

AGENDA ITEM 12.

EXECUTIVE DIRECTOR'S REPORT

ILLINOIS STUDENT ASSISTANCE COMMISSION
BALANCE SHEET (UNAUDITED)
FY 2017
AS OF 05/31/2017

| | STUDENT LOAN OPERATING FUND | ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM | COLLEGE ILLINOIS! PREPAID TUITION FUND |
|--|-----------------------------------|--|--|
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS UNRESTRICTED | 55,107,395 | 23,480,445 | 2,241,365 |
| CASH AND CASH EQUIVALENTS RESTRICTED | - | 11,956,488 | - |
| INVESTMENTS | 14,263,867 | - | 898,562,464 |
| STUDENT LOAN RECEIVABLE (NET) | - | 371,316,951 | - |
| CONTRACTS RECEIVABLE (NET) | - | - | 51,206,641 |
| UNAMORTIZED FEES & COSTS | - | 930,609 | - |
| DEFERRED OUTFLOW OF RESOURCES - PENSION | 6,995,960 | 385,722 | - |
| DUE FROM OTHER FUNDS | 4,236,166 | - | - |
| FIXED ASSETS NET OF DEPRECIATION | 2,397,293 | - | - |
| TOTAL ASSETS | \$ 83,000,680 | 408,070,215 | 952,010,469 |
| LIABILITIES | | | |
| ACCOUNTS PAYABLE AND ACCRUED LIABILITIES | 2,231,989 | 248,809 | 670,479 |
| BONDS / LINE OF CREDIT PAYABLE (NET) | - | 329,572,781 | - |
| UNAMORTIZED GAIN ON NEW FINANCING | - | 37,393,228 | - |
| ACCRUED INTEREST PAYABLE | - | 539,999 | - |
| DUE TO DEPARTMENT OF EDUCATION | - | 455,582 | - |
| INVESTMENTS DUE TO TREASURER'S OFFICE | 14,218,000 | - | - |
| DUE TO OTHER FUNDS | 1,225,967 | 2,053,669 | 238,300 |
| DEFERRED INFLOW OF RESOURCES - PENSION | 35,306,494 | 4,245,459 | - |
| NET PENSION LIABILITY | 45,933,430 | 2,688,786 | - |
| TUITION PAYABLE | - | - | 402,696,233 |
| ACCRETION PAYABLE | - | - | 763,526,890 |
| TOTAL LIABILITIES | \$ 98,915,880 | 377,198,314 | 1,167,131,902 |
| FUND BALANCES | | | |
| ALLOCATION OF STATE PENSION LIABILITY UNRESTRICTED | (74,243,964) | (6,548,523) | - |
| UNRESTRICTED | 58,328,764 | 37,420,425 | (215,121,433) |
| TOTAL FUND BALANCES | \$ (15,915,200) | 30,871,902 | (215,121,433) |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 83,000,680 | 408,070,215 | 952,010,469 |

**ILLINOIS STUDENT ASSISTANCE COMMISSION
INCOME STATEMENT (UNAUDITED)
STUDENT LOAN OPERATING FUND
FY 2017
MONTH ENDED 05/31/2017**

