	(1,144)
12b-1 Fees	-	-	-	-	-	-
Other Operating Expenses	(352)	(192)	(40)	(75)	(132)	(547)
Management Fees	(4,085)	(3,792)	(958)	(1,357)	(2,749)	(8,444)
Net Investment Earnings (Loss)	122,227	4,733	(5,361)	18,118	288,483	99,314
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,065,960	1,216,889	229,863	368,375	687,173	2,784,282
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,065,960	1,216,889	229,863	368,375	687,173	2,784,282
Total Additions	1,188,187	1,221,622	224,502	386,493	975,656	2,883,596
Deductions						
Program Distributions	606,401	525,110	33,147	120,060	182,643	886,768
Total Deductions	606,401	525,110	33,147	120,060	182,643	886,768
Change in Net Position	581,786	696,512	191,355	266,433	793,013	1,996,828
Net Position, Beginning of Fiscal Year	1,783,709	1,482,542	321,937	541,952	970,516	3,034,947
Net Position, End of Fiscal Year	\$ 2,365,495	\$ 2,179,054	\$ 513,292	\$ 808,385	\$ 1,763,529	\$ 5,031,775

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016**

	Vanguard Small-Cap ETF 529 Portfolio	Vanguard Small-Cap Growth ETF 529 Portfolio	Vanguard Small-Cap Value ETF 529 Portfolio	Vanguard Total Bond Market ETF 529 Portfolio	Voya Global Real Estate 529 Portfolio	William Blair Mid Cap Growth 529 Portfolio
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 32,647	\$ 4,338	\$ 18,312	\$ 40,909	\$ 99,030	\$ 2,577,407
Net Change in Fair Value of Investments	(57,088)	(20,183)	(5,095)	83,726	217,219	(3,261,688)
State Administrative Fee	(507)	(95)	(217)	(509)	(1,833)	(6,573)
12b-1 Fees	-	-	-	-	(11,852)	(35,649)
Other Operating Expenses	(151)	(27)	(62)	(398)	-	-
Management Fees	(3,844)	(724)	(1,666)	(3,592)	(8,484)	(30,620)
Net Investment Earnings (Loss)	(28,943)	(16,691)	11,272	120,136	294,080	(757,123)
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	1,054,486	151,801	388,345	2,118,982	688,360	2,671,456
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	1,054,486	151,801	388,345	2,118,982	688,360	2,671,456
Total Additions	1,025,543	135,110	399,617	2,239,118	982,440	1,914,333
Deductions						
Program Distributions	405,105	54,544	155,423	408,085	558,507	1,782,381
Total Deductions	405,105	54,544	155,423	408,085	558,507	1,782,381
Change in Net Position	620,438	80,566	244,194	1,831,033	423,933	131,952
Net Position, Beginning of Fiscal Year	1,525,716	297,842	692,729	848,973	3,557,499	13,541,965
Net Position, End of Fiscal Year	\$ 2,146,154	\$ 378,408	\$ 936,923	\$ 2,680,006	\$ 3,981,432	\$ 13,673,917

(Continued)

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016**

	Fixed Income Fund	Fund 10	Fund 20	Fund 40	Fund 60	Fund 80
Additions						
Investment Income (Expense)						
Investment Earnings	\$ 108,344	\$ 725,477	\$ 3,087,456	\$ 6,711,044	\$ 10,885,820	\$ 14,437,321
Net Change in Fair Value of Investments	(5,543)	(271,781)	(1,201,172)	(5,950,317)	(13,106,539)	(23,670,991)
State Administrative Fee	(5,886)	(28,500)	(81,105)	(129,109)	(176,351)	(197,378)
12b-1 Fees	(42,906)	(209,043)	(571,782)	(888,034)	(1,136,396)	(1,208,818)
Other Operating Expenses	-	-	-	-	-	-
Management Fees	(27,078)	(130,938)	(373,230)	(594,819)	(815,356)	(914,418)
Net Investment Earnings (Loss)	26,931	85,215	860,167	(851,235)	(4,348,822)	(11,554,284)
Distributions to Participants						
Net Investment Income	-	-	-	-	-	-
Total Decrease in Net Assets from Distributions	-	-	-	-	-	-
Other Participant Transactions						
Program Contributions	9,385,746	39,370,825	88,527,704	117,000,366	130,295,721	120,637,693
Distributions Reinvested	-	-	-	-	-	-
Total Increase from Participant Transactions	9,385,746	39,370,825	88,527,704	117,000,366	130,295,721	120,637,693
Total Additions	9,412,677	39,456,040	89,387,871	116,149,131	125,946,899	109,083,409
Deductions						
Program Distributions	7,345,620	29,087,978	62,719,213	82,576,621	94,041,480	88,951,633
Total Deductions	7,345,620	29,087,978	62,719,213	82,576,621	94,041,480	88,951,633
Change in Net Position	2,067,057	10,368,062	26,668,658	33,572,510	31,905,419	20,131,776
Net Position, Beginning of Fiscal Year	11,379,331	54,278,298	156,266,499	248,402,099	344,534,149	395,165,462
Net Position, End of Fiscal Year	<u>\$ 13,446,388</u>	<u>\$ 64,646,360</u>	<u>\$ 182,935,157</u>	<u>\$ 281,974,609</u>	<u>\$ 376,439,568</u>	<u>\$ 415,297,238</u>

