

AGENDA ITEM 4.

EXECUTIVE DIRECTOR'S REPORT

ILLINOIS STUDENT ASSISTANCE COMMISSION
BALANCE SHEET (UNAUDITED)
FY 2012
AS OF 05/31/2012

| | STUDENT LOAN OPERATING FUND | ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM | COLLEGE ILLINOIS! PREPAID TUITION FUND |
|--|-----------------------------------|--|--|
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS UNRESTRICTED | 12,228,094 | 16,192,728 | 6,707,902 |
| CASH AND CASH EQUIVALENTS RESTRICTED | 8,862,808 | 39,178,452 | - |
| INVESTMENTS | 2,686,731 | 3,081 | 1,057,538,961 |
| STUDENT LOAN RECEIVABLE (NET) | - | 831,724,891 | - |
| UNAMORTIZED FEES & COSTS | - | 16,541,483 | - |
| DUE FROM OTHER FUNDS | 5,751,683 | - | - |
| FIXED ASSETS NET OF DEPRECIATION | 688,933 | 11,159 | - |
| TOTAL ASSETS | \$ 30,218,249 | 903,651,793 | 1,064,246,863 |
| LIABILITIES | | | |
| ACCOUNTS PAYABLE AND ACCRUED LIABILITIES | 6,662,116 | 694,564 | 450,530 |
| BONDS / LINE OF CREDIT PAYABLE (NET) | - | 811,620,133 | - |
| UNAMORTIZED GAIN ON NEW FINANCING | - | 62,956,715 | - |
| ACCRUED INTEREST PAYABLE | - | 901,523 | - |
| DUE TO DEPARTMENT OF EDUCATION | - | 1,552,687 | - |
| DUE TO OTHER FUNDS | 2,898,033 | 3,495,618 | - |
| TUITION PAYABLE | - | - | 827,890,164 |
| ACCRETION PAYABLE | - | - | 550,129,323 |
| TOTAL LIABILITIES | \$ 9,560,149 | 881,221,241 | 1,378,470,016 |
| FUND BALANCES | | | |
| RESTRICTED | 8,862,808 | 1,718,551 | - |
| UNRESTRICTED | 11,795,292 | 20,712,002 | (314,223,154) |
| TOTAL FUND BALANCES | \$ 20,658,100 | 22,430,553 | (314,223,154) |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 30,218,249 | 903,651,793 | 1,064,246,863 |

