FISCAL YEAR 2007
Annual Report

Illinois Student Assistance Commission

COLLEGE ILLINOIS!

ILLINOIS PREPAID
TUITION PROGRAM:
ILLINOIS STUDENT
ASSISTANCE COMMISSION

February 25, 2008

The Honorable Rod Blagojevich, Governor of the State of Illinois
The Honorable Emil Jones, President of the Illinois Senate
The Honorable Michael J. Madigan, Speaker of the Illinois House of Representatives
The Honorable William Holland, Auditor General of the State of Illinois
Members of the Illinois Board of Higher Education
Citizens of Illinois

We are pleased to issue the fiscal year 2007 Annual Report for *College Illinois!*, the state's Section 529 Prepaid Tuition Program. This report references the program's ninth consecutive year of operation, including the program's ninth enrollment period – from October 23, 2006 through April 24, 2007 – during which 4,100 *College Illinois!* contracts were purchased. Once the ninth annual enrollment period was completed, *College Illinois!* prepaid tuition contracts in force on June 30, 2007 totaled more than 49,800. In fact, *College Illinois!* participants have committed more than $1.1 billion toward the purchase of prepaid tuition contracts, representing more than 180,000 years of college either already prepaid or in the process of being prepaid through the program.

The program's most recent Actuarial Valuation Report, prepared by actuaries at Richard M. Kaye and Associates in conjunction with PricewaterhouseCoopers LLP, is included in its entirety within the Annual Report. As of June 30, 2007, the actuarial value of expected liabilities exceeds assets (including the value of future payments by contract purchasers) by $84.2 million, resulting in a funded ratio of 93.3 percent. The Annual Report also indicates that program assets are expected to cover all benefit payments through at least the year 2023, even assuming that no additional contracts are sold subsequent to June 30, 2007. These results are indicative of the financial solidity of *College Illinois!*.

This past year the program's actuarial deficit was reduced by more than 40 percent, or $62.7 million, because the dollar impact of positive factors (e.g., performance of portfolio investments, changes to underlying assumptions regarding future investment performance, and price premiums) were significantly greater than the dollar impact of negative factors (i.e., estimating public university freshman tuition increases and fee increases for all students imposed during 2006-2007). The Commission has endeavored each year to be realistic in setting both investment return and tuition and fee inflation assumptions. The Commission also continued its practice of setting contract prices conservatively for 2006-2007, at a level designed over time to amortize the actuarial deficit. These past actions, combined with continuing strong annual contract sales and asset appreciation, have had a positive impact upon the program's financial soundness. The program's enhanced long-term investment performance assumptions derive in part from opportunities inherent in the size of the investment portfolio (approximately $1.0 billion) and also from asset allocation changes and further diversification of the program's investments that will be implemented during FY2008 or soon thereafter. Contract prices for 2007-2008 once again include a factor to continue the amortization of the program's current actuarial deficit.

College Illinois! continues to be popular with families in Illinois facing the financial burden of funding a future college student's education. The program has increased public awareness of the rising costs of college and the importance of establishing and funding a financial plan. *College Illinois!* seeks to facilitate that planning by providing a safe, secure and tax-advantaged way for Illinois citizens to ensure the affordability of a college education for their children or grandchildren.

We encourage you to contact *College Illinois!* should you have any questions regarding the program or this report.

Sincerely,

Andrew A. Davis, Executive Director
Illinois Student Assistance Commission

Randy P. Erford, Director
College Illinois!

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Deerfield, IL 60015-5209
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Fax: (847) 948-5033
www.collegeillinois.com
collill@isac.org

The Illinois Student Assistance Commission *

Donald J. McNeil, Chairman
Partner, Barnes & Thornburg LLP, of Chicago

Warren "Bo" Daniels, Jr., Vice-Chairman
Managing Director and Head of Public Finance, Loop Capital Markets, of Chicago

Sharon Taylor Alpi
Coleman Foundation Professor in Entrepreneurship, Tabor School of Business, Millikin University, of Decatur

Dr. Lynda Andre
Assistant Superintendent of Curriculum, Edwardsville School District, of Edwardsville

Ashley J. Dearborn
Student Commissioner, of Chicago

Dr. Mary Ann Louderback
Former Member, Illinois Educational Labor Relations Board, of Cary

Hugh E. Van Voorst
Owner, Van Voorst Lumber Company, of Union Hill

David H. Vaught
Deputy Director of the Illinois Department of Central Management Services, of Naperville

*Commission Membership as of June 30, 2007

College Illinois! Investment Advisory Panel*

John Albin
President, Longview Capital Corporation, of Newman

George Clam
Senior Vice President and Senior Credit Officer, MB Financial Bank, of Woodridge

Susan Keegan
Attorney, D'Amato, Keegan & Douglas, of Chicago

Edward Madden
President, Heritage Bank of Schaumburg, of Chicago

Michael Mann
Associate Director, Illinois Board of Higher Education, of Jacksonville

Ingrid Stafford
Associate Vice President for Finance and Controller of Northwestern University, of Evanston

*Panel Membership as of June 30, 2007

PROGRAM OVERVIEW

College Illinois!, the Illinois Prepaid Tuition Program, is administered by the Illinois Student Assistance Commission, the state agency that has been helping Illinois families pay for college for almost 50 years. As a qualified tuition program under Section 529 of the Internal Revenue Code, *College Illinois!* provides individuals with an opportunity to lock in the cost of future tuition and mandatory fees, protecting against tuition inflation. The Program was enacted by the General Assembly and then signed into law by the Governor in November 1997.

College Illinois! offers plans for public university semesters, community college semesters and a combined plan that includes two years at a community college and two years at a public university. Plans can be purchased one semester at a time or up to a maximum of nine semesters for any one future student. Benefits may also be used at private colleges within Illinois and at public universities and private colleges and universities across the country as well.

The program has no age restrictions for future students. Beneficiaries of a plan do not have to choose a school until time of college enrollment. Plans can be purchased with a single lump-sum payment, or in monthly or annual installments for five, ten or fifteen years. *College Illinois!* covers undergraduate tuition and mandatory fees but does not cover other expenses such as room and board, books and transportation.

Benefits provided by *College Illinois!* are entirely exempt from both federal and state income tax. In addition, contributions to *College Illinois!* (up to a maximum of $10,000 per individual or $20,000 per couple) are deductible from Illinois taxable income.

During FY2007, *College Illinois!* completed its ninth enrollment period. As of June 30, 2007 there were approximately 49,800 contracts in force. The value of all contracts purchased now tops the $1 billion mark. As the only college funding tool backed by the state of Illinois, *College Illinois!* can protect purchasers against tuition and fee increases that historically have averaged 8.0 percent per year during the past twenty years at public universities in Illinois. It is an affordable, flexible and tax-advantaged program, designed to be the cornerstone of any family's college funding plan.

FINANCIAL STATEMENTS

McGladrey & Pullen

Certified Public Accountants

State of Illinois
Illinois Student Assistance Commission
Illinois Prepaid Tuition Program

Financial Statements
For the Year Ended June 30, 2007

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

State of Illinois
Illinois Student Assistance Commission
Illinois Prepaid Tuition Program

Agency Officials

Executive Director (01/01/07 – Current)	Andrew Davis
Executive Director (07/01/06 – 12/31/06)	Larry Matejka
Chief Financial Officer (03/19/07 – Current)	John Sinsheimer
Chief Financial Officer (07/01/06 – 03/18/07)	Theresa Morgan
General Counsel (02/08/07 – Current)	Kim Barker Lee
General Counsel (07/01/06 – 02/07/07)	Karen Salas

Agency offices are located at:

1755 Lake Cook Road
Deerfield, IL 60015-5209

500 West Monroe
Springfield, IL 62704

100 West Randolph
Suite 3-200
Chicago, IL 60601

State of Illinois
Illinois Student Assistance Commission
Illinois Prepaid Tuition Program

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McGladrey & Pullen
Certified Public Accountants

Independent Auditors' Report

Honorable William G. Holland
Auditor General
State of Illinois ,and

Mr. Donald J. McNeil
Honorable Chairman of the Governing Board
Illinois Student Assistance Commission

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the Illinois Prepaid Tuition Program of the State of Illinois, Illinois Student Assistance Commission as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the State of Illinois, Illinois Student Assistance Commission's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Illinois Prepaid Tuition Program, a fund of the State of Illinois, Illinois Student Assistance Commission and do not purport to, and do not, present fairly the financial position of the State of Illinois, Illinois Student Assistance Commission as of June 30, 2007, and its changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Prepaid Tuition Program of the State of Illinois, Illinois Student Assistance Commission, as of June 30, 2007, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The State of Illinois, Illinois Student Assistance Commission has not presented a management's discussion and analysis for the Illinois Prepaid Tuition Program that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 14, 2008 on our consideration of the Illinois Prepaid Tuition Program of the State of Illinois, Illinois Student Assistance Commission's internal control over financial reporting 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

McGladrey & Pullen, LLP

Schaumburg, Illinois
February 14, 2008

State of Illinois
Illinois Student Assistance Commission
Illinois Prepaid Tuition Program

Statement of Net Assets
June 30, 2007

Assets	
Current	
Cash and cash equivalents	$ 7,267,562
Receivables:	
Accrued interest on investments	54,373
Total current assets	7,321,935
Noncurrent	
Investments	986,333,459
Total assets	993,655,394
Liabilities	
Current	
Accounts payable and accrued expenses	982,803
Tuition payable	28,832,041
Accreted tuition payable	2,170,154
Due to other State funds	57,956
Compensated absences	30,000
Total current liabilities	32,072,954
Noncurrent	
Tuition payable	716,245,769
Accreted tuition payable	208,952,760
Compensated absences	62,459
Total noncurrent liabilities	925,260,988
Total liabilities	957,333,942
Net assets, unrestricted	$ 36,321,452

See Notes to Financial Statements.

State of Illinois
Illinois Student Assistance Commission
Illinois Prepaid Tuition Program

Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2007

Operating revenues:	
Income from investment securities	$ 124,331,458
Interest revenue - other	532,768
Application and other fees	2,258,664
Total operating revenues	127,122,890
Operating expenses:	
Salaries and employee benefits	735,765
Accreted tuition expenses	54,684,342
Management and professional services	3,179,054
Investment management fees	3,041,955
Total operating expenses	61,641,116
Operating income	65,481,774
Transfer - out	(25,000)
Change in net assets	65,456,774
Net assets (deficit), July 1, 2006	(29,135,322)
Net assets, June 30, 2007	$ 36,321,452

See Notes to Financial Statements.

State of Illinois
Illinois Student Assistance Commission
Illinois Prepaid Tuition Program

Statement of Cash Flows
Year Ended June 30, 2007

Cash flows from operating activities	
Cash receipts from prepaid tuition contracts	$ 119,794,784
Cash received from application and other fees	2,258,664
Cash paid for refund of contracts	(6,190,717)
Cash paid for tuition and accretion	(28,336,559)
Cash payments to suppliers for goods and services	(3,049,917)
Cash payments to employees for services	(729,344)
Net cash provided by operating activities	83,746,911
Cash flows from noncapital financing activities	
Transfer Out	(25,000)
Cash flows from investing activities	
Purchase of investment securities	(416,383,786)
Sales and maturities of investment securities	311,060,944
Interest and dividends on investments	21,164,846
Cash paid to investment managers	(3,041,955)
Net cash used in investing activities	(87,199,951)
Net decrease in cash and cash equivalents	(3,478,040)
Cash and cash equivalents, July 1, 2006	10,745,602
Cash and cash equivalents, June 30, 2007	$ 7,267,562

(Continued)

State of Illinois
Illinois Student Assistance Commission
Illinois Prepaid Tuition Program

Statement of Cash Flows (Continued)
Year Ended June 30, 2007

Reconciliation of operating income to net cash provided by operating activities:

Operating income	$ 65,481,774
Adjustments to reconcile operating income to net cash provided by operating activities:	
Investment and other interest income	(124,864,226)
Accreted tuition expense	54,684,342
Investment management fees	3,041,955
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	135,840
Due to other State funds	(6,702)
Tuition payable	85,267,507
Compensated absences	6,421
Total adjustments	18,265,137
Net cash provided by operating activities	$ 83,746,911

Supplemental disclosure of noncash transactions:

Net appreciation in fair value of investments	$ 103,708,616

See Notes to Financial Statements.

