



Fiscal Year Ended June 30, 2018

# POPULAR ANNUAL

# Financial Report

Community College District 502  
Counties of DuPage, Cook and Will and State of Illinois

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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.

## 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.



**Dr. Ann E. Rondeau**

**Residents and Businesses of District 502  
and College Community Members:**

I am pleased to present to you the second-annual Popular Annual Financial Report (PAFR) of College of DuPage. This report addresses the College's financial condition for the fiscal year ended June 30, 2018. 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. The inaugural 2017 PAFR was exceedingly well received by College stakeholders.

The issuance of a PAFR is completely voluntary on the part of the College. That is, 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 and institutions of higher education do so. We are proud to be within the ranks of the entities that endeavor to engage the public in the discussion of their financial condition.

I trust that you will find the 2018 PAFR to be highly informative. If you have any questions about the College's 2018 PAFR or any aspect of our finances, I encourage you to contact our Administrative Affairs Division at [administrativeaffairs@cod.edu](mailto:administrativeaffairs@cod.edu) or (630) 942-2218.

Respectfully,

A handwritten signature in black ink that reads "Ann E. Rondeau". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

**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.

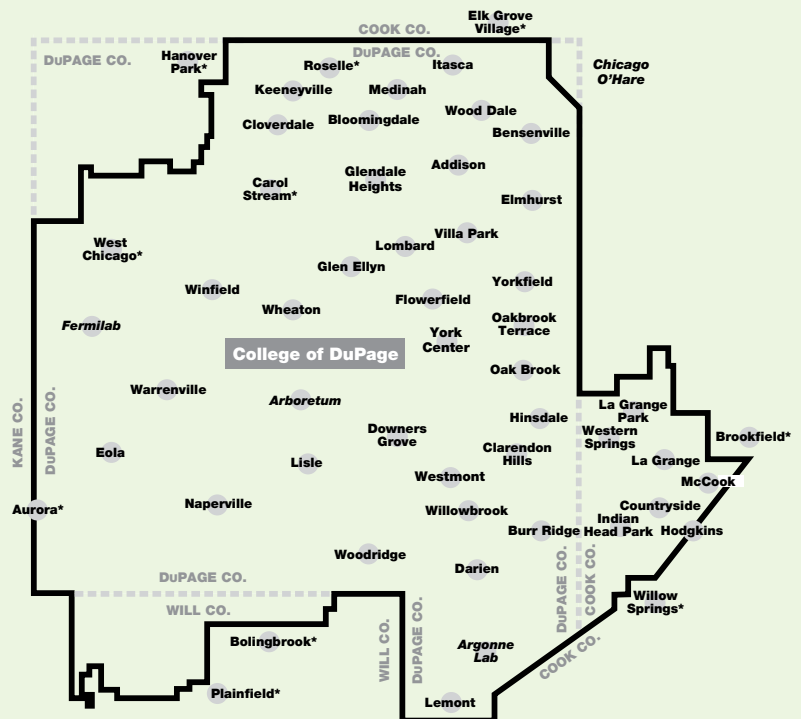
- More than 25% of all District 502 high school graduates attend College of DuPage during their college career.
- Approximately 25,000 students attend College of DuPage each semester.
- The Glen Ellyn campus covers 273 acres and has eleven major buildings.
- COD currently has 82 total degree programs. 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.
- Roughly 20% of students attending COD already possess a bachelor’s degree or higher.
- 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.
- There are more than 80 student clubs and organizations on campus.
- College of DuPage is accredited by The Higher Learning Commission.
- The College’s fiscal year (FY) runs from July 1 through June 30.