(Continued)

**State of Illinois
Office of the Treasurer**

**College Savings Program
Statements of Changes in Fiduciary Net Position by Portfolio (Continued)
Bright Directions
For the Year Ended June 30, 2016**

	Fund 100	Total
Additions		
Investment Income (Expense)		
Investment Earnings	\$ 7,681,274	\$ 66,021,542
Net Change in Fair Value of Investments	(15,181,654)	(86,957,117)
State Administrative Fee	(98,694)	(930,908)
12b-1 Fees	(602,578)	(5,894,525)
Other Operating Expenses	-	(3,851)
Management Fees	(459,005)	(4,375,875)
Net Investment Earnings (Loss)	<u>(8,660,657)</u>	<u>(32,140,734)</u>
Distributions to Participants		
Net Investment Income	-	(84,756)
Total Decrease in Net Assets from Distributions	-	(84,756)
Other Participant Transactions		
Program Contributions	53,583,121	722,094,699
Distributions Reinvested	-	79,134
Total Increase from Participant Transactions	<u>53,583,121</u>	<u>722,173,833</u>
Total Additions	44,922,464	689,948,343
Deductions		
Program Distributions	<u>46,882,918</u>	<u>536,084,970</u>
Total Deductions	46,882,918	536,084,970
Change in Net Position	(1,960,454)	153,863,373
Net Position, Beginning of Fiscal Year	<u>204,520,023</u>	<u>1,895,418,187</u>
Net Position, End of Fiscal Year	<u>\$ 202,559,569</u>	<u>\$ 2,049,281,560</u>

OTHER INFORMATION

**State of Illinois
Office of the Treasurer**

**College Savings Program
Key Performance Measures
June 30, 2017 and 2016
(Unaudited)**

	<u>Illinois</u>		<u>Out of State</u>		<u>Total</u>	
	2017	2016	2017	2016	2017	2016
Bright Start						
Number of Participant Accounts	268,137	230,681	66,675	86,476	334,812	317,157
Market Value	\$ 5,528,537,687	\$ 4,229,650,454	\$ 1,483,842,344	\$ 1,835,412,333	\$ 7,012,380,031	\$ 6,065,062,787
Bright Directions						
Number of Participant Accounts	103,941	95,671	13,502	11,710	117,443	107,381
Market Value	\$ 2,177,322,709	\$ 1,796,900,828	\$ 328,649,460	\$ 252,394,860	\$ 2,505,972,169	\$ 2,049,295,688

Notes:

The difference between the Market Value presented above and the information presented in the statements is because two systems are used to calculate the information and each uses a different level of decimal rounding.

"Participant Accounts" is defined as the number of unique relationships between an account owner and a beneficiary.

**Investment Policies
(Unaudited)**

(Unaudited)



State of Illinois
Office of the Treasurer
BRIGHT START COLLEGE SAVINGS PROGRAM
INVESTMENT POLICY STATEMENT
Approved August 2016

1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Illinois State Treasurer’s Office (“Treasurer”) to provide services related to the management of the assets of the Bright Start College Savings Program (the “Program”) and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer’s investment philosophy for the Program;
- Describing the Treasurer’s investment objectives for the Program;
- Specifying the responsibilities of the Treasurer and any contractors that provide investment management services to the Program to thereby provide a basis to evaluate the performance of contractors that provide services to the Program;
- Providing investment parameters for the investment of assets of the Program; and
- Detailing the investment plan options available through the Program and the applicable performance benchmarks.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity

The Program has been established as a “qualified tuition program” in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. It was established to provide families with a new opportunity to invest toward future college education expenses.

3.0 Investment Philosophy

The Treasurer has adopted a long-term total return strategy regarding the Program and its investments. In order to achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across financial markets will be the primary risk control mechanisms.

In its investment strategy, the Treasurer has relies on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification

shall be considered as follows: (1) asset classes (Money Market Instruments, Domestic Fixed Income, International Fixed Income, Domestic Equity, and International Equity); (2) geography/country; (3) sector; (4) maturity; and (5) duration.