| DESCRIPTION | YEAR TO DATE | | | | |
|--|---------------------|---------------------|---------------------|---------------------|----------------|
| | CURRENT YEAR | PRIOR YEAR | CY vs PY | CY vs BUDGET | |
| | TOTAL | TOTAL | VARIANCE | BUDGET | VARIANCE |
| REVENUES | | | | | |
| COLLECTIONS | 2,402,303 | 2,779,891 | (377,588) | 2,016,667 | 19.1% |
| REHABILITATIONS | 14,666,485 | 19,599,460 | (4,932,975) | 11,000,000 | 33.3% |
| REPURCHASE / CONSOL | 7,175,269 | 7,128,733 | 46,536 | 6,416,667 | 11.8% |
| INTEREST & OTHER INVEST INCOME | 396,757 | 216,792 | 179,965 | 199,467 | 98.9% |
| ACCOUNT MAINTENANCE FEE | 1,997,939 | 2,216,807 | (218,869) | 2,016,667 | -0.9% |
| DEFAULT AVERSION FEE | 165,380 | 245,285 | (79,905) | - | 0.0% |
| MISCELLANEOUS INCOME | 243,999 | 502,225 | (258,226) | 166,833 | 46.3% |
| RENTAL INCOME | 398,096 | 455,502 | (57,406) | 458,333 | -13.1% |
| TOTAL REVENUES | 27,446,228 | 33,144,695 | (5,698,467) | 22,274,633 | 23.2% |
| EXPENDITURES | | | | | |
| PERSONAL SERVICES & FRINGE BENEFITS | 18,919,367 | 21,384,703 | (2,465,336) | 21,852,600 | -13.4% |
| CONTRACTUAL SERVICES | 7,909,288 | 7,061,971 | 847,317 | 8,036,050 | -1.6% |
| RENTAL & MGMT OF REAL PROP | 1,130,917 | 1,139,727 | (8,810) | 1,088,817 | 3.9% |
| EQUIPMENT & TELECOM | 316,950 | 471,412 | (154,463) | 487,942 | -35.0% |
| TRAVEL | 106,825 | 91,284 | 15,541 | 144,650 | -26.1% |
| OTHER ADMIN EXPENSES | 65,783 | 31,976 | 33,807 | 101,567 | -35.2% |
| ISACORPS DIRECT PERSONNEL COST | 2,570,352 | 2,082,712 | 487,640 | 2,884,108 | -10.9% |
| ISACORPS DIRECT CONTRACTUAL & OTHER EXPENS | 164,659 | 138,343 | 26,316 | 230,358 | -28.5% |
| TOTAL EXPENDITURES | 31,184,141 | 32,402,128 | (1,217,988) | 34,826,092 | -10.5% |
| OPERATING INCOME (LOSS) BEFORE INTERFUND ALLOCATION | (3,737,913) | 742,567 | (4,480,480) | (12,551,458) | -70.2% |
| INTERFUND ALLOCATION | | | | | |
| AGENCY ADMINISTRATION - GRF EXPENSES | (2,299,050) | (6,022,894) | 3,723,844 | - | 0.0% |
| AGENCY ADMINISTRATION - GRF BENEFIT SAVINGS | (1,637,303) | (4,736,660) | 3,099,358 | - | 0.0% |
| OUTREACH - GRF EXPENSES | (354,079) | - | (354,079) | - | 0.0% |
| OUTREACH - GRF BENEFIT SAVINGS | (251,361) | - | (251,361) | - | 0.0% |
| COLLEGE ILLINOIS ALLOCATED EXPENSES | (1,650,862) | (1,267,472) | (383,390) | (1,375,000) | 20.1% |
| TOTAL INTERFUND ALLOCATION | (6,192,654) | (12,027,026) | 5,834,371 | (1,375,000) | 350.4% |
| OPERATING INCOME (LOSS) AFTER INTERFUND ALLOCATION | 2,454,741 | 12,769,592 | (10,314,851) | (11,176,458) | -122.0% |
| BEGINNING FUND BALANCE BEFORE PENSION LIABILITY | 55,874,022 | 45,641,721 | | | |
| ALLOCATION OF STATE PENSION LIABILITY | (74,243,964) | (81,905,937) | | | |
| ADJUSTED BEGINNING FUND BALANCE | (18,369,942) | (36,264,216) | | | |
| ENDING FUND BALANCE BEFORE PENSION LIABILITY | 58,328,764 | 58,411,313 | | | |
| ALLOCATION OF STATE PENSION LIABILITY | (74,243,964) | (81,905,937) | | | |
| ADJUSTED ENDING FUND BALANCE | (15,915,200) | (23,494,623) | | | |