## COMMUNITY COLLEGE DISTRICT 502

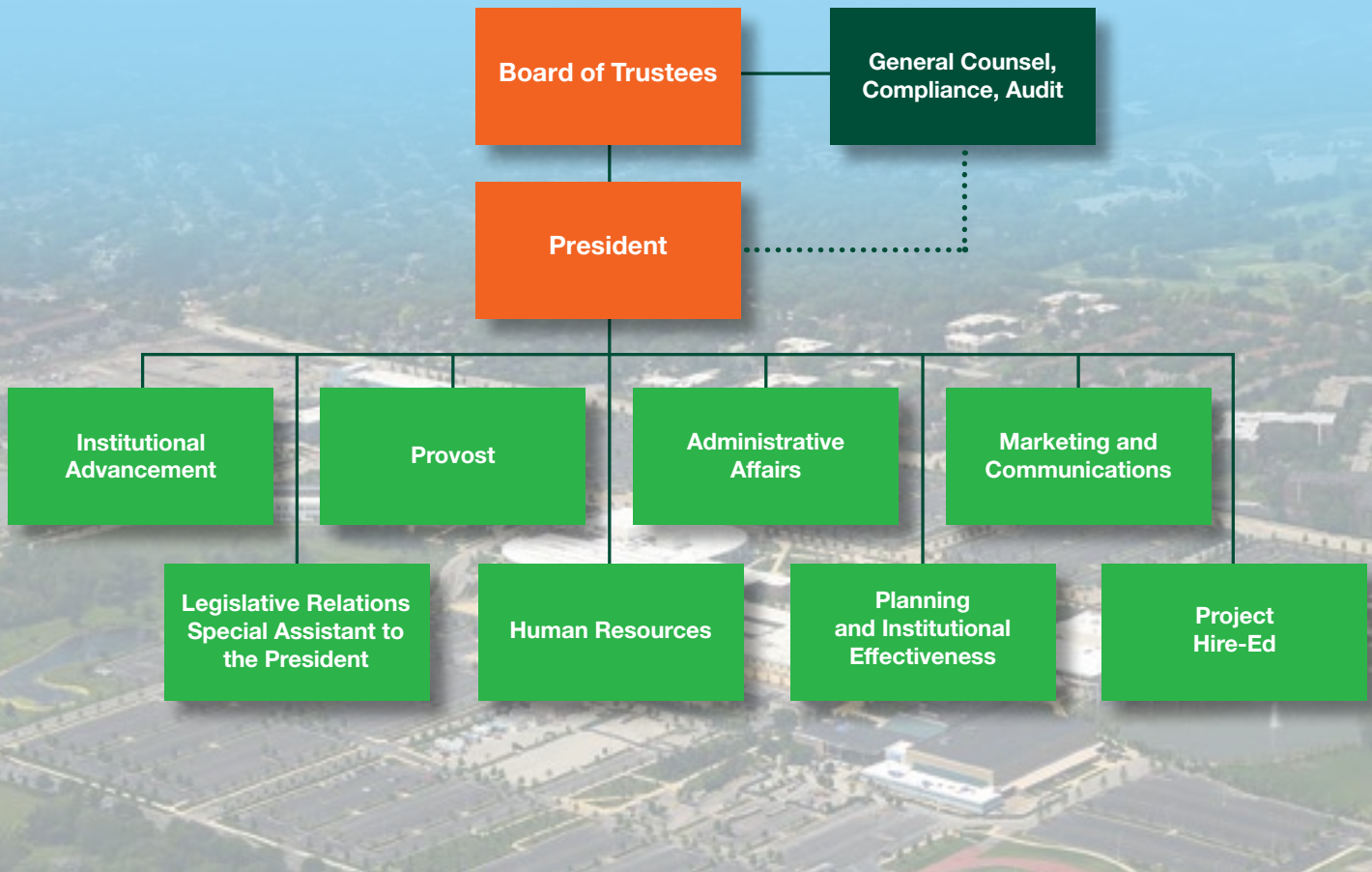
—— Community College District

----- DuPage County Line

\*Only portions of these communities are in District 502.



# ORGANIZATION CHART



## 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  
Bloomingtondale

**Alan L. Bennett**  
Lombard

**Daniel Markwell**  
Lombard

**Sonia Paul**  
Student Trustee

# College Achievements and Outcomes

**Innovation DuPage:** The College is renovating 8,200 square feet of currently vacant space in the Glen Ellyn Civic Center for Innovation DuPage, the new business incubator and accelerator developed by College of DuPage and its partners. Innovation DuPage will significantly impact regional economic development by leveraging public and private partners in support of startup and early-stage business enterprises by connecting them to the knowledge, expert mentors, and resources necessary to succeed.

**Project Hire-Ed:** There is a distinct need in DuPage County to better align post-secondary education with certain workforce skill requirements. Project Hire-Ed will foster the development of career pathways programs for a range of workers. This initiative will connect COD programs with employment opportunities and further education to enhance upward mobility in careers. Project Hire-Ed will provide improved, collaborative, and structured mechanisms for COD to establish partnerships with employers to develop educational programs that meet their existing and changing workforce needs.

**Community Relations:** Nearly 140 faculty, staff, and students volunteered with COD Cares to assist various non-profit organizations throughout DuPage County District 502 with a host of activities such as painting, repair work, cleaning and much more.

**Award for Excellence in Government Finance:** College of DuPage earned the 2018 Award for Excellence in Government Finance from the Government Finance Officers Association of the United States and Canada (GFOA) for its FY2018 Budget-in-Brief publication. GFOA's Award for Excellence in Government Finance recognizes innovative programs and contributions that exemplify outstanding financial management. The College of DuPage is the first unit of government in Illinois to win the award since 2012 and the first institution of higher education to win the award since 2006.

**Popular Annual Financial Report:** The GFOA conveyed the Award for Outstanding Achievement in Popular Annual Financial Reporting to the College of DuPage for its Popular Annual Financial Report for the fiscal year ended June 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

**Financial Administration Recognition:** The College once again received GFOA awards for its FY2017 Comprehensive Annual Financial Report and for its FY2018 Budget.

# College of DuPage FINANCIAL HIGHLIGHTS

## Statement of Net Position

As of June 30, 2018 (in millions)

### Assets

<b>Current assets</b>	<b>\$362.8</b>
<b>Non-current assets</b>	
Capital assets, net of depreciation	460.7
<b>Total assets</b>	<b>\$823.5</b>

<b>Deferred outflows of resources</b>	<b>\$6.3</b>
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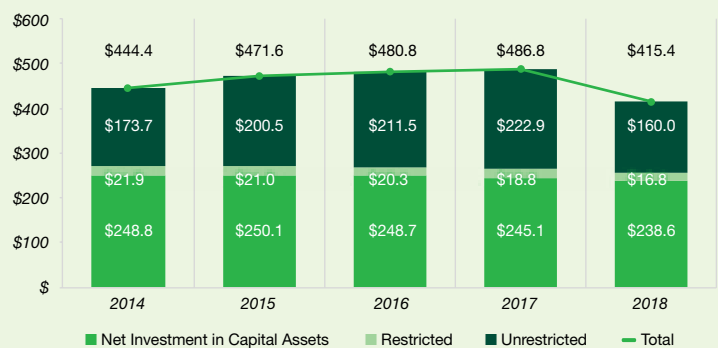
### Liabilities

Current liabilities	\$53.3
Non-current liabilities	303.4
<b>Total liabilities</b>	<b>\$356.7</b>

<b>Deferred inflows of resources</b>	<b>\$57.7</b>
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### Net Position

Net investment in capital assets	\$238.6
Restricted	16.8
Unrestricted	160.0
<b>Total net position</b>	<b>\$415.4</b>



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.

