

**AGENDA ITEM 3.**

**EXECUTIVE DIRECTOR'S REPORT**

**ILLINOIS STUDENT ASSISTANCE COMMISSION**  
**BALANCE SHEET (UNAUDITED)**  
**FY 2016**  
**AS OF 02/29/2016**

	STUDENT LOAN OPERATING FUND	ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM	COLLEGE ILLINOIS! PREPAID TUITION FUND
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS UNRESTRICTED	52,381,283	19,735,940	6,692,104
CASH AND CASH EQUIVALENTS RESTRICTED	-	13,129,275	-
INVESTMENTS	18,101,058	1,250	922,563,927
STUDENT LOAN RECEIVABLE (NET)	-	445,433,518	-
CONTRACTS RECEIVABLE (NET)	-	-	59,821,556
UNAMORTIZED FEES & COSTS	-	2,676,179	-
DEFERRED OUTFLOW OF RESOURCES - PENSION	12,016,063	560,885	-
DUE FROM OTHER FUNDS	4,534,432	3,620	-
FIXED ASSETS NET OF DEPRECIATION	2,881,078	-	-
<b>TOTAL ASSETS</b>	<b>\$ 89,913,914</b>	<b>481,540,666</b>	<b>989,077,587</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	1,094,190	283,706	372,164
BONDS / LINE OF CREDIT PAYABLE (NET)	-	404,516,615	-
UNAMORTIZED GAIN ON NEW FINANCING	-	42,446,367	-
ACCRUED INTEREST PAYABLE	-	441,112	-
DUE TO DEPARTMENT OF EDUCATION	-	752,192	-
INVESTMENTS DUE TO TREASURER'S OFFICE	18,083,000	-	-
DUE TO OTHER FUNDS	1,536,931	2,120,869	219,300
DEFERRED INFLOW OF RESOURCES - PENSION	3,233,000	4,459,706	-
NET PENSION LIABILITY	90,689,000	4,038,424	-
TUITION PAYABLE	-	-	566,554,738
ACCRETION PAYABLE	-	-	658,044,852
<b>TOTAL LIABILITIES</b>	<b>\$ 114,636,121</b>	<b>459,058,990</b>	<b>1,225,191,053</b>
<b>FUND BALANCES</b>			
RESTATEMENT OF PENSION LIABILITY UNRESTRICTED	(81,905,937)	(7,937,245)	-
UNRESTRICTED	57,183,730	30,418,921	(236,113,466)
<b>TOTAL FUND BALANCES</b>	<b>\$ (24,722,207)</b>	<b>22,481,676</b>	<b>(236,113,466)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 89,913,914</b>	<b>481,540,666</b>	<b>989,077,587</b>

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
INCOME STATEMENT (UNAUDITED)  
STUDENT LOAN OPERATING FUND  
FY 2016  
MONTH ENDED 02/29/2016**

