



Popular Annual **FINANCIAL REPORT**

Fiscal Year Ended June 30, 2017

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Values

INTEGRITY

We expect the highest standard of moral character and ethical behavior.

HONESTY

We expect truthfulness and trustworthiness.

RESPECT

We expect courtesy and dignity in all interpersonal interactions.

RESPONSIBILITY

We expect fulfillment of obligations and accountability.



Dr. Ann E. Rondeau

College of DuPage Vision and Mission

In order to fulfill our duty as responsible stewards of a valuable resource, we profess the following statements as guiding principles in all that we hope to achieve in service of the community at large.

Vision

College of DuPage will be the primary college district residents choose for high quality education.

Mission

The mission of College of DuPage is to be a center for excellence in teaching, learning, and cultural experiences by providing accessible, affordable, and comprehensive education.

Residents and Businesses of District 502 and College Community Members:

I am pleased to present to you the Popular Annual Financial Report (PAFR) of College of DuPage for the fiscal year ended June 30, 2017. The PAFR is a summarized version of the College's Comprehensive Annual Financial Report (CAFR). Where the CAFR is voluminous and technically complex, the PAFR is designed to be more understandable for individuals who are not finance or accounting professionals. The PAFR points the reader to the highlights of the College's financial results for the past fiscal year. As such, the PAFR reflects the College's efforts to enhance transparency.

This PAFR is the first document of its kind to be published by College of DuPage. The issuance of a PAFR is not required by any regulatory body. The Government Finance Officers Association of the United States and Canada, the widely recognized professional association of government finance officers, encourages state and local governments (including community college districts) to issue PAFRs. However, only a small number of governments do so. We are proud to be joining the ranks of governments and institutions who endeavor to engage the public in the discussion of their financial condition.

I trust that you will find the 2017 PAFR to be highly informative. If you have any questions about the College's 2017 PAFR or any aspect of our finances, I encourage you to contact our Administrative Affairs Division at administrativeaffairs@cod.edu or (630) 942-2218.

Respectfully,

Dr. Ann E. Rondeau
President, College of DuPage
Vice Admiral, U.S. Navy (Ret.)

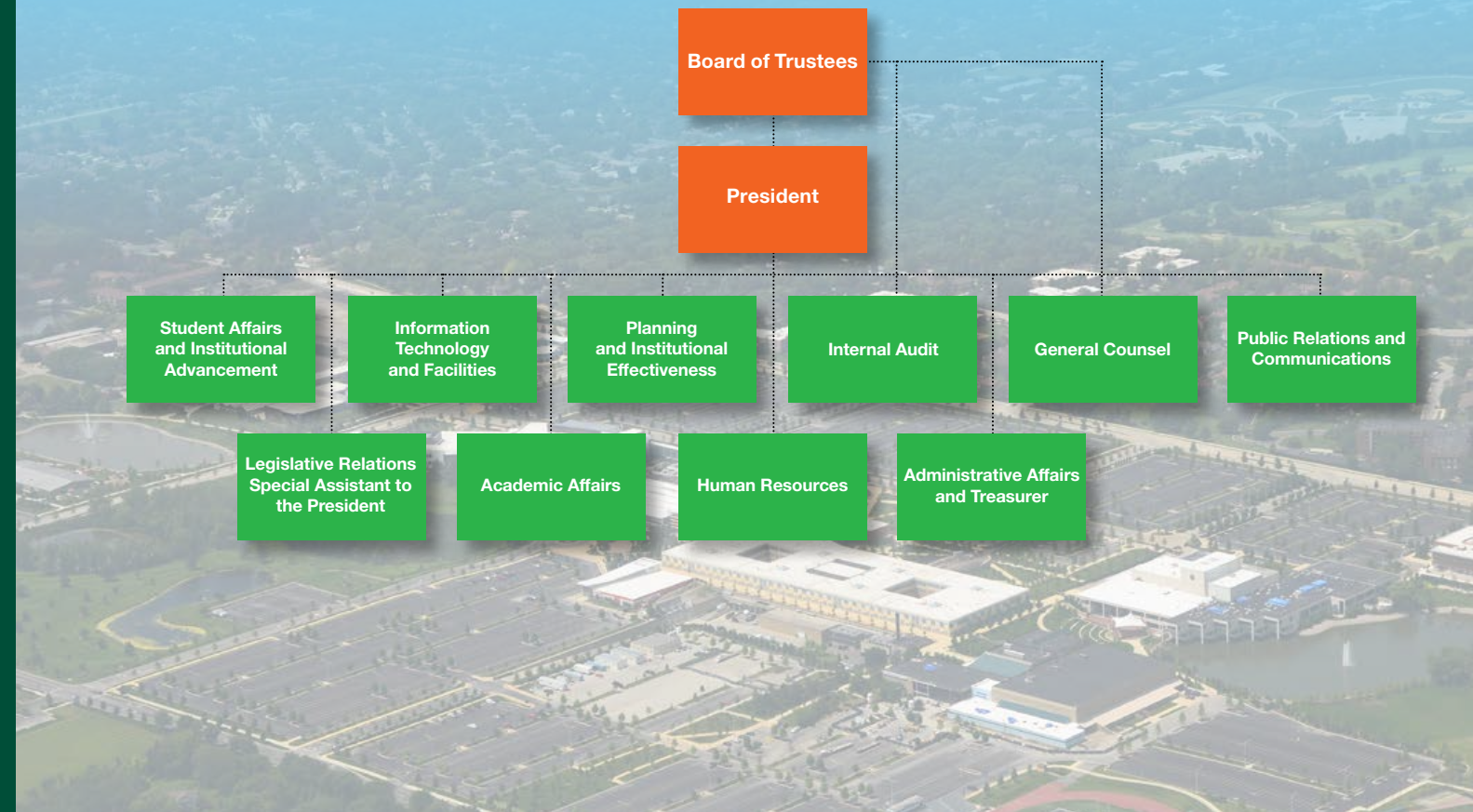
COLLEGE OF DUPAGE AT A GLANCE

Institutional Profile

Among the state's public colleges and universities, College of DuPage is the second largest provider of undergraduate education in the State of Illinois, after University of Illinois at Urbana-Champaign.