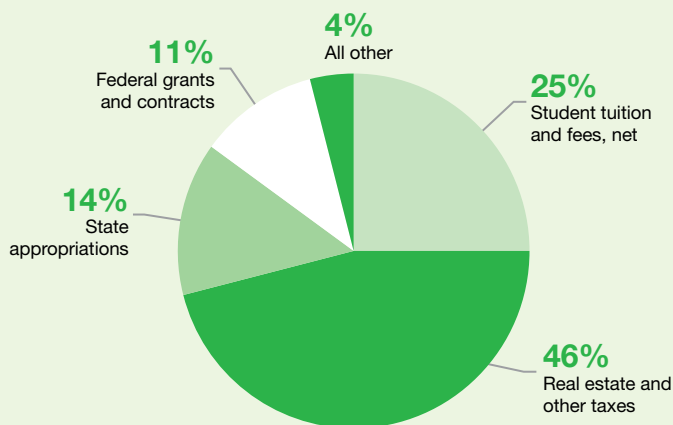
The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of College activities, which are supported substantially by property taxes, state and federal grants and contracts, student tuition and fees, and auxiliary enterprises revenues. The summarized information is presented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

## Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2018 (in millions)

### Revenues

<b>Operating revenues</b>	
Student tuition and fees, net	\$56.9
Sales and service fees	3.5
Other operating revenues	1.6
<b>Total operating revenues</b>	<b>\$62.0</b>
<b>Non-operating revenues</b>	
Real estate and other taxes	\$110.5
State appropriations	103.9
Federal grants and contracts	27.2
Investment income	3.3
Other non-operating revenues	1.5
<b>Total non-operating revenues</b>	<b>\$246.4</b>
<b>Total revenues</b>	<b>\$308.4</b>



The above chart excludes state on-behalf transactions.

### Expenses

<b>Operating expenses</b>	
Instruction	\$117.0
Academic support	15.7
Student services	23.5
Public service	3.1
Operation and maintenance of plant	20.7
General administration	17.2
General institutional	25.9
Auxiliary enterprises	12.6
Scholarship expense	11.0
Depreciation expense	31.9
<b>Total operating expenses</b>	<b>\$278.6</b>
<b>Non-operating expenses</b>	
Interest on capital asset-related debt	\$9.0
<b>Total expenses</b>	<b>\$287.6</b>

Net income before capital contributions	\$20.8
Capital contributions	1.8
<b>Increase in net position</b>	<b>22.6</b>
Net position at beginning of year, as restated	392.8
<b>Net position at end of year</b>	<b>\$415.4</b>

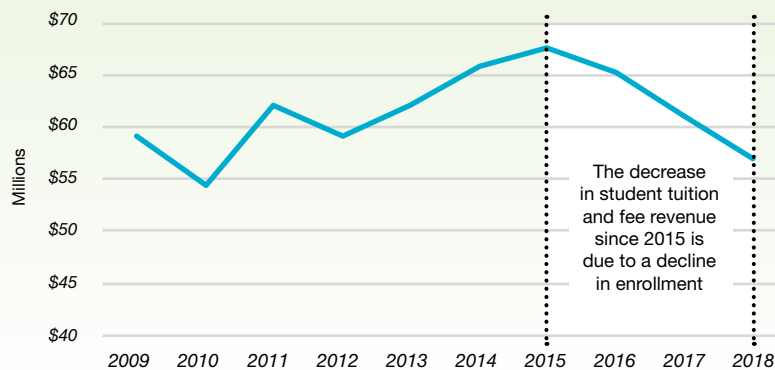
# Revenue Trends

# WHERE DOES THE MONEY COME FROM?

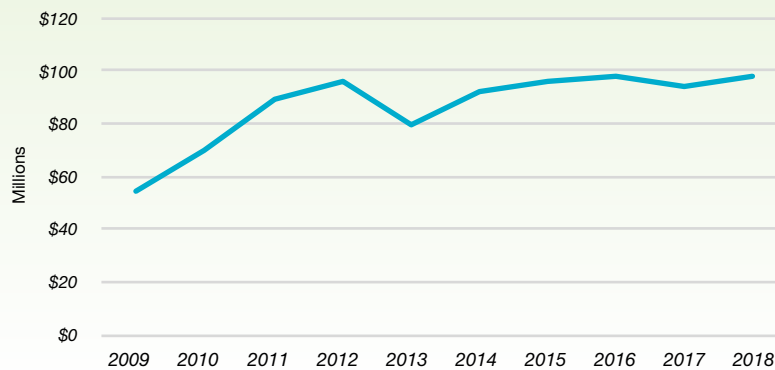
College of DuPage has a diversified funding base consisting of local property taxes, student tuition and fees, state and federal aid, and other institutionally-generated revenues. Local taxes, student tuition and fees, and state and federal aid comprised a combined 97% of total revenues in FY2018.

## Revenues

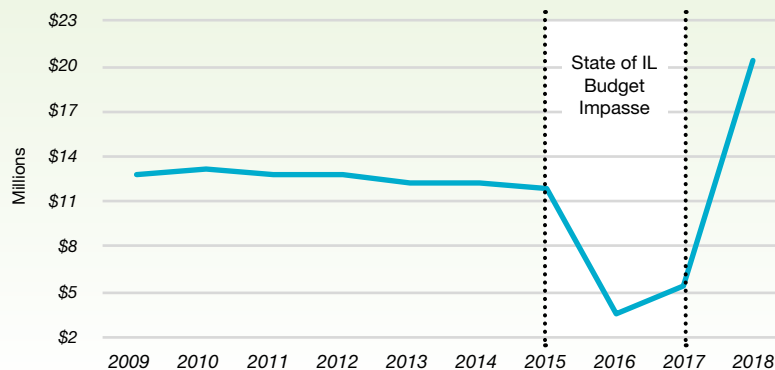
### Student tuition and fees



### Property Taxes



### Illinois Community College Board Base Operating Grant





# 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 37% of total revenues in FY2018 (considering on-behalf revenues). Property taxes are used to pay operating costs and general obligation debt service.