DESCRIPTION	YEAR TO DATE				
	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL	CY vs PY VARIANCE	BUDGET	CY vs BUDGET VARIANCE
<b>REVENUES</b>					
COLLECTIONS	2,014,217	2,595,071	(580,854)	1,339,733	50.3%
REHABILITATIONS	15,350,982	9,220,719	6,130,263	9,067,667	69.3%
REPURCHASE / CONSOL	5,247,967	5,431,697	(183,730)	4,820,333	8.9%
INTEREST & OTHER INVEST INCOME	141,925	87,763	54,162	100,000	41.9%
ACCOUNT MAINTENANCE FEE	1,632,851	1,780,408	(147,558)	1,579,800	3.4%
DEFAULT AVERSION FEE	198,959	310,800	(111,841)	133,333	49.2%
MISCELLANEOUS INCOME	320,225	294,119	26,106	-	0.0%
LEGAL RECOVERIES	-	110	(110)	33,333	-100.0%
RENTAL INCOME	342,266	417,682	(75,416)	266,667	28.3%
<b>TOTAL REVENUES</b>	<b>25,249,390</b>	<b>20,138,369</b>	<b>5,111,022</b>	<b>17,340,867</b>	<b>45.6%</b>
<b>EXPENDITURES</b>					
PERSONAL SERVICES & FRINGE BENEFITS **	16,142,929	15,820,818	322,111	17,218,200	-6.2%
CONTRACTUAL SERVICES	4,986,561	3,055,564	1,930,997	6,788,200	-26.5%
RENTAL & MGMT OF REAL PROP	719,377	682,933	36,444	876,733	-17.9%
EQUIPMENT & TELECOM	332,560	228,253	104,307	346,067	-3.9%
TRAVEL	67,465	61,240	6,225	98,667	-31.6%
OTHER ADMIN EXPENSES	20,875	25,038	(4,163)	85,067	-75.5%
ISACORPS DIRECT PERSONNEL COST	1,464,513	1,345,583	118,930	2,259,933	-35.2%
ISACORPS DIRECT CONTRACTUAL & OTHER EXPENS	116,830	647,298	(530,468)	165,000	-29.2%
<b>TOTAL EXPENDITURES</b>	<b>23,851,111</b>	<b>21,866,727</b>	<b>1,984,383</b>	<b>27,837,866</b>	<b>-14.3%</b>
<b>OPERATING INCOME (LOSS) BEFORE INTERFUND ALLOCATION AND STATE PENSION LIABILITY EXPENSE</b>	<b>1,398,280</b>	<b>(1,728,358)</b>	<b>3,126,638</b>	<b>(10,497,000)</b>	<b>-113.3%</b>
<b>INTERFUND ALLOCATION</b>					
AGENCY ADMINISTRATION - GRF EXPENSES	(5,178,903)	(4,275,255)	(903,648)	(3,933,133)	31.7%
AGENCY ADMINISTRATION - GRF BENEFIT SAVINGS	(4,073,364)	(2,571,291)	(1,502,073)	(2,733,533)	49.0%
OUTREACH - GRF EXPENSES	-	(572,407)	572,407	(648,067)	-100.0%
OUTREACH - GRF BENEFIT SAVINGS	-	(392,860)	392,860	(470,333)	-100.0%
COLLEGE ILLINOIS ALLOCATED EXPENSES	(891,462)	(869,904)	(21,558)	(1,066,667)	-16.4%
<b>TOTAL INTERFUND ALLOCATION</b>	<b>(10,143,729)</b>	<b>(8,681,716)</b>	<b>(1,462,013)</b>	<b>(8,851,733)</b>	<b>14.6%</b>
<b>EXCESS REVENUE OVER (UNDER) EXPENDITURES, AFTER TRANSFERS</b>	<b>11,542,009</b>	<b>6,953,358</b>	<b>4,588,651</b>	<b>(1,645,267)</b>	<b>-801.5%</b>
BEGINNING FUND BALANCE BEFORE PENSION LIABILITY	45,641,721	31,225,532			
ALLOCATION OF STATE PENSION LIABILITY	(81,905,937)	-			
<b>ADJUSTED BEGINNING FUND BALANCE</b>	<b>(36,264,216)</b>	<b>31,225,532</b>			
ENDING FUND BALANCE BEFORE PENSION LIABILITY	57,183,730	38,178,890			
ALLOCATION OF STATE PENSION LIABILITY	(81,905,937)	-			
<b>ADJUSTED ENDING FUND BALANCE</b>	<b>(24,722,207)</b>	<b>38,178,890</b>			

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
INCOME STATEMENT (UNAUDITED)  
ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM  
FY 2016  
MONTH ENDED 02/29/2016**