- More than 25% of all District 502 high school graduates attend College of DuPage during their college career.
- Roughly 20% of students attending COD already possess a bachelor's degree or higher.
- Approximately 27,000 students attend College of DuPage each semester.
- The College of DuPage Library maintains a collection of 245,800 books, 285,000 microfiche, 29,500 video recordings (VHS and DVD), 20,700 sound recordings (CDs), 527 current periodical subscriptions (7,900 bound periodical back files), and 18 newspapers.
- The Glen Ellyn campus covers 273 acres and has eleven major buildings.
- There are more than 80 student clubs and organizations on campus.
- COD currently has 82 total degree programs. Nine associate degrees are granted by College of DuPage; 74 are associate in applied science degrees in 42 different career and technical subject areas. In addition to associate degrees, the College offers 178 certificates in 53 different career and technical subject areas.
- College of DuPage is accredited by The Higher Learning Commission.
- The College's fiscal year (FY) runs from July 1 through June 30.

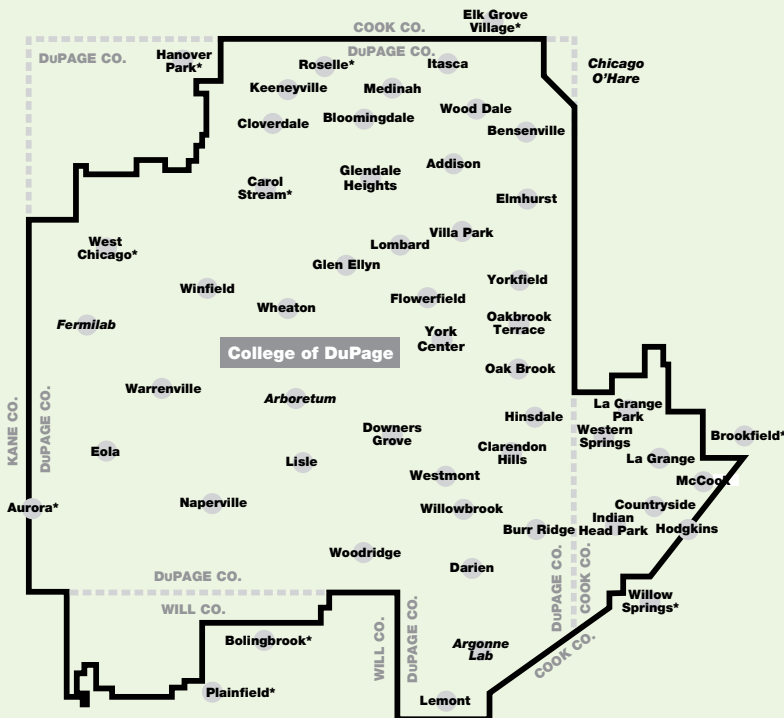
Organization Chart



COMMUNITY COLLEGE DISTRICT 502

— Community College District
 - - - DuPage County Line

*Only portions of these communities are in District 502.



College of DuPage Board of Trustees



Deanne Mazzochi
 Board Chairman
 Elmhurst

Christine M. Fenne
 Board Secretary
 Wheaton

Charles Bernstein
 Wheaton

Joseph C. Wozniak
 Naperville

Frank Napolitano
 Board Vice Chairman
 Bloomingdale

Alan L. Bennett
 Lombard

Daniel Markwell
 Lombard

Anthony Walker
 Student Trustee
 Bensenville

College Achievements and Outcomes

Strategic Long-Range Plan: With approval of the Board of Trustees, the College implemented the 2017-2021 Strategic Long-Range Plan, which establishes the strategic direction for the institution.

Property Taxes: The College kept its 2016 property tax levy request at the same level as the 2015 final tax extension.

Tuition and Fees: In-district tuition and fees continued at \$135 per credit hour, reflecting no increase from FY2016.

New Degrees & Certificates: The College launched an American Sign Language Interpreting AAS degree and certificate. Additionally, the College started a new Technical Writing Certificate dual credit agreement with York High School.

Partnerships: Executed new 2+2 articulation agreements in English, philosophy, and languages with Elmhurst College.

Technology: Major technology enhancements included an upgrade to the public wireless network that doubled the number of access points on campus; implementation of a new scholarship application system for students to search and apply for available scholarships; and automation of existing processes for new student advising and registration.

Robert J. Miller Homeland Security Education Center: Dedicated the building honoring Medal of Honor Recipient Miller and College of DuPage students who have fallen in the line of duty through their service as firefighters, police officers, and military service members.

Food Truck Rally & Sunset 5K: The College community event brought more than 3,500 guests to campus to enjoy meals from 18 food trucks, a scenic 5k run/walk, a 100-yard youth dash, and a post-race concert at the Lakeside Pavilion.

Commitment to Training & Development: The College continued its commitment to training by having employees and leaders participate in a multitude of ethics, governance, compliance, oversight, development, and security training throughout the year.

Employee Medical Insurance Plans: In collaboration with a cross-constituency committee, the College's Human Resources Department developed new medical plan offerings that meet the needs of employees, are compliant with current legislation, and demonstrate fiscal responsibility.

Financial Administration Recognition: The College once again received Government Finance Officers Association awards for its FY2016 Comprehensive Annual Financial Report and for its FY2017 Budget.

College of DuPage FINANCIAL HIGHLIGHTS

The Statement of Net Position most notably includes the College's assets, liabilities, and net position as of the last day of the fiscal year. An asset is a resource with present service capacity that the College presently controls. A liability is a present obligation to sacrifice resources that the College has little or no discretion to avoid. Net position is the residual of all other elements presented in the Statement of Net Position. The Statement of Net Position also includes deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Reflected in the Statement of Net Position are current and non-current items. Current items are generally expected to be either liquidated or satisfied within one year. Non-current items are generally expected to be either liquidated or satisfied beyond one year.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of College activities, which are supported substantially by property taxes, state and federal grants and contracts, student tuition and fees, and auxiliary enterprises revenues. This approach is intended to enhance the reader's understanding of the financial results of the various College services to students and the public.