Note 1. Description of Program

The Illinois Student Assistance Commission (ISAC) administers the nonshared proprietary fund, Illinois Prepaid Tuition Program (*College Illinois!*) described below. A nonshared fund is a fund in which a single State agency is responsible for administering substantially all financial transactions of the fund.

Legislation authorizing ISAC to administer an Illinois Prepaid Tuition Program was passed in November 1997. The Illinois Prepaid Tuition Program is administered by ISAC with advice and counsel from an investment advisory panel consisting of seven members appointed by ISAC. The purpose of this program is to provide Illinois families with an affordable tax-advantaged method to pay for college. Illinois Prepaid Tuition contracts will allow participants to prepay the cost of tuition and mandatory fees at Illinois public universities and community colleges at current program prices, which are significantly less than projected future college costs. Benefits of the contracts can also be used at private and out-of-state colleges and universities. Contracts can be purchased in a lump sum payment or in installments.

The first contracts were offered for sale in 1998. After nine enrollment periods, as of June 30, 2007, the Illinois Prepaid Tuition Program had 49,814 contracts in force with a purchased value of $1,185 million. As of June 30, 2007, the fund has received cash collections of $823,838,110.

The Illinois Prepaid Tuition Program Fund is a non-appropriated fund.

Note 2. Summary of Significant Accounting Policies

The financial statements of the Illinois Prepaid Tuition Program administered by ISAC have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

A. Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

2) Fiscal dependency on the primary government.

Based upon the required criteria, the Illinois Prepaid Tuition Program does not have component units, nor is it a component unit of any other entity. However, because the Illinois Prepaid Tuition Program is not legally separate from the State of Illinois, it is included in the financial statements of the State as a proprietary fund. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, Illinois 62704-1871.

Note 2. Summary of Significant Accounting Policies - Continued

A. Reporting Entity - Continued

The financial statements present only the Illinois Prepaid Tuition Program administered by the State of Illinois, Illinois Student Assistance Commission (ISAC) and do not purport to, and do not, present fairly the financial position of the State of Illinois or ISAC as of June 30, 2007, and changes in financial positions and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

B. Basis of Presentation

In government, the basic accounting and reporting entity is a fund. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A statement of net assets, statement of revenues, expenses, and changes in net assets, and statement of cash flows have been presented for the Illinois Prepaid Tuition Program administered by ISAC.

Operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Due to the nature of the Illinois Prepaid Tuition Program activities, income from investments is considered an operating activity in the Statement of Revenues, Expenses and Changes in Net Assets. Nonoperating revenues and expenses result from nonexchange transactions or ancillary activities.

C. Basis of Accounting

The Illinois Prepaid Tuition Program is 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. The fund accounts for resources received and used for financing self-supporting activities of the Illinois Prepaid Tuition Program that offers services on a user-charge basis to the general public.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The State also has the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The State has elected not to follow subsequent private-sector guidance as it relates to the Program's operations.

D. Cash and Cash Equivalents

Cash and cash equivalents consist principally of deposits held in the State Treasury. Cash and cash equivalents include cash on hand, cash in banks, interest bearing deposits with banks, and securities with maturities at the date of purchase of 90 days or less.

Note 2. Summary of Significant Accounting Policies - Continued

E. Investments

The Illinois Prepaid Tuition Program presents investments on its Statement of Net Assets at fair value. The net appreciation or depreciation in the fair value of investments is included in income from investment securities in the Statement of Revenues, Expenses and Changes in Net Assets. The investments are classified as noncurrent, as current cash flows cover current payouts for the program and the program has no plans to withdraw investments in the near future.

F. Interfund Transactions

The Illinois Prepaid Tuition Program has the following type of interfund transactions with other funds of the State:

Loans - amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flow of assets in return and without a requirement for repayment. Transfers are reported after nonoperating revenues and expenses.

G. Compensated Absences

The liability for compensated absences reported in the Illinois Prepaid Tuition Program consists of unpaid, accumulated vacation and sick leave balances for Illinois Prepaid Tuition Program employees. The liability has been calculated using the vesting method in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary-related costs (e.g., Social Security and Medicare tax).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

H. Tuition Payable

Tuition payable in the Illinois Prepaid Tuition Program represents the net principal payments received for the 49,814 contracts held by the fund as of June 30, 2007.

Note 2. Summary of Significant Accounting Policies - Continued

I. Net Assets, Unrestricted (Deficit)

Net assets, unrestricted consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

J. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions 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. Actual results could differ from those estimates.

K. Funding and Actuarial Assumptions

Program funding is derived entirely from payments received from contract purchasers and the investment income earned by the Fund. The Commission has obtained actuarial assistance in order to establish, maintain and certify assets sufficient to meet the Fund's obligations. The assets of the fund are to be preserved, invested and expended solely pursuant to and for the purposes of the Fund and may not be loaned or otherwise transferred or used by the State of Illinois for any other purpose.

In the event the Commission, with the concurrence of the State of Illinois, determines the Illinois Prepaid Tuition Program to be financially infeasible, the Commission may discontinue, prospectively, the operation of the Illinois Prepaid Tuition Program. Any beneficiary who has been accepted by and is enrolled, or will within five years enroll, at an eligible institution shall be entitled to exercise the complete benefits of his/her contract. All other contract holders shall receive an appropriate refund of all contributions and accrued interest up to the time the Illinois Prepaid Tuition Program is discontinued.

Note 3. Deposits and Investments

A. Investment Authority and Legal Compliance

The State Treasury is the custodian of the State's cash and cash equivalents for the Illinois Prepaid Tuition Program maintained in the State Treasury. The investment authority for the State Treasury is found in the State Treasurer Act (15 ILCS 505), which authorizes the State of Illinois primary government and its component units to engage in a wide variety of investment activities. For further details please refer to the State of Illinois CAFR, available in the Office of the Treasurer, Fiscal Officer Responsibilities Audit Report. A copy of the report can be obtained from the State Treasurer at 300 West Jefferson, Springfield, Illinois, 62701.

The Illinois Prepaid Tuition Program independently manages cash and cash equivalents maintained outside the State Treasury. The Commission by statute (Illinois Prepaid Tuition Act, 110 ILCS 979) is required to appoint an investment advisory panel to offer advice and counseling regarding the investments of the Illinois Prepaid Tuition Program. The panel is required to annually review and advise the Commission on provisions of the strategic investment plan, which will specify the investment policies to be utilized by the Commission in the administration of the Illinois Prepaid Tuition Program.

Note 3. Deposits and Investments - Continued

A. Investment Authority and Legal Compliance - Continued

The Commission may direct that assets of those Funds be placed in savings accounts or may use the same to purchase fixed or variable life insurance or annuity contracts, securities, evidence of indebtedness, or other investment products pursuant to the comprehensive investment plan and in such proportions as may be designated or approved under that plan.

Investment managers are hired who, by their record and experience have demonstrated their fiduciary responsibility, their investment expertise, their investment experience, and their capacity to undertake the mandate for which they are being considered. Investment managers retained for the Illinois Prepaid Tuition Program acknowledge in writing, a fiduciary relationship with respect to the Illinois Prepaid Tuition Program and need to be currently registered and maintain registration as an investment advisor under the Investment Advisors Act of 1940, a bank (as defined in the Act), or an insurance company qualified to perform investment management services under the law of more than one state unless otherwise approved on an exception basis. The Commission has established investment guidelines for the investment managers and conducts thorough due diligence before the appointment of all investment managers.

A qualified investment consultant, on an ongoing basis, evaluates the Illinois Prepaid Tuition Program. Written reports are provided to the Commission by the investment consultant no later than 45 days after the end of each calendar quarter. The investment consultant meets with the various investment managers on a regular basis to review the investment guidelines and analyzes the general liability structure of the Illinois Prepaid Tuition Program. They also assist the Commission and the Investment Advisory Panel with the selection of investment managers and custodians. The qualified investment consultant retained by the Commission is required to exercise discretion within the parameters set forth in the investment policy guidelines for the portfolio(s) they manage. Additionally, the program has contracted with Marquette Associates to evaluate the investment performance of the Illinois Prepaid Tuition Program on a quarterly basis.

The Illinois Prepaid Tuition Program investment policy dictates certain guidelines and restrictions that apply to investments in domestic equities by the investment managers. The manager may only hold up to 5% of its portfolio in a money market and/or cash. The only exception to this rule is during trading activity, which can only be maintained for very short time periods, i.e. less than 30 days. Further, options, financial futures, private placements, restricted stock, issues related to the investment manager, or venture capital may not be purchased. The policy also prohibits the purchase of securities on margin and short selling. Also, investments cannot be made in securities not traded on a U.S. exchange or traded in U.S. dollars.

The investment policy authorizes the Commission to utilize a third party custodian to safe-keep the assets of the fund and to provide reports on a monthly basis to all necessary parties. The custodian is responsible for sweeping all interest and dividend payments and any other un-invested cash into a short-term money market fund for re-deployment. The custodian retained by the Commission is required to exercise discretion within the parameters set forth in the investment policy guidelines for the portfolio(s) they manage on behalf of the fund.

Note 3. Deposits and Investments - Continued

B. Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Illinois Prepaid Tuition Program's deposits may not be returned to it. State law (30 ILCS 230/2C) requires that all deposits of public funds be covered by FDIC insurance or eligible collateral. The Illinois Prepaid Tuition Program has no policy that would further limit the requirements under State law. As of June 30, 2007, the Illinois Prepaid Tuition Program's locally held deposits were not exposed to custodial credit risk.

The State Treasurer is the custodian of the State's cash and cash equivalents for the Illinois Prepaid Tuition Program maintained in the State Treasury. Deposits in the custody of the State Treasurer totaled $5,020,939 at June 30, 2007. These deposits are pooled and invested with other State funds in accordance with the Deposits of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been addressed as to custodial credit risk because the Illinois Prepaid Tuition Program does not own individual securities. Details on the nature of these deposits and investments are available within the State of Illinois' Comprehensive Annual Financial Report.

C. Investments

ISAC is required annually to adopt a comprehensive investment plan to invest the funds received through contract payments. The Commission approved the Illinois Prepaid Tuition Program's most recent revision to the investment plan in January 2007. The comprehensive investment plan specifies the investment policies to be utilized by the Commission in its administration of the Illinois Prepaid Tuition Program. The Commission may direct that assets of those funds be invested in a manner that will provide the investment return and risk level consistent with the actuarial return requirements and risk levels and cash flow demands of the Fund. The investments should be in compliance with all applicable federal and state laws and other statutes governing the investment of Illinois Prepaid Tuition Program resources.

ISAC has retained State Street Global Advisors, J P Morgan Investment Advisors, William Blair & Company, LSV Asset Management, Holland Capital, New Amsterdam Partners, Kenwood Capital, Nicholas Applegate, Denver Investment Advisors, Galliard Capital, Income Research, and Rhumb Line Advisors as investment managers to assist with the investment of the fund assets for the Illinois Prepaid Tuition Program. Approximately $84,700,000 of additional contract payments received have been invested as of the end of the fiscal year June 30, 2007. The program has contracted with Marquette Associates to evaluate the investment performance of the Program on a quarterly basis. Use of funds invested on behalf of the Illinois Prepaid Tuition Program by the investment managers is restricted to the payout of tuition and fee benefits for program beneficiaries.