DESCRIPTION	YEAR TO DATE				
	CURRENT YEAR	PRIOR YEAR	CY vs PY	CY vs BUDGET	
	TOTAL	TOTAL	VARIANCE	BUDGET	VARIANCE
<b>IDAPP ADMINISTRATION</b>					
<b>OPERATING REVENUE</b>					
IDAPP SERVICING FEE RECEIVED FROM TRUSTS	1,543,503	1,749,776	(206,274)	1,336,667	15.5%
NFD FEES	117,861	123,970	(6,109)	110,000	7.1%
<b>TOTAL OPERATING REVENUE</b>	<b>1,661,364</b>	<b>1,873,747</b>	<b>(212,383)</b>	<b>1,446,667</b>	<b>14.8%</b>
<b>OPERATING EXPENSES</b>					
SALARIES AND EMPLOYEE BENEFITS	485,491	488,347	(2,856)	533,333	-9.0%
EXTERNAL LOAN SERVICING	284,332	309,444	(25,113)	303,333	-6.3%
OTHER CONTRACTUAL SERVICES	82,610	84,154	(1,544)	70,000	18.0%
OTHER	31,488	37,613	(6,125)	33,333	-5.5%
<b>TOTAL OPERATING EXPENSES</b>	<b>883,921</b>	<b>919,559</b>	<b>(35,638)</b>	<b>940,000</b>	<b>-6.0%</b>
CONSOLIDATION REBATE FEE	10,490	5,090	5,400	6,667	57.4%
FIB/SAP/EXCESS INTEREST	19,641	12,445	7,196	13,333	47.3%
<b>NET ADMINISTRATION OPERATING PROFIT</b>	<b>747,312</b>	<b>936,653</b>	<b>(189,341)</b>	<b>486,667</b>	<b>53.6%</b>
<b>NET TRANSFER OF ASSETS FROM TRUST</b>	<b>378,795</b>	<b>49,896</b>	<b>328,899</b>	<b>-</b>	<b>0.0%</b>
BEGINNING FUND BALANCE BEFORE PENSION LIABILITY	24,314,008	22,673,303	1,640,705		
ALLOCATION OF STATE PENSION LIABILITY	(7,937,245)	(8,903,335)	966,090		
ADJUSTED BEGINNING FUND BALANCE JULY 1, 2015	16,376,763	13,769,968	2,606,795		
ENDING FUND BALANCE BEFORE PENSION LIABILITY	25,440,115	23,659,852			
ALLOCATION OF STATE PENSION LIABILITY	(7,937,245)	(8,903,335)			
<b>NET ADMIN ASSET FEBRUARY 29, 2016</b>	<b>17,502,870</b>	<b>14,756,517</b>	<b>2,746,353</b>		
<b>TRUST OPERATIONS</b>					
<b>OPERATING REVENUE</b>					
STUDENT LOAN INTEREST INCOME	13,025,239	14,980,365	(1,955,127)	-	0.0%
GAIN ON LOAN PURCHASE DISCOUNT	-	4,009	(4,009)	-	0.0%
INVESTMENT INCOME	6,968	4,945	2,023	-	0.0%
<b>TOTAL OPERATING REVENUE</b>	<b>13,032,207</b>	<b>14,989,319</b>	<b>(1,957,112)</b>	<b>-</b>	<b>0.0%</b>
<b>OPERATING EXPENSES</b>					
INTEREST EXPENSE	2,734,357	2,892,632	(158,275)	-	0.0%
GAIN ON EXTINGUISHMENT OF DEBT - NET	(2,695,007)	(2,695,007)	-	-	0.0%
AMORTIZATION OF LOAN PREMIUMS & FEES	932,839	932,839	-	-	0.0%
CONSOLIDATION REBATE FEE	1,084,400	1,179,706	(95,306)	-	0.0%
IDAPP SERVICING FEE RECEIVED FROM TRUSTS	1,543,503	1,749,776	(206,274)	-	0.0%
EXTERNAL LOAN SERVICING	915,647	1,081,629	(165,982)	-	0.0%
OTHER CONTRACTUAL SERVICES	534,447	570,564	(36,117)	-	0.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>5,050,185</b>	<b>5,712,140</b>	<b>(661,955)</b>	<b>-</b>	<b>0.0%</b>
<b>GROSS OPERATING PROFIT</b>	<b>7,982,022</b>	<b>9,277,179</b>	<b>(1,295,157)</b>	<b>-</b>	<b>0.0%</b>
PROVISION FOR LOAN LOSS	2,424,392	2,791,204	(366,811)	-	0.0%
FIB/SAP/EXCESS INTEREST	3,058,984	3,805,787	(746,803)	-	0.0%
<b>NET TRUST OPERATING PROFIT</b>	<b>2,498,645</b>	<b>2,680,188</b>	<b>(181,543)</b>	<b>-</b>	<b>0.0%</b>
NET TRUST ASSETS JULY 1, 2015	2,858,956	(1,966,328)	4,825,284	-	0.0%
OTHER OPERATING TRANSFERS	(378,795)	(49,896)	(328,899)	-	0.0%
<b>NET TRUST ASSET FEBRUARY 29, 2016</b>	<b>4,978,806</b>	<b>663,964</b>	<b>4,314,842</b>	<b>-</b>	<b>0.0%</b>
COMBINED NET INCOME	3,245,957	3,616,841	(370,884)		
COMBINED BEGINNING FUND BALANCE BEFORE PENSION LI/	27,172,964	20,706,975	6,465,989		
RESTATEMENT - DEBIT TO NET POSITION	(7,937,245)	(8,903,335)	966,090		
ADJUSTED BEGINNING FUND BALANCE JULY 1, 2015	19,235,719	11,803,640	7,432,079		
ENDING FUND BALANCE BEFORE PENSION LIABILITY	30,418,921	24,323,816			
ALLOCATION OF STATE PENSION LIABILITY	(7,937,245)	(8,903,335)			
<b>COMBINED NET ASSET FEBRUARY 29, 2016</b>	<b>22,481,676</b>	<b>15,420,481</b>	<b>7,061,195</b>		