Statement of Net Position (in millions)

Assets	
Current assets	\$344.0
Non-current assets	
Other assets	0.1
Capital assets, net of depreciation	486.1
Total assets	\$830.2
Deferred outflows of resources	
Deferred charge on post-employment benefit contributions	\$0.1
Deferred charge on refunding	0.2
Total deferred outflows of resources	\$0.3
Liabilities	
Current liabilities	\$63.0
Non-current liabilities	227.9
Total liabilities	\$290.9
Deferred inflows of resources	
Deferred property taxes	\$52.8
Net Position	
Net investment in capital assets	\$245.1
Restricted	18.8
Unrestricted	222.9
Total net position	\$486.8

Statement of Revenues, Expenses, and Changes in Net Position (in millions)

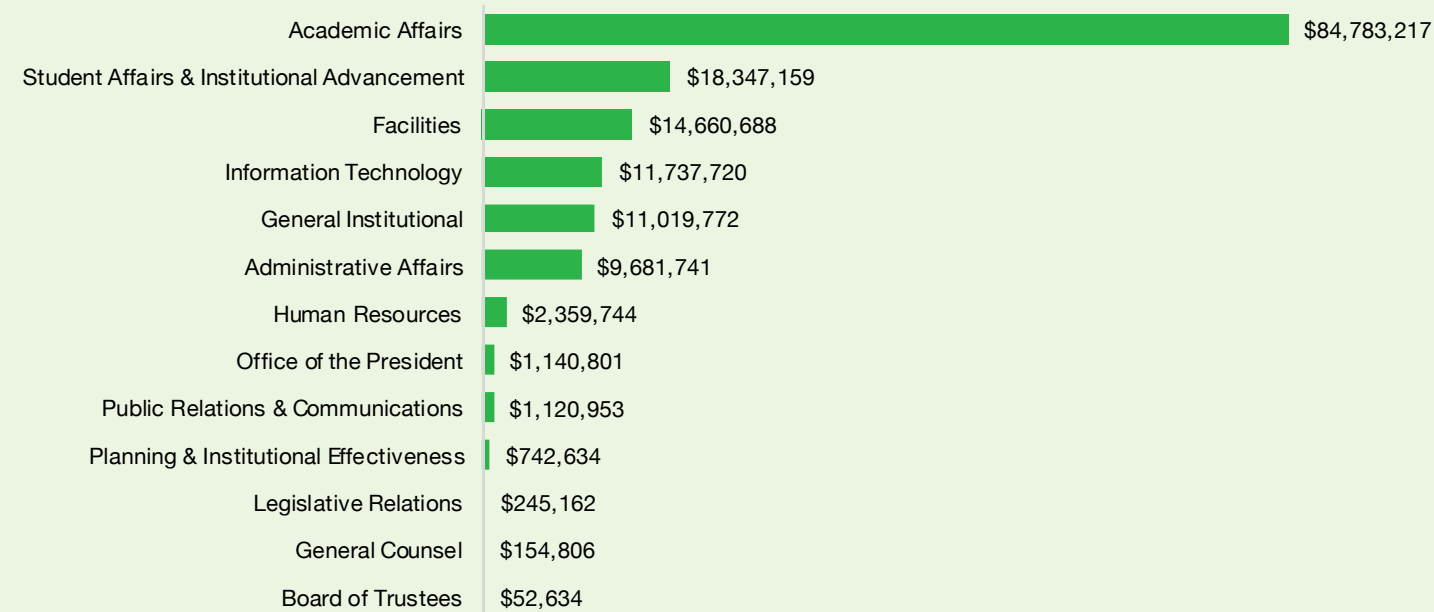
Revenues	
Operating revenues	
Student tuition and fees, net	\$61.2
Sales and service fees	3.8
Other operating revenues	1.3
Total operating revenues	\$66.3
Non-operating revenues	
Real estate and other taxes	\$108.9
State appropriations	71.6
Federal grants and contracts	26.3
Investment income	1.6
Other non-operating revenues	1.5
Total non-operating revenues	\$209.9
Total revenues	\$276.2

Expenses

Operating expenses	
Instruction	\$112.6
Academic support	12.1
Student services	21.0
Public service	2.7
Operation and maintenance of plant	19.6
General administration	17.4
General institutional	24.2
Auxiliary enterprises	11.4
Scholarship expense	6.9
Depreciation expense	32.0
Total operating expenses	\$259.9
Non-operating expenses	
Interest on capital asset-related debt	\$10.2
Total non-operating expenses	10.2
Total expenses	\$270.1
Net income before capital contributions	\$6.1
Capital contributions	0.2
Increase in net position	6.3
Net position at beginning of year	480.5
Net position at end of year	\$486.8

GENERAL FUND

Expenditures by Division



The College's Funds

General Fund

The General Fund includes the expenditures needed to conduct the day-to-day business of the College. Most of the instruction and instructional support activities are recorded in the General Fund.

Operations and Maintenance (Restricted) Fund

Expenditures accounted for in this fund are typically non-recurring capital items and relate to projects that often take more than a year to complete.

Bond and Interest Fund

This fund is used to account for the payment of principal, interest, and related charges on any outstanding long-term debt.

Auxiliary Enterprises Fund

The Auxiliary Enterprises Fund is used to record revenues and expenditures related to providing services to students, faculty, staff, and the general public for which a fee is charged that is intended to recover associated costs.

Restricted Purposes Fund

The Restricted Purposes Fund is used to account for monies that have restrictions pertaining to their use, such as grants.

Working Cash Fund

This fund is used to facilitate effective cash flow for the College.



What is a Fund?

A fund is a set of accounts that are segregated to identify the transactions associated with a specific activity conducted by a government.

At the fund level, outflows of resources are termed "expenditures" rather than "expenses."