**ILLINOIS STUDENT ASSISTANCE COMMISSION
INCOME STATEMENT (UNAUDITED)
ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM
FY 2017
MONTH ENDED 05/31/2017**

| DESCRIPTION | YEAR TO DATE | | | | |
|--|-------------------|-------------------|--------------------|------------------|--------------|
| | CURRENT YEAR | PRIOR YEAR | CY vs PY | CY vs BUDGET | |
| | TOTAL | TOTAL | VARIANCE | BUDGET | VARIANCE |
| IDAPP ADMINISTRATION | | | | | |
| OPERATING REVENUE | | | | | |
| IDAPP SERVICING FEE RECEIVED FROM TRUSTS | 1,700,468 | 2,002,984 | (302,516) | 1,650,000 | 3.1% |
| NFD FEES | 172,301 | 161,663 | 10,638 | 146,667 | 17.5% |
| TOTAL OPERATING REVENUE | 1,872,769 | 2,164,647 | (291,879) | 1,796,667 | 4.2% |
| OPERATING EXPENSES | | | | | |
| SALARIES AND EMPLOYEE BENEFITS | 314,741 | 662,420 | (347,679) | 318,083 | -1.1% |
| EXTERNAL LOAN SERVICING | 418,275 | 427,936 | (9,661) | 462,000 | -9.5% |
| OTHER CONTRACTUAL SERVICES | 83,889 | 87,178 | (3,289) | 91,667 | -8.5% |
| OTHER | 37,258 | 37,465 | (207) | 41,250 | -9.7% |
| TOTAL OPERATING EXPENSES | 854,163 | 1,214,999 | (360,836) | 913,000 | -6.4% |
| CONSOLIDATION REBATE FEE | 12,060 | 13,908 | (1,847) | 13,750 | -12.3% |
| FIB/SAP/EXCESS INTEREST | 12,218 | 26,131 | (13,912) | 27,500 | -55.6% |
| NET ADMINISTRATION OPERATING PROFIT | 994,327 | 909,610 | 84,718 | 842,417 | 18.0% |
| NET TRANSFER OF ASSETS FROM TRUST | 1,041,933 | 790,522 | 251,410 | - | 0.0% |
| BEGINNING FUND BALANCE BEFORE PENSION LIABILITY | 26,045,345 | 24,314,008 | 1,731,337 | | |
| ALLOCATION OF STATE PENSION LIABILITY | (6,548,523) | (7,937,245) | 1,388,722 | | |
| ADJUSTED BEGINNING FUND BALANCE JULY 1, 2016 | 19,496,822 | 16,376,763 | 3,120,059 | | |
| ENDING FUND BALANCE BEFORE PENSION LIABILITY | 28,081,605 | 26,014,140 | 2,067,465 | | |
| ALLOCATION OF STATE PENSION LIABILITY | (6,548,523) | (7,937,245) | 1,388,722 | | |
| NET ADMIN ASSET MAY 31, 2017 | 21,533,082 | 18,076,895 | 3,456,187 | | |
| TRUST OPERATIONS | | | | | |
| OPERATING REVENUE | | | | | |
| STUDENT LOAN INTEREST INCOME | 16,143,403 | 17,819,516 | (1,676,114) | - | 0.0% |
| INVESTMENT INCOME | 46,097 | 13,772 | 32,325 | - | 0.0% |
| TOTAL OPERATING REVENUE | 16,189,500 | 17,833,288 | (1,643,788) | - | 0.0% |
| OPERATING EXPENSES | | | | | |
| INTEREST EXPENSE | 4,744,726 | 3,934,923 | 809,803 | - | 0.0% |
| GAIN ON EXTINGUISHMENT OF DEBT - NET | (3,705,635) | (3,705,635) | - | - | 0.0% |
| AMORTIZATION OF LOAN PREMIUMS & FEES | 1,279,150 | 1,282,654 | (3,505) | - | 0.0% |
| CONSOLIDATION REBATE FEE | 1,366,380 | 1,476,866 | (110,486) | - | 0.0% |
| IDAPP SERVICING FEE RECEIVED FROM TRUSTS | 1,700,468 | 2,002,984 | (302,516) | - | 0.0% |
| EXTERNAL LOAN SERVICING | 992,782 | 1,232,077 | (239,295) | - | 0.0% |
| OTHER CONTRACTUAL SERVICES | 605,594 | 738,364 | (132,771) | - | 0.0% |
| TOTAL OPERATING EXPENSES | 6,983,464 | 6,962,234 | 21,230 | - | 0.0% |
| GROSS OPERATING PROFIT | 9,206,036 | 10,871,054 | (1,665,018) | - | 0.0% |
| PROVISION FOR LOAN LOSS | 1,335,451 | 3,552,616 | (2,217,166) | - | 0.0% |
| FIB/SAP/EXCESS INTEREST | 2,831,598 | 3,947,241 | (1,115,644) | - | 0.0% |
| NET TRUST OPERATING PROFIT | 5,038,988 | 3,371,196 | 1,667,792 | - | 0.0% |
| NET TRUST ASSETS JULY 1, 2016 | 5,341,765 | 2,858,956 | 2,482,809 | - | 0.0% |
| OTHER OPERATING TRANSFERS | (1,041,933) | (790,522) | (251,410) | - | 0.0% |
| NET TRUST ASSET MAY 31, 2017 | 9,338,820 | 5,439,630 | 3,899,190 | - | 0.0% |
| COMBINED NET INCOME | 6,033,315 | 4,280,806 | 1,752,509 | | |
| COMBINED BEGINNING FUND BALANCE BEFORE PENSION LI. | 31,387,110 | 27,172,964 | 4,214,146 | | |
| ALLOCATION OF STATE PENSION LIABILITY | (6,548,523) | (7,937,245) | 1,388,722 | | |
| ADJUSTED BEGINNING FUND BALANCE JULY 1, 2016 | 24,838,587 | 19,235,719 | 5,602,868 | | |
| ENDING FUND BALANCE BEFORE PENSION LIABILITY | 37,420,425 | 31,453,770 | 5,966,655 | | |
| ALLOCATION OF STATE PENSION LIABILITY | (6,548,523) | (7,937,245) | 1,388,722 | | |
| COMBINED NET ASSET MAY 31, 2017 | 30,871,902 | 23,516,525 | 7,355,377 | | |