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
INCOME STATEMENT (UNAUDITED)  
COLLEGE ILLINOIS!  
FY 2016  
MONTH ENDED 02/29/2016**

DESCRIPTION	YEAR TO DATE				
	CURRENT YEAR TOTAL	PRIOR YEAR TOTAL	CY vs PY VARIANCE	BUDGET	CY vs BUDGET VARIANCE
<b>REVENUES</b>					
INTEREST INCOME	123,327	106,201	17,126	-	0.0%
INCOME FROM INVESTMENT SEC FEES	(19,650,791)	42,671,070	(62,321,861)	-	0.0%
	274,818	272,706	2,112	-	0.0%
<b>TOTAL REVENUES</b>	<b>(19,252,647)</b>	<b>43,049,977</b>	<b>(62,302,623)</b>	<b>-</b>	<b>0.0%</b>
<b>EXPENDITURES</b>					
<b>ADMINISTRATIVE EXPENDITURES</b>					
PERSONAL SERVICES & FRINGE BEN	735,365	680,820	54,545	935,600	-21.4%
CONTRACTUAL SERVICES	2,291,117	2,279,415	11,703	2,626,400	-12.8%
TRAVEL	1,850	563	1,287	10,000	-81.5%
INVESTMENT EXPENSE	1,303,540	1,405,505	(101,965)	2,670,400	-51.2%
OTHER ADMIN EXPENSES	1,202	1,025	177	1,267	-5.1%
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>4,334,342</b>	<b>4,367,327</b>	<b>(32,986)</b>	<b>6,243,667</b>	<b>-30.6%</b>
<b>COST ALLOCATIONS</b>					
SUPPORTING SERVICES	891,462	815,027	76,435	1,333,333	-33.1%
<b>TOTAL COST ALLOCATIONS</b>	<b>891,462</b>	<b>815,027</b>	<b>76,435</b>	<b>1,333,333</b>	<b>-33.1%</b>
<b>ACTUARIAL EXPENDITURES</b>					
ACCRETION EXPENSE ACCRUED *	(24,478,450)	37,867,622	(62,346,073)	-	0.0%
<b>TOTAL ACTUARIAL EXPENDITURES</b>	<b>(24,478,450)</b>	<b>37,867,622</b>	<b>(62,346,073)</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL EXPENDITURES</b>	<b>(19,252,647)</b>	<b>43,049,977</b>	<b>(62,302,623)</b>	<b>7,577,000</b>	<b>-354.1%</b>
<b>EXCESS REVENUE OVER (UNDER) EXPENDITURES, AFTER TRANSFERS</b>					
	-	-	-	<b>(7,577,000)</b>	<b>-100.0%</b>
<b>BEGINNING FUND BALANCE *</b>	<b>(236,113,466)</b>	<b>(275,944,511)</b>			
<b>ENDING FUND BALANCE</b>	<b>(236,113,466)</b>	<b>(275,944,511)</b>			