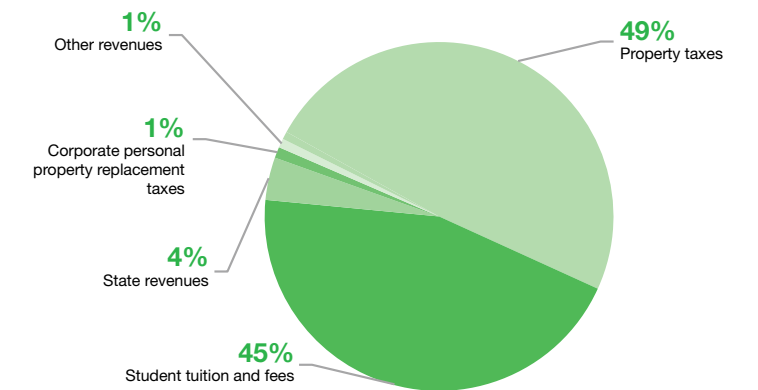
2017 Schedule of Revenues, Expenditures, and Changes in Fund Balance

GENERAL FUND (in millions)

Revenues

Property taxes	\$81.3
Student tuition and fees	74.6
State revenues	6.6
Corporate personal property replacement taxes	1.7
Other revenues	1.4
Interest income	1.2
Total Revenues	\$166.8

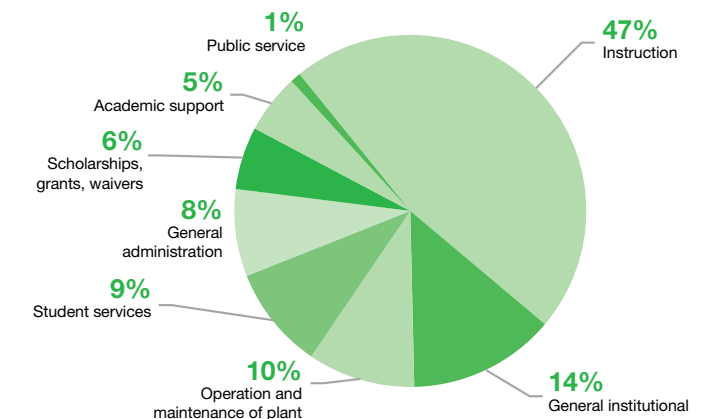
Revenues



Expenditures

Instruction	\$73.3
General institutional	21.1
Operation and maintenance of plant	15.4
Student services	14.8
General administration	12.5
Scholarships, grants, and waivers	9.0
Academic support	8.5
Public service	1.5
Total Expenditures	\$156.1

Expenditures



Excess of Revenues over Expenditures	\$10.7
Net transfers in / (out)	(0.4)
Net change in fund balance	10.3
Fund Balance, July 1, 2016	197.3
Fund Balance, June 30, 2017	\$207.6



AUXILIARY ENTERPRISES FUND

Major Business Enterprises

The Auxiliary Enterprises Fund is used to record revenues and expenditures associated with the provision of services to students, faculty, staff, and the general public for a fee that is directly related to the service provided.

Each activity is accounted for in a manner similar to that which is used for a private business enterprise.

Continuing Education

There are over 35 departments under the banner of Continuing Education (CE) organized into three main divisions: Business Solutions, Youth Academy, and Adult Enrichment. CE provides both credit and non-credit classes.

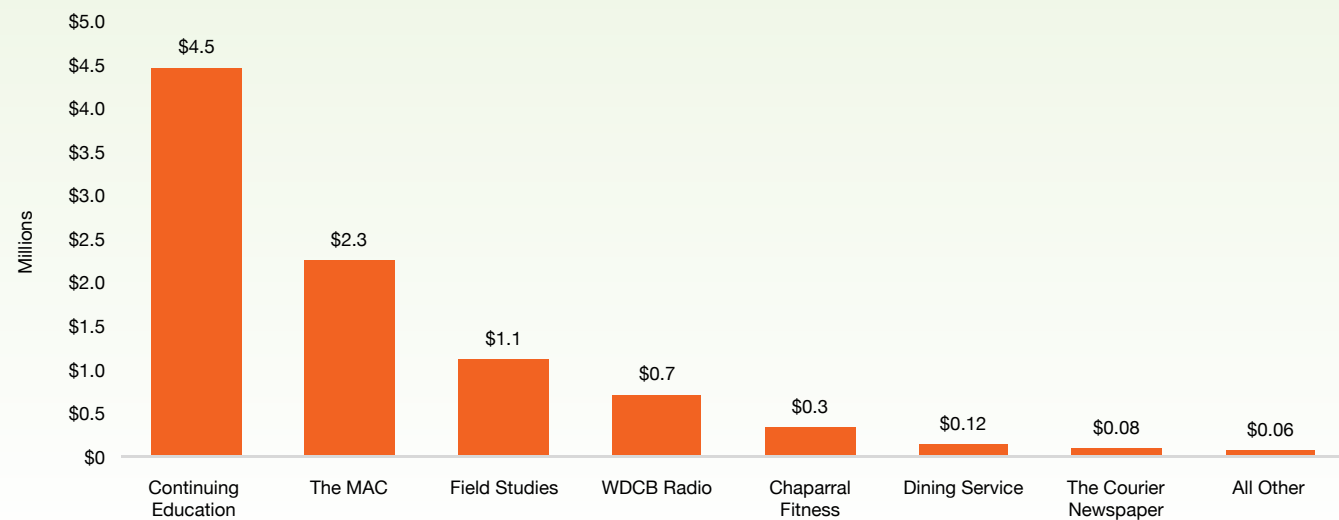
McAninch Arts Center

The McAninch Arts Center (MAC) houses and manages the performing arts for the College. The three major functions of the arts center consist of performances by internal and hired artists; touring shows; and operations and building upgrades.

WDCB Radio

WDCB is a broadcast service of College of DuPage from which the College can reach the community through cultural and news/public affairs programming. WDCB presents the College to a vast audience in northeastern Illinois, especially the greater Chicago metropolitan area and District 502.