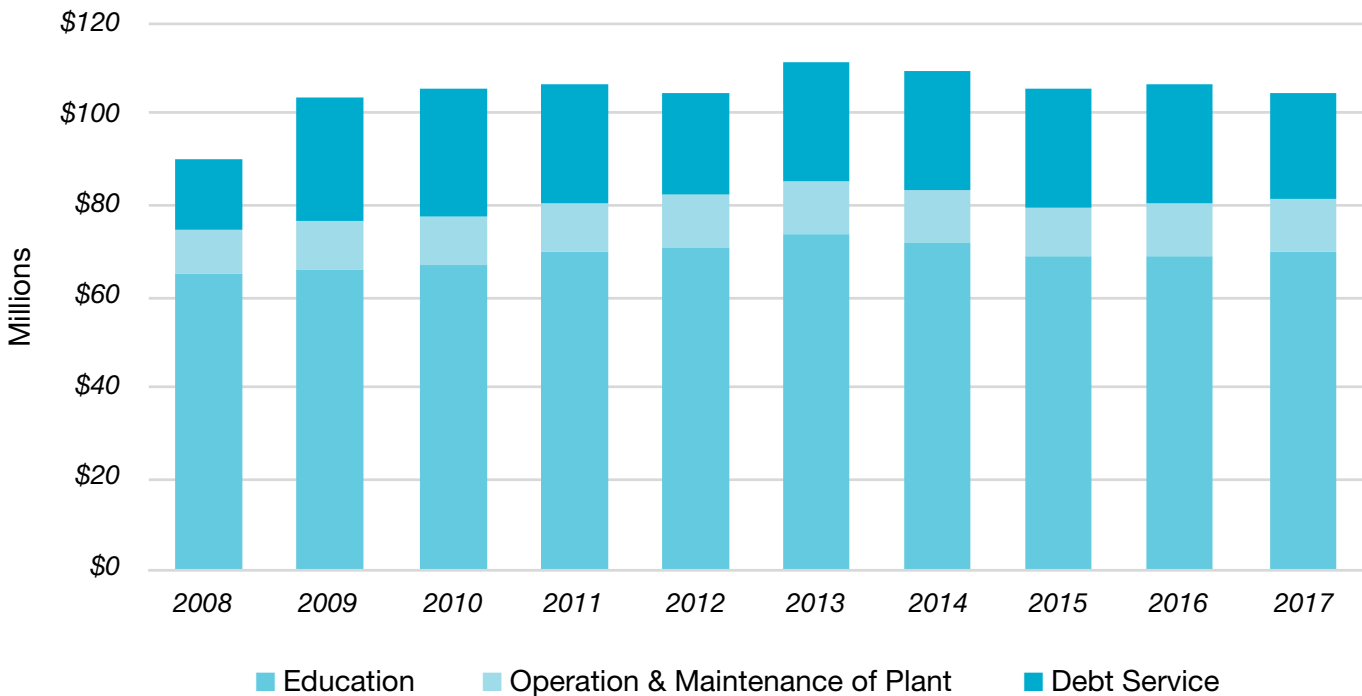
## 2017 District 502 Equalized Assessed Value

DuPage County	\$36,996,101,637	85%
Cook County	\$3,706,594,754	9%
Will County	\$2,574,540,828	6%
<b>Total</b>	<b>\$43,277,237,219</b>	<b>100%</b>



