

FINAL OFFICIAL STATEMENT

NEW ISSUE
(Book-Entry Only)

RATINGS
Moody's: "Aaa"
Standard & Poor's: "AAA"

Subject to compliance by the District with certain covenants, in the opinion of Ice Miller LLP, Lisle, Illinois, Bond Counsel, under present law, interest on the Series 2009C Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "LEGAL MATTERS" herein for a more complete discussion. Interest on the Bonds is not exempt from present Illinois income tax. The Bonds are not "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS" herein for a more complete discussion.

\$23,720,000
COMMUNITY COLLEGE DISTRICT No. 502
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS
(College of DuPage)
General Obligation Refunding Bonds, Series 2009C

DATED: June 18, 2009.

DUE: December 1, as shown below.

The General Obligation Refunding Bonds, Series 2009C (the "Bonds") of Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the "District"), are issued as fully registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, to which principal and interest payments on the Bonds will be made. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive physical delivery of bond certificates. So long as Cede & Co. is the registered owner of the Bonds, reference herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. Interest on the Bonds will be payable commencing December 1, 2009, and each June 1 and December 1 thereafter.

So long as Cede & Co. is the registered owner of the Bonds, the principal and interest on the Bonds are payable to Cede & Co., which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM." Interest is calculated based on a 360-day year of twelve 30-day months.

In the opinion of Ice Miller LLP, Lisle, Illinois, Bond Counsel, the Bonds are legally binding general obligations of the District, payable both as to principal and interest from ad valorem property taxes levied upon all taxable property in the District without limitation as to rate or amount. See "THE BONDS – Security and Payment" herein.

The Bonds are not subject to optional redemption prior to maturity. See "THE BONDS – Optional Redemption" herein.

Maturity Schedule

<u>Due</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2009	\$ 420,000	3.000%	0.800%	262615GE1
2010	11,585,000	3.000%	0.900%	262615GF8
2011	11,715,000	3.000%	1.100%	262615GG6

The Bonds are offered when, as and if issued and received by the Underwriter subject to prior sale, to withdrawal or modification of the offer without notice, and subject to the approval of legality by Ice Miller LLP, Lisle, Illinois, Bond Counsel. The Bonds were awarded on June 3, 2009, and are expected to be delivered on or about June 18, 2009.

The date of this Final Official Statement is June 3, 2009.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Final Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriters. This Final Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Final Official Statement. The information and opinions expressed herein are subject to change without notice, and the delivery of this Final Official Statement or any sale made hereunder shall not, under any circumstances, create any implication that there has been no change in the operations of the District since the date of this Final Official Statement.

This Final Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Final Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents, facts and opinions contained therein and the subject matter thereof for more complete information regarding the rights and obligations of parties thereto.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Final Official Statement.

The information in this Final Official Statement has been compiled from sources believed to be reliable, but is not guaranteed. As far as any statements herein involve matters of opinion, whether or not so stated, they are intended as opinions and not representations of fact.

For purposes of compliance with Rule 15c(2)-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as a Final Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any such supplement or correction) except for the omission of certain information.

This Final Official Statement has been prepared under the authority of Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois. Additional copies may be secured from Community College District No. 502, 425 Fawell Blvd. Glen Ellyn, IL 60137-6599 (630/942-2800), or from the Financial Advisor, BMO Capital Markets GKST Inc., Public Finance Department, 300 Sears Tower / 233 South Wacker Drive, Chicago, Illinois 60606 (312/441-2600).

CUSIP data herein provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. Copyright 2009. American Bankers Association.

**COMMUNITY COLLEGE DISTRICT No. 502
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS
(College of DuPage)**

**425 Fawell Blvd.
Glen Ellyn, Illinois 60137
(630) 942-2800**

ADMINISTRATION

Dr. Robert L. Breuder, President
Jocelyn Harney, Ed.D., Vice President Student Affairs
Joseph Collins, Ph.D., Interim Vice President, Academic Affairs
Thomas E. Ryan, Ed.D., Vice President, Administrative Affairs
Charles Currier, Vice President, Information Technology