Contributions to the Program will be directed to one of several portfolios (the “Portfolios”), each with a designated mix of investments. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the fact that the investment horizon for account owners will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios may be divided into the following broad asset classes:

- A. Money Market Instruments;
- B. Domestic Fixed Income;
- C. International Fixed Income;
- D. Domestic Equity; and
- E. International Equity

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures. While the investment parameters offered under the Program are developed by the Treasurer, account owners bear the risk of investment results. Individual account owners who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it is the policy of the Treasurer to endeavor to actively identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.

The Treasurer acknowledges that environmental, social, and governance (ESG) factors may have a material financial impact as well as non-financial impacts. Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will seek to integrate ESG factors into investment analysis, portfolio construction, due diligence and investment ownership.

4.0 Investment Objectives

The overall investment program for the Program and, as applicable, the individual Portfolios provided to the account owners shall seek to achieve the following long-term investment objectives:

- A. A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section VII hereof, and a long-term rate of return on investments that is competitive with each investment’s peer group.
- B. A long-term competitive rate of return on investments through indexed fund portfolios that approximately equal the applicable benchmarks shown in Section VII hereof.

- C. An investment program flexible enough to meet the needs of account owners based upon their age or investment objective or the age of the beneficiary and which provides each account owner with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

5.0 Investment Responsibilities

The Treasurer is responsible for the investment policy, the direction of investments and administration of the assets of the Program. In order to properly carry out its responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer may engage and plan to rely on said contractors (the “Manager”) for various investment management and related administrative services. The Treasurer may also rely on an external investment consultant for investment advisory services.

Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing (as described in Section VI) of the Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. The Treasurer's Office and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

In addition, the Treasurer may engage an independent investment consultant that will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the treasurer regarding significant matters pertaining to the investment program.

6.0 Investment Parameters

Contributions will be invested in one of several Portfolios, each with a designated mix of investments that is appropriate for the investment objective of the Portfolio. Each Portfolio allocates assets in a combination of underlying investments investing among Money Market Instruments, Domestic Fixed Income, International Fixed Income, Domestic Equity, and International Equity. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in these asset classes in each Portfolio and may change the underlying investments within the Portfolios consistent with this Policy and its agreement with the Manager.

The Policy target asset allocations and benchmarks for the underlying investments within the Portfolios are shown below. Under normal market conditions, there is a permissible range of plus or minus a 10% deviation from the target allocation for each asset class. However, during periods of extreme volatility or

(Unaudited)

market crisis, the actual asset allocations for each underlying investment may exceed plus or minus 10% of the target allocations and any rebalancing will occur quarterly.

7.0 Plan Options

Direct Plan: Blended Age Based Portfolios

Asset Class	Benchmark*	#1	#2	#3	#4	#5	#6
		Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
		(0-6 yrs.)	(7-9 yrs.)	(10-11 yrs.)	(12-14 yrs.)	(15-17 yrs.)	(18+ yrs.)
Domestic Equity	S&P 500 Index	63%	49%	42%	35%	21%	7%
	Russell Mid Cap Index	6.5%	5%	4.5%	3.5%	2%	1%
	Russell 2000 Index	2.5%	2%	1.5%	1.5%	1%	0%
International Equity	MSCI AC World (ex-US) Index	18%	14%	12%	10%	6%	2%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	8%	15%	20%	15%	15%	15%
	Bloomberg Barclays 1-5 Yr. Government Index	0%	10%	15%	25%	30%	35%
	JP Morgan Leveraged Loan Index	2%	5%	5%	10%	10%	10%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	0%	0%	0%	0%	15%	30%

(Unaudited)

Direct Plan: Index Age Based Portfolios

Asset Class	Benchmark*	#1	#2	#3	#4	#5	#6
		Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
		(0-6 yrs.)	(7-9 yrs.)	(10-11 yrs.)	(12-14 yrs.)	(15-17 yrs.)	(18+ yrs.)
Domestic Equity	S&P 500 Index	63%	49%	42%	35%	21%	7%
	S&P Completion Index	9%	7%	6%	5%	3%	1%
International Equity	FTSE Developed (ex-North America) Index	18%	14%	12%	10%	6%	2%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	8%	15%	20%	20%	25%	25%
	Bloomberg Barclays 1-5 Yr. Government/Credit Index	2%	10%	15%	20%	30%	50%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	0%	5%	5%	10%	15%	15%

(Unaudited)

Blended Direct Plan: Fixed Income, Conservative Fixed Income, Equity, Balanced or Money Market Options