**ILLINOIS STUDENT ASSISTANCE COMMISSION
FISCAL YEAR 2012 APPROPRIATION SUMMARY REPORT
(July 1, 2011 - May 31, 2012)**

| | FY2012 Appropriation * | Year-to-date Expended | Number of Recipients | Percentage Expended |
|---|---------------------------|--------------------------|-------------------------|------------------------|
| <u>STATE GENERAL FUNDS</u> | | | | |
| SCHOLARSHIPS AND GRANTS | | | | |
| Monetary Award Program | \$386,680,000 | \$386,680,000 | 158,119 | 100.0% |
| Illinois Incentive for Access Grants | 0 | 0 | 0 | 0.0% |
| Teacher Loan Forgiveness Program | 500,000 | 499,836 | 98 | 100.0% |
| Minority Teacher Scholarships | 2,500,000 | 1,858,469 | 767 | 74.3% |
| Illinois Future Teachers Corps Scholarships | 2,000,000 | 1,833,242 | 487 | 91.7% |
| Student to Student Grants | 1 | 0 | 0 | 0.0% |
| Dependents Grants | 950,000 | 454,020 | 72 | 47.8% |
| National Guard Grants | 4,400,000 | 2,807,005 | 1,907 | 63.8% |
| Illinois Veteran Grants | 6,000,000 | 5,995,272 | 8,628 | 99.9% |
| Nurse Educator Scholarships | 0 | 0 | 0 | 0.0% |
| Nurse Educator Loan Repayment Program | 300,000 | 298,870 | 53 | 99.6% |
| Veterans' Home Nurse Loan Repayment Program | 50,000 | 10,000 | 4 | 20.0% |
| Bonus Incentive Grants | 325,000 | 325,000 | 378 | 100.0% |
| Illinois Scholars Program | 3,160,000 | 3,040,000 | N/A | 96.2% |
| TOTAL | \$406,865,001 | \$403,801,714 | 170,513 | 99.2% |
| <u>SPECIAL REVENUE FUNDS</u> | | | | |
| STUDENT LOAN OPERATING FUND | | | | |
| Administration Expense | \$59,477,500 | \$25,267,748 | N/A | 42.5% |
| Federal Loan System Development & Maintenance | 3,500,000 | 4,730 | N/A | 0.1% |
| Default Fees | 10,000,000 | 262 | N/A | 0.0% |
| Monetary Award Program - Supplemental | 33,500,000 | \$24,637,192 | 0 | 73.5% |
| TOTAL | \$106,477,500 | \$49,909,932 | 0 | 46.9% |
| FEDERAL STUDENT LOAN FUND | | | | |
| Loan Guarantee Program | \$290,000,000 | \$178,655,015 | N/A | 61.6% |
| TOTAL | \$290,000,000 | \$178,655,015 | N/A | 61.6% |
| SCHOLARSHIPS AND GRANTS | | | | |
| Federal- College Access Challenge Grant Program | \$14,801,490 | \$4,681,191 | N/A | 31.6% |
| Federal - John R. Justice Grant Program | \$198,510 | \$198,386 | 81 | 99.9% |
| Federal - LEAP/SLEAP - Monetary Award Program | 4,000,000 | 272,506 | N/A | 6.8% |
| Transfer to ED -Paul Douglas Funds Collected | 400,000 | 0 | N/A | 0.0% |
| Federal - Robert C. Byrd Fellowships | 3,000,000 | 1,023,711 | 1,058 | 34.1% |
| TOTAL | \$22,400,000 | \$6,175,794 | \$1,139 | 27.6% |
| OTHER | | | | |
| ISAC Accounts Receivables | \$300,000 | \$3,898 | N/A | 1.3% |
| Higher Education License Plate Program | 80,000 | 74,600 | N/A | 93.3% |
| Optometric Education Scholarship Program | 50,000 | 50,000 | 10 | 100.0% |
| IVG- National Guard Grant Fund | 20,000 | 0 | 0 | 0.0% |
| Illinois Future Teachers Corps Scholarship Fund | 60,000 | 0 | 0 | 0.0% |
| Contracts and Grants Fund | 25,000,000 | 0 | N/A | 0.0% |
| TOTAL, SPECIAL REVENUE FUNDS | \$444,387,500 | \$234,869,239 | 10 | 52.9% |
| GRAND TOTAL | \$851,252,501 | \$638,670,952 | 171,662 | 75.0% |

* Appropriation represents authorization for annual spending limits. It does not reflect the projected expenditures from the fund.

**ILLINOIS STUDENT ASSISTANCE COMMISSION
INCOME STATEMENT (UNAUDITED)
STUDENT LOAN OPERATING FUND
FY 2012
MONTH ENDED 05/31/2012**