BOARD OF TRUSTEES

Kathy A. Wessel	Chairman
David Carlin	Vice Chairman
Nancy Svoboda	Secretary
Sandy Kim	Board Member
Allison O'Donnell	Board Member
Kim Savage	Board Member
Joseph C. Wozniak	Board Member
Ashley Wilson	Student Trustee

Paying Agent/Registrar/Escrow Agent

Cole Taylor Bank
Chicago, Illinois

Independent Auditors

Crowe Horwath LLP
Oak Brook, Illinois

Bond Counsel

Ice Miller LLP
Lisle, Illinois

Financial Advisor

BMO Capital Markets GKST Inc.
300 Sears Tower
233 South Wacker
Chicago, Illinois 60606
(312) 441-2600

FINAL OFFICIAL STATEMENT SUMMARY

This offering of Bonds is made only by means of the attached Final Official Statement in its entirety. No person shall be authorized to detach this Statement Summary from the Final Official Statement or to otherwise use such Statement Summary without the Final Official Statement in its entirety.

Issuer:	Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (College of DuPage)
Issue:	\$23,720,000 General Obligation Refunding Bonds, Series 2009C
Dated Date:	June 18, 2009
Book-Entry-Only Form:	The Bonds are issued as fully registered Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, in \$5,000 denominations or integral multiples thereof, and will be in book-entry-only form.
Delivery Date:	On or about June 18, 2009.
Interest Payment Dates:	Each June 1 and December 1 beginning December 1, 2009.
Principal Payment Dates:	The Bonds are payable each December 1 beginning December 1, 2009 and ending December 1, 2011.
Record Date:	The close of business on the 15th day of the calendar month next preceding any principal or interest payment date.
Optional Redemption:	The Bonds are not subject to optional redemption prior to maturity.
Authority and Purpose:	<p>The Bonds will be issued pursuant to the provisions of the Public Community College Act of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and a bond resolution (the "Resolution") adopted by the Board of Trustees of the District (the "Board") on the 21st day of May, 2009.</p> <p>Proceeds of the Bonds, when issued, will be used to (i) advance refund a portion of the District's outstanding General Obligation Bonds Series 2003A dated February 1, 2003 and (ii) pay certain costs of issuance of the Bonds.</p>
Security:	In the opinion of Ice Miller LLP, Lisle, Illinois, Bond Counsel, the Bonds are legally binding general obligations of the District, payable both as to principal and interest from ad valorem property taxes levied upon all taxable property in the District without limitation as to rate or amount. See "THE BONDS – Security and Payment" herein.
Tax Exemption:	Ice Miller LLP will provide an opinion as to the tax exemption of the interest on the Bonds. See Appendix B.
Bank Qualification:	The Bonds are not "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code, as amended. See "LEGAL MATTERS" herein.
Paying Agent/Registrar:	Cole Taylor Bank, Chicago, Illinois
Bond Ratings:	Moody's – "Aaa" ; Standard & Poor's – "AAA"
Legal Opinion:	Ice Miller LLP, Lisle, Illinois

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FINAL OFFICIAL STATEMENT

\$23,270,000

**COMMUNITY COLLEGE DISTRICT No. 502
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS
(College of DuPage)
General Obligation Refunding Bonds, Series 2009C**

INTRODUCTION

The purpose of this Final Official Statement is to set forth certain information concerning Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the "Issuer", "College" or "District"), in connection with the offering and sale of the General Obligation Refunding Bonds, Series 2009C (the "Bonds"). This Final Official Statement includes the cover page, the reverse thereof and the Appendices.

THE BONDS

General Description

The Bonds will be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof under a book-entry-only system operated by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Bonds will be payable as described under the caption "BOOK-ENTRY-ONLY SYSTEM" by Cole Taylor Bank, as Paying Agent and Bond Registrar (the "Registrar").

The Bonds will be dated June 18, 2009 and will mature as shown on the cover page of this Final Official Statement. Interest on the Bonds will be payable each June 1 and December 1 beginning December 1, 2009.

Authority

The Bonds are authorized pursuant to the provisions of the Public Community College Act of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and a bond resolution (the "Resolution") adopted by the Board of Trustees of the District (the "Board") on the 21st day of May, 2009.