Asset Class	Benchmark*	Fixed Income Portfolio	Conservative Fixed Income Portfolio	Equity Portfolio	Balanced Portfolio	Money Market Portfolio
Domestic Equity	S&P 500 Index	0%	0%	70%	35%	0%
	Russell Mid Cap Index	0%	0%	7%	3.5%	0%
	Russell 2000 Index	0%	0%	3%	1.5%	0%
International Equity	MSCI AC World (ex-US) Index	0%	0%	20%	10%	0%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	40%	0%	0%	20%	0%
	Bloomberg Barclays 1-3 Yr. Government Index	0%	95%	0%	0%	0%
	Bloomberg Barclays 1-5 Yr. Government Index	35%	0%	0%	10%	0%
	JP Morgan Leveraged Loan Index	10%	5%	0%	10%	0%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	15%	0%	0%	10%	100%

(Unaudited)

Index Direct Plan: Fixed Income, Equity or Balanced Options

Asset Class	Benchmark*	Fixed Income Portfolio	Equity Portfolio	Balanced Portfolio
Domestic Equity	S&P 500 Index	0%	70%	35%
	S&P Completion Index	0%	10%	5%
International Equity	FTSE Developed (ex-North America) Index	0%	20%	10%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	40%	0%	20%
	Bloomberg Barclays 1-5 Yr. Government/Credit Index	45%	0%	20%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	15%	0%	10%

(Unaudited)

Advisor Plan: Active Age Based Portfolios

Asset Class	Benchmark*	#1	#2	#3	#4	#5	#6
		Portfolio (0-6 yrs.)	Portfolio (7-9 yrs.)	Portfolio (10-11 yrs.)	Portfolio (12-14 yrs.)	Portfolio (15-17 yrs.)	Portfolio (18+ yrs.)
Domestic Equity	Russell 1000 Index	25%	21%	18%	15%	9%	3%
	Russell 1000 Value Index	16%	12%	10%	8.5%	5%	2%
	Russell 1000 Growth Index	16%	12%	10%	8.5%	5%	2%
	Russell Mid Cap Index	10.5%	7.5%	7%	5.5%	3.5%	1%
	Russell 2000 Index	4.5%	3.5%	3%	2.5%	1.5%	0%
International Equity	MSCI AC World (ex-US) Index	13%	10%	8.5%	7%	4.5%	1.5%
	MSCI Emerging Markets Index	5%	4%	3.5%	3%	1.5%	0.5%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	6%	10%	15%	15%	20%	15%
	Bloomberg Barclays 1-3 Yr. Government Index	0%	10%	15%	20%	22%	45%
	JP Morgan Leveraged Loan Index	2%	5%	5%	10%	10%	10%
International Fixed Income	Citi World Government Bond (ex-U.S.) Index	2%	5%	5%	5%	8%	5%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	0%	0%	0%	0%	10%	15%

(Unaudited)

Advisor Plan: Active Fixed Income, Conservative Fixed Income, Equity, Balanced or Money Market Options

Asset Class	Benchmark*	Fixed Income Portfolio	Conservative Fixed Income Portfolio	Equity Portfolio	Balanced Portfolio	Money Market Portfolio
Domestic Equity	Russell 1000 Index	0%	0%	25%	15%	0%
	Russell 1000 Value Index	0%	0%	19.5%	9%	0%
	Russell 1000 Growth Index	0%	0%	19.5%	9%	0%
	Russell Mid Cap Index	0%	0%	11.5%	5%	0%
	Russell 2000 Index	0%	0%	4.5%	2%	0%
International Equity	MSCI AC World (ex-US) Index	0%	0%	14%	7%	0%
	MSCI EMG Mkts. Index	0%	0%	6%	3%	0%
Domestic Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	30%	0%	0%	15%	0%
	Bloomberg Barclays 1-3 Yr. Government Index	35%	95%	0%	10%	0%
	JP Morgan Leveraged Loan Index	10%	5%	0%	10%	0%
International Fixed Income	Citi World Government Bond (ex-U.S.) Index	10%	0%	0%	5%	0%
Money Market Instruments	iMoney Net First Tier Institutional Money Market Index	15%	0%	0%	10%	100%

*Benchmarks are subject to change as mutually agreed by the Treasurer and Manager in order to ensure that they remain appropriate for each underlying investment and consistent with industry standards.

Each active underlying investment's return objective is to equal or exceed, over a five-year rolling period, the annualized return of the applicable benchmark. Volatility, measured by the standard deviation of returns, is expected to be similar to the benchmark. Each underlying investment is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investments approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such an underlying investment's assets may not be entirely invested in the asset class in which such underlying investment has been placed.

7.1 Female- and Minority-Owned Portfolios

The Treasurer may also add additional Portfolios – for example, Minority, Woman, Veteran, and Disabled-Managed Portfolios – for participants who would like to have a more diverse set of investment options as new viable options become available.