Expenditures



2017 Schedule of Revenues, Expenditures, and Changes in Fund Balance

AUXILIARY ENTERPRISES FUND (in millions)

Revenues

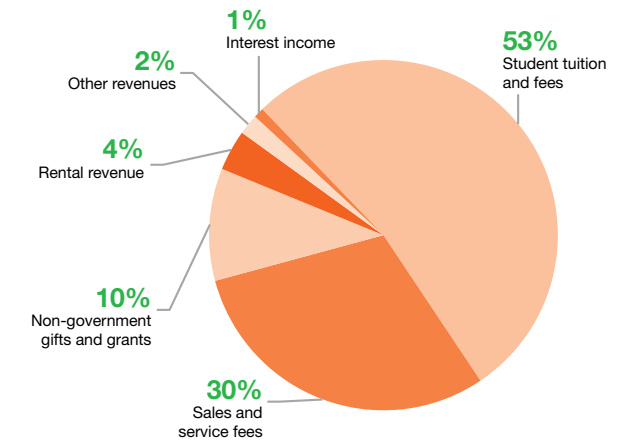
Student tuition and fees	\$5.6
Sales and service fees	3.2
Non-government gifts and grants	1.1
Rental revenue	0.4
Other revenues	0.2
Interest income	0.1
Total Revenues	\$10.6

Expenditures

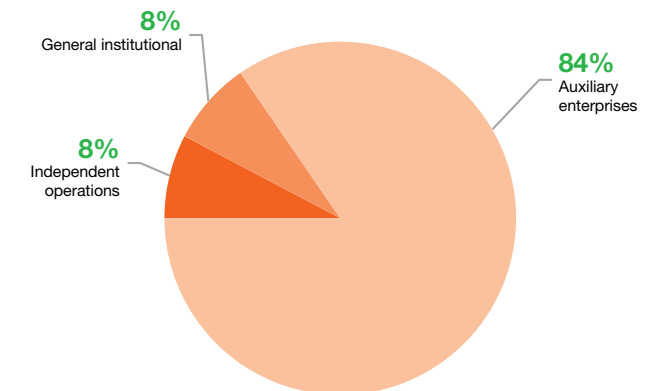
Independent operations	\$0.7
General institutional	0.7
Auxiliary enterprises	7.7
Total Expenditures	\$9.1

Excess of Revenues over Expenditures	\$1.5
Net transfers in / (out)	(0.4)
Net change in fund balance	1.1
Fund Balance, July 1, 2016	9.9
Fund Balance, June 30, 2017	\$11.0

Revenues



Expenditures



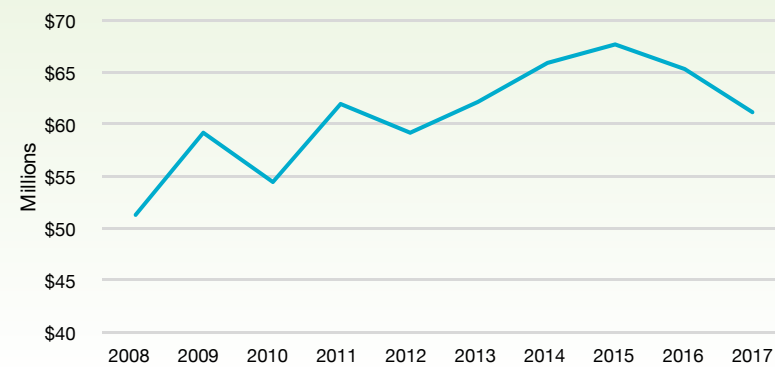
Revenue Trends

WHERE DOES THE MONEY COME FROM?

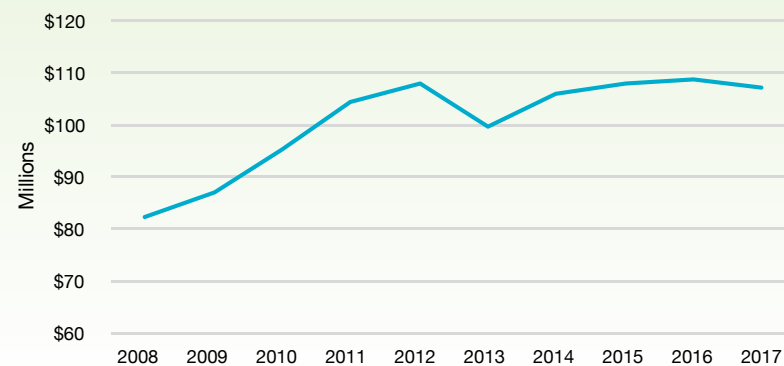
College of DuPage has a diversified funding base consisting of local property taxes, student tuition and fees, state and federal aid, and other institutionally-generated revenues. Local taxes, student tuition and fees, and state and federal aid comprised a combined 97% of total revenues in FY2017.

Revenues

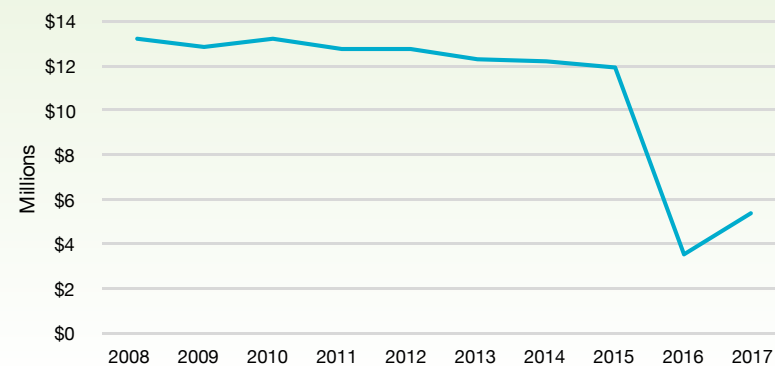
Student tuition and fees



Property Taxes



Illinois Community College Board Base Operating Grant



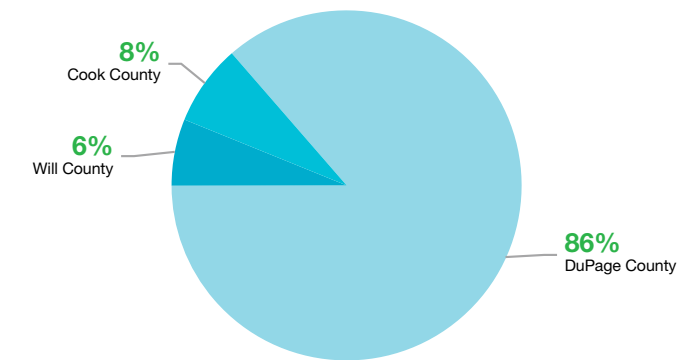
Quick fact: District 502 extends into DuPage County, and parts of Cook and Will Counties.