Purpose of Bonds

Proceeds of the Bonds, when issued, will be used to (i) advance refund a portion of the District's outstanding General Obligation Bonds Series 2003A dated February 1, 2003 (the "2003A Bonds") and (ii) pay certain costs of issuance of the Bonds.

Security and Payment

In the opinion of Ice Miller LLP, Lisle, Illinois, Bond Counsel, the Bonds are legally binding general obligations of the District, payable both as to principal and interest from ad valorem property taxes levied upon all taxable property in the District without limitation as to rate or amount.

In the opinion of Bond Counsel, the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Optional Redemption

The Bonds are not subject to optional redemption prior to maturity.

ESTIMATED SOURCES AND USES

The estimated sources and uses of funds are as follows:

<u>Sources</u>	<u>Total</u>
Par Amount of Bonds	\$23,720,000.00
Net Original Issue Premium	<u>891,513.70</u>
Total Sources:	\$24,611,513.70
<u>Uses</u>	
Deposit to Escrow Fund	\$24,474,575.68
Costs of Issuance ^o	<u>136,938.02</u>
Total Uses:	\$24,611,513.70

^oIncludes underwriter's discount, bond counsel fee and other costs of issuance.

PLAN OF FINANCE

Purpose

Proceeds of the 2009C Bonds, when issued, will be used to (i) advance refund a portion of the District's outstanding General Obligation Bonds Series 2003A dated February 1, 2003 (the "2003A Bonds and (iii) pay costs associated with the issuing of the Bonds.

General Obligation Bonds, Series 2003A

<u>Due June 1</u>	<u>Original Outstanding</u>	<u>Amount Refunded</u>	<u>Amount Not Refunded</u>	<u>Redemption Price</u>	<u>Redemption Date</u>
2009	\$ 5,955,000	\$ -	\$ 5,955,000	n/a	n/a
2010	6,815,000	-	6,815,000	n/a	n/a
2011	7,760,000	-	7,760,000	n/a	n/a
2012	8,775,000	-	8,775,000	n/a	n/a
2013	9,795,000	(4,085,000)	5,710,000	100	6/1/2013
2014	10,875,000	(4,990,000)	5,885,000	100	6/1/2013
2015	10,685,000	(5,975,000)	4,710,000	100	6/1/2013
2016	5,980,000	(5,980,000)	-	100	6/1/2013
	<u>\$ 66,640,000</u>	<u>\$(21,030,000)</u>	<u>\$45,610,000</u>		

The Series 2003A Bonds were originally issued for the purpose of: (i) building and equipping new buildings and renovating existing facilities of the District, and (iii) paying certain costs of issuance.

Refunding proceeds of the Bonds will be used to purchase State and Local Government Securities (the "SLGs"), the principal of which together with interest to be earned thereon will be sufficient to pay when due the principal of and the interest on the Refunded Series 2003A Bonds when due and upon redemption.

Escrow Agreement

The District will enter into an Escrow Agreement with Cole Taylor Bank, Chicago, Illinois, to act as Escrow Agent for the District for the purpose of securing the payment of the principal of and interest on the Refunded Series 2003A Bonds.

Verification Report

Barthe and Wahrman, Bloomington, Minnesota, a firm of independent certified public accountants (the "Verifier"), upon delivery of the 2009C Bonds, will deliver to the District its verification report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of computations prepared by BMO Capital Markets GKST Inc. relating to (a) the sufficiency of the anticipated receipts from the U.S. Treasury Obligations, together with the initial cash deposit to pay, when due, the principal of and interest on the Refunded Bonds, and (b) the "yield" on the SLGs and on the 2009C Bonds.

The report of the Verifier will include a statement that the scope of their engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (hereinafter referred to in this section as the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns

Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District and the Underwriters take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

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COMMUNITY COLLEGE DISTRICT NO. 502

District Profile

The District was organized in 1966 and is governed under the Public Community College Act of the State of Illinois, as amended. The District is governed by the seven-member Board, elected at large for overlapping six-year terms, with one non-voting student member. The day-to-day affairs of the District are conducted by a full-time administrative staff appointed by the Board. The principal policy and budget decisions are also made by the Board.