(Unaudited)



State of Illinois
Office of the Treasurer
BRIGHT DIRECTIONS COLLEGE SAVINGS PROGRAM
INVESTMENT POLICY STATEMENT
Approved August 2016

1.0 Statement of Purpose of Investment Policy

The purpose of this Investment Policy Statement (the “Policy”) is to assist contractors retained by the Illinois State Treasurer’s Office (“Treasurer”) to provide services related to the management of the assets of the Illinois College Savings Pool that are contributed to the Bright Directions College Savings Program (the “Program”) and to assist the Treasurer in evaluating the performance of such contractors by:

- Describing the Treasurer’s investment philosophy for the Program;
- Describing the Treasurer’s investment objectives for the Program;
- Specifying the responsibilities of the Treasurer and any contractors that provide investment management services to the Program to thereby provide a basis to evaluate the performance of contractors that provide services to the Program;
- Providing investment parameters for the investment of assets of the Program; and
- Detailing the investment plan options available through the Program and the applicable performance benchmarks.

This is the official Policy of the Program. Deviation from this Policy is not permitted without prior, explicit, written permission from the Treasurer.

2.0 Establishment and Authority of Entity

The Bright Directions College Savings Program has been established as part of the Illinois College Savings Pool, and is intended to qualify as a qualified tuition program in accordance with Section 529 of the Internal Revenue Code of 1986, as amended. The Program is sold through financial advisors and was established to complement the existing Bright Start College Savings Program by allowing families to utilize a financial advisor to assist them with investing toward future college education expenses.

3.0 Participating Financial Institution

Accounts in the Program will be distributed through registered broker-dealers and financial institutions that have entered into a Selling Agent Agreement with the designated distributor for the Program. All new accounts in the Program will be processed through the designated participating financial institution.

4.0 Investment Philosophy

The Treasurer has adopted a long-term total return strategy for the Program and its investments. In order to achieve the Program’s objectives, investments shall be diversified so as to minimize the risk of loss. While some asset classes may experience short-term and intermediate-term volatility, their long-term return assumptions justify their inclusion. A long-term focus on investment results as well as prudent diversification across public security markets will be the primary risk control mechanisms.

As part of its investment strategy, the Treasurer has relied on prevailing financial theory, which currently utilizes a long-term diversified asset allocation strategy. A prudently allocated investment program possesses a significant level of diversification, which produces risk reduction. In terms of impact, diversification shall be considered along the following lines: (1) asset classes (stocks, bonds, cash, etc.); (2) geography/country; (3) industry; and (4) maturity.

Contributions to the Program will be directed to one or more of the available Age-Based, Target, Individual, or Female- and Minority-Owned Portfolios (“Portfolios”), each composed of a designated mix of investments or an individual investment fund. The determination of the investment parameters of each Portfolio shall be made by the Treasurer and shall take into account the financial characteristics of the investments in the Program. The investment parameters will also give due consideration to the

fact that the investment horizon for participants will vary from a few months to over 18 years.

The Treasurer will review the investment performance of each Portfolio at least quarterly and shall review this Policy at least annually.

The holdings of the Program and the Portfolios are divided into the following broad asset categories:

- Short-Term Investments
- Fixed Income Investments
- Real Estate Investments
- Domestic Equity Investments
- International Equity Investments

The Treasurer will establish reasonable guidelines for each Portfolio, specifying (as applicable) limits on asset and asset class exposures, risk constraints and investment return objectives. While the investment parameters offered under the Program are developed by the Treasurer, participants bear the risk of investment results. Individual participants who seek investments materially different from those offered may wish to select an investment alternative outside of the Program.

To the greatest extent feasible within the bounds of financial and fiduciary prudence, it is the policy of the Treasurer to endeavor to actively identify and evaluate investment managers that are more than 50% owned and/or managed by minorities, women, military veterans, or disabled persons.

The Treasurer acknowledges that environmental, social, and governance (ESG) factors may have a material financial impact as well as non-financial impacts. Consistent with achieving the foremost investment objectives of the Treasurer set forth herein, the Treasurer will seek to integrate ESG factors into investment analysis, portfolio construction, due diligence and investment ownership.

5.0 Investment Objectives

The overall investment program for the Program and, as applicable, the Portfolios provided to the participants shall seek to achieve the following long-term investment objectives:

- A long-term competitive rate of return on investments that is equal to or exceeds a return of the applicable benchmarks shown in Section 7.0 hereof; and
- An investment program flexible enough to meet the needs of participants based upon their age or investment objective and which provides each individual with the ability to invest in a diversified portfolio to meet his or her long-term investment goals.