**ILLINOIS STUDENT ASSISTANCE COMMISSION
INCOME STATEMENT (UNAUDITED)
COLLEGE ILLINOIS!
FY 2017
MONTH ENDED 05/31/2017**

| DESCRIPTION | YEAR TO DATE | | | | |
|--|-----------------------|----------------------|----------------------|-------------------|--------------------------|
| | CURRENT YEAR TOTAL | PRIOR YEAR TOTAL | CY vs PY VARIANCE | BUDGET | CY vs BUDGET VARIANCE |
| REVENUES | | | | | |
| INTEREST INCOME | 264,598 | 139,784 | 124,814 | - | 0.0% |
| INCOME FROM INVESTMENT SEC FEES | 62,521,605 | 53,305,291 | 9,216,315 | - | 0.0% |
| | 389,238 | 401,550 | (12,312) | - | 0.0% |
| TOTAL REVENUES | 63,175,441 | 53,846,625 | 9,328,817 | - | 0.0% |
| EXPENDITURES | | | | | |
| ADMINISTRATIVE EXPENDITURES | | | | | |
| PERSONAL SERVICES & FRINGE BEN | 1,116,859 | 1,028,663 | 88,196 | 1,436,600 | -22.3% |
| CONTRACTUAL SERVICES | 2,871,731 | 3,125,001 | (253,270) | 3,598,283 | -20.2% |
| EQUIPMENT & TELECOM | - | 1,267 | (1,267) | - | 0.0% |
| TRAVEL | 1,934 | 2,973 | (1,038) | 16,042 | -87.9% |
| INVESTMENT EXPENSE | 2,778,095 | 2,049,665 | 728,430 | 3,664,467 | -24.2% |
| OTHER ADMIN EXPENSES | 5,514 | 1,258 | 4,256 | 1,833 | 200.8% |
| TOTAL ADMINISTRATIVE EXPENDITURES | 6,774,133 | 6,208,827 | 565,306 | 8,717,225 | -22.3% |
| COST ALLOCATIONS | | | | | |
| SUPPORTING SERVICES | 1,650,862 | 1,267,472 | 383,390 | 1,833,333 | -10.0% |
| TOTAL COST ALLOCATIONS | 1,650,862 | 1,267,472 | 383,390 | 1,833,333 | -10.0% |
| ACTUARIAL EXPENDITURES | | | | | |
| ACCRETION EXPENSE ACCRUED * | 54,750,446 | 46,370,325 | 8,380,121 | - | 0.0% |
| TOTAL ACTUARIAL EXPENDITURES | 54,750,446 | 46,370,325 | 8,380,121 | - | 0.0% |
| TOTAL EXPENDITURES | 63,175,441 | 53,846,625 | 9,328,817 | 10,550,558 | 498.8% |
| EXCESS REVENUE OVER (UNDER) EXPENDITURES, AFTER TRANSFERS | | | | | |
| | - | - | 0 | (10,550,558) | -100.0% |
| BEGINNING FUND BALANCE * | (215,121,433) | (236,113,466) | | | |
| ENDING FUND BALANCE | (215,121,433) | (236,113,466) | | | |