\* Note: Unfunded liabilities/ending fund balance is adjusted based on the soundness report on an annual basis in June of every fiscal year.

<b>ILLINOIS STUDENT ASSISTANCE COMMISSION</b>				
<b>FISCAL YEAR 2016 APPROPRIATION SUMMARY REPORT</b>				
<b>As of 02/29/16</b>				
	<b>FY2016 Appropriation</b>	<b>Year-to-date Expended</b>	<b>Number of Recipients</b>	<b>Percentage Expended</b>
<b>STATE GENERAL FUNDS</b>				
<b>SCHOLARSHIPS AND GRANTS</b>				
Monetary Award Program	\$389,131,638	\$0	0	0.0%
GRF-Administration Expense (2%MAP)	\$7,941,462	\$5,178,903	0	65.2%
Teacher Loan Forgiveness Program	464,400	\$0	0	0.0%
Minority Teacher Scholarships	2,321,600	\$0	0	0.0%
Golden Apple Scholars Program	6,498,000	\$0	0	0.0%
Dependents Grants	975,100	\$0	0	0.0%
Nurse Educator Loan Repayment Program	278,600	\$0	0	0.0%
Veterans' Home Nurse Loan Repayment Program	27,800	\$0	0	0.0%
Illinois Scholars Program	37,100	\$0	N/A	0.0%
GRF-Outreach Research & Training.	947,800	\$0	N/A	0.0%
<b>TOTAL</b>	<b>\$408,623,500</b>	<b>\$5,178,903</b>	<b>0</b>	<b>1.3%</b>
<b>SPECIAL REVENUE FUNDS</b>				
<b>STUDENT LOAN OPERATING FUND</b>				
Administration Expense (see detail on next page)	65,191,800	14,907,018	N/A	22.9%
Federal Loan System Development & Maintenance	2,500,000	0	N/A	0.0%
<b>TOTAL</b>	<b>\$67,691,800</b>	<b>\$14,907,018</b>	<b>0</b>	<b>22.0%</b>
<b>FEDERAL STUDENT LOAN FUND</b>				
Loan Guarantee Program -Continue Appro	17,186,906	17,186,905	N/A	100.0%
Loan Guarantee Program - Regular Appro	243,813,094	85,322,874	N/A	35.0%
<b>TOTAL</b>	<b>\$261,000,000</b>	<b>\$102,509,779</b>	<b>N/A</b>	<b>39.3%</b>
<b>SCHOLARSHIPS AND GRANTS</b>				
Federal College Access Challenge Grant Program	15,000,000	99	N/A	0.0%
John R Justice Student Loan Repayment Program	500,000	0	N/A	0.0%
Transfer to ED -Paul Douglas Funds Collected	400,000	0	N/A	0.0%
<b>TOTAL</b>	<b>\$15,900,000</b>	<b>\$99</b>	<b>\$0</b>	<b>0.0%</b>
<b>OTHER</b>				
ISAC Accounts Receivables	300,000	0	N/A	0.0%
Higher Education License Plate Program	110,000	0	N/A	0.0%
Optometric Education Scholarship Program	50,000	0	0	0.0%
IVG- National Guard Grant Fund	20,000	0	0	0.0%
Golden Apple Scholars Program	225,000	0	0	0.0%
Contracts and Grants Fund	10,000,000	0	N/A	0.0%
<b>TOTAL, SPECIAL REVENUE FUNDS</b>	<b>\$355,296,800</b>	<b>\$117,416,896</b>	<b>0</b>	<b>33.0%</b>
<b>GRAND TOTAL</b>	<b>\$763,920,300</b>	<b>\$122,595,799</b>	<b>0</b>	<b>16.0%</b>