The District includes Lyons Township in Cook County, a small portion of Will County and all of DuPage County except Wayne Township. It encompasses an area of approximately 357 square miles and DuPage County accounts for over 90 percent of the District's service area. The District includes the townships of Addison, Bloomingdale, Downers Grove, DuPage, Lemont, Lisle, Lyons, Milton, Naperville, Wheatland, Winfield and York.

The District operates the College of DuPage, a comprehensive, publicly-supported, community college serving the District. The College now enrolls approximately 25,670 students and has 2,305 employees, including 866 full-time faculty-staff members and 1,439 part-time faculty-staff members.

The District's offices are located at 425 Fawell Boulevard, Glen Ellyn, Illinois. The campus of the College is in the same location in Glen Ellyn, approximately 35 miles west of Chicago in the center of DuPage County. The College consists of a main campus and a portion located on the west side of Lambert Street and referred to as the Glen Ellyn west campus. The College's campus facilities are situated on approximately 297 acres and include nine on-campus buildings, including resource centers, instructional centers, computing centers and recreational centers. District-owned regional centers are located in Westmont and Naperville and three leased regional centers are located in Addison, Bloomingdale and Lombard. In addition, the College provides classes at approximately 95 locations within the District's boundaries.

The College offers a variety of degrees and programs and gives students the choice of enrolling on a full or part-time basis. The College offers its students seven Associate Degree programs and more than 35 programs with degrees that transfer to baccalaureate granting institutions. The College also offers nearly 60 occupational programs, in addition to a variety of continuing education courses. The College is accredited by the North Central Association of Colleges and Schools.

The academic divisions of the College include Business & Technology; Health & Sciences; and Liberal Arts. The College conducts specialized programs such as English as a Second Language, GED and Citizenship through its Continuing Education division. In addition, a variety of courses and other services are offered over the Internet through C.O.D. Online. The College's Learning Resources division maintains a collection of over 170,000 books, 930 periodicals, and many non-print materials such as videos, CDs, and tapes. Additionally, the College provides a variety of extracurricular activities for its students, such as athletics, band, choir, various clubs and organizations, student leadership council, and theater.

The District's location, primarily in DuPage County, has placed it directly in the path of much of the westward movement of population, commerce and industry out of Chicago in recent decades. This westward movement has contributed to significant growth in DuPage County and the District.

In the 1970s, DuPage County showed the highest population growth rate of any county north of the Sunbelt – an increase of 33 percent. During the 1980s, DuPage County's population increased by 122,808. As reported in the 1990 census, the population of the County was 781,666. During the 1990s, DuPage County's population increased by 122,495 and in the year 2000, according to the 2000 census, reached 904,161. The County's population is expected to grow to 1,000,000 by the year 2010. The population of the District was 970,512 in 2000, making the District slightly more populous than DuPage County, which is the second most populous county in the State of Illinois (the "State").

Transportation and other services have developed accordingly. Three interstate highways cross the area, putting residents within 45 minutes of Chicago's central business district. O'Hare International Airport is located along the District's northern border.

Situated in the hub of the nation's mail, air, freight and trucking systems, DuPage County has attracted a variety of industries. A fast growing high-tech research and development corridor stretches the width of DuPage County, flanked on the east by Argonne National Laboratory and on the west by Fermi National Accelerator Laboratory. In addition to the high-tech businesses located along this corridor, the County is also home to more than 100 active industrial parks and more than 30,000 businesses.

Board of Trustees

The District is governed by a seven-member Board of Trustees, elected at-large for overlapping terms. Day-to-day operations are administered by the President and staff administrators, exclusively appointed by the Board.

<u>Official</u>	<u>Position</u>	<u>Term Expires</u>
Kathy A. Wessel	Chairman	2011
David Carlin	Vice Chairman	2013
Nancy Svoboda	Secretary	2015
Sandy Kim	Board Member	2011
Allison O'Donnell	Board Member	2015
Kim Savage	Board Member	2015
Joseph C. Wozniak	Board Member	2013
Ashley Wilson	Student Trustee	2010

Administrators

Following are brief resumes of the Administrators of the College.