| DESCRIPTION | YEAR TO DATE | | | | |
|--|-----------------------|---------------------|----------------------|-------------------|--------------------------|
| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL | CY vs PY VARIANCE | BUDGET | CY vs BUDGET VARIANCE |
| REVENUES | | | | | |
| COLLECTIONS | 5,767,231 | 5,515,079 | 252,151 | 5,958,333 | -3.2% |
| REPURCHASE / REHAB / CONSOL | 21,700,292 | 16,547,194 | 5,153,098 | 16,041,667 | 35.3% |
| INTEREST & OTHER INVEST INCOME | 89,328 | 28,312 | 61,016 | 19,250 | 364.0% |
| LOAN PROCESSING / ISSUANCE FEE | - | (319,200) | 319,200 | - | 0.0% |
| ACCOUNT MAINTENANCE FEE | 3,204,501 | 3,510,896 | (306,395) | 3,208,333 | -0.1% |
| DEFAULT AVERSION FEE | 1,211,711 | 1,580,779 | (369,068) | 1,466,667 | -17.4% |
| LEGAL RECOVERIES | 30,000 | 7,343 | 22,657 | 8,250 | 263.6% |
| MISCELLANEOUS INCOME | 283,284 | 4,792 | 278,492 | 2,750 | 10201.2% |
| TOTAL REVENUES | 32,286,347 | 26,875,195 | 5,411,152 | 26,705,250 | 20.9% |
| EXPENDITURES | | | | | |
| ADMINISTRATIVE EXPENSES | | | | | |
| PERSONAL SERVICES & FRINGE BEN | 19,849,034 | 17,288,014 | 2,561,021 | 18,957,492 | 4.7% |
| CONTRACTUAL SERVICES | 4,591,209 | 5,229,902 | (638,693) | 5,162,850 | -11.1% |
| RENTAL & MGMT OF REAL PROP | 2,618,636 | 2,568,883 | 49,753 | 2,560,708 | 2.3% |
| EQUIPMENT & TELECOM | 412,332 | 305,650 | 106,681 | 464,933 | -11.3% |
| TRAVEL | 22,292 | 42,553 | (20,261) | 44,550 | -50.0% |
| OTHER ADMIN EXPENSES | 74,677 | 190,310 | (115,634) | 147,033 | -49.2% |
| TOTAL ADMINISTRATIVE EXPENSES | 27,568,179 | 25,625,312 | 1,942,867 | 27,337,567 | 0.8% |
| PROGRAM EXPENSES | | | | | |
| DEFAULT FEE | (10,738) | 853 | (11,591) | 642 | -1773.5% |
| OTHER PROGRAM EXPENSES | 54,044 | 38,184 | 15,860 | 43,633 | 23.9% |
| TOTAL PROGRAM EXPENSES | 43,306 | 39,037 | 4,269 | 44,275 | -2.2% |
| TOTAL EXPENDITURES | 27,611,485 | 25,664,349 | 1,947,136 | 27,381,842 | 0.8% |
| FEDERAL GRANTS | | | | | |
| SAFRA | - | 826,131 | (826,131) | - | 0.0% |
| TOTAL FEDERAL GRANTS | - | 826,131 | (826,131) | - | 0.0% |
| EXCESS REVENUE OVER (UNDER) EXPENDITURES, AFTER TRANSFERS | | | | | |
| | 4,674,862 | 2,036,977 | 2,637,885 | (676,592) | -790.9% |
| MAP PAYMENTS | | | | | |
| MAP / TRANSFERS IN | 24,637,192 | (30,000,000) | 54,637,192 | - | 0.0% |
| TOTAL MAP PAYMENTS | 24,637,192 | (30,000,000) | 54,637,192 | - | 0.0% |
| NET AFTER MAP PAYMENTS | (19,962,330) | 32,036,977 | (51,999,307) | (676,592) | 2850.4% |
| BEGINNING FUND BALANCE | 40,620,430 | 5,037,455 | | | |
| RESTRICTED FOR PAYMENT OF MAP GRANT | 8,862,808 | 30,000,000 | | | |
| ENDING FUND BALANCE | 11,795,292 | 7,074,432 | | | |

**ILLINOIS STUDENT ASSISTANCE COMMISSION
INCOME STATEMENT (UNAUDITED)
ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM
FY 2012
MONTH ENDED 05/31/2012**