6.0 Investment Responsibilities

The Treasurer is responsible for the investment policy statement, the direction of investments and administration of the assets of the Program. In order to properly carry out his responsibilities, the Treasurer may rely on one or more contractors to assist in the administration of the Program. The Treasurer will engage and plan to rely on said contractor (the “Manager”) for administrative services as well as the contractor’s pertinent investment advisor, should they retain one, for certain investment management services. The Treasurer also plans to rely heavily on an external investment consultant for investment advisory services. Among the current responsibilities of the Manager is the implementation of the investment strategy outlined in this Policy and the rebalancing of the Age-Based and Target Portfolios when market movement and/or cash flows cause an asset class to be outside its policy allocation bands. With the Treasurer’s approval, the Manager may retain an investment advisor to provide it with portfolio design, due diligence and ongoing monitoring services with respect to the Portfolios and the implementation of the investment strategy outlined in this policy. The Treasurer’s Office and the Manager shall meet quarterly to review portfolio performance as compared to the applicable benchmarks and peer group performance.

In managing the investments of the Program and the Portfolios, the Manager agrees that it will act with the skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like objectives.

In addition, the Treasurer may engage an independent investment consultant that will:

- Measure investment performance results, evaluate the investment program, and advise the Treasurer as to the performance and continuing appropriateness of each investment manager;
- Recommend modifications to the investment policies, objectives, guidelines, or management structure as appropriate; and
- Promptly inform the Treasurer regarding significant matters pertaining to the investment program.

7.0 Investment Parameters

Contributions will be invested in one or more of the available Portfolios, each composed of a designated mix of investments or an individual investment fund, which is appropriate for the age of the participant or the investment objective of the Portfolio. Each Portfolio may allocate assets among domestic equity, international equity, real estate, fixed-income, and/or short-term investments. The asset allocation of each Portfolio will be established by the Treasurer and managed by the Manager. The Treasurer may adjust the weighting in stocks, bonds, real estate, and cash in each Portfolio and may change the underlying investment funds within the Portfolios consistent with this Policy.

The policy target asset allocations and benchmarks for the underlying investments within the Age-Based and Target Portfolios are shown in the following table. There is a permissible range of plus or minus 10% of the target allocation for each underlying investment fund.

Age-Based Portfolios		age of beneficiary											
		0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +			
Aggressive Option													
Moderate Option			0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +		
Conservative Option				0 - 2	3 - 5	6 - 8	9 - 10	11 - 12	13 - 14	15 - 16	17 - 18	19 +	
Target Portfolios		Fund 100		Fund 80		Fund 60		Fund 40		Fund 20	Fund 10	Fixed Income	
Asset Class	Benchmark												
Domestic Equity	Russell 1000 Value	19.0%	17.0%	15.0%	13.0%	11.0%	9.0%	7.0%	5.0%	3.5%	2.0%	0.0%	
	S & P 500 Index	16.0%	15.0%	13.0%	12.0%	10.5%	8.0%	7.0%	5.0%	3.5%	2.0%	0.0%	
	Russell 1000 Growth	19.0%	17.0%	15.0%	13.0%	11.0%	9.0%	7.0%	5.0%	3.5%	2.0%	0.0%	
	Russell 2000 Value	3.0%	3.0%	2.5%	2.0%	1.5%	2.0%	2.0%	1.0%	1.0%	0.5%	0.0%	
	Russell 2000	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	0.5%	0.0%
	Russell 2000 Growth	3.0%	3.0%	2.5%	2.0%	1.5%	2.0%	2.0%	1.0%	1.0%	0.5%	0.0%	
Global Real Estate	FTSE EPRA/NAREIT Global	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.5%	0.0%	0.0%	
International Equity	MSCI EAFE	25.0%	23.0%	21.0%	19.0%	16.5%	13.0%	10.0%	8.0%	5.0%	2.5%	0.0%	
	MSCI World ex- U.S. Small Cap	4.0%	3.0%	3.0%	2.0%	2.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	MSCI Emerging Markets	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	1.0%	1.0%	0.0%	0.0%	0.0%	
Domestic Fixed Income	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	20.0%	22.0%	23.0%	25.0%	28.0%	
	Bloomberg Barclays U.S. Gov't/Credit 1-3yr	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	20.0%	20.0%	19.0%	18.0%	15.0%	12.0%
	ML 1-3 yr Treasury	0.0%	0.0%	0.0%	8.0%	20.0%	20.0%	19.0%	18.0%	17.0%	15.0%	12.0%	
	Bloomberg Barclays U.S. Aggregate Bond	0.0%	8.0%	16.0%	16.0%	14.0%	14.0%	12.0%	12.0%	12.0%	0.0%	0.0%	
	Bloomberg Barclays U.S. TIPS	0.0%	0.0%	0.0%	2.0%	3.0%	5.0%	7.0%	8.0%	8.0%	10.0%	10.0%	
Foreign Bonds	CitiGroup Non-U.S. World Gov't Bond	0.0%	2.0%	4.0%	4.0%	3.0%	3.0%	2.0%	0.0%	0.0%	0.0%	0.0%	
Money Market	3-month T-Bills	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	20.0%	40.0%	50.0%	

Each underlying investment fund's return objective is to equal or exceed, over a five-year rolling period, the return of the applicable benchmark. Volatility, measured by the standard deviation of quarterly returns over that period, is expected to be similar to the benchmark. Each underlying investment fund is also expected to perform favorably relative to its peer group.