Dr. Robert L. Breuder, President

Dr. Robert L. Breuder began his service as the fifth president in the college's 42-year history on Jan. 1, 2009. He brings to the college nearly 40 years of experience in education and administration, including two community college presidencies. Most recently, Breuder was President of William Rainey Harper College in Palatine, where he served since 1998 before his departure in mid-November. During his tenure at Harper College, Breuder is credited with boosting Full-Time Credit Enrollment (FTE) by nearly 33 percent, growing the college's unallocated fund balance from \$17.1 million in FY98 to \$52.1 million in FY08, representing an extremely healthy fund balance of nearly 50 percent. In addition, Breuder led Harper through a highly successful 10-year reaffirmation of accreditation in 2007. Breuder replaced Interim President Dr. Harold D. McAninch, who was appointed by the C.O.D. Board of Trustees to serve in this position from May until Dec. 31, 2008.

Jocelyn Harney, Ed.D., Vice President, Student Affairs

Harney develops policies, programs and services that provide support to students in their academic programs. She also serves as the Student Judicial Officer for the college. Offices reporting to Harney are Admissions; Athletics; Career Services; Counseling and Advising Services; Financial Aid; Health and Special Student Services; Records; Registration; and Student Activities.

Joseph Collins, Ph.D., Interim Vice President, Academic Affairs

Collins develops the policies, programs and services that implement the college's instructional mission. Reporting to Collins are the deans of Academic Alternatives and Instructional Support, the Library, Continuing Education, Business and Technology, Health and Social Sciences, Liberal Arts, and Math and Natural Sciences.

Thomas E. Ryan, Ed.D., Vice President, Administrative Affairs

Ryan is responsible for the operation and maintenance of the college's physical plant and central services. He also serves as college Treasurer. Under Ryan's jurisdiction are Financial Affairs, Purchasing and Fixed Asset Inventory, Human Resources, Research and Planning, Campus Facilities, Public Safety, Auxiliary Enterprises, and construction coordination.

Charles Currier, Vice President, Information Technology

Currier plans all information technology relating to audio, video, computing, media and voice services. He also maintains the technology infrastructure and all shared computing labs. Currier oversees Administrative

Systems/Development; Multimedia Services; Emerging Technologies; Enterprising Networking; Office and Classroom Technology; Special Projects-IT; Telecommunication and Voice Services; and Web and Instructional Technology.

Enrollment Data

On average the District's student base is largely part-time and female. Approximately 62% is part-time enrollment, and over 55% of the student body is female. Below are historical student enrollment and demographic statistics, as of the fall of each academic year.

	<u>Fall Enrollment</u>		<u>Gender</u>		<u>Attendance</u>		<u>Enrollment Status</u>				<u>Average Age</u>
	<u>Count</u>	<u>FTE</u>	<u>Male</u>	<u>Female</u>	<u>Full Time</u>	<u>Part Time</u>	<u>Continuing Student</u>	<u>New</u>	<u>Transfer</u>	<u>Readmit</u>	
2008	28,230	14,913	45%	55%	38%	62%	61%	17%	7%	15%	30
2007	28,361	14,601	44%	56%	36%	64%	61%	16%	8%	15%	30
2006	28,767	14,431	44%	56%	34%	66%	59%	18%	7%	16%	30
2005	30,092	14,645	44%	56%	32%	68%	58%	19%	5%	18%	31
2004	33,732	17,676	42%	58%	36%	64%	59%	18%	6%	17%	32
2003	34,535	17,661	42%	58%	30%	70%	57%	18%	7%	19%	32
2002	34,535	17,024	42%	58%	28%	72%	57%	18%	50%	20%	32

Source: College Records.

Tuition History

Present District tuition is \$116 per credit hour (including fees), reflecting an increase by the Board of Trustees in effect on summer term 2009. A typical class is 3 credit hours, totaling around \$348 per class for tuition. The District Board evaluates tuition levels at least annually. Tuition and fees represents approximately 38% of the District's operating budget.