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

| ILLINOIS STUDENT ASSISTANCE COMMISSION | | | | |
|--|---------------------------------|----------------------------------|---------------------------------|--------------------------------|
| FISCAL YEAR 2017 APPROPRIATION SUMMARY REPORT | | | | |
| As of 05/31/17 | | | | |
| | FY2017 Appropriation | Year-to-date Expended | Number of Recipients | Percentage Expended |
| STATE GENERAL FUNDS | | | | |
| SCHOLARSHIPS AND GRANTS | | | | |
| Monetary Award Program- Fund 640 | \$151,000,000 | \$150,948,716 | 92,586 | 100.0% |
| EAF Lump Sum for Admin/P&F/G.Apple | \$3,762,000 | \$3,732,673 | 475 | 99.2% |
| Teacher Loan Forgiveness Program | 0 | \$0 | 0 | 0.0% |
| Minority Teacher Scholarships | 0 | \$0 | 0 | 0.0% |
| Golden Apple Scholars Program-IFTC | 0 | \$0 | 0 | 0.0% |
| Dependents Grants | 0 | \$0 | 0 | 0.0% |
| Nurse Educator Loan Repayment Program | 0 | \$0 | 0 | 0.0% |
| Veterans' Home Nurse Loan Repayment Program | 0 | \$0 | 0 | 0.0% |
| Illinois Scholars Program | 0 | \$0 | N/A | 0.0% |
| GRF-Outreach & Training.-Co Admin cost- (Payroll) | 997,700 | \$354,079 | N/A | 35.5% |
| GRF-Scholarship&Grants - Co Admin cost- (Payroll) | 7,245,225.00 | \$2,299,050 | N/A | 31.7% |
| TOTAL | \$163,004,925 | \$157,334,518 | 93,061 | 96.5% |
| SPECIAL REVENUE FUNDS | | | | |
| STUDENT LOAN OPERATING FUND | | | | |
| Administration Expense | 61,246,400 | 27,443,622 | N/A | 44.8% |
| Federal Loan System Development & Maintenance | 2,500,000 | 0 | N/A | 0.0% |
| SLOF Transfer to IDAPP | 1,000,000 | 0 | N/A | 0.0% |
| TOTAL | \$64,746,400 | \$27,443,622 | 0 | 42.4% |
| FEDERAL STUDENT LOAN FUND | | | | |
| Loan Guarantee Program | 260,000,000 | 130,718,948 | N/A | 50.3% |
| TOTAL | \$260,000,000 | \$130,718,948 | N/A | 50.3% |
| SCHOLARSHIPS AND GRANTS | | | | |
| Federal Grant - Gear Up Program | 15,000,000 | 162,550 | N/A | 1.1% |
| John R Justice Student Loan Repayment Program | 500,000 | 52,589 | N/A | 10.5% |
| Transfer to ED -Paul Douglas Funds Collected | 400,000 | 292 | N/A | 0.1% |
| TOTAL | \$15,900,000 | \$215,431 | \$0 | 1.4% |
| OTHER | | | | |
| ISAC Accounts Receivables | 300,000 | 112,290 | N/A | 37.4% |
| Higher Education License Plate Program | 110,000 | 89,875 | N/A | 81.7% |
| Optometric Education Scholarship Program | 50,000 | 50,000 | 0 | 100.0% |
| IVG- National Guard Grant Fund | 20,000 | 0 | 0 | 0.0% |
| Illinois Future Teachers Corps Scholarship Fund | 312,600 | 108,700 | 0 | 34.8% |
| Contracts and Grants Fund | 10,000,000 | 5,000 | N/A | 0.1% |
| TOTAL, SPECIAL REVENUE FUNDS | \$351,439,000 | \$158,743,867 | 0 | 45.2% |
| GRAND TOTAL | \$514,443,925 | \$316,078,385 | 93,061 | 61.4% |