As of June 30, 2007, 59% of the funds were invested in Domestic Equities, 34% in Domestic Fixed Income, 6% in International Equity and 1% as Cash and Equivalents. Investments of the Fund are recorded at fair value based on quoted market prices.

Note 3. Deposits and Investments - Continued

C. Investments - Continued

The Illinois Prepaid Tuition Program's cash and investments at June 30, 2007 are presented below at fair value by investment type and by investment manager:

Investment Managers
Asset Allocation
June 30, 2007

Asset Class	Investment Manager	Fair Value	Actual Allocation
Fixed Income-Core	J P Morgan	$ 120,071,677	12.08%
Fixed Income-Intermediate	Galliard Capital	81,547,125	8.21%
Fixed Income-Intermediate	Income Research	81,770,765	8.23%
Fixed Income-Core	SSgA Passive Bonds	56,585,494	5.69%
Total Fixed Income Portfolio		**339,975,061**	**34.22%**
Large-Cap Core Equity	SSgA S&P 500 Index	149,422,437	15.04%
Large-Cap Value Equity	LSV Asset Management	82,724,990	8.33%
Large-Cap Value Equity	SSgA	83,351,795	8.39%
Large-Cap Growth Equity	William Blair & Company	43,204,742	4.35%
Large-Cap Growth Equity	Holland Capital	41,446,495	4.17%
Large-Cap Growth Equity	New Amsterdam Partners	42,120,592	4.24%
Small-Cap Core Equity	Nicholas Applegate	52,385,472	5.27%
Small-Cap Core Equity	Denver Investment Advisors	48,335,578	4.86%
Small-Cap Value Equity	Rhumb Line Advisors	24,075,607	2.42%
Small-Cap Value Equity	Kenwood Capital	23,009,518	2.32%
Total Domestic Equity		**590,077,226**	**59.39%**
International Equity	LSV Asset Management	56,281,172	5.66%
Total International Equity		**56,281,172**	**5.66%**
Total Investments		**986,333,459**	**99.27%**
Cash and Equivalents	N/A	7,267,562	0.73%
Total Cash Equivalents		**7,267,562**	**0.73%**
TOTAL PORTFOLIO		**$ 993,601,021**	**100%**

Note 3. Deposits and Investments - Continued

C. Investments - Continued

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Illinois Prepaid Tuition Program's policy for managing interest rate risk is to ensure that the investment managers comply with its investment policy guidelines.

As per the investment policy, the operational guidelines for the Fixed Income Securities Managers require that the average duration of the manager's portfolio not vary more than +/- 30% of the duration of the Lehman Brothers (LB) Intermediate Government/Credit Index and the LB Aggregate Index respectively (see schedule of investments on previous page).

The duration of the portfolios, by Manager, for the fixed income securities, compared to the benchmark index(s) is as follows:

Fixed Income Portfolio Manager	Portfolio Average Duration	LB Aggregate Index	LB Intermediate Government/ Credit Index
JP Morgan	4.2 years	4.7 years	N/A
Galliard Capital	3.6 years	N/A	3.7 years
Income Research Management	3.5 years	N/A	3.7 years
SSgA	4.2 years	4.7 years	N/A

As of June 30, 2007, all portfolios are within the guidelines permitted by the investment policy.

Note 3. Deposits and Investments - Continued

C. Investments - Continued

Interest Rate Risk –Continued

Portfolio Weighted Average Maturity

Investment Type	Fair Value	Weighted Average Maturity (in Years)
U.S. treasury notes	$ 43,373,784	6.4
U.S. treasury bonds	22,350,894	4.5
U.S. treasury strips	11,683,645	9.0
U.S. agency obligations	62,490,825	6.1
Municipal Debt	10,052,134	4.0
Corporate debt securities	54,661,381	5.9
Money market mutual funds	8,267,031	0.0
Corporate asset-backed securities	19,732,468	8.3
Foreign debt securities	796,564	7.0
Corporate mortgage backed securities	25,937,962	3.2
Mortgage backed securities:		
Pass through (fixed rate, adjustable rate)	9,952,829	4.1
Collateralized mortgage obligations	3,964,419	5.5
Delegated underwriting and servicing bonds and surety bonds	9,367,756	4.3
Debt security mutual fund	757,875	0.0
Passive bond index fund	56,585,494	7.2
Total Fair Value	**$ 339,975,061**	
Portfolio weighted average maturity		**5.8**

Note 3. Deposits and Investments - Continued

C. Investments - Continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission is authorized to hire competent registered professional investment managers to manage the assets of the Illinois Prepaid Tuition Program.

The operational guidelines as set forth in the Illinois Prepaid Tuition Program investment policy for fixed income investments dictate that no securities with a credit rating below BBB- by Standard & Poor's or Ba3 by Moody's may be purchased. In the case of a split rating, the higher rating shall apply. Securities, which are downgraded below the policy minimum, may only be held at the manager's discretion for up to 6 months.

The following tables indicate credit ratings, as of June 30, 2007, for the Program's debt security investments (other than obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government which are not considered to have credit risk). Ratings for debt security investments that have multiple ratings are on the following page:

Credit Ratings (Excludes Multiple-Rated Securities)
June 30, 2007

		Credit Rating		
	Total Fair Value	Moody's	Standard & Poor's	Fitch
U.S. agency obligations	$ 62,490,825	Aaa	AAA	AAA
Money market mutual funds	8,267,031	Aaa	AAA	AAA
Debt security mutual fund	757,875	NR	NR	NR
Passive bond index fund	56,585,494	NR	NR	NR
Mortgage backed securities	23,285,004	Aaa	AAA	AAA

NR= Not rated

Note 3. Deposits and Investments - Continued

C. Investments - Continued

Credit Risk – Continued

The following tables indicate credit ratings, as of June 30, 2007, for debt security investments that received multiple ratings:

Credit Ratings (Multiple-Rated Securities)
June 30, 2007

Rating Agency	Investment Type	Credit Rating*	Fair Value
Moody's:	Corporate debt securities	Aaa	$ 3,859,044
	Corporate debt securities	Aa	16,347,917
	Corporate debt securities	A	20,172,656
	Corporate debt securities	Baa	13,856,764
	Corporate debt securities	NR	425,000
			54,661,381
Standard and Poors:	Corporate debt securities	AAA	2,257,306
	Corporate debt securities	AA	14,637,921
	Corporate debt securities	A	23,865,603
	Corporate debt securities	BBB	12,930,374
	Corporate debt securities	NR	970,177
			54,661,381
Fitch:	Corporate debt securities	AAA	226,234
	Corporate debt securities	AA	16,828,028
	Corporate debt securities	A	21,420,038
	Corporate debt securities	BBB	10,380,752
	Corporate debt securities	NR	5,806,329
			54,661,381
Moody's:	Corporate asset-backed securities	Aaa	18,517,686
	Corporate asset-backed securities	NR	1,214,782
			19,732,468

* NR - not rated

Note 3. Deposits and Investments - Continued

C. Investments - Continued

Credit Risk – Continued

Credit Ratings (Multiple Rated Securities), continued
June 30, 2007

Rating Agency	Investment Type	Credit Rating*	Fair Value
Standard and Poors:	Corporate asset-backed securities	AAA	$ 18,629,220
	Corporate asset-backed securities	NR	1,103,248
			19,732,468
Fitch:	Corporate asset-backed securities	AAA	17,695,119
	Corporate asset-backed securities	NR	2,037,349
			19,732,468
Moody's:	Corporate mortgage backed securities	AAA	22,460,792
	Corporate mortgage backed securities	NR	3,477,170
			25,937,962
Standard and Poors:	Corporate mortgage backed securities	AAA	24,659,388
	Corporate mortgage backed securities	NR	1,278,574
			25,937,962
Fitch:	Corporate mortgage backed securities	AAA	22,912,585
	Corporate mortgage backed securities	NR	3,025,377
			25,937,962
Moody's:	Municipal Debt	AAA	7,462,927
	Municipal Debt	AA	1,229,826
	Municipal Debt	A	960,315
	Municipal Debt	NR	399,066
			10,052,134

* NR - not rated

Note 3. Deposits and Investments - Continued

C. Investments - Continued

Credit Risk – Continued

Credit Ratings (Multiple Rated Securities), continued
June 30, 2007

Rating Agency	Investment Type	Credit Rating*	Fair Value
Standard and Poors:	Municipal Debt	AAA	$ 3,834,052
	Municipal Debt	AA	2,268,264
	Municipal Debt	A	508,913
	Municipal Debt	NR	3,440,905
			10,052,134
Fitch:	Municipal Debt	AAA	3,778,794
	Municipal Debt	AA	725,623
	Municipal Debt	NR	5,547,717
			10,052,134
Moody's:	Foreign Debt	A	181,378
	Foreign Debt	Aa	109,010
	Foreign Debt	Baa	506,176
			796,564
Standard and Poors:	Foreign Debt	A	290,388
	Foreign Debt	BBB	506,176
			796,564
Fitch:	Foreign Debt	A	71,914
	Foreign Debt	AA	109,010
	Foreign Debt	BBB	388,235
	Foreign Debt	NR	227,405
			796,564

* NR - not rated

Note 3. Deposits and Investments - Continued

C. Investments - Continued

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Illinois Prepaid Tuition Program will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Program does not have an investment policy for custodial credit risk for investments.

As of June 30, 2007, all investments were held by the Program's agent in the Program's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The operational guidelines as set forth in the Illinois Prepaid Tuition Program's investment policy for fixed income investments dictate that no single security should comprise more than 10% of the portfolio's overall allocation after accounting for price appreciation, except for any U.S. Treasury or U.S. agency security, which may comprise no more than 15% of the portfolio's overall allocation after accounting for price appreciation. In the case of investments in domestic equities the policy states that no single security in the manager's portfolio will comprise more than 5% of its equity allocation at the time of purchase, nor will it be more than 10% of the equity allocation of the portfolio after accounting for price appreciation. Additionally, in the case of the small-cap investment managers at no point in time should the portfolio hold a security such that the investment management firm's aggregate position in that company exceeds 20% of the fair value of the outstanding stock of the company.

There were no investments in any single issuer (other than U.S. Treasury or securities explicitly guaranteed by the U.S. government) that exceeded 5% or more of the total investment portfolio as of June 30, 2007.

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment.

The Commission's investment policy authorizes a maximum of 6% of the portfolio for investments in international equities. As of June 30, 2007, 6% is invested in international equities; however, none of these investments are denominated in foreign currencies.

Note 4. Balances Due to Other State Funds and Transfers

As of June 30, 2007, the Illinois Prepaid Tuition Program owed the Audit Fund $57,927 for the cost of the fiscal year 2006 audit, and owed $29 to the Communications Revolving Fund for telephone service. During the year, $25,000 was transferred to the ISAC COP Debt Service Fund for lease payments.

Note 5. Compensated Absences Payable

Changes in compensated absences for the year ended June 30, 2007, were as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Amounts Due Within One Year
Compensated absences	$ 86,038	$ 39,903	$ 33,482	$ 92,459	$ 30,000

Note 6. Tuition Payable

Tuition payable activity for the year ended June 30, 2007 is as follows:

Balance July 1, 2006	$ 657,825,432
Add:	
Contributions	119,794,784
Less:	
Return of contributions	(6,190,717)
Tuition payments	(26,351,689)
Balance June 30, 2007	$ 745,077,810
Reported as:	
Current	$ 28,832,041
Noncurrent	716,245,769
	$ 745,077,810

Note 7. Accretion Payable

Accretion payable is management's estimate of the present value of the estimated tuition payment to be made in excess of principal payments received and is expected to be financed from investments of prepaid tuition contracts. The accretion expense for fiscal year 2007 is estimated as a percentage of net tuition contracts paid to date. The rate is 8.12% and is based on the average increase in tuition for Illinois colleges.