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

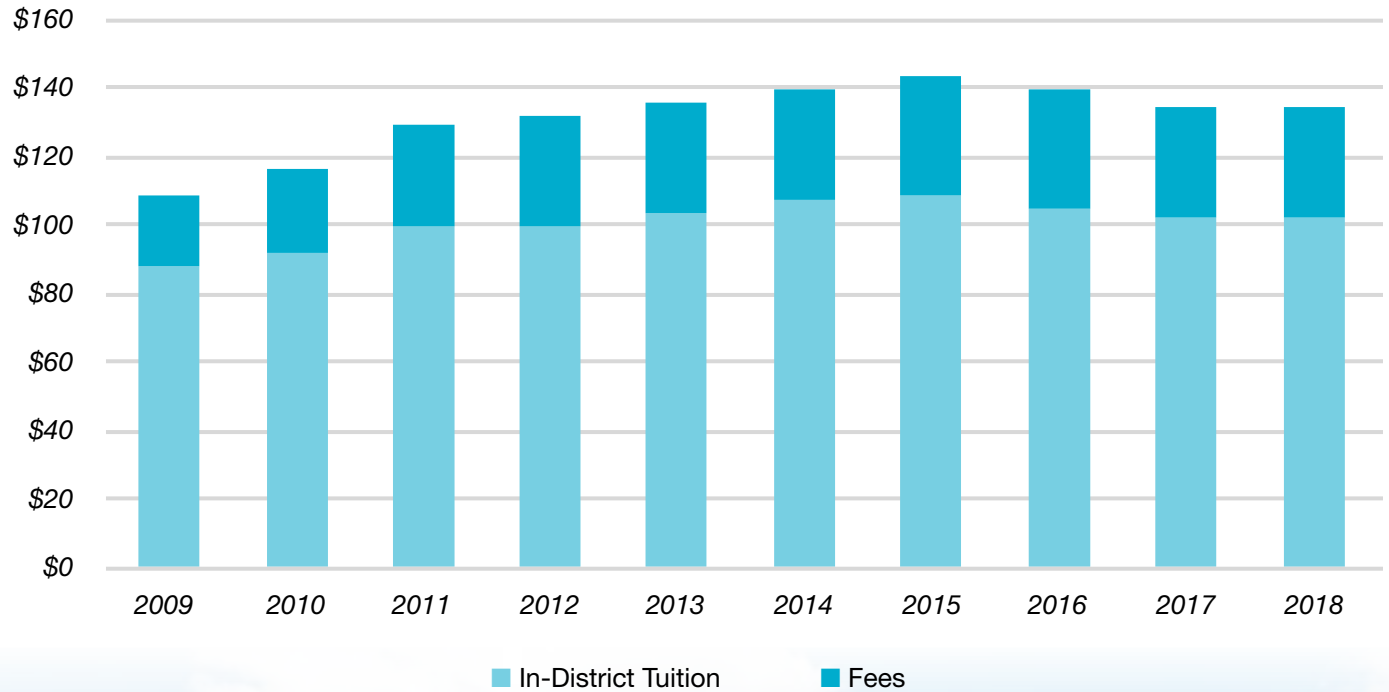
## Property Tax Levy



# Tuition and Fees

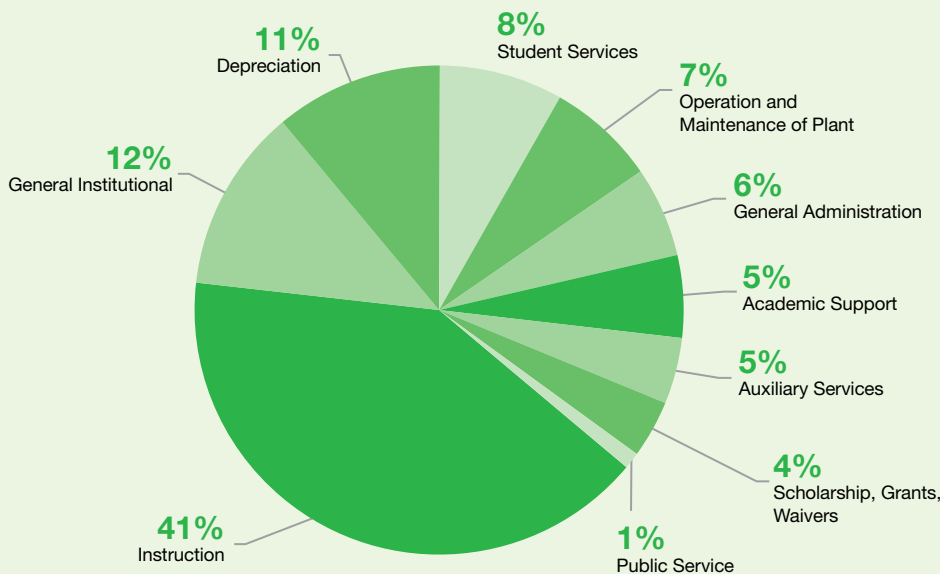
As described in the mission statement, College of DuPage strives to be a center for excellence in teaching, learning, and cultural experiences by providing accessible, affordable, and comprehensive education. This is accomplished by keeping tuition as low as possible without impairing the quality or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

## Per Credit Hour Rate History



# WHERE IS THE MONEY GOING?

## Total College Expenses by Function



**Per Credit Cost**  
\$496.17

The total cost of delivering a credit hour of instruction at College of DuPage in FY2018 was \$496.17.

## 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.

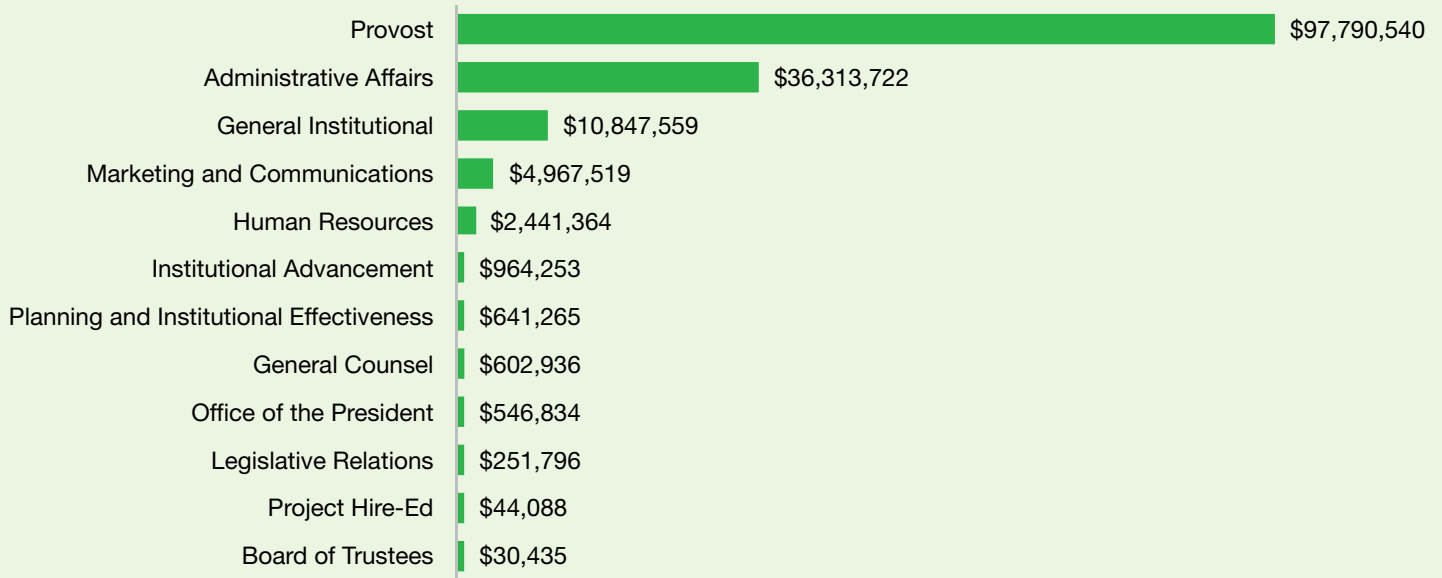
**General Institutional** – Central executive-level activities and support services that benefit the entire institution. Examples include research and development, marketing, debt service payments, and insurance.