| <u>ILLINOIS STUDENT ASSISTANCE COMMISSION</u> | | |
|---|-----------------|----------------------|
| COLLEGE ILLINOIS! | | |
| SOURCES AND USES REPORT | | |
| May 2017 - FY 2017 | | |
| BEGINNING MARKET VALUE TOTAL FUNDS BALANCE, 07/01/16 | | \$966,205,198 |
| SOURCES OF FUNDS | | |
| Contributions received | \$20,805,780 | |
| Contracts fees | 389,238 | |
| Interest from Treasury and Banks | 35,679 | |
| Unrealized Gain on Investments | 28,165,784 | |
| Interest on Investments | 21,669,655 | |
| Realized Gain on Investments | 4,737,944 | |
| Interest and Other Income | 227,142 | |
| Increase in Market Value of Alternative Funds | 7,948,223 | |
| TOTAL SOURCES | | \$83,979,445 |
| USES OF FUNDS | | |
| Administrative Expenses | 5,956,850 | |
| Refunds to Purchasers | 15,946,812 | |
| Tuition Payments | 124,410,306 | |
| Investment Expense | 1,151,634 | |
| Investment Advisory Fees | 1,917,835 | |
| TOTAL USES | | \$149,383,437 |
| ENDING MARKET VALUE TOTAL FUNDS BALANCE, 05/31/17 | | \$900,801,205 |
| NUMBER AND DOLLAR VALUE OF PLANS, 05/31/2017 | | |
| Number of Plans: | | |
| Plans with Contributions Paid in Full | 53,827 | |
| Active Plans | 2,950 | |
| Cancelled Plans | 16,395 | |
| Suspended Plans | 1 | |
| Total Number of Contracts Sold | 73,173 | |
| Contracts with benefits paid out in full | 18,286 | |
| Contracts with outstanding Benefits | 38,492 | |
| Purchased Value of all Plans | \$1,765,221,398 | |
| 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. | | |

| Illinois Student Assistance Commission | | | |
|---|----|------------|---------|
| Illinois Designated Account Purchase Program Investment Information | | | |
| As of May 31, 2017 | | | |
| 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 | \$ | 35,436,933 | |
| Asset Allocation: | | | |
| | | Value | Percent |
| Cash | \$ | 19,861,465 | 56% |
| Money Market Funds | | 11,594,818 | 33% |
| U.S. Treasuries & Agencies | | 3,980,650 | 11% |
| Total | \$ | 35,436,933 | 100% |
| Investment Income: | | | |
| Investment Income | \$ | 6,782 | |
| Unrealized Gain/(Loss) Net | | 2,554 | |
| Monthly Income Yield | | 0.019% | |
| Authorized Financial Institutions: | | | |
| Bank of America | | | |
| Bank of New York Mellon | | | |
| JP Morgan Chase & Co. | | | |
| Northern Trust | | | |
| Wells Fargo Bank | | | |
| Note: | | | |
| The information reported above is believed to be accurate, but has not been audited. | | | |