<b>ILLINOIS STUDENT ASSISTANCE COMMISSION</b>		
<b>COLLEGE ILLINOIS!</b>		
<b>SOURCES AND USES REPORT</b>		
<b>February 2016 - FY 2016</b>		
<b>BEGINNING MARKET VALUE TOTAL FUNDS BALANCE, 07/01/15</b>		<b>\$1,025,385,432</b>
<b>SOURCES OF FUNDS</b>		
Contributions received	\$16,436,367	
Contracts fees	274,818	
Interest from Treasury and Banks	4,077	
Interest on Investments	11,974,954	
Realized Gain on Investments	1,404,910	
Interest and Fees Promissory Note	23,302	
Interest and Other Income	94,471	
<b>TOTAL SOURCES</b>		<b>\$30,212,899</b>
<b>USES OF FUNDS</b>		
Administrative Expenses	4,342,048	
Unrealized Loss on Investment	29,104,979	
Decrease in Market Value of Alternative Funds	3,925,676	
Refunds to Purchasers	9,159,692	
Tuition Payments	78,271,942	
Investment Expense	1,136,064	
Investment Advisory Fees	403,535	
<b>TOTAL USES</b>		<b>\$126,343,936</b>
<b>ENDING MARKET VALUE TOTAL FUNDS BALANCE, 02/29/16</b>		<b>\$929,254,394</b>
<b>NUMBER AND DOLLAR VALUE OF PLANS, 02/29/2016</b>		
Number of Plans:		
Plans with Contributions Paid in Full	53,540	
Active Plans	3,752	
Cancelled Plans	15,256	
Suspended Plans	1	
Total Number of Contracts Sold	72,549	
Contracts with benefits paid out in full	15,153	
Contracts with outstanding Benefits	42,140	
Purchased Value of all Plans	\$1,740,188,245	
Active Plan : Plan which has been approved and contract payments are being made.		
Cancelled Plan : Plan that has been terminated either at the request of the purchaser or involuntarily due to delinquency, fraud, etc.		

<b>Illinois Student Assistance Commission</b>		
<b>Illinois Designated Account Purchase Program Investment Information</b>		
<b>As of February 29, 2016</b>		
This information is required by Public Act 93-0499 and is intended to provide a financial overview to those interested in the Illinois Designated Account Purchase Program		
Total value of cash & investments	\$ 32,865,215	
Asset Allocation:		
	Value	Percent
Cash	\$ 16,122,601	49%
Money Market Funds	13,746,165	42%
U.S. Treasuries & Agencies	2,996,450	9%
Total	<u>\$ 32,865,215</u>	<u>100%</u>
Investment Income:		
Investment Income	\$ 1,752	
Unrealized Gain/(Loss) Net	(573)	
Monthly Income Yield	0.005%	
Authorized Financial Institutions:		
Bank of America		
Bank of New York Mellon		
JP Morgan Chase & Co.		
Northern Trust		
Wells Fargo Bank		
<b>Note:</b>		
The information reported above is believed to be accurate, but has not been audited.		