**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.

# 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."**

# 2018 Schedule of Revenues, Expenditures, and Changes in Fund Balance

## GENERAL FUND

For the Fiscal Year Ended June 30, 2018 (in millions)

### Revenues

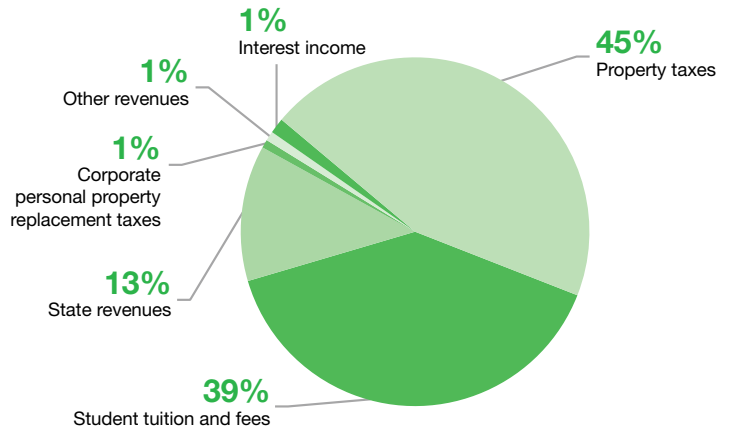
Property taxes	\$81.5
Student tuition and fees	71.8
State revenues	22.9
Corporate personal property replacement taxes	1.4
Interest income	2.6
Other revenues	1.6
<b>Total Revenues</b>	<b>\$181.8</b>

### Expenditures

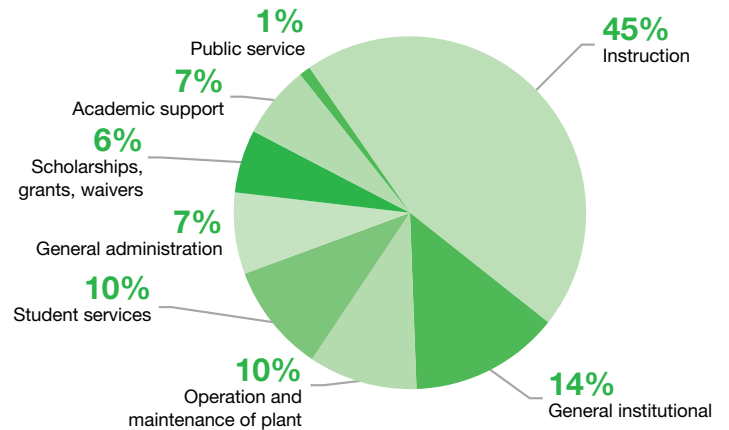
Instruction	\$70.4
General institutional	21.4
Operation and maintenance of plant	15.5
Student services	15.5
General administration	11.6
Scholarships, grants, and waivers	9.0
Academic support	10.4
Public service	1.6
<b>Total Expenditures</b>	<b>\$155.4</b>

<b>Excess of Revenues over Expenditures</b>	<b>\$26.4</b>
Net transfers in / (out)	(0.3)
<b>Net change in fund balance</b>	<b>26.1</b>
<b>Fund Balance, July 1, 2017</b>	<b>207.6</b>
<b>Fund Balance, June 30, 2018</b>	<b>\$233.7</b>

### Revenues



### Expenditures





# AUXILIARY ENTERPRISES FUND

## Major Business Enterprises

### Continuing Education

There are more than 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.

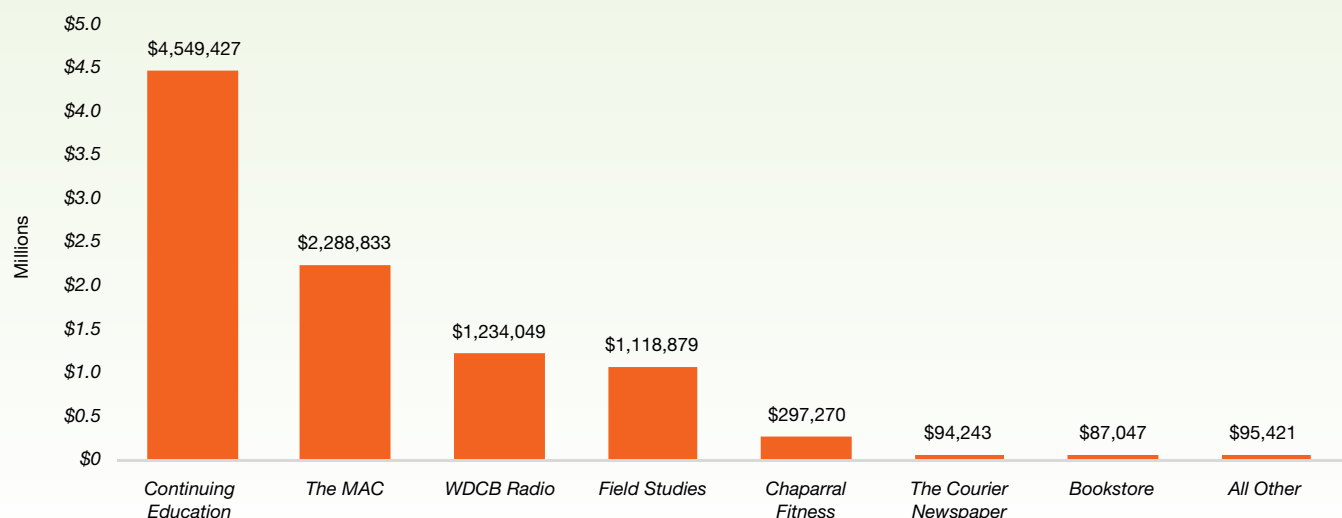
### Field Studies

Field Studies offers credit courses that combine classroom work with field experiences. Classes are experience based and faculty led. Courses include Arts and Culture, Interdisciplinary Learning Communities, Outdoor Adventure, and Science and Nature. The courses vary from local to international destinations. Study Abroad courses immerse the student in culture and language of the host country.