Property Taxes

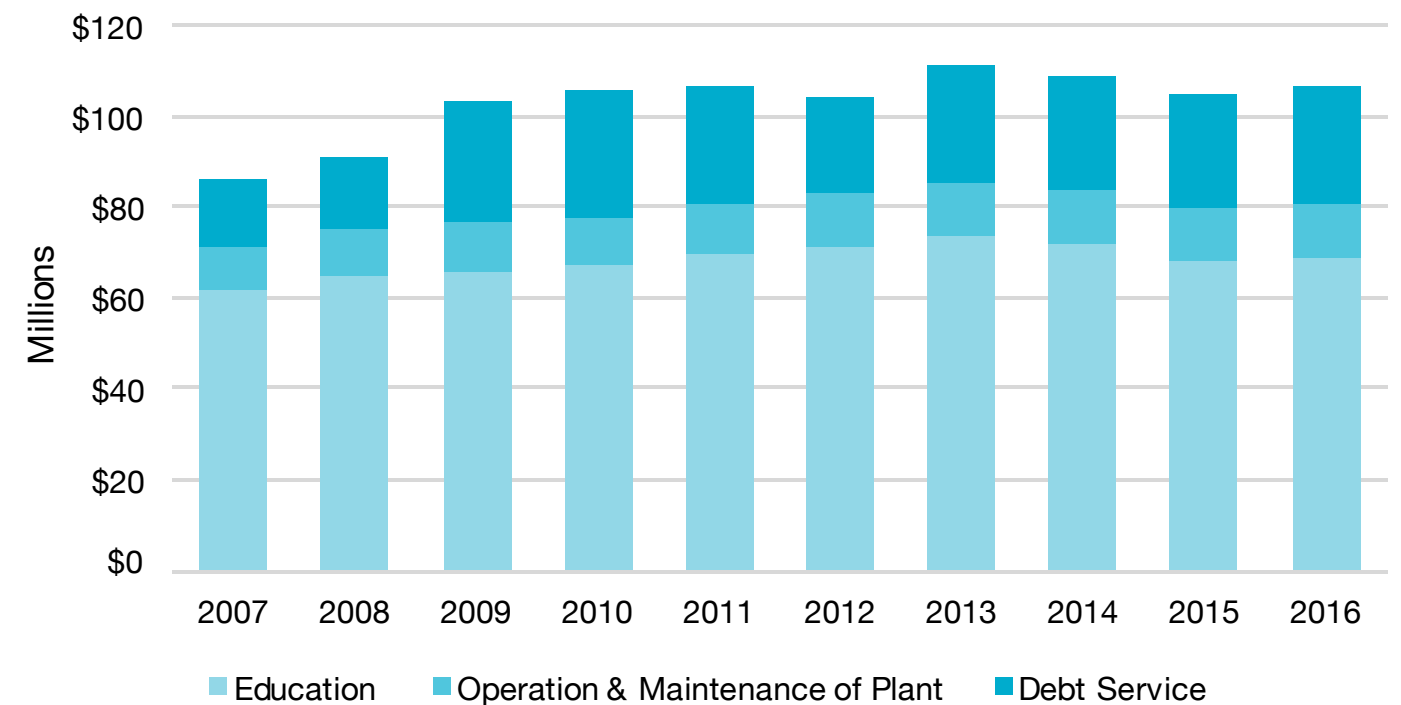
Local taxes, including property taxes and corporate personal property replacement taxes, continue to be among the College's primary revenue sources, accounting for about 39% of total revenues in FY2017. Property taxes are used to pay operating costs and general obligation debt service.

2016 District 502 Equalized Assessed Value

DuPage County	\$34,980,981,549
Will County	\$2,496,014,228
Cook County	\$3,027,393,289
Total	\$40,504,389,066