Note 7. Accretion Payable - Continued

Average monthly tuition payable over the year	$ 680,255,041
Estimate of 8.12% increase of tuition payable	$ 55,236,709
Present value	$ 54,684,342
Beginning balance accretion payable as of July 1, 2006	$ 158,423,442
Accretion expense	54,684,342
Accretion payments	(1,984,870)
Ending balance accretion payable as of June 30, 2007	$ 211,122,914
Reported as:	
Current	$ 2,170,154
Noncurrent	208,952,760
	$ 211,122,914

The accretion expense is calculated on a monthly basis on the balance in the tuition payable account. Accretion expense is reflected as an expense in the Statement of Revenues, Expenses and Changes in Net Assets and as an increase to liabilities on the Statement of Net Assets.

Note 8. Pension Plan

Substantially all of ISAC's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined/benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2007 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2007. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois 62794-9255.

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS' CAFR. Also included is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

The Commission pays employer retirement contributions for the Illinois Prepaid Tuition Program based upon an actuarially determined percentage of its payroll. For fiscal years 2007, 2006 and 2005, the employer contribution rate was 11.5%, 7.8% and 16.1%, respectively. The required and actual contribution for fiscal years 2007, 2006 and 2005 was $59,974, $41,922 and $71,839, respectively.

Note 9. Post-employment Benefits

The State provides health, dental, and life insurance benefits for certain retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State-sponsored pension plans. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to $5,000 per annuitant age 60 and older.

Costs incurred for health, dental, and life insurance for annuitants and their dependents were not separated from benefits provided to active employees and their dependents for the year ended June 30, 2007.

Post-employment costs for the State as a whole for all State agencies/departments for dependent health, dental and life insurance for annuitants and their dependents are disclosed in the Illinois Comprehensive Annual Financial Report for the State. Cost information for retirees by individual fund or State agency is not available. Payments are made on a "pay-as-you-go" basis.

Note 10. Fund Deficits

College Illinois!, the State's section 529 prepaid tuition program, has taken action to reduce and ultimately eliminate its $84 million current actuarially determined deficit over time. (Notably, the current actuarial deficit is $63 million less than the $147 actuarial deficit reported on June 30, 2006.) The Illinois Student Assistance Commission (ISAC), administrator of the *College Illinois!* program, has added a premium to contract prices during each of the six enrollment periods, 2001-02 through 2006-07 to partially amortize the current actuarial deficit, and the Commission could perpetuate these or similar actions in subsequent years, if necessary, until any deficit is fully amortized.

In terms of the program's actuarially determined deficit, actual investment performance is only one influencing factor. Expected future investment performance is another factor, as is the level of actual tuition and fee increases at Illinois public universities, new contracts for each <u>future</u> enrollment period, as well as <u>future</u> expectations for tuition and fee increases at those institutions. A large proportion of the program's actuarial deficit is related to increasing the Illinois public universities' tuition growth expectation to 11% for FY 2008 and 7.75% long-term. Beginning with FY 2008, the assumption regarding **future** contract sales is lowered from 5,000 to 4,500 per year. The principal factor contributing to the overall decrease in the actuarial deficit from FY2006 to FY2007 is that the program's long-range investment performance assumption was recently revised to 8.25% in FY 2008, 8.5% in FY 2009, 8.75% in FY 2010 and 9.0% in FY 2011 and each subsequent year.

Each year when setting plan prices, the Commission reviews the assumptions that influence the actuarial deficit. Since 2002, recognizing that the State's budget has provided minimal increases for the state's institutions of higher education and tuition and fee increases have as a result been higher than anticipated, the assumption concerning tuition increases has been adjusted higher on a temporary basis. Also in 2002, the Commission reduced the program's long-term investment return assumption temporarily, in recognition that the economy was recovering more slowly than expected due to external shocks that have adversely affected financial markets during the past several years. In FY2007, it was decided to return to the original long-term investment performance assumption of 8% based on the economic trends at that time. The most recent change to the investment return assumptions is a result of investment policy modifications approved by the Commission in fiscal year 2007 that introduced several new asset classes to the program's investment portfolio.

Note 10. Fund Deficits - Continued

Implementation of the Truth-in-Tuition law (in 2004) has impacted and will continue to impact future tuition increases for classes of new students entering the State's public universities. Another significant fact that only became evident after the law was implemented, was that while tuition rates charged to students who remain enrolled for continuous academic years must remain level, public universities typically continue to increase fees annually for all students, not just new enrollees.

Beginning with FY2006, fee increase assumptions separate from tuition increase assumptions were developed. For FY2006 these assumptions were 8% for one year and 6% long-term. For FY2007, the fee increase assumptions were raised to 10% and 8% long-term. Those assumptions were recently reconsidered and based on the current State budget situation and the recent history of fee increases at the public universities, fees are assumed to increase 11.00% in FY2008 and then 7.5% per year thereafter. Considering the potential impact of fee increases, as well as a refinement made in the calculation of weighted average tuition and fees for students impacted by Truth-in-Tuition, the actuarial deficit has been impacted as well.

		Actuarial Evaluation (Unaudited)
Net assets, before tuition/accretion payable	$	992,522,175
Actuarial present value of future payments expected to be made by contract purchasers		187,396,351
Subtotal		1,179,918,526
Actuarial present value of future payments expected to be made by the program		1,264,132,424
Actuarial deficit as of June 30, 2007	$	(84,213,898)

Note 11. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation and natural disasters. The State retains the risk of loss (i.e., self insured) for these risks except for insurance purchased by the Commission for the building and EDP equipment. There has been no reduction in insurance coverage from coverage in the prior year. Settlement amounts have not exceeded coverage for the current or prior two years. The Commission's risk management activities for workers compensation are financed through appropriations to the Illinois Department of Central Management Services and are accounted for in the general fund of the State. The claims are not considered to be a liability of the Commission and, accordingly, have not been reported in the Commission's financial statements for the year ended June 30, 2007.

Note 12. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, establishes criteria that governments will use to ascertain whether the proceeds received in exchange for an interest in their expected cash flows from collecting specific receivables or specific future revenues should be reported as revenue or as a liability. This Statement also includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues, including residual interests and recourse provisions. This Statement also requires disclosures pertaining to future revenues that have been pledged or sold and is intended to provide financial statement users with information about which revenues will be unavailable for other purposes and how long they will continue to be so. The Commission is required to implement this Statement for the year ending June 30, 2008.

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,* establishes accounting and financial reporting requirements for intangible assets. All intangible assets not specifically excluded by the scope of this Statement should be classified as capital assets. All existing authoritative guidance for capital assets should be applied to these intangible assets, as applicable. The Commission is required to implement this Statement for the year ending June 30, 2010.

Management has not yet completed their assessment of these Statements, however, they are not expected to have a material effect on the overall financial statement presentation.

ACTUARIAL REPORT

COLLEGE ILLINOIS!
PREPAID TUITION PROGRAM

Actuary's Report on Soundness
As of June 30, 2007

November 2007

PricewaterhouseCoopers LLP
One North Wacker
Chicago, IL 60606
Telephone (312) 298-2000
Facsimile (312) 298-6833

November 28, 2007

Mr. Randy Erford, Director
College Illinois!
1755 Lake Cook Rd
Deerfield, IL 60015

Dear Mr. Erford:

PricewaterhouseCoopers LLP (PwC) in conjunction with Richard M. Kaye & Associates has performed an actuarial valuation of the *College Illinois*! Prepaid Tuition Program as of June 30, 2007. The valuation compares the value of the assets of the program to the value of the expected future benefits and expenses of the program. The following pages summarize the actuarial valuation of the trust fund as of June 30, 2007.

A comparison of the assets and liabilities of the trust fund shows that as of June 30, 2007 there is an actuarial deficit of $84,213,899.

The actuarial valuation was performed based upon generally accepted actuarial principles, and tests were performed, as considered necessary, to ensure the accuracy of the results. We certify that the amounts presented in the following pages have been appropriately determined according to the actuarial assumptions stated herein.

Respectfully submitted,

PricewaterhouseCoopers LLP

Michael E. Mielzynski

Michael E. Mielzynski, FCAS, MAAA
Actuarial Manager
PricewaterhouseCoopers LLP

Richard M. Kaye

Richard M. Kaye, FSA, CPA
Richard M. Kaye & Associates
Consultant to PricewaterhouseCoopers LLP

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Introduction

Introduction

Purpose
College Illinois! Prepaid Tuition Program (CIPTP) has engaged PricewaterhouseCoopers LLP (PwC) and Richard M. Kaye & Associates to provide a determination of the soundness of the Illinois Prepaid College Trust Fund (Trust Fund) as of June 30, 2007. This soundness measure results in a point estimate of the actuarial reserve associated with the Trust Fund as of June 30, 2007.

Distribution and Use
This report was prepared for internal use by the Illinois Student Assistance Commission that oversees the *College Illinois*! Prepaid Tuition Program. Any external use or distribution of this report is not authorized without prior written approval of PwC.

Reliance Upon CIPTP Data
The data used in this analysis were prepared by and are the responsibility of the management of CIPTP. At the time of this review, the data were unaudited.

Limitations
The projected benefits, refunds, expenses, investment income, contract payments, and resulting actuarial reserve shown in this report are point estimates. As estimates, these values are subject to variability. The possibility of this variability arises from the fact that not all factors affecting the projections have taken place and cannot be evaluated with absolute certainty. We have, however, used methods of estimation that we believe produce reasonable results given current information. No guarantee should be inferred that cash flows will develop as shown in this report.

Executive Summary

Executive Summary

Valuation Results
As of June 30, 2007, the Trust Fund is in an actuarial deficit position. The expected value of the liabilities of the Trust Fund exceed the value of assets, including the value of future payments by contract purchasers, by $84.2 million. The current deficit is $62.7 million lower than the $146.9 million deficit estimated as of June 30, 2006. There were several major factors that accounted for the majority of the change in the deficit. On the positive side, the premium charged during the latest enrollment period designed to improve the soundness of the program generated approximately $13.0 million, asset appreciation exceeded expectations by approximately $58.6 million, and changes to the underlying assumptions and modeling decreased the deficit by approximately $33.6 million. On the negative side, the interest accumulated on last year's deficit was $11.8 million and tuition and fee increases over the last year exceeded expectations leading to an increase in the deficit of approximately $36.2 million.

The changes in assumptions included lowering the expected future contract sales from 5,000 to 4,500 per year, increasing the expected one-year tuition inflation from 7.75% to 11.00%, increasing the one-year fee inflation from 7.50% to 11.00%, and increasing the expected gross investment yield from 8.00% per annum to 8.25% in 2008, 8.50% in 2009, 8.75% in 2010, and 9.00% per annum afterwards. All of these assumption changes adversely affected the soundness with the exception of the investment yield change, which had a large positive impact upon financial soundness.

The changes in the actuarial model dealt with the investment yield and the cancellation assumption. Previously, investment yields were applied gross of investment expense while investment expense was accounted for within the expense calculation. This year the gross investment yields are reduced by 34 basis points to account for expected investment expense and investment expense has been removed from the expense calculation. This change had an adverse effect on the soundness.

Changes were made to the cancellation assumption with regard to the handling of cancellations made within the first year after enrollment and newborn contracts which continued to be issued after the valuation date. The overall cancellation assumption was changed from 8.0% to 12.5%. This change did not have a significant impact on the soundness since the vast majority of this increase occurs within the first two years where cancellation payouts do not differ significantly from tuition payouts based on the assumptions of this analysis.