| DESCRIPTION | YEAR TO DATE | | | | |
|--|-----------------------|---------------------|----------------------|------------------|----------------------|
| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL | CY vs PY VARIANCE | BUDGET | CY vs PY VARIANCE |
| IDAPP ADMINISTRATION | | | | | |
| OPERATING REVENUE | | | | | |
| IDAPP SERVICING FEE RECEIVED FROM TRUSTS | 3,601,938 | 6,547,853 | (2,945,915) | 3,666,667 | -1.8% |
| NFD FEES | 214,908 | - | 214,908 | - | 0.0% |
| DOE PUT FEE | - | 1,280,830 | (1,280,830) | - | 0.0% |
| TOTAL OPERATING REVENUE | 3,816,846 | 7,828,683 | (4,011,838) | 3,666,667 | 4.1% |
| OPERATING EXPENSES | | | | | |
| SALARIES AND EMPLOYEE BENEFITS | 1,677,815 | 2,501,530 | (823,714) | 1,695,833 | -1.1% |
| EXTERNAL LOAN SERVICING | 889,250 | 2,073,607 | (1,184,357) | 2,005,826 | -55.7% |
| OTHER CONTRACTUAL SERVICES | 204,880 | 387,056 | (182,176) | 577,500 | -64.5% |
| OTHER | 79,041 | 161,507 | (82,466) | - | 0.0% |
| TOTAL OPERATING EXPENSES | 2,850,987 | 5,123,700 | (2,272,713) | 4,279,160 | -33.4% |
| SHARED EXPENSE ALLOCATION | - | 2,150,604 | (2,150,604) | - | 0.0% |
| CONSOLIDATION REBATE FEE | 168,540 | 1,153,106 | (984,566) | - | 0.0% |
| FIB/SAP/EXCESS INTEREST | 20,294 | (34,638) | 54,932 | - | 0.0% |
| NET ADMINISTRATION OPERATING PROFIT | 777,024 | (564,090) | 1,341,114 | (612,493) | -226.9% |
| NET TRANSFER OF ASSETS FROM TRUST | (590,883) | 11,780,396 | (12,371,278) | - | 0.0% |
| NET ADMIN ASSETS JULY 1, 2011 | 20,525,860 | 9,604,521 | 10,921,339 | - | 0.0% |
| NET ADMIN ASSET MAY 31, 2012 | 20,712,002 | 20,820,827 | (108,825) | (612,493) | -3481.6% |
| TRUST OPERATIONS | | | | | |
| OPERATING REVENUE | | | | | |
| STUDENT LOAN INTEREST INCOME | 33,397,179 | 37,724,202 | (4,327,023) | - | 0.0% |
| GAIN ON LOAN PURCHASE DISCOUNT | 11,135 | - | 11,135 | - | 0.0% |
| INVESTMENT INCOME | 1,053,540 | 2,338,111 | (1,284,571) | - | 0.0% |
| TOTAL OPERATING REVENUE | 34,461,854 | 40,062,313 | (5,600,459) | - | 0.0% |
| OPERATING EXPENSES | | | | | |
| INTEREST EXPENSE | 9,874,323 | 11,067,858 | (1,193,535) | - | 0.0% |
| GAIN ON EXTINGUISHMENT OF DEBT - NET | (4,049,847) | (2,945,343) | (1,104,504) | - | 0.0% |
| AMORTIZATION OF LOAN PREMIUMS & FEES | 2,370,023 | 2,524,472 | (154,450) | - | 0.0% |
| CONSOLIDATION REBATE FEE | 2,065,286 | 1,259,244 | 806,041 | - | 0.0% |
| IDAPP SERVICING FEE RECEIVED FROM TRUSTS | 3,601,938 | 6,547,853 | (2,945,915) | - | 0.0% |
| EXTERNAL LOAN SERVICING | 1,907,078 | 1,705,083 | 201,995 | - | 0.0% |
| BOND ISSUANCE AND LEGAL FEES | 1,029,976 | 532,190 | 497,786 | - | 0.0% |
| OTHER CONTRACTUAL SERVICES | 1,263,431 | 1,890,161 | (626,731) | - | 0.0% |
| TOTAL OPERATING EXPENSES | 18,062,206 | 22,581,517 | (4,519,311) | - | 0.0% |
| GROSS OPERATING PROFIT | 16,399,648 | 17,480,796 | (1,081,148) | - | 0.0% |
| PROVISION FOR LOAN LOSS | 12,916,780 | 7,535,624 | 5,381,156 | - | 0.0% |
| FIB/SAP/EXCESS INTEREST | 8,780,882 | 9,977,922 | (1,197,040) | - | 0.0% |
| NET TRUST OPERATING PROFIT | (5,298,014) | (32,750) | (5,265,264) | - | 0.0% |
| NET TRUST ASSETS JULY 1, 2011 | 6,425,682 | 26,974,594 | (20,548,912) | - | 0.0% |
| OTHER OPERATING TRANSFERS | 590,883 | (11,780,396) | 12,371,278 | - | 0.0% |
| NET TRUST ASSET MAY 31, 2012 | 7,016,565 | 15,194,199 | (8,177,634) | - | 0.0% |
| COMBINED NET INCOME | (4,520,990) | (596,840) | (3,924,150) | (612,493) | 638.1% |
| COMBINED NET ASSETS JULY 1, 2011 | 26,951,542 | 36,579,115 | (9,627,573) | - | 0.0% |
| COMBINED NET ASSET MAY 31, 2012 | 22,430,553 | 35,982,275 | (13,551,723) | (612,493) | -3762.2% |