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.

## Auxiliary Expenditures by Business Unit



# 2018 Schedule of Revenues, Expenditures, and Changes in Fund Balance

## AUXILIARY ENTERPRISES FUND

For the Fiscal Year Ended June 30, 2018 (in millions)

### Revenues

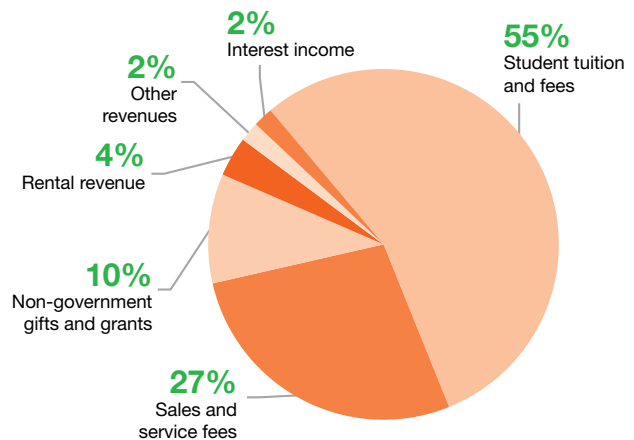
Student tuition and fees	\$6.0
Sales and service fees	3.0
Non-government gifts and grants	1.1
Rental revenue	0.4
Interest income	0.2
Other revenues	0.2
<b>Total Revenues</b>	<b>\$10.9</b>

### Expenditures

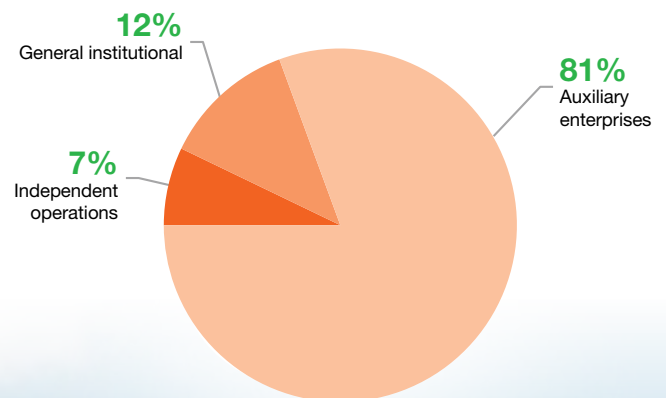
Independent operations	\$0.7
General institutional	1.2
Auxiliary enterprises	7.9
<b>Total Expenditures</b>	<b>\$9.8</b>

<b>Excess of Revenues over Expenditures</b>	<b>\$1.1</b>
<b>Fund Balance, July 1, 2017</b>	<b>11.0</b>
<b>Fund Balance, June 30, 2018</b>	<b>\$12.1</b>

### Revenues



### Expenditures



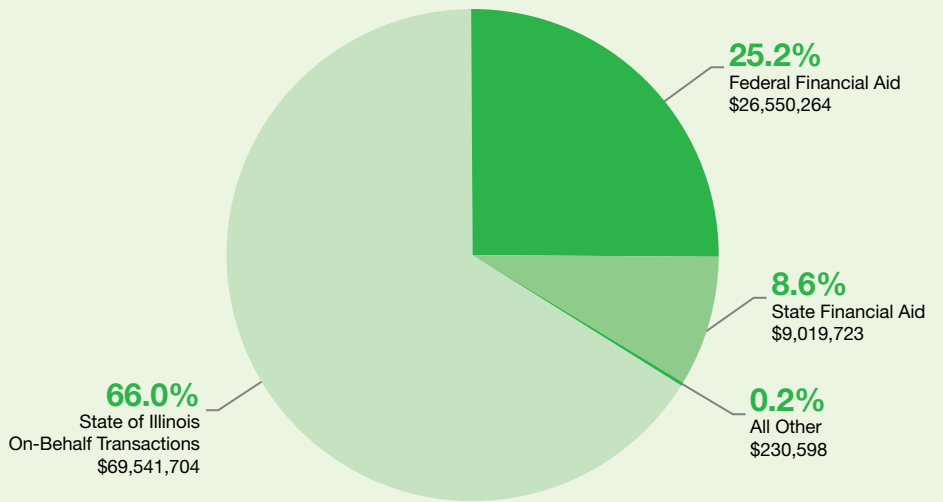


# RESTRICTED PURPOSES FUND

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 in the College’s financial statements in the amount of \$69.6 million in FY2018. These transactions are referred to as “on-behalf transactions.”
- 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.

## Restricted Purposes Fund Expenditures





# 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 ongoing projects, include the Beem Building renovation, new student services support center, and renovation of offices for Innovation DuPage.