The current estimate of the deficit is based upon a number of assumptions, including expectations regarding future investment returns and future tuition and fee increases, and is subject to considerable uncertainty. On Page 22 of the report, we display the financial status of the Trust Fund based upon alternative assumptions regarding investment results, tuition and fee increases, and the number of contracts sold.

The program's current funded ratio of 93.3% is significantly greater than the 86.9% funded ratio as of June 30, 2006. The cash flow projection shown in Appendix C indicates that the program's cash flow is expected to remain positive through the fiscal year that ends in 2011. The total program assets are projected to cover expected benefit payments through the fiscal year that ends in 2023.

Executive Summary (continued)

Truth in Tuition

The Trust Fund deficit recognizes the impact of the state's Truth in Tuition law, which provides that, beginning with the 2004-2005 matriculation year, Illinois public universities cannot increase the amount of tuition charged to students who remain enrolled for four continuous academic years as their degree program requires. The Truth in Tuition law does not apply to fees.

Due to the Truth in Tuition law, the actuarial calculations to estimate the outstanding liability needed to be revised starting at June 30, 2004. It is now necessary to have two separate projections - one for students who matriculated prior to the law change and one for students affected by the Truth in Tuition law. The reason for this separation was that both the current average tuition and its ability to increase in future years are different for the two groups.

Contracts in Force

As of June 30, 2007, the total number of contracts in force (net of cancellations and depleted contracts) for CIPTP was 49,814. Contracts for university enrollment represent approximately 87% of sales, and contracts for community college enrollment and combined community college and university enrollment represent approximately 13% of sales. The most common contract sold is for four years at a university, accounting for approximately 42% of all contract sales. Enrollment data is summarized in Appendix D.

Weighted Average Tuition

The Weighted Average Tuition (WAT) is the average of tuition and mandatory fees for public in-state schools weighted in proportion to the number of full-time equivalent students attending such schools. The 2007-2008 Illinois public university WAT is $8,553, an 8.6% increase over the 2006-2007 WAT. The 2007-2008 Illinois community college WAT is $2,603, an increase of 5.6% over the 2006-2007 WAT.

To account for the Truth in Tuition law, for projection purposes the Illinois public university overall WAT was broken down into a 2007 enrollment WAT, a 2006 enrollment WAT, a 2005 enrollment WAT, and a 2004 enrollment WAT. Given that a "continuing rate" is no longer available for public university beneficiaries whose matriculation began prior to the enactment of the Truth in Tuition law, the overall WAT was applied to these beneficiaries. Furthermore, since fees are allowed to increase annually, even for students under the Truth in Tuition law, our projections estimate fees separately from tuition. The breakout of these figures is shown later in this report.

Executive Summary (continued)

Actuarial Assumptions

The major actuarial assumptions are chosen by the Commission. Specifically, freshman tuition is assumed to increase 11.00% in 2008 and then 7.75% per annum thereafter for public university students and 6.50% per annum for the community colleges. Fees are assumed to increase 11.00% in 2008 and then 7.50% per annum thereafter for public university students subject to Truth in Tuition. For continuing students at public universities and students attending community colleges, fees are combined with tuition in our projections and follow their respective tuition inflation assumptions. Investments are expected to earn on a gross basis 8.25% in 2008, 8.50% in 2009, 8.75% in 2010, and 9.00% per annum afterwards. These higher investment performance figures are the result of investment policy changes adopted in 2007 by the Commission. These changes provide for the addition of new asset classes as well as a more diverse asset allocation among program investments. Investment expense is estimated to be 34 basis points. It is assumed that 4,500 new contracts will be sold in each subsequent year. The actuarial assumptions and methods are fully described in a later section of this report.

Funded Status

The value of expected liabilities exceeds the assets of the trust fund (including the value of future payments by contract purchasers) by $84,213,899 as of June 30, 2007. The funded ratio, assets divided by liabilities, is 93.3%. The assumptions used to perform the actuarial valuation of the fund are described on pages 17 through 20 of this report. The primary assumptions are:

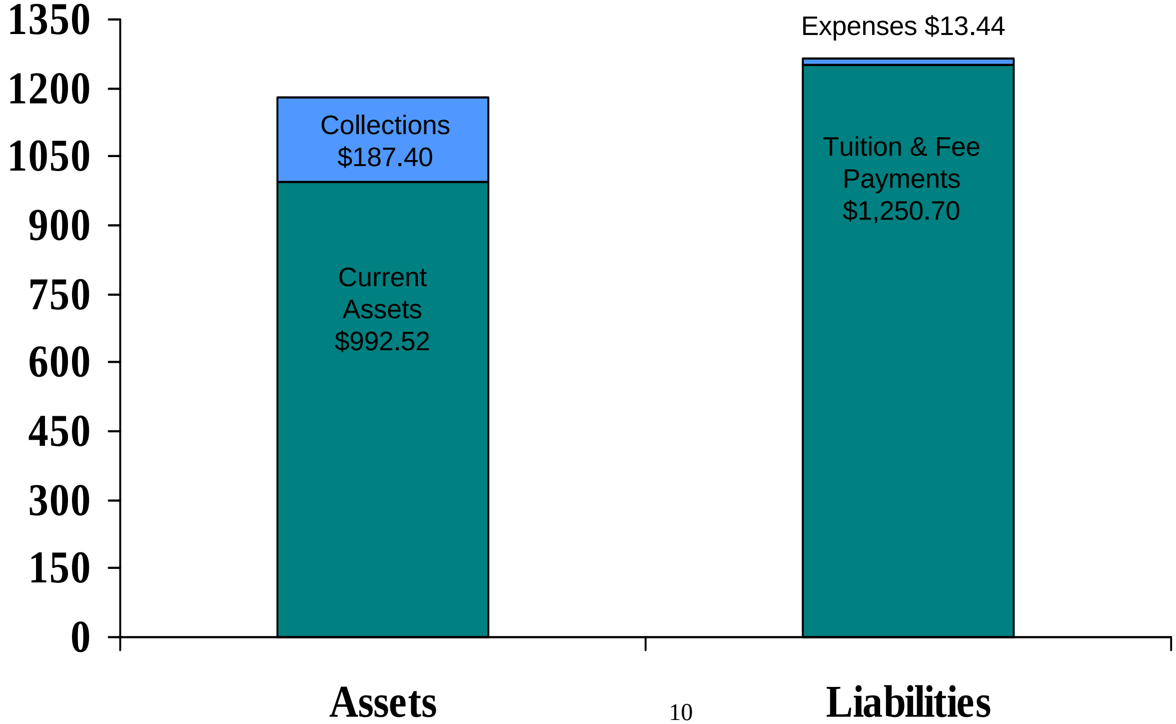
Tuition Increases: 11.00% in 2008 and 7.75% per annum thereafter for public university students and 6.5% per annum for community colleges

Fee Increases: 11.00% in 2008 and 7.50% per annum thereafter for public university students subject to Truth in Tuition. For continuing students at public universities and students attending community colleges, fees are combined with tuition in our projections.

New contracts: 4,500 per future enrollment

Net Investment Return: 7.91% in 2008, 8.16% in 2009, 8.41% in 2010, and 8.66% per annum thereafter.

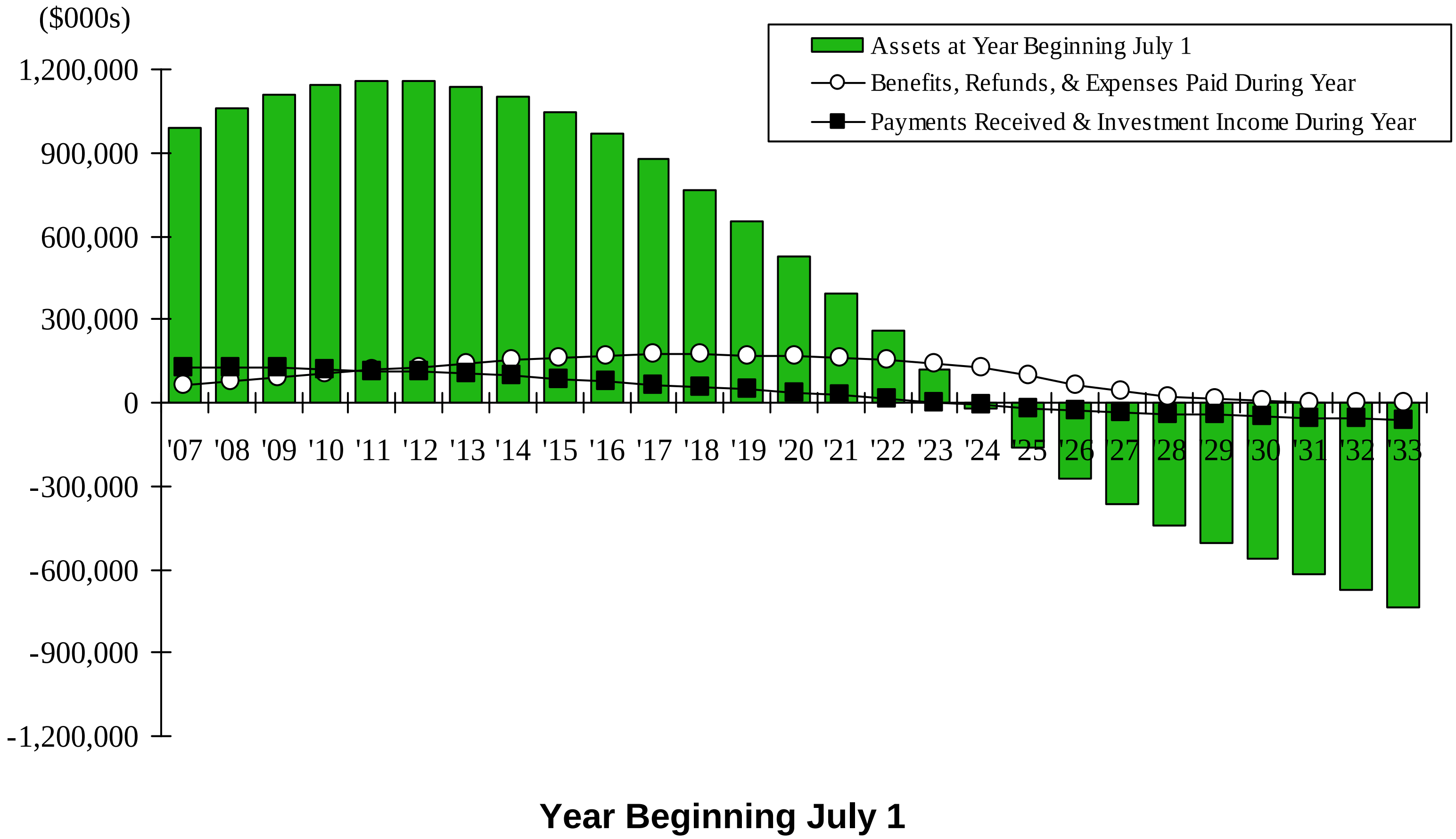
Total: $1,179.92 million **Total: $1,264.13 million**