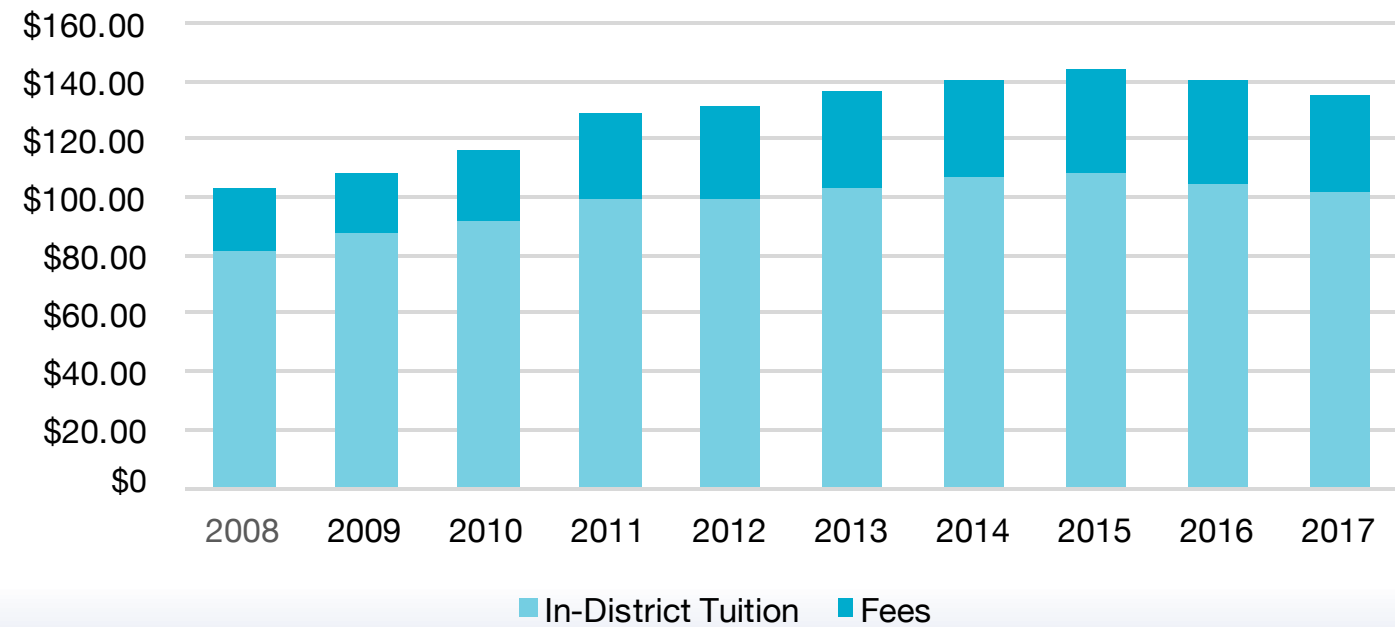
Property Tax Levy



Tuition and Fees

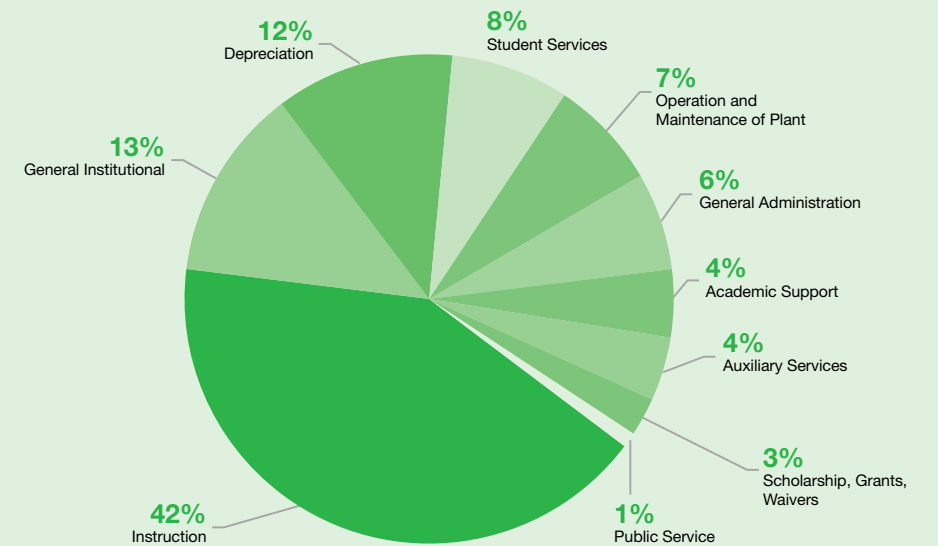
As described in the mission statement, College of DuPage strives to be a center for excellence in teaching, learning, and cultural experiences by providing accessible, affordable, and comprehensive education. This is accomplished by keeping tuition as low as possible without impairing the quality or integrity of college programs and services.

Per Credit Hour Rate History



WHERE IS THE MONEY GOING?

Total College Expenses by Function



Per Capita Cost

\$470.81

The total cost of delivering a credit hour of instruction at College of DuPage in FY2017 was \$470.81.

College Functions

Instruction - Activities dealing directly with the teaching of students such as labor, equipment, materials, and supplies.

Academic Support - Activities designed to provide support services for College's primary missions of instruction, public service, and research. Includes operations of the Library, educational media services, and academic computing.

Student Services - Provides assistance in the areas of financial aid, admissions, records, and counseling.

Public Service - Consists of non-credit classes and other activities of an educational nature, such as workshops, seminars, forums, and exhibits.

Auxiliary Services - Provides for the operation of the cafeteria, bookstore, radio station, performing arts, continuing education, and other business-related activities.

Operation and Maintenance of Plant - Building and grounds maintenance activity costs that are necessary to keep the physical facilities open and ready for use.

General Administration - Includes expenditures for administrative activities that support the entire institution. Examples include information technology, financial affairs, and human resources.

General Institutional - Central executive-level activities and support services that benefit the entire institution. Examples include research and development, marketing, debt service payments, and insurance.

Scholarships, Grants, and Waivers - Activities in the form of grants or financial aid to students.

Depreciation Expense - The cost of capitalized facilities and equipment allocated across the years of its useful life.



Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets such as roads, parking lots, and sidewalks, that have initial unit costs greater than or equal to the College's defined capitalization thresholds and estimated useful lives of more than one year.

The College continues to spend down the voter-approved November 2010 referendum bond proceeds received in FY2013. Major projects, which began in FY2017, include the Robert J. Miller Homeland Security Education Center street scene acoustics upgrade, Health and Science Center cadaver lab upgrade, McAninch Arts Center donor wall, and the General Counsel office remodeling.

Capital Assets Activity During FY2017

(in millions)

	June 30, 2016	Additions	Retirements	Transfers	June 30, 2017
Land and Land Improvements	\$94.7	\$0.0	\$0.0	\$0.2	\$94.9
Art Collection	0.7	0.1	0.0	0.0	0.8
Construction in Progress	0.1	1.6	0.0	(0.4)	1.3
Buildings and Building Improvements	567.5	0.0	0.0	0.1	567.6
Equipment	53.7	2.7	(1.1)	0.1	55.4
Less:					
Accumulated Depreciation	(203.1)	(32.0)	1.1	0.0	(234.0)
TOTAL	\$513.6	(\$27.6)	\$0.0	\$0.0	\$486.0

Debt Status

The College currently has six series of general obligation (GO) bonds outstanding. GO bonds are backed by the full faith and credit of the community college district and are typically paid with property taxes. However, for three of the outstanding issuances, the College uses other revenue sources (credit hour fees) to pay the debt service so as to reduce property taxes.