<u>Fiscal Year</u>	<u>Tuition and Fees per Credit Hour</u>		
	<u>In District</u>	<u>Out of District</u>	<u>Out of State</u>
2002 ⁽¹⁾	\$55.50	\$180.00	\$244.50
2003 ⁽¹⁾	\$64.50	\$186.00	\$256.50
2004 ⁽¹⁾	\$69.00	\$189.00	\$259.50
2005 ⁽¹⁾	\$75.00	\$202.50	\$271.50
2006	\$87.00	\$243.00	\$286.00
2007 ⁽²⁾	\$96.00	\$223.00	\$280.00
2007 ⁽³⁾	\$96.00	\$250.00	\$307.00
2008	\$103.00	\$292.00	\$350.00
2009	\$108.00	\$296.00	\$359.00

(1) Until Fiscal Year 2005, Tuition and Fees were tied to the quarter system. Since Fiscal Year 2006 Tuition and Fees have been tied to the semester system. For the purposes of this table, the Tuition and Fees for Fiscal Years 2002 thru 2005 have been adjusted to reflect as if the fees had been charged on a semester basis.

(2) Summer and Fall Semesters

(3) Spring Semester

Source: College Records.

Employee Data

In order to provide a wide variety of educational programs and services, the District maintains a qualified staff as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u> ⁽²⁾
Full-Time⁽¹⁾							
Administration	46	49	49	51	49	49	49
Faculty	436	458	476	465	457	450	440
Library, Counselors, Other	44	43	43	48	42	42	43
Support Staff	<u>574</u>	<u>578</u>	<u>578</u>	<u>608</u>	<u>567</u>	<u>581</u>	<u>584</u>
Total Full-Time Positions	1,100	1,128	1,146	1,172	1,115	1,122	1,116
Part-Time⁽¹⁾							
Adjunct Faculty	<u>637</u>	<u>667</u>	<u>649</u>	<u>619</u>	<u>606</u>	<u>634</u>	<u>589</u>
Total Part-Time Positions	637	667	649	619	606	634	589
Total	1,737	1,795	1,795	1,791	1,721	1,756	1,705

(1) Data represent number of positions, not number of actual employees as some individuals may be employed in multiple positions.

(2) 2009 information current as of the FY2009 Budget.

As of March, 2009, the College of DuPage has the following collective bargaining groups.

<u>Name</u>	<u>Dates</u>
Full time faculty IEA/NEA	May 19, 2007 to the calendar day preceding fall term 2011
Fraternal Order of Police (FOP)	July 1, 2009 to June 30, 2011
Local No. 399 International Union of Operating Engineers	July 1, 2007 to June 30, 2010
College of DuPage Adjuncts Association IEA/NEA	2006 to the end of Spring term, 2009
Classified Support Staff have an agreement with the College	July 1, 2008 to June 30, 2012

Source: College Records

SOCIOECONOMIC INFORMATION

Population Data

<u>Name of Entity</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>Current Estimates</u>	<u>% Change 1990-2000</u>
City of Glen Ellyn	23,103	24,944	26,999	27,167 ⁽¹⁾	8.24%
DuPage County	658,835	781,666	904,161	930,528 ⁽²⁾	15.67%
Cook County	5,253,655	5,105,067	5,376,741	5,294,664 ⁽²⁾	5.32%
Will County	324,460	357,313	502,266	681,097 ⁽²⁾	40.57%
State of Illinois	11,426,518	11,430,602	12,419,293	12,901,563 ⁽²⁾	8.65%

Source: U.S. Census Bureau

(1) U.S. Census Bureau, 2007 Population Estimates.

(2) U.S. Census Bureau, 2008 Population Estimates.

Economic Characteristics

<u>Name of Entity</u>	<u>Median Gross Rent</u>	<u>Median Housing Value</u>	<u>Per Capita Income</u>	<u>Median Household Income</u>
City of Glen Ellyn	\$850	\$420,400	\$47,745	\$88,332
DuPage County	960	312,900	36,532	75,128
Cook County	850	264,800	27,899	52,358
Will County	844	237,400	28,763	73,159
State of Illinois	780	198,100	27,511	53,745

Source: U.S. Census Bureau, U.S. Census Bureau, 2005-2007 American Community Survey.