**ILLINOIS STUDENT ASSISTANCE COMMISSION
INCOME STATEMENT (UNAUDITED)
COLLEGE ILLINOIS!
FY 2012
MONTH ENDED 05/31/2012**

| DESCRIPTION | YEAR TO DATE | | | | |
|--|-----------------------|--------------------------|----------------------------|---------------------|----------------------|
| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL | CY vs PY VARIANCE | BUDGET | CY vs PY VARIANCE |
| REVENUES | | | | | |
| INTEREST INCOME | 128,209 | 620,613 | (492,404) | - | 0.0% |
| INCOME FROM INVESTMENT SEC FEES | 25,997,976 566,482 | 167,551,771 1,285,540 | (141,553,795) (719,057) | - | 0.0% |
| TOTAL REVENUES | 26,692,667 | 169,457,923 | (142,765,256) | - | 0.0% |
| EXPENDITURES | | | | | |
| ADMINISTRATIVE EXPENDITURES | | | | | |
| PERSONAL SERVICES & FRINGE BEN | 2,786,083 | 3,214,345 | (428,262) | 3,390,017 | -17.8% |
| CONTRACTUAL SERVICES | 1,709,306 | 2,917,186 | (1,207,880) | 2,736,250 | -37.5% |
| EQUIPMENT & TELECOM | 347 | 15,174 | (14,827) | 18,608 | -98.1% |
| TRAVEL | 3,319 | 6,323 | (3,004) | 6,783 | -51.1% |
| INVESTMENT EXPENSE | 1,377,696 | 3,052,544 | (1,674,848) | 8,979,667 | -84.7% |
| OTHER ADMIN EXPENSES | - | 11,324 | (11,324) | 10,908 | -100.0% |
| TOTAL ADMINISTRATIVE EXPENDITURES | 5,876,751 | 9,216,896 | (3,340,145) | 15,142,233 | -61.2% |
| ACTUARIAL EXPENDITURES | | | | | |
| ACCRETION EXPENSE ACCRUED | 72,907,691 | 65,745,230 | 7,162,461 | 65,937,117 | 10.6% |
| TOTAL ACTUARIAL EXPENDITURES | 72,907,691 | 65,745,230 | 7,162,461 | 65,937,117 | 10.6% |
| TOTAL EXPENDITURES | 78,784,442 | 74,962,126 | 3,822,316 | 81,079,350 | -2.8% |
| EXCESS REVENUE OVER (UNDER) EXPENDITURES, AFTER TRANSFERS | (52,091,774) | 94,495,797 | (146,587,572) | (81,079,350) | -35.8% |
| BEGINNING FUND BALANCE | (262,131,379) | (337,888,038) | | | |
| ENDING FUND BALANCE | (314,223,154) | (243,392,240) | | | |

** NOTE: Includes Intra-Agency expenditures of \$1,972,285.69 year to date.

** NOTE: Fees netted from investment income were \$6 million

ILLINOIS STUDENT ASSISTANCE COMMISSION

**COLLEGE ILLINOIS!
SOURCES AND USES REPORT
May 2012 - FY 2012**

BEGINNING MARKET VALUE TOTAL FUNDS BALANCE, 07/01/11

| | | |
|--|-------------|------------------------|
| Cash at Custodians | \$7,833,004 | |
| Illiquid Liquidating Trust Earnings | 1 | |
| Illiquid Liquidating Trust Asset | 3,402,447 | |
| SSgA S&P 500 Index Fund | 77,616,201 | |
| LSV Asset Management - International | 6,617 | |
| SSgA MSCI EAFE | 16,150,009 | |
| SCM Stable Value Account | 60,086,463 | |
| Income Research & Management | 64,298,464 | |
| Kennedy Wilson III | 23,391,895 | |
| Kennedy Wilson IV | 19,074,475 | |
| SCM Term Income Account | 7 | |
| Security Capital Preferred Growth LLC | 47,713,616 | |
| Pugh Capital Management | 42,094,968 | |
| C.S. McKee Investment Manager | 71,260,146 | |
| Piedmont Advisors | 33,302,421 | |
| Alinda Infrastructure Fund II | 19,634,489 | |
| ISAC-TIPS | 33,713,699 | |
| RhumbLine Advisers Large Cap Growth | 193,072,870 | |
| Interest & Dividends | 12,804,792 | |
| Portfolio Advisors Secondary Fund L.P. | 10,456,346 | |
| JPM AIRRO | 17,237,131 | |
| Balestra Capital Spectrum | 55,224,272 | |
| Neuberger Berman | 27,167,572 | |
| Pinnacle Natural Resource | 56,101,825 | |
| Reynoso Asset Management | 21,677,813 | |
| Morgan Stanley | 10,921,734 | |
| DDJ Distressed | 57,392,526 | |
| Ativo | 31,935,974 | |
| MacKay Shields | 30,134,319 | |
| Harris Pyrford | 32,296,819 | |
| Lyrical-Antheus | 18,280,011 | |
| Mesirow Re Value | 4,294,674 | |
| Camelot Secondary Fund | 14,965,390 | |
| Camelot Co-Investment | 18,732,381 | |
| TOTAL BEGINNING BALANCE | | \$1,132,275,368 |

SOURCES OF FUNDS

| | | |
|--|--------------|---------------------|
| Contributions received | \$41,442,897 | |
| Application and other fees | 566,482 | |
| Interest from Treasury and Banks | 7,429 | |
| Interest on Investments | 19,337,657 | |
| Realized Gain on Investments | 17,292,822 | |
| Interest and Other Income | 120,501 | |
| Change in Market Value Alternative Investments | 13,899,024 | |
| TOTAL SOURCES | | \$92,666,813 |