To the extent that the assets of a Portfolio are invested in one or more underlying investment funds approved by the Treasurer having investment objectives consistent with the above-noted asset allocation categories, the above-noted percentage guidelines shall be deemed satisfied. This shall be the case even if such underlying investment fund's underlying assets may not be entirely invested in the asset class in which such underlying investment fund has been placed.

Individual Fund Portfolios

Participants in the Program open their Accounts through registered broker-dealers and other financial advisors. As a result, the Treasurer deems it appropriate to offer individual funds as separate Portfolios in the Program. The Individual Fund Portfolios and underlying investment funds the Treasurer selects will be described in the Program's current Program Disclosure Statement and may include the following asset classes:

Asset Class	Benchmark
Money Market	3 Month T-Bill
Ultra Short Bond	Bloomberg Barclays U.S. Gov't/Credit 1-3yr Index
Low Duration	ML 1-3 Treasury Index
Corporate Bond	Bloomberg Barclays U.S. Credit Index
Intermediate Bond	Bloomberg Barclays U.S. Aggregate Bond Index
Foreign Bonds	Citigroup Non-U.S. World Government Bond Index
U.S. TIPS	Bloomberg Barclays U.S. TIPS Index
Balanced	Bloomberg Barclays U.S. Aggregate Bond Index; S&P 500; MSCI EAFE
Large Cap Value	Russell 3000 Value Index, Russell 1000 Value Index
Large Cap Growth	Russell 1000 Growth Index
Large Cap Blend	Russell 1000 Index, S&P 500
Mid-Cap Value	Russell 2500 Value Index
Mid-Cap Growth	Russell Mid-Cap Growth Index
Mid-Cap Blend	Wilshire 4500 Index
Small-Cap Value	Russell 2000 Value Index
Small-Cap Growth	Russell 2000 Growth Index
Small-Cap Blend	Russell 2000 Index
Foreign Stock	MSCI EAFE, MSCI World ex U.S. Small Cap, and MSCI Emerging Markets
Socially Responsible	S&P 500
Real Estate	DJ Wilshire Real Estate Securities

8.0 Female- and Minority-Owned Portfolios

The Program has included the Female- and Minority-Owned Portfolios for participants who would like to have a more diverse set of investment options. The female- and minority-owned underlying investment funds utilized in the program were screened on the following initial criteria: (1) firms with at least 50% female and/or racial minority ownership or (2) funds that have a female and/or racial minority investment manager that makes the portfolio management decisions (*i.e.*, a minority-owned subadvisor), and (3) funds that delivered above median returns over a 3-year and/or 5-year time period. The female- and minority-owned options provided in the program include relatively high scoring female- and minority-owned investment managers representing a diverse set of asset classes.

Contributions will be invested in one or more of the available Portfolios, each composed of an individual investment fund, which is appropriate for the investment objective of the Portfolio. The Treasurer may change the underlying investment funds within specially designated portfolios, such as the Female- and Minority-Owned Portfolios, consistent with this Policy.

The Treasurer may also add additional portfolios – for example, a veteran- or disabled-owned and/or managed portfolio – as new viable options become available.

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the College Savings Program, a fiduciary (private-purpose trust) fund of the State of Illinois, Office of the Treasurer, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College Savings Program's financial statements, and have issued our report thereon dated March 5, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Illinois, Office of the Treasurer's internal control over financial reporting (internal control) of the College Savings Program to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Office of the Treasurer's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the Treasurer's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2017-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item 2017-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Office of the Treasurer, College Savings Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Treasurer's Response to Findings

The State of Illinois, Office of the Treasurer's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The State of Illinois, Office of the Treasurer's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Office of the Treasurer's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Office of the Treasurer's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Signature on file
Crowe Horwath LLP

Springfield, Illinois
March 5, 2018

Schedule of Findings

State of Illinois
Office of the Treasurer

College Savings Program
Schedule of Findings
For the Year Ended June 30, 2017

2017-001 **FINDING:** (Overstatement of Participant Contributions and Distributions)

The Office of the Treasurer, College Savings Program (Office) did not have an adequate process to identify and eliminate intra-fund activity within its financial statements. As a result, the Statement of Changes in Fiduciary Net Position overstated Participant Program Contributions and Participant Program Distributions.