Unemployment Rates

<u>Year</u>	<u>DuPage County</u>	<u>Cook County</u>	<u>Will County</u>	<u>State of Illinois</u>
2003	5.5%	7.4%	6.6%	6.7%
2004	5.0%	6.7%	6.2%	6.2%
2005	4.7%	6.4%	5.8%	5.8%
2006	3.4%	4.8%	4.2%	4.6%
2007	3.8%	5.2%	4.8%	5.1%
2008	5.0%	6.5%	6.1%	6.5%

Source: State of Illinois Department of Employment Security

Largest Area Employers

Below is a listing of the major employers in the area of the District:

Company Name	Product or Service	City	Approximate Number of Employees
Alcatel-Lucent	Telecommunications research and development	Naperville	3400
College of DuPage	Community college	Glen Ellyn	2600
Advocate Good Samaritan Hospital	Hospital and health care services	Downers Grove	2500
Nicor Gas	Gas utility company	Naperville	2264
GCA Services Group, Inc.	School maintenance and cleaning contractors	Downers Grove	2000
Sara Lee Food and Beverage	Food Manufacturer	Downers Grove	1700
BP	Chemical and petrochemical research and testing laboratory facility	Naperville	1600
OfficeMax, Inc.	Wholesale office equipment and supplies	Naperville	1500
Tellabs	Bandwidth management solutions	Naperville	1250
Nalco Company	Water treatment and industrial chemical research and development	Naperville	1200
Sara Lee Corp.	Food Manufacturer	Downers Grove	1200

Source: 2009 Illinois Manufacturers Directory and 2009 Illinois Services Directory

DEBT STRUCTURE

Summary of Outstanding Debt ⁽¹⁾

The following table sets forth the long-term debt of the District as of the issuance of the Bonds.

Type	Dated Date	Original Amount of Issue	Current Amount Outstanding	Maturity Date
General Obligation Bonds, Series 2003A	2/1/2003	\$92,815,000	\$ 39,655,000	6/1/2015
General Obligation Bonds (Alternate Revenue Source), Series 2003B	2/1/2003	31,580,000	16,820,000	1/1/2023
General Obligation Bonds (Alternate Revenue Source), Series 2006	11/1/2006	7,890,000	7,850,000	1/1/2020
General Obligation Bonds, Series 2007	2/1/2007	78,840,000	76,675,000	6/1/2023
General Obligation Bonds (Alternate Revenue Source), Series 2009A	5/4/2009	12,550,000	12,550,000	1/1/2014
General Obligation Bonds (Alternate Revenue Source), Series 2009B	5/4/2009	62,450,000	62,450,000	1/1/2029
The 2009C Bonds	6/18/2009	23,270,000	23,270,000	12/1/2011
		<u>\$309,395,000</u>	<u>\$ 239,270,000</u>	

(1) Alternate revenue source bonds are payable from a source other than property taxes.

Bonded Debt Repayment Schedule

The following table sets forth the outstanding bonded debt repayment schedule of the District as of the issuance of the Bonds.

Fiscal Year	Levy Year	Series 2003A		Series 2003B ⁽¹⁾		Series 2006 ⁽¹⁾		Series 2007	
		Principal*	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	2008	\$ 6,815,000	\$ 2,003,488	\$ 1,305,000	\$ 715,885	\$ 45,000	\$ 301,610	\$ 1,785,000	\$ 3,667,225
2011	2009	7,760,000	1,662,738	1,355,000	666,385	45,000	299,810	1,945,000	3,595,825
2012	2010	8,775,000	1,274,738	1,405,000	615,460	45,000	298,010	2,115,000	3,518,025
2013	2011	5,710,000	835,988	1,460,000	559,260	50,000	296,210	2,290,000	3,433,425
2014	2012	5,885,000	556,238	1,515,000	503,050	50,000	294,210	2,510,000	3,318,925
2015	2013	4,710,000	247,275	1,580,000	442,450	55,000	292,210	4,120,000	3,193,425
2016	2014	-	-	1,640,000	379,250	55,000	290,010	10,350,000	2,987,425
2017	2015	-	-	-	311,600	1,770,000	287,810	6,410,000	2,469,925
2018	2016	-	-	-	311,600	1,840,000	217,010	7,040,000	2,149,425
2019	2017	-	-	-	311,600	1,910,000	148,010	7,515,000	1,797,425
2020	2018	-	-	-	311,600	1,985,000	75,430	7,895,000	1,421,675
2021	2019	-	-	2,085,000	311,600	-	-	8,290,000	1,026,925
2022	2020	-	-	2,185,000	212,563	-	-	8,700,000	612,425
2023	2021	-	-	2,290,000	108,775	-	-	5,710,000	242,675
2024	2022	-	-	-	-	-	-	-	-
2025	2023	-	-	-	-	-	-	-	-
2026	2024	-	-	-	-	-	-	-	-
2027	2025	-	-	-	-	-	-	-	-
2028	2026	-	-	-	-	-	-	-	-
2029	2027	-	-	-	-	-	-	-	-
	Total	\$ 39,655,000	\$ 6,580,463	\$ 16,820,000	\$ 5,761,078	\$ 7,850,000	\$ 2,800,330	\$ 76,675,000	\$ 33,434,750

