

**Information Item**

***Audit Committee***

Annual Operating Fund and Federal Fund Financial Statement Audit Status  
Update

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The State Controller's Office (SCO) requires audited financial statements, prepared according to Generally Accepted Accounting Procedures (GAAP), for the Student Loan Operating Fund and the Federal Student Loan Reserve Fund as of June 30<sup>th</sup> each year. The audited financial statements are due to SCO by October 15<sup>th</sup> each year.

The loan program financial statements are prepared by the EdFund financial operations staff and reviewed by CSAC staff. EdFund contracts with an independent auditing firm to audit the financial statements. Perry-Smith LLP has conducted the audits for 2005-06 and 2006-07 and is currently auditing the 2007-08 financial statements.

Perry-Smith LLP has informed the Commission and EdFund that their audit of the 2007-08 financial statements has been delayed pending the resolution of the Department of Finance assessment and the Federal Default Fee – Tier II invoice reimbursements. SCO has been notified that the audited statements have been delayed.

***Responsible Staff:*** Keri Tippins,  
General Counsel

Janet McDuffie, Chief  
Administration and External Affairs