USES OF FUNDS

| | | |
|-------------------------------|-------------|----------------------|
| Administrative Expenses | \$4,792,075 | |
| Unrealized Loss on Investment | 24,531,527 | |
| Refunds to Purchasers | 37,481,609 | |
| Tuition Payments | 92,383,724 | |
| Investment Expense | 1,506,901 | |
| TOTAL USES | | \$160,695,836 |

ENDING MARKET VALUE TOTAL FUNDS BALANCE, 05/31/12

| | | |
|--|----------------------|------------------------|
| Cash at Custodians | \$6,707,902 | |
| Illiquid Liquidating Trust Assets | 2,896,263 | |
| SSgA S&P 500 Index Fund | 78,610,152 | |
| SSgA MSCI EAFE | 12,937,222 | |
| LSV Asset Management - International | 5,396 | |
| Income Research & Management | 68,375,313 | |
| C.S. McKee Investment Managers | 72,250,948 | |
| Pugh Capital Management | 45,455,930 | |
| Piedmont Investment Advisors | 35,981,576 | |
| RhumbLine Advisers Large Cap Growth | 126,958,555 | |
| Interest and Dividends Account | 874,570 | |
| Security Capital (Stable Value Acct) | 55,635,550 | |
| Balestra Capital-Spectrum | 50,916,143 | |
| Neuberger Berman | 26,696,655 | |
| Pinnacle Natural Resources | 61,361,837 | |
| Security Capital Preferred Growth Fund LLC | 50,925,226 | |
| Alinda Infrastructure II Fund L.P. | 30,459,146 | |
| Portfolio Advisors Secondary Fund L.P. | 15,015,599 | |
| JPM AIRRO | 17,534,808 | |
| Morgan Stanley Secondary Fund | 16,411,094 | |
| REYNOSO Asset Management | 14,468,400 | |
| DDJ Distressed Fund | 65,061,808 | |
| KW Property Fund III L.P. | 23,169,869 | |
| KW Property Fund IV L.P. | 27,157,269 | |
| Ativo | 26,217,404 | |
| Madison Square/ MacKay Shields | 27,338,153 | |
| Harris Pyrford | 29,317,358 | |
| Camelot Acquisitions Secondary | 19,579,871 | |
| Camelot Co-Investment | 17,373,322 | |
| Lyrical-Antheus Realty III | 21,216,645 | |
| Mesirow Re Value | 17,336,360 | |
| TOTAL ENDING BALANCE | 1,064,246,344 | \$1,064,246,344 |

NUMBER AND DOLLAR VALUE OF PLANS, 05/31/2012

Number of Plans:

| | |
|--|--------|
| Plans with Contributions Paid in Full | 50,351 |
| Active Plans | 7,842 |
| Cancelled Plans | 12,112 |
| Total Number of Contracts Sold | 70,305 |
| Contracts with benefits paid out in full | 7,869 |
| Contracts with outstanding Benefits | 50,324 |

Purchased Value of all Plans \$1,650,581,800

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.