PRICEWATERHOUSECOOPERS
11/30/2007

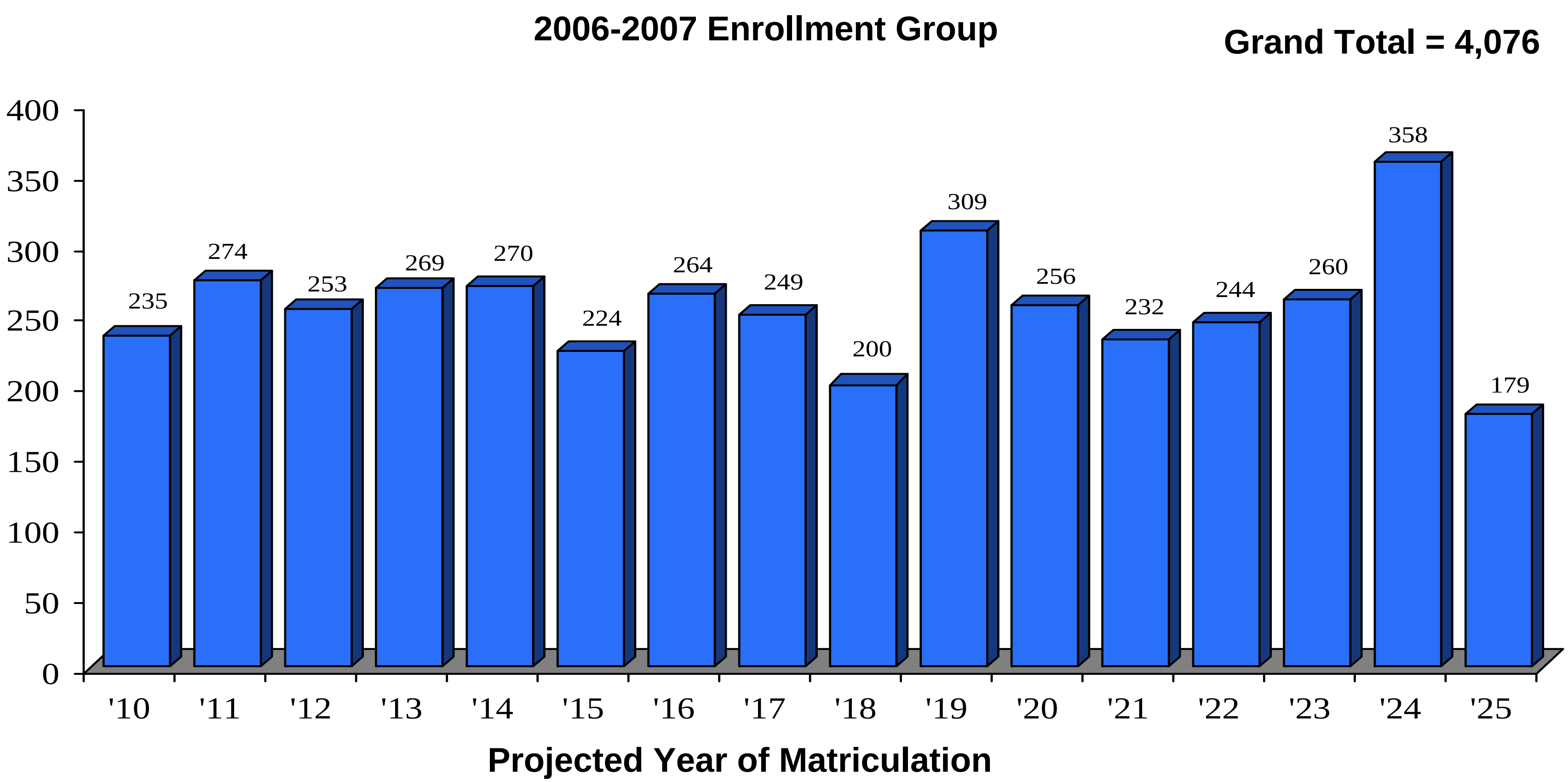
Cash Flow Projection

The expected income and disbursements of the Trust Fund, based on the assumptions used in the actuarial valuation and the current group of contract beneficiaries, are shown below. These amounts are cash amounts, not present value amounts.



Contracts in Force for the 2006-2007 Enrollment Group

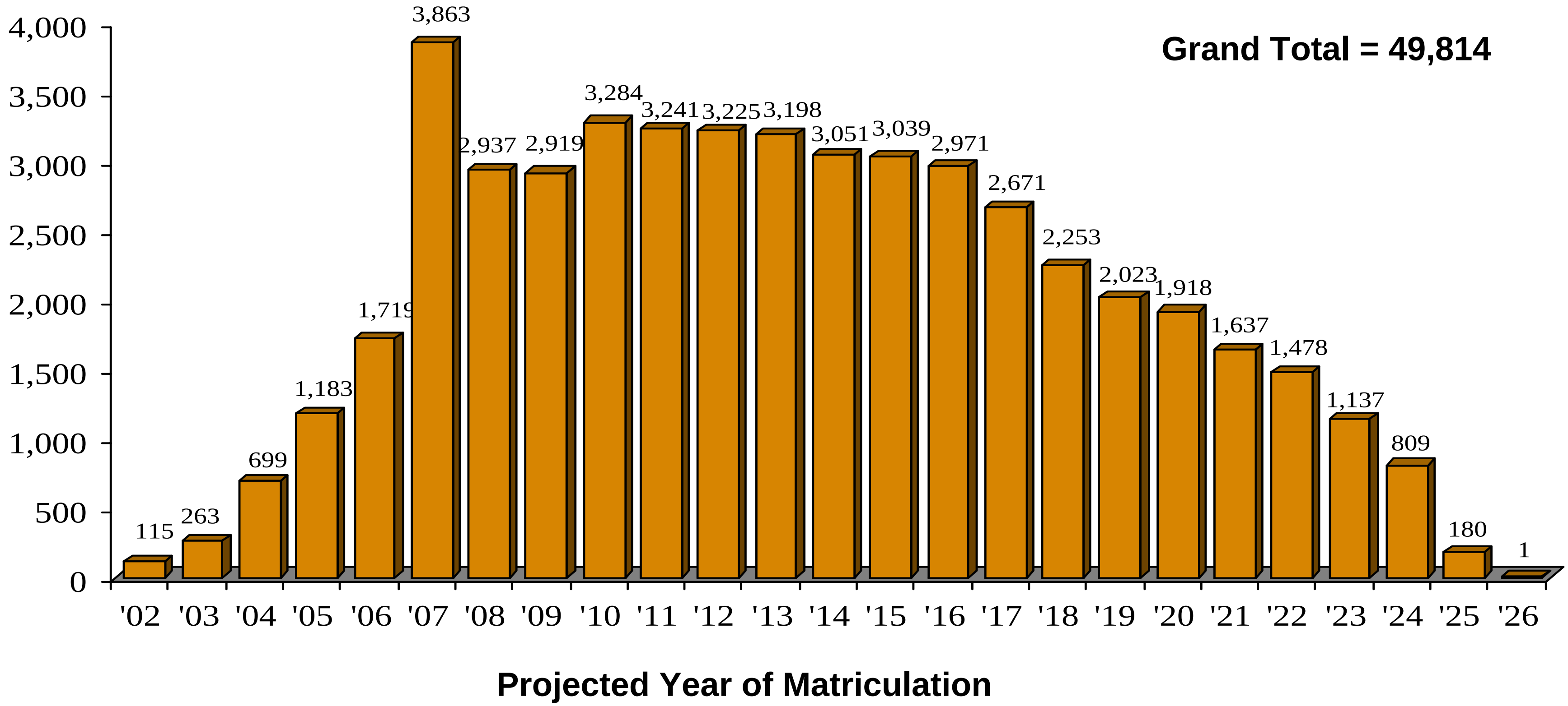
The chart below illustrates the total number of active contracts by expected year of community college or university matriculation for the 2006-2007 enrollment group.



Contracts in Force for All Enrollment Groups

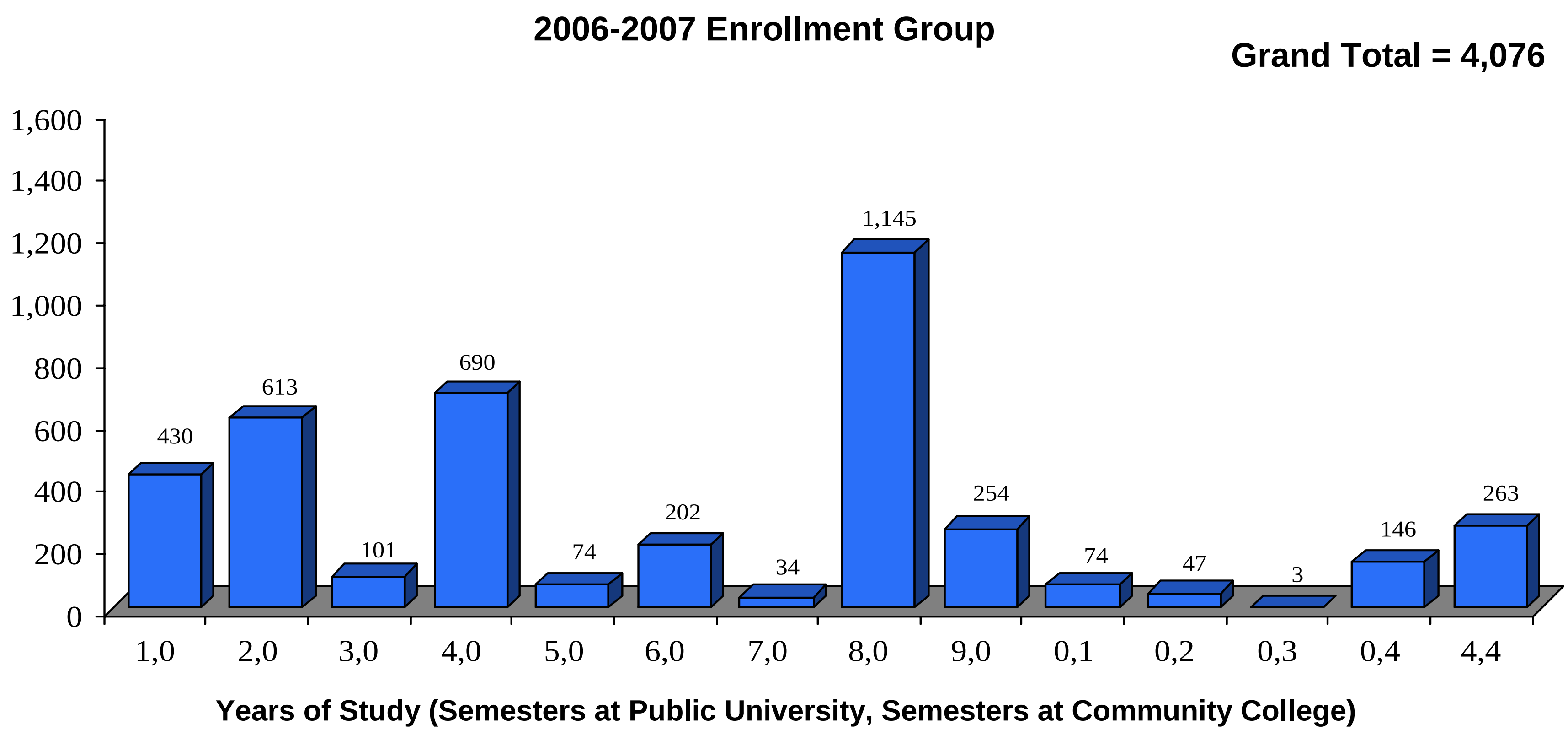
The chart below illustrates the total number of active contracts by expected year of community college or university matriculation for all enrollment groups combined.

1999-2007 Enrollment Groups Combined



Type of Contract Sold to the 2006-2007 Enrollment Group

Contracts can be purchased for a variety of plans. The chart below illustrates the total number of active contracts from the 2006-2007 enrollment period by type of plan.