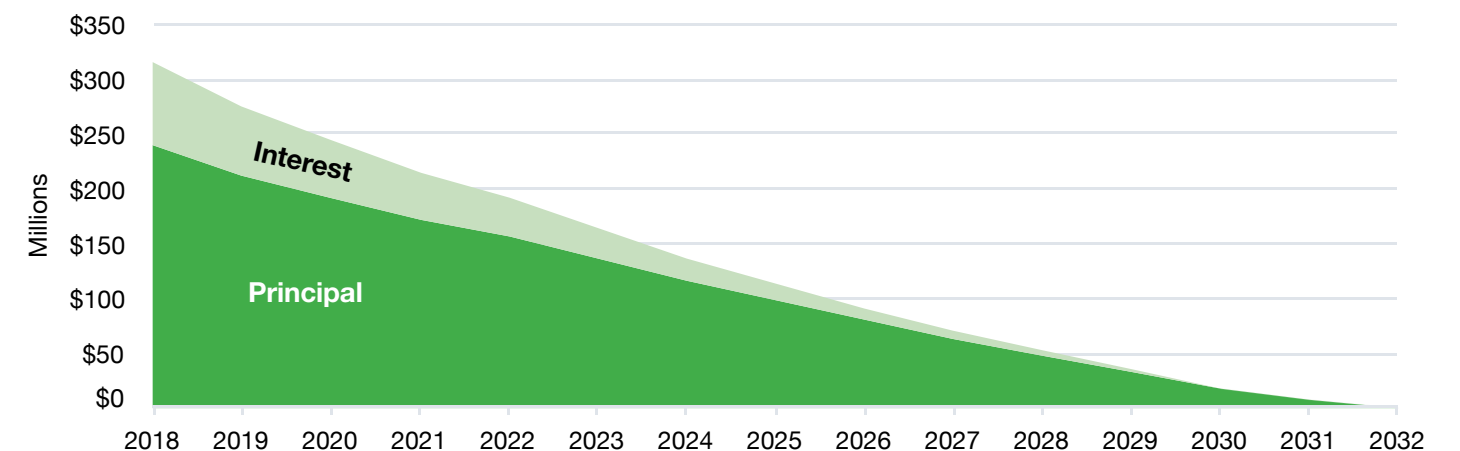
- The Series 2006, Series 2011B, and a portion of Series 2011A bond proceeds were used to advance refund previous outstanding issuances.
- The Series 2007, Series 2009B, Series 2013A, and a portion of Series 2011A bond proceeds were issued to finance capital projects, including building additions and renovations.
- The Series 2009B bonds are Build America Bonds, which means 35% of the annual interest paid by the College is to be reimbursed by the U.S. Government.
- On March 1, 2017, S&P Global Ratings revised its financial outlook of the College to "stable" from "negative" and affirmed its AA rating on the College's outstanding GO bonds. The rating reflects the agency's view of the College's "very strong incomes and extremely strong market value per capita; very strong financial position with very little reliance on the State of Illinois; and low-to-moderate overall debt burden."



Outstanding Principal as of June 30, 2017

	Funded by Tax Levy	Funded by Other Sources	Total
Series 2006	\$0	\$5,735,000	\$5,735,000
Series 2007	45,150,000	0	45,150,000
Series 2009B	0	52,140,000	52,140,000
Series 2011A	54,150,000	0	54,150,000
Series 2011B	0	6,345,000	6,345,000
Series 2013A	77,455,000	0	77,455,000
Total	\$176,755,000	\$64,220,000	\$240,975,000

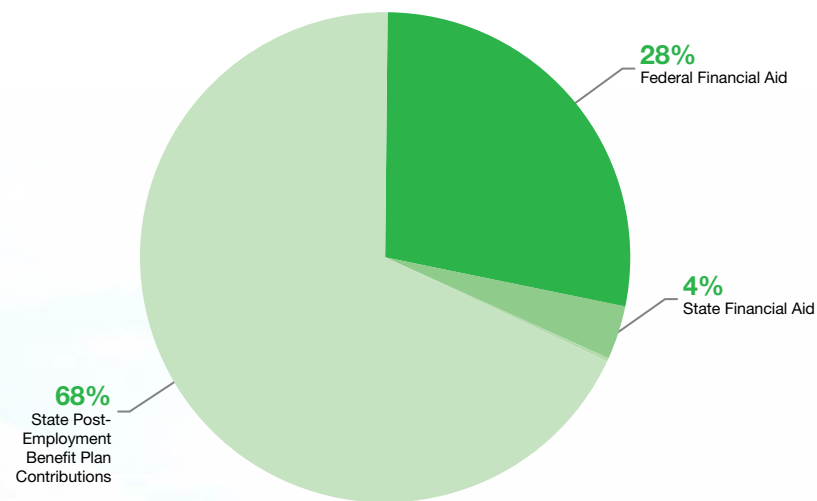
Repayment Schedule



RESTRICTED PURPOSES FUND

The Restricted Purposes Fund is used to account for monies that have restrictions regarding their expenditure, such as grants.

- The State of Illinois makes pension and retiree healthcare contributions on behalf of the College. These payments were recognized as offsetting revenue and expense on the College's financial statements in the amount of \$63.4 million in FY2017.
- The College participates in federally funded programs providing Pell Grants, Supplemental Educational Opportunity Grants, federal work-study, and federal direct loans to students to help pay for college.



This Popular Annual Financial Report (PAFR) is intended to provide selected information on the College's financial condition in a summarized, easily understandable format. Comments or suggestions for improving the document should be addressed to College of DuPage Financial Affairs Department, 425 Fawell Blvd., Glen Ellyn, Illinois, 60137.

The PAFR is based upon the College's Comprehensive Annual Financial Report (CAFR). For more complete information on the College's finances, see the CAFR at http://cod.edu/about/office_of_the_president/planning_and_reporting_documents/pdf/cafr-2017.pdf

Financial information about the College of DuPage Foundation is not included in this document. The Foundation is a component unit of the College.

College of DuPage Financial Affairs Staff

Dr. Brian Caputo, *Vice President, Administrative Affairs and Treasurer (CFO)*
Scott Brady, *Controller*
David Virgilio, *Assistant Financial Controller*
Judy Vosicky, *Senior Accountant II*
Maki Jursinic, *Senior Accountant II, Grants*
Megan Zale, *Senior Accountant*
Judy Zeh, *Grant Accountant*
Kevin Hickey, *Accountant II*
Tiana Baymon, *Grant Accountant*
Shameica Farr, *Accountant I*



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