COLLEGE ILLINOIS! PREPAID TUITION PROGRAM - TOTAL PROGRAM PERFORMANCE

May 2012 - FY 2012

APPROXIMATE INVESTMENT RETURN, 05/31/2012

| | Ending Market Value | Total Funding Level | Fiscal Year- to-Date | Since Inception | Inception Date | Asset Allocation | One Month |
|--|------------------------|----------------------|-------------------------|--------------------|-------------------|---------------------|--------------|
| Total Program | \$1,064,246,344 | \$877,419,157 | 2.7% | 3.6% | 7/6/1999 | 100.0% | -2.0% |
| Domestic Equity | 205,568,707 | 168,314,442 | 0.5% | 1.6% | 7/6/1999 | 19.4% | -6.1% |
| RhumbLine Advisors | 126,958,555 | 113,314,442 | 0.0% | 12.7% | 7/24/2009 | 12.0% | -6.2% |
| <i>US Total Stock Market Index</i> | | | 0.0% | 13.4% | | | -6.2% |
| SSgA S&P 500 Index Fund | 78,610,152 | 55,000,000 | 1.3% | 1.4% | 7/6/1999 | 7.4% | -6.0% |
| <i>S&P 500 Index</i> | | | 1.3% | 1.5% | | | -6.0% |
| International Equity | 95,810,137 | 104,946,905 | -13.3% | 6.9% | 10/1/2002 | 9.0% | -9.6% |
| Ativo | 26,217,404 | 29,530,773 | -18.5% | -4.9% | 11/12/2010 | 2.5% | -9.6% |
| Madison Square/MacKay Shields | 27,338,153 | 29,626,626 | -9.9% | -2.3% | 11/12/2010 | 2.6% | -10.9% |
| Harris Pyrford | 29,317,358 | 29,639,507 | -9.9% | 1.9% | 11/12/2010 | 2.8% | -7.6% |
| State Street MSCI EAFE INDEX FUND | 12,937,222 | 16,150,000 | 0.0% | -18.3% | 6/30/2011 | 1.2% | -11.5% |
| <i>MSCI EAFE (Gross Div)</i> | | | -19.1% | -5.3% | | | -11.4% |
| Domestic Fixed Income | 222,063,767 | 157,071,778 | 9.5% | 6.6% | 7/6/1999 | 20.9% | 0.7% |
| C.S. McKee Investment Managers | 72,250,948 | 46,858,015 | 8.3% | 7.8% | 7/27/2007 | 6.8% | 0.8% |
| PUGH Capital Management | 45,455,930 | 33,590,505 | 7.7% | 8.2% | 7/25/2007 | 4.3% | 0.8% |
| Piedmont Investment Advisors | 35,981,576 | 28,268,636 | 7.8% | 7.2% | 8/2/2007 | 3.4% | 0.9% |
| <i>BC Aggregate Index</i> | | | 7.4% | 6.8% | | | 0.9% |
| Income Research & Management | 68,375,313 | 48,354,622 | 6.1% | 6.4% | 11/1/2006 | 6.4% | 0.4% |
| <i>BARCAP Intermediate Gov't/Credit</i> | | | 5.3% | 5.6% | | | 0.5% |
| Real Estate | 195,440,919 | 157,625,197 | 3.0% | 12.7% | 8/14/2009 | 18.4% | -0.3% |
| KW Property Fund III (lagged ²) | 23,169,869 | 18,701,249 | 5.5% | 24.1% | 8/17/2010 | 2.2% | 1.3% |
| KW Property Fund IV (lagged ¹) | 27,157,269 | 27,159,392 | 2.3% | -1.1% | 5/27/2011 | 2.6% | -2.4% |
| SCM Stable Value | 55,635,550 | 37,318,942 | 4.7% | 12.5% | 8/14/2009 | 5.2% | 0.4% |
| SCM PREFERRED GROWTH | 50,925,226 | 34,196,726 | 3.9% | 15.9% | 12/1/2009 | 4.8% | -1.0% |
| Lyrical-Antheus Realty III (lagged ¹) | 21,216,645 | 22,753,014 | -3.0% | -7.6% | 2/28/2011 | 2.0% | 0.0% |
| Mesirow Value (lagged ²) | 17,336,360 | 17,495,874 | 0.8% | -9.2% | 3/29/2011 | 1.6% | 0.6% |
| <i>NCREIF Total Index</i> | | | 11.0% | 13.1% | | | 0.9% |
| <i>NCREIF-ODCE Equal Weight Net</i> | | | 11.7% | 16.8% | | | 0.9% |
| Infrastructure | 47,993,954 | 46,046,633 | 6.4% | 20.1% | 12/23/2009 | 4.5% | 2.9% |
| Alinda Capital II (lagged ²) | 30,459,146 | 27,853,739 | 5.4% | 19.6% | 12/23/2009 | 2.9% | 2.5% |
| J.P. Morgan AIRRO Fund (lagged ²) | 17,534,808 | 18,192,893 | 2.4% | -2.0% | | 1.7% | 3.6% |
| <i>LIBOR+4%</i> | | | 3.9% | 4.3% | | | 0.4% |
| Hedge Fund | 153,443,035 | 145,000,000 | 3.1% | 2.8% | 2/1/2010 | 14.5% | 0.4% |
| Balestra Spectrum (lagged ³) | 50,916,143 | 50,000,000 | 0.9% | 0.6% | 2/1/2010 | 4.8% | 0.0% |
| <i>HFR MACRO</i> | | | -1.6% | 2.5% | | | 0.0% |
| NB Diversified Arbitrage (lagged ³) | 26,696,655 | 25,000,000 | -1.8% | 2.8% | 2/1/2010 | 2.5% | 0.0% |
| <i>HFR RELATIVE VALUE</i> | | | 1.6% | 6.1% | | | 0.0% |
| Pinnacle Natural Resources (lagged ³) | 61,361,837 | 55,000,000 | 10.1% | 5.1% | 2/1/2010 | 5.8% | 0.7% |
| <i>HFR MULTI-STRATEGY FOF</i> | | | -2.5% | 1.3% | | | 0.0% |
| Reynoso Asset Management (lagged ³) | 14,468,400 | 15,000,000 | -9.5% | 0.4% | 2/27/2010 | 1.4% | 0.9% |
| <i>S&P 500 Index</i> | | | 1.3% | 12.0% | | | -6.0% |
| Private Equity | 133,441,694 | 98,414,202 | 6.7% | -15.1% | 9/30/2008 | 12.5% | -0.7% |
| Camelot Secondary Fund (lagged ¹) | 19,579,871 | 14,296,704 | 13.8% | 15.5% | 3/12/2010 | 1.9% | 0.0% |
| Camelot Co-Investment (lagged ¹) | 17,373,322 | 10,000,000 | -7.3% | 51.3% | 2/10/2011 | 1.6% | 0.0% |
| DDJ Distressed Fund (lagged ³) | 65,061,808 | 50,000,000 | 11.7% | 13.3% | 6/1/2010 | 6.0% | -1.4% |
| Morgan Stanley Secondary Fund (lagged ¹) | 16,411,094 | 12,589,949 | -3.0% | 34.8% | 4/29/2010 | 1.6% | 0.0% |
| Portfolio Advisors Secondary Fund (lagged ¹) | 15,015,599 | 11,527,549 | 16.6% | 31.7% | 12/23/2009 | 1.4% | 0.0% |
| <i>RUSSELL 3000+5%</i> | | | 4.5% | 8.0% | | | -5.8% |
| Interest and Dividends Account | 874,570 | 843,306 | 0.0% | 0.1% | 9/17/2008 | 0.1% | 0.0% |
| <i>3-month Treasury Bill</i> | | | 0.1% | 0.2% | | | 0.0% |
| Cash Account⁴ | 6,707,902 | | 0.6% | 2.9% | | 0.6% | 0.0% |
| <i>3-month Treasury Bill</i> | | | 0.1% | 0.2% | | | 0.0% |
| Illiquid Liquidating Trust | 2,896,263 | | | | | | |
| LSV Asset Mgmt Int Recoverable Taxes | 5,396 | | | | | | |

