



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

**OFFICE OF THE STATE TREASURER –
COLLEGE SAVINGS PROGRAM**

**Financial Audit
For the Year Ended June 30, 2019**

Release Date: February 11, 2020

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	1

INTRODUCTION

The College Savings Program (Program) was established in March 2000 pursuant to P.A. 91-0607 which authorizes the State Treasurer to establish and administer a “qualified state tuition program” under Section 529 of the Internal Revenue Code of 1986, as amended. Participants of the Program have a choice of two Section 529 investment programs, the Bright Start College Savings Program and the Bright Directions College Savings Program. The State Treasurer selected an investment firm (Manager), one for Bright Start and one for Bright Directions, to advise the Office on the investment of the Trust assets, to administer the Trust assets, and to provide other services relating to the Program. The Treasurer acts as trustee and is responsible for the overall administration of the programs.

To administer the Program, the Treasurer has established a division entitled “The College Savings Program Division.” The revenues and expenditures of the division are recorded in a fund maintained by the Treasurer entitled College Savings Program Administrative Trust Fund, which is classified as an enterprise fund. A private-purpose trust fund was used to account for assets held by the Program in a trustee capacity or as an agent for individuals throughout the United States. At June 30, 2019, assets in this fund totaled \$11,976,773,940.

AUDITOR’S OPINION

The auditors stated the Office of the State Treasurer, College Savings Program financial statements as of and for the year ended June 30, 2019, are fairly stated in all material respects.

This financial audit was conducted by Crowe LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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OFFICE OF THE STATE TREASURER - COLLEGE SAVINGS PROGRAM
FINANCIAL AUDIT
For the Year Ended June 30, 2019

STATEMENTS OF FIDUCIARY NET POSITION	2019	2018
Assets:		
Cash and Cash Equivalents.....	\$ 856,504,092	\$ 799,331,172
Capital Shares Receivable.....	16,937,273	-
Dividends Receivable.....	11,477,073	9,309,571
Mutual Funds.....	11,091,855,502	9,981,628,569
Total Assets.....	<u>\$ 11,976,773,940</u>	<u>\$ 10,790,269,312</u>
Liabilities and Net Position:		
Capital Shares Payable.....	\$ 14,905,240	\$ -
Other Liabilities.....	8,600,046	9,770,925
Total Liabilities.....	<u>23,505,286</u>	<u>9,770,925</u>
Net Position Held in Trust for Participants.....	<u>11,953,268,654</u>	<u>10,780,498,387</u>
Total Liabilities and Net Position.....	<u>\$ 11,976,773,940</u>	<u>\$ 10,790,269,312</u>

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	2019	2018
Additions		
Investment Income (Expense):		
Investment Earnings.....	\$ 337,224,902	\$ 269,693,431
Net Change in Fair Value of Investments	270,716,505	425,894,884
State Administrative Fees.....	(2,188,685)	(2,085,954)
12b-1 Fees.....	(14,564,175)	(13,808,464)
Other Operating Expenses.....	(4,042)	(4,172)
Management and Bank Custodial Fees.....	(12,415,923)	(11,772,364)
Net Investment Earnings.....	<u>578,768,582</u>	<u>667,917,361</u>
Other participant transactions:		
Program Contributions.....	1,477,458,270	1,376,031,304
Total Increase from Participant Transactions.....	<u>1,477,458,270</u>	<u>1,376,031,304</u>
Total Additions.....	2,056,226,852	2,043,948,665
Deductions		
Program Distributions.....	883,456,585	782,118,600
Total Deductions.....	<u>883,456,585</u>	<u>782,118,600</u>
Change in Net Position.....	1,172,770,267	1,261,830,065
Net Position, Beginning of Fiscal Year.....	<u>10,780,498,387</u>	<u>9,518,668,322</u>
Net Position, End of Fiscal Year.....	<u>\$ 11,953,268,654</u>	<u>\$ 10,780,498,387</u>

SELECTED ACTIVITY MEASURES (unaudited)	2019	2018
Number of Illinois Participants (Bright Start).....	202,069	187,111
Balance of Illinois Participants (Bright Start).....	\$ 5,447,656,415	\$ 4,783,305,966
Number of Out of State Participants (Bright Start).....	32,847	29,732
Balance of Out of State Participants (Bright Start).....	\$ 961,021,302	\$ 838,229,335
Number of Illinois Participants (Bright Directions).....	157,179	150,299
Balance of Illinois Participants (Bright Directions).....	\$ 3,646,880,424	\$ 3,338,585,934
Number of Out of State Participants (Bright Directions).....	34,922	33,002
Balance of Out of State Participants (Bright Directions).....	\$ 1,898,263,803	\$ 1,820,023,914

STATE TREASURER

During Audit Period: Honorable Michael Frerichs

Currently: Honorable Michael Frerichs