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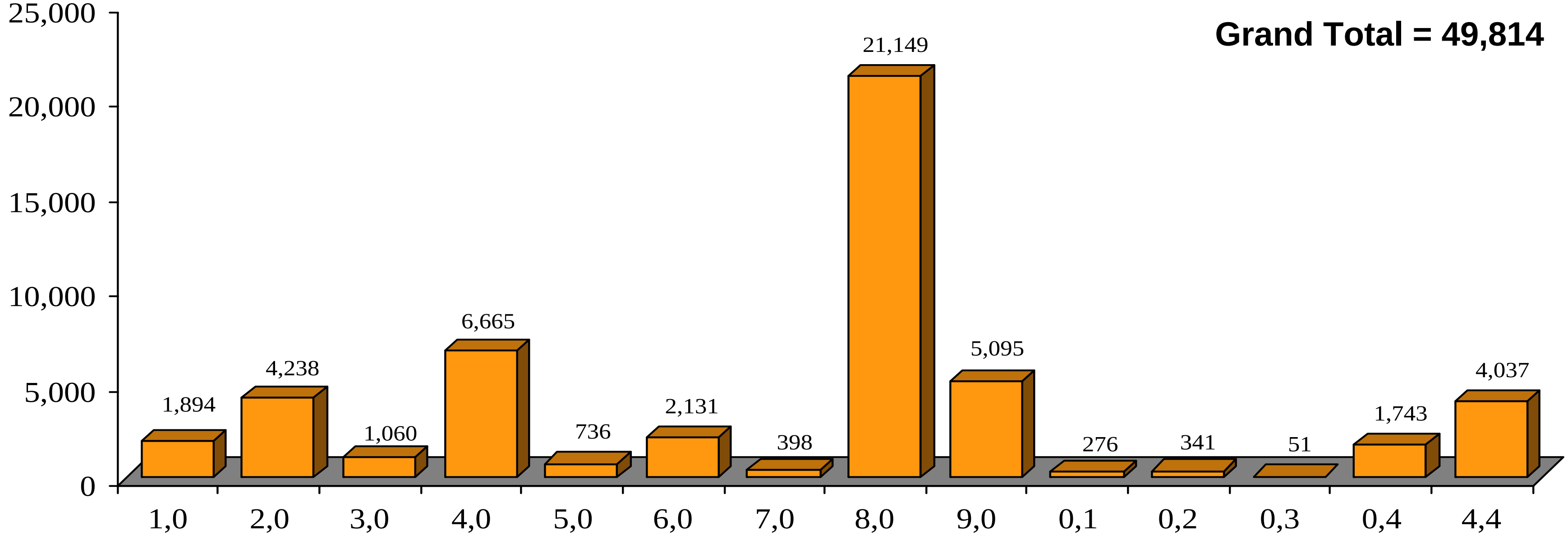
Type of Contract Sold to All Enrollment Groups

Contracts can be purchased for a variety of plans. The chart below illustrates the total number of active contracts from all enrollment periods combined by type of plan.

1999-2007 Enrollment Groups Combined



Years of Study (Semesters at Public University, Semesters at Community College)

Valuation Assumptions and Methods

Actuarial Assumptions

The assumptions used in the actuarial valuation of the Trust Fund are described below.

Truth in Tuition. We have segregated the beneficiaries into two categories, those beneficiaries that fall under the Truth in Tuition law and those that do not. We have assumed that if the beneficiary has enrolled in school prior to the fall of 2004, they would not be covered under the Truth in Tuition law. Furthermore, the Truth in Tuition law does not apply to community colleges. Nearly 87% of the beneficiaries who are not modeled under the Truth in Tuition Law relate to community college contracts.

Beneficiaries Falling Under Truth in Tuition Law	47,302
All Other Beneficiaries	2,782

For Truth in Tuition beneficiaries, we have assumed that their tuition will not increase in their second, third and fourth year of school. If they attend school beyond four years, we assumed that their tuition would increase to the amount of an incoming freshman. For all other beneficiaries, we assume that tuition will rise for each year enrolled. We have assumed fees will rise for each year enrolled.

Tuition and Fee Increases. The weighted average tuition is assumed to increase 11.00% in 2008 and then 7.75% per annum thereafter for public university students and 6.5% per annum for the community colleges. Fees are assumed to increase 11.00% in 2008 and then 7.50% per annum thereafter for public university students subject to Truth in Tuition. For continuing students at public universities and students attending community colleges, fees are combined with tuition in our projections and follow their respective tuition inflation assumptions.

Investment Return. The actuarial valuation of the Trust Fund was determined using an assumed 8.25% gross rate of return on investments in 2008, 8.50% in 2009, 8.75% in 2010, and 9.00% per annum afterwards as recommended by the Commission and their investment advisors. Investment expense is estimated to be 34 basis points. We further assume the Trust Fund is exempt from federal income tax. It is important to highlight the sensitivity of this analysis to this assumption. As pointed out subsequently, a one percent shortfall in such a goal would place the fund in a more extreme deficit position. Additionally, the nature of this type of program involves the payment of benefits at fixed future points in time, subjecting the fund to greater than average investment risk due to short-term fluctuations and in matching investment maturities with expected payments.

Actuarial Assumptions (continued)

Administrative Expenses. Administrative expenses of the program are assumed to be paid through a combination of investment earnings and fees assessed on purchasers. Administrative expenses were assumed to be $1,975,000 for fiscal year 2008. We do not include marketing expenses as we believe those costs should be allocated to future contracts. We also exclude 50% of the budgeted Records Administration Services Costs as those expenses are also assumed to be a result of future contracts. We have assumed that administrative expenses will increase at the rate of 3.5% per annum and that all expenses beyond 2007 will be spread over current and future contract sales.

Enrollment of CIPTP Beneficiaries. It is assumed that beneficiaries will attend college full-time commencing with their expected matriculation date (the fall following high school graduation). For those students who did not enroll when expected, we assume that they will enroll in the fall of the next available school year.

Bias Load. Contract beneficiaries are assumed on average to attend more expensive schools than indicated by the headcount information that was used to determine the 2007-2008 WAT. We have added a load to the tuition assumption to recognize this bias toward enrollment at more expensive schools. The bias load varies between 3% and 9% and is based on the beneficiary's age at enrollment. An overall weighted average bias load is calculated for each enrollment year and ranges between 4.4% and 4.7%.

Future Contract Sales. It is assumed that 4,500 contracts will be sold during the 2007-2008 enrollment period and all subsequent enrollment periods.

Cancellations, Terminations, and Refunds. It is assumed that 12.5% of contracts sold will not be utilized. We have assumed that a refund will be paid equivalent to the 2007-2008 WAT increased by 2% in each subsequent period.

Actuarial Assumptions (continued)

Deaths and Disabilities. Mortality rates for beneficiaries are assumed to follow the 1990 U.S. Life Tables. Approximately 0.9% of the total payout of benefits and expenses are expected to be the result of death and disability.

Utilization of Benefits. We assume beneficiaries use the benefits as described by the CIPTP Master Agreement according to the schedule below.

Distribution of Benefit Utilization					
Xth Year Since Matriculation	Number of Semesters Purchased				
	1-2	3-4	5-6	7-8	9
1	80%	45%	33%	24%	20%
2	15%	30%	25%	24%	19%
3	5%	15%	18%	20%	17%
4		5%	12%	18%	15%
5		5%	7%	7%	13%
6			3%	3%	7%
7			2%	2%	5%
8				1%	3%
9				1%	1%

Actuarial Methods

The actuarial valuation of the Trust Fund is based on projections of the tuition and mandatory fee amounts expected to be paid from the Trust Fund to community colleges and universities and the expected amounts to be paid into the Trust Fund by contract purchasers. The actuarial valuation is based on the data summarized below furnished by the CIPTP office.

CIPTP Beneficiaries (Appendix D). The number of beneficiaries by contract type is displayed in tabular form in Appendix D.

Weighted Average Tuition: Four Year Universities. The Weighted Average Tuition (WAT) is the average of tuition and mandatory fees for public in-state schools weighted in proportion to the number of full-time equivalent students attending such schools. The WAT for public universities for 2007-2008 is $8,553.

To account for the Truth in Tuition law, for projection purposes the Illinois public university overall WAT was broken down into a 2007 enrollment WAT, a 2006 enrollment WAT, a 2005 enrollment WAT, and a 2004 enrollment WAT. Given that a “continuing rate” is no longer available for public university beneficiaries whose matriculation began prior to the enactment of the Truth in Tuition law, the overall WAT was applied to these beneficiaries. Furthermore, since fees are allowed to increase annually, even for students under the Truth in Tuition law, our projections estimate fees separately from tuition. The table below lists these various tuition-only WATs.

WAT Type	Headcount	Tuition Component of WAT
2007 Enrollment	33,614	$7,423
2006 Enrollment	26,797	$6,778
2005 Enrollment	33,318	$5,990
2004 Enrollment	43,398	$5,426
Overall	137,128	$6,317

Fees. Fees were projected separately from tuition for beneficiaries who fall under the Truth in Tuition law since the law does not apply to fees. Fees are assumed to increase 11.00% in 2008 and then 7.5% per annum thereafter for these students. For continuing students at public universities and students attending community colleges, fees are combined with tuition in our projections and follow their respective tuition inflation assumptions. Fees represented $2,236 of the overall public university 2007-2008 WAT.

Weighted Average Tuition: Community Colleges. The WAT for community colleges is $2,603 for 2007-2008.

Sensitivity Testing

Sensitivity Testing

The Trust Fund operates with risk and uncertainty. For example, while it is assumed that the assets of the fund will earn between 8.25% and 9.0% each year throughout the life of the contracts, we also expect actual returns to vary from year to year. The Trust Fund can also be affected by other changes, such as new legislation or the refinement of the underlying actuarial model. To accept the reasonableness of the basis for the measurement of the soundness, it is useful to know how the status of the fund may be affected by the vagaries of the markets and other factors. Therefore, we have rerun the valuation under alternative assumptions for future investment income, tuition increases, and new entrants and present results under the following alternative scenarios. Note that tuition increases in these scenarios are assumed to represent tuition plus fee increases for continuing students at public universities and students attending community colleges.

1. Tuition increases are 100 basis points lower in each future year than assumed in the measurement of soundness.
2. Tuition increases are 100 basis points higher in each future year than assumed in the measurement of soundness.
3. Fee increases are 100 basis points lower in each future year than assumed in the measurement of soundness.
4. Fee increases are 100 basis points higher in each future year than assumed in the measurement of soundness.
5. The investment return is 100 basis points higher in each future year than assumed in the measurement of soundness.
6. The investment return is 100 basis points lower in each future year than assumed in the measurement of soundness.
7. The number of contracts sold is 3,500 a year in each future year.
8. The number of contracts sold is 5,500 a year in each future year.
9. University tuition increase for 2008 is 7.75% and university fee increase for 2008 is 7.5% versus the 11.00% assumed in the measurement of soundness for both.
10. Tuition & fee increases are 100 basis points higher and the investment return is 100 basis points higher in each future year than assumed in the measurement of soundness.

The actuarial reserve that would exist as of June 30, 2007 under each of these scenarios is presented in the following table:

Scenario	Indicated Surplus / (Deficiency) as of 6/30/2007	Funded Ratio	Scenario	Indicated Surplus / (Deficiency) as of 6/30/2007	Funded Ratio
1	**($24,572,627)**	**98.0%**	**6**	**($182,089,254)**	**86.7%**
2	**($149,526,866)**	**88.8%**	**7**	**($85,274,227)**	**93.3%**
3	**($64,203,507)**	**94.8%**	**8**	**($83,367,767)**	**93.4%**
4	**($106,248,776)**	**91.7%**	**9**	**($52,110,028)**	**95.8%**
5	**$2,774,668**	**100.2%**	**10**	**($75,509,494)**	**94.0%**

Plan Provisions

Plan Provisions

The plan covers the tuition and mandatory fees at an Illinois public university or community college depending upon the type of contract purchased based on the in-state (or in-district) undergraduate rate for a full-time student. Mandatory fees are those fees required as a condition of enrollment for all students attending the particular institution. The plan contract will not pay for optional fees nor will it pay for room, board, travel, special fees for specific courses, books or supplies. The purchaser is guaranteed that benefits received will be no less than the price paid.