The Office did not eliminate intra-fund activity for exchanges and transfers of participant funds between investment portfolio options, resulting in an overstatement of Participant Program Contributions and Participant Program Distributions by \$3.59 billion and \$1.69 billion for the fiscal years ended June 30, 2017 and 2016, respectively. The overstatement was identified during analytical procedures when the auditors noted a significant increase in program contributions and program distributions from fiscal year 2016 to 2017. The significant change was due to a restructuring of portfolios and an increase in the number of age windows within target portfolios causing an increase in exchange activity. Net Position at June 30, 2017 and 2016 of \$9.5 billion and \$8.1 billion, respectively, was properly stated as the overstatement of Participant Program Contributions and Distributions, resulting from the intra-fund activity, offset in the Statement of Changes in Fiduciary Net Position. The Governmental Accounting Standards Board (GASB) was consulted for guidance related to the proper accounting treatment of fiduciary fund intra-fund activity prior to eliminating the exchange transactions in the financial statements.

Generally accepted accounting principles (GAAP) dictate intra-entity transactions (such as exchanges and transfers) should not be included in amounts reported on the financial statements as it overstates the activity for a single reporting entity/fund. While Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, does not specifically address private purpose trust funds, paragraphs 57 through 61 provide guidance related to the elimination of intra-entity activity. GAAP applies this same concept for similar transactions.

The Office stated it was unaware that intra-fund transactions, transactions other than participant contributions and distributions, should not be included in the financial statements as these transactions have been included on the Statement of Changes in Fiduciary Net Assets since the inception of the Program. The Office believes intra-fund transaction activity is important information for statement users.

Failure to properly eliminate intra-fund activity led to a material misstatement on the Statement of Changes in Fiduciary Net Position for the fiscal years ended June 30, 2017 and 2016. (Finding Code 2017-001)

RECOMMENDATION:

We recommend the Office establish a process to identify intra-fund activity and eliminate the activity within the financial statements.

**State of Illinois
Office of the Treasurer**

**College Savings Program
Schedule of Findings
For the Year Ended June 30, 2017**

OFFICE RESPONSE:

We agree with the recommendation. The Office believes that the inclusion of the intra-fund activity in the Statement of Changes in Fiduciary Net Position is valuable information for the participants of the Program to identify changes in investment practices and due diligence performed by the Office on behalf of all participants in the College Savings Program. However, based on this recommendation, the Office will continue to work with its service providers to obtain the proper documentation to identify and eliminate the intra-fund activity; as well as adopting internal procedures in order to carry out this responsibility.

State of Illinois
Office of the Treasurer

College Savings Program
Schedule of Findings
For the Year Ended June 30, 2017

2017-002 **FINDING:** (Lack of Adequate Controls over the Review of External Service Provider)

The Office of the Treasurer, College Savings Program (Office) did not maintain adequate controls to ensure the external service providers' internal controls were reviewed.

The Office utilized two external service providers as the custodian of the College Savings Program. In addition, the external service providers used various third party subservice organizations to perform certain significant services. These services included recordkeeping and transaction processing. As of June 30, 2017, the net position held in trust for pool participants was \$9.5 billion.

During testing, the auditors noted the Office did not maintain documentation of their analysis of the Service Organization Control (SOC) reports for the external service providers and did not review the subservice organizations' SOC reports.

The Office is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the process being outsourced.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

The Office indicated they were not aware of the requirement to document their controls over the review of the SOC reports. The Office believes the service organization adequately reviews the subservice organizations through their vendor oversight process which is then discussed with the Office at the due-diligence annual meetings.

Without having reviewed SOC reports, the Office does not have assurance the external service providers' internal controls are adequate to ensure proper accounting and safekeeping of assets. (Finding Code No. 2017-002)

RECOMMENDATION:

We recommend the Office review SOC reports and maintain documentation of their analysis.

**State of Illinois
Office of the Treasurer**

**College Savings Program
Schedule of Findings
For the Year Ended June 30, 2017**

OFFICE RESPONSE:

We accept the recommendation to document our SOC report analysis to the extent being required by the new OAG audit firm. Management reviewed the applicable SOC reports and no issues were identified within the reports. Therefore, there was no action for our office to take with the service organizations. During previous engagements of the prior OAG audit firm in which SOC reviews were examined, our level of review on SOC reporting was deemed adequate. Going forward we will maintain written documentation of the review of the SOC reports, to comply with the process now being requested. Senior staff and all managers have already been trained on this topic to ensure written documentation is available in the future.