## Capital Assets Activity During FY2018

(in millions)

	June 30, 2017	Additions	Retirements	Transfers	June 30, 2018
Land and Land Improvements	\$94.9	\$—	\$—	\$0.6	\$95.5
Art Collection	0.8	1.8	—	—	2.6
Construction in Progress	1.2	2.6	—	(2.4)	1.4
Buildings and Building Improvements	567.7	0.4	—	1.6	569.7
Equipment	55.5	1.9	(1.2)	0.2	56.4
Less:					
Accumulated Depreciation	(234.0)	(32.0)	1.1	—	(264.9)
<b>TOTAL</b>	<b>\$486.1</b>	<b>(\$25.3)</b>	<b>\$(0.1)</b>	<b>\$—</b>	<b>\$460.7</b>



# 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.

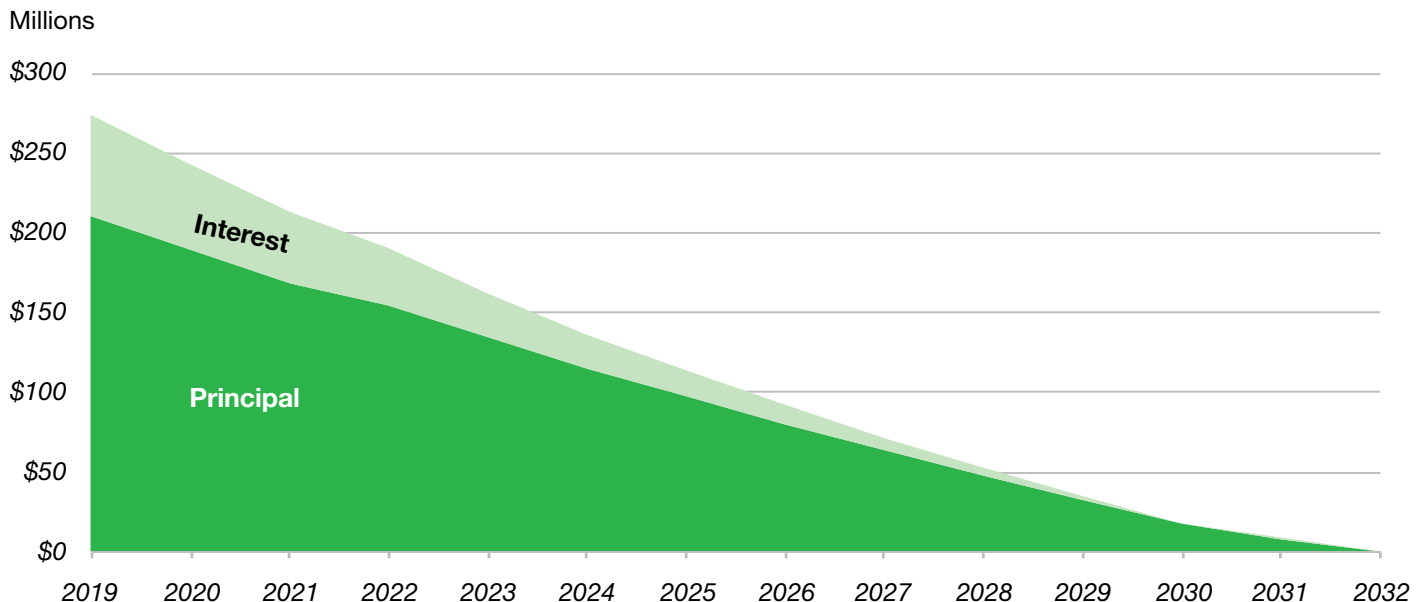
- The Series 2006, Series 2011B, a portion of Series 2011A, and Series 2018 bond proceeds were used to refund previous outstanding issuances.
- The Series 2009B, Series 2013A, and a portion of Series 2011A bond proceeds were issued to finance capital projects, including building additions and renovations.

- The Series 2009B bonds are Build America Bonds. Thirty-five percent (35%) of the interest paid by the College on these bonds is reimbursed by the U.S. Government.
- On March 12, 2018, Standard and Poor’s Global Ratings raised its rating of the College’s general obligation (GO) bonds from AA to AA+. The higher rating recognizes the College’s continuing positive financial operations and its implementation of a new governing structure.
- In March 2018, the College issued Series 2018 GO Bonds in the amount of \$30.1 million. The proceeds of these bonds were used to refund the College’s Series 2007 General Obligation Bonds resulting in a net present value savings of \$2.1 million for the community.

## Outstanding Principal as of June 30, 2018

	Funded by Tax Levy	Funded by Other Sources	Total
Series 2006	\$—	\$3,895,000	\$3,895,000
Series 2009B	—	48,515,000	48,515,000
Series 2011A	49,125,000	—	49,125,000
Series 2011B	—	6,345,000	6,345,000
Series 2013A	72,340,000	—	72,340,000
Series 2018	30,060,000	—	30,060,000
<b>Total</b>	<b>\$151,525,000</b>	<b>\$58,755,000</b>	<b>\$210,280,000</b>

## College’s Outstanding Debt





The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to College of DuPage for its Popular Annual Financial Report for the fiscal year ended June 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to both generally accepted accounting principles (GAAP) and also program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This is the first time the College has applied for and received the Popular Award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

## 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, *Accounting Supervisor*

Maki Jursinic, *Accounting Supervisor*

Megan Zale, *Senior Accountant*

Judy Zeh, *Grant Accountant*

Kevin Hickey, *Accountant II*

Tiana Baymon, *Grant Accountant*

Shameica Hall, *Accountant I*

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), which contains more detailed information on the College's finances, and is consistent with GAAP. The CAFR, PAFR, and other financial reports can be found on the College's website at [cod.edu/financials](http://cod.edu/financials).

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  
425 Fawell Boulevard  
Glen Ellyn, IL 60137-6599  
[www.cod.edu](http://www.cod.edu)