Payment Options: Available options include a one-time lump sum payment, 60-month, 120-month, and 180-month installment options, and 5-year, 10-year, and 15-year annual payment options. There are also installment plans with down payment options.

Private or Out-of-State Institutions: If the contract is utilized to attend a private or out-of-state institution, then *College Illinois*! will pay an amount based upon the weighted average tuition and mandatory fees at Illinois public universities or community colleges depending on the type of contract purchased. Alternatively, benefits can be transferred to a member of the family or a purchaser can choose to receive a refund payment equal to all contributions, plus two percent interest, less applicable cancellation fees.

Scholarship: When a qualified beneficiary is awarded a grant or scholarship that duplicates the benefits covered by a prepaid tuition contract, the purchaser may request a refund in semester installments. If the qualified beneficiary is enrolled at an Illinois public university or community college, the installments will be in an amount equal to the current cost of in-state or in-district registration fees at that institution, less any benefits used to pay registration fees not covered by the scholarship and any applicable fees. If the qualified beneficiary is enrolled at an Illinois Private Institution or an eligible Out-of-State Institution, the installments will be in an amount equal to the current average mean-weighted credit hour value of registration fees at Illinois public universities or Illinois community colleges, depending on the plan purchased under the contract, less any benefits used to pay registration fees not covered by the scholarship and any applicable fees.

Not Attending an Institution of Higher Education: Benefits can be transferred to a member of the "family" as defined in Section 529 of the Internal Revenue Code. Purchasers can also choose to postpone the beneficiary's use of contract benefits to a later time or receive a refund payment equal to all contributions, plus two percent interest, less applicable cancellation fees.

Death or Disability: In the event of death or total disability of the qualified beneficiary, monies paid for the purchase of the contract will be returned to the purchaser with all accrued earnings.

Contract Conversion: In cases where a public university plan contract is converted for usage at a community college, then the amount refunded shall be on a semester-by-semester basis. The refund should be the current value of the original contract minus the current value of the contract after conversion.

Appendices

Funded Status

Appendix A

a. Market Value of Assets	$992,522,175
b. Actuarial Present Value of future payments expected to be made to the fund by contract purchasers	$187,396,351
c. Subtotal (a + b)	$1,179,918,526
d. Actuarial Present Value of future payments expected to be made from the trust fund to universities for tuition and mandatory fees, and for administrative expenses attributable to the current enrollment group	$1,264,132,424
e. Surplus / (Deficiency) as of June 30, 2007 (c - d)	($84,213,899)

Trust Assets

Appendix B

Summary of Assets	Market Value
a) Cash	$7,267,562
b) Transition Account	23,009,084
c) LSV Asset Management	82,724,990
d) SSgA S&P 500	149,422,437
e) Nicholas Applegate	52,385,472
f) SSgA US Bank	83,351,795
g) William Blair	43,204,742
h) Denver Investment Advisors	48,335,578
i) JP Morgan Chase Investment Advisors	120,071,677
j) RhumbLine Advisors	24,075,607
k) LSV Asset Management International	56,281,173
l) SSgA Passive Bonds	56,585,494
m) Kenwood Capital	434
n) New Amsterdam	42,120,592
o) Holland Capital	41,446,495
p) Income Research and Management	81,770,765
q) Galliard Capital	81,547,125
r) Accounts Payable and Accrued Liabilities - Net of Accrued Interest	1,078,845
Total Assets as of June 30, 2007	**$992,522,175**
Sum of (a) through (q), less (r)	

The above information was based on unaudited financial statements provided by CIPTP management.

Cash Flow Projection

Appendix C

Year Beginning 7/1/XXXX	Assets at Beginning of Year	Payments Out of Trust Fund	Payments Into Trust Fund	Investment Income at End of Year
2007	992,522,175	65,134,874	52,123,454	76,922,031
2008	1,056,432,786	76,633,050	43,837,802	83,579,977
2009	1,107,217,515	90,000,439	36,429,780	89,320,027
2010	1,142,966,883	105,279,779	28,791,900	93,822,364
2011	1,160,301,368	117,872,143	21,463,514	94,249,771
2012	1,158,142,510	129,528,522	16,382,317	93,141,053
2013	1,138,137,359	142,352,492	13,024,953	90,489,189
2014	1,099,299,009	151,436,618	9,704,580	86,434,552
2015	1,044,001,524	160,919,920	6,189,948	80,922,130
2016	970,193,682	169,989,890	2,742,967	73,834,625
2017	876,781,384	175,667,603	857,678	65,321,144
2018	767,292,603	174,434,544	857,678	55,914,132
2019	649,629,869	170,356,272	857,678	45,971,660
2020	526,102,934	167,286,293	856,799	35,460,214
2021	395,133,654	161,106,746	620,020	24,482,681
2022	259,129,609	154,149,086	0	13,100,037
2023	118,080,561	142,643,904	0	1,582,340
2024	(22,981,004)	125,895,275	0	(9,618,716)
2025	(158,494,995)	95,622,740	0	(19,519,879)
2026	(273,637,614)	65,464,505	0	(27,663,806)
2027	(366,765,926)	41,445,905	0	(34,273,323)
2028	(442,485,154)	23,356,681	0	(39,734,501)
2029	(505,576,335)	12,302,663	0	(44,528,384)
2030	(562,407,383)	6,515,944	0	(49,099,310)
2031	(618,022,636)	3,033,366	0	(53,704,566)
2032	(674,760,568)	1,167,417	0	(58,505,004)
2033	(734,432,989)	204,179	0	(63,614,269)

CIPTP Beneficiaries - Enrollment 2006-2007 Appendix D.1

Projected Enrollment Year	Plan Type (Semesters at Public University, at Community College)														Total Enrollment by Year	Percent of Total
	(1,0)	(2,0)	(3,0)	(4,0)	(5,0)	(6,0)	(7,0)	(8,0)	(9,0)	(0,1)	(0,2)	(0,3)	(0,4)	(4,4)		
2010	40	48	9	43	4	20	0	37	9	4	3	2	10	6	235	**5.8%**
2011	19	45	6	55	6	12	5	70	16	3	5	0	10	22	274	**6.7%**
2012	26	39	14	49	5	12	2	70	9	2	5	0	10	10	253	**6.2%**
2013	20	56	6	48	2	17	3	78	11	2	5	0	12	9	269	**6.6%**
2014	23	41	15	44	4	17	1	84	18	2	2	0	8	11	270	**6.6%**
2015	20	30	4	39	5	11	1	61	21	2	5	0	13	12	224	**5.5%**
2016	31	34	10	54	9	10	2	71	13	1	3	0	13	13	264	**6.5%**
2017	19	43	4	46	5	15	3	67	9	7	5	0	7	19	249	**6.1%**
2018	25	33	3	21	3	10	2	62	12	4	2	0	8	15	200	**4.9%**
2019	37	30	6	56	3	19	3	90	21	7	4	0	8	25	309	**7.6%**
2020	26	42	5	49	6	12	2	72	13	7	1	0	7	14	256	**6.3%**
2021	24	38	3	33	7	15	2	70	14	5	2	0	6	13	232	**5.7%**
2022	33	31	5	31	1	12	0	73	23	5	2	0	8	20	244	**6.0%**
2023	36	31	4	41	7	4	2	67	21	7	1	1	11	27	260	**6.4%**
2024	38	51	4	59	6	13	4	111	24	9	1	0	9	29	358	**8.8%**
2025	13	21	3	22	1	3	2	62	20	7	1	0	6	18	179	**4.4%**
Total	**430**	**613**	**101**	**690**	**74**	**202**	**34**	**1,145**	**254**	**74**	**47**	**3**	**146**	**263**	**4,076**	
Percent	**10.5%**	**15.0%**	**2.5%**	**16.9%**	**1.8%**	**5.0%**	**0.8%**	**28.1%**	**6.2%**	**1.8%**	**1.2%**	**0.1%**	**3.6%**	**6.5%**		

CIPTP Beneficiaries - All Enrollment Groups — Appendix D.2

Projected Enrollment Year	Plan Type (Semesters at Public University, at Community College)														Total Enrollment by Year	Percent of Total
	(1,0)	(2,0)	(3,0)	(4,0)	(5,0)	(6,0)	(7,0)	(8,0)	(9,0)	(0,1)	(0,2)	(0,3)	(0,4)	(4,4)		
2002	0	5	1	9	1	8	5	53	18	0	0	0	5	10	115	**0.2%**
2003	0	5	2	16	5	20	1	136	48	0	0	0	2	28	263	**0.5%**
2004	2	9	4	61	6	41	9	388	88	0	2	1	12	76	699	**1.4%**
2005	3	30	6	134	20	105	22	615	118	0	5	1	30	94	1,183	**2.4%**
2006	5	79	36	283	37	134	21	749	195	1	9	2	44	124	1,719	**3.5%**
2007	138	544	99	754	68	227	25	1,245	298	15	31	6	150	263	3,863	**7.8%**
2008	96	276	71	433	41	160	31	1,232	229	10	23	2	116	217	2,937	**5.9%**
2009	106	275	66	425	46	152	15	1,170	269	8	20	2	128	237	2,919	**5.9%**
2010	135	292	89	464	54	157	22	1,317	295	16	23	7	139	274	3,284	**6.6%**
2011	99	261	79	437	53	117	26	1,372	322	12	22	3	129	309	3,241	**6.5%**
2012	108	259	86	396	49	108	28	1,454	322	15	27	4	118	251	3,225	**6.5%**
2013	103	296	74	403	46	104	28	1,373	340	13	26	6	128	258	3,198	**6.4%**
2014	111	226	79	374	34	112	11	1,401	302	12	18	2	102	267	3,051	**6.1%**
2015	106	238	55	368	34	93	23	1,366	322	21	25	2	116	270	3,039	**6.1%**
2016	125	238	63	376	41	100	25	1,315	316	17	19	3	107	226	2,971	**6.0%**
2017	110	227	52	317	33	105	21	1,174	296	17	17	0	86	216	2,671	**5.4%**
2018	110	191	34	269	29	93	18	991	246	14	11	2	75	170	2,253	**4.5%**
2019	105	149	34	260	26	60	16	862	243	16	18	1	53	180	2,023	**4.1%**
2020	94	144	39	252	38	57	12	831	233	18	14	4	52	130	1,918	**3.9%**
2021	84	135	37	191	27	61	16	686	190	17	9	0	45	139	1,637	**3.3%**
2022	99	141	20	169	12	53	7	621	176	11	11	1	31	126	1,478	**3.0%**
2023	79	103	20	140	18	36	8	441	125	20	4	2	40	101	1,137	**2.3%**
2024	63	94	11	111	17	25	6	295	83	16	6	0	29	53	809	**1.6%**
2025	13	21	3	22	1	3	2	62	21	7	1	0	6	18	180	**0.4%**
2026	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	**0.0%**
Total	**1,894**	**4,238**	**1,060**	**6,665**	**736**	**2,131**	**398**	**21,149**	**5,095**	**276**	**341**	**51**	**1,743**	**4,037**	**49,814**	
Percent	**3.8%**	**8.5%**	**2.1%**	**13.4%**	**1.5%**	**4.3%**	**0.8%**	**42.5%**	**10.2%**	**0.6%**	**0.7%**	**0.1%**	**3.5%**	**8.1%**		