1 - Market value is as of 12/31/11 and has been adjusted to reflect subsequent cash flows

2 - Market value is as of 3/31/12 and has been adjusted to reflect subsequent cash flows

3 - Market value is as of 4/30/12

4 - Market value includes cash at the Illinois Treasurer, Illinois Funds and JP Morgan Chase Bank

ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)
Summary of Investments
May 31, 2012

| | <u>Par Value</u> | <u>Market Value</u> | <u>%</u> | <u>Yield</u> | |
|------------------------------------|-------------------|---------------------|--------------|--------------|----------------|
| | | | | <u>YTM</u> | <u>Current</u> |
| Federal Prime Cash Obligation #851 | 9,140,895 | 9,140,895 | 16.5 | 0.010 | 0.010 |
| Wells Fargo Advantage Treasury | 29,477,740 | 29,477,740 | 53.2 | 0.010 | 0.010 |
| Govt Obligation MM (BOA) | 2,523,930 | 2,523,930 | 4.6 | 0.010 | 0.010 |
| US T-Bills | 5,991,000 | 6,000,896 | 10.8 | 0.010 | 0.010 |
| Cash | 8,227,719 | 8,227,719 | 14.9 | - | - |
| | <u>55,361,284</u> | <u>55,371,180</u> | <u>100.0</u> | | |

| | |
|------------------------------|-------------------|
| Money Market Funds/Cash | 49,370,284 |
| U.S. Treasuries and Agencies | 6,000,896 |
| Total | 55,371,180 |

| | <u>Due > one year</u> | | |
|------------------------------------|--------------------------|-----------------------------|---------------------------|
| | <u>Due < one year</u> | <u>& < ten years</u> | <u>Due > ten years</u> |
| Federal Prime Cash Obligation #851 | 9,140,895 | | |
| Wells Fargo Advantage Treasury | 29,477,740 | | |
| Govt Obligation MM (BOA) | 2,523,930 | | |
| US T-Bills | 6,000,896 | | |
| Cash | 8,227,719 | | |
| | <u>55,371,180</u> | <u>-</u> | <u>-</u> |