Fiscal Year	Levy Year	Series 2009A&B ⁽¹⁾		Series 2009C		Total Debt Service	Cumulative % of Principal Retired
		Principal	Interest ⁽²⁾	Principal	Interest		
2010	2008	\$ -	\$ 1,557,265	\$ 420,000	\$ 671,697	\$ 19,287,169	4.61%
2011	2009	3,045,000	2,365,466	11,585,000	525,225	34,850,449	11.16%
2012	2010	3,105,000	2,304,566	11,715,000	175,725	35,346,524	18.31%
2013	2011	3,170,000	2,242,466	-	-	20,047,349	24.18%
2014	2012	3,230,000	2,179,066	-	-	20,041,489	30.28%
2015	2013	3,350,000	2,049,866	-	-	20,040,226	36.68%
2016	2014	3,435,000	1,968,210	-	-	21,104,895	43.85%
2017	2015	3,525,000	1,878,900	-	-	16,653,235	49.27%
2018	2016	3,625,000	1,778,658	-	-	16,961,693	55.06%
2019	2017	3,730,000	1,669,681	-	-	17,081,716	61.15%
2020	2018	3,850,000	1,551,487	-	-	17,090,192	67.50%
2021	2019	3,965,000	1,435,746	-	-	17,114,271	74.14%
2022	2020	4,095,000	1,306,884	-	-	17,111,871	81.08%
2023	2021	4,230,000	1,171,134	-	-	13,752,584	86.74%
2024	2022	4,370,000	1,026,786	-	-	5,396,786	88.76%
2025	2023	4,525,000	874,819	-	-	5,399,819	90.86%
2026	2024	4,680,000	714,521	-	-	5,394,521	93.02%
2027	2025	4,845,000	547,211	-	-	5,392,211	95.27%
2028	2026	5,020,000	374,002	-	-	5,394,002	97.59%
2029	2027	5,205,000	194,537	-	-	5,399,537	100.00%
	Total	\$ 75,000,000	\$ 29,191,268	\$ 23,720,000	\$ 1,372,647	\$ 318,860,534	

(1) Alternate revenue source (ARS) bonds are payable from a source other than property taxes. Principal payments on these bonds for Fiscal Year 2009 were made as of January 1, 2009.

(2) Net of Build America Bonds Direct Payment on the 2009B Bonds.

Debt Statement

DIRECT DEBT OF THE DISTRICT⁽¹⁾

Bonded Debt Outstanding	\$ 216,000,000
The Bonds	23,270,000
Total Direct Debt	<u>\$ 239,270,000</u>
Less: Self Supporting Debt	(99,670,000)
Direct Debt	<u>\$ 139,600,000</u>

OVERLAPPING BONDED DEBT ⁽¹⁾⁽²⁾

	Outstanding Debt	Applicable to the District	
		%	Amount
County	188,250,000	100.00%	188,250,000
Forest Preserve	224,048,677	100.00%	224,048,677
Water Commission	54,670,000	98.41%	53,800,747
Cities and Villages	7,602,583,345	8.42%	640,137,518
Townships	395,000	100.00%	395,000
Parks	858,112,496	37.23%	319,475,282
Fire Protection	15,905,000	93.53%	14,875,947
Library	41,800,000	58.02%	24,252,360
Special Service	5,297,225	100.00%	5,297,225
Grade Schools	434,654,668	94.02%	408,662,319
High Schools	414,344,301	96.57%	400,132,291
Unit Schools	1,563,289,435	56.15%	<u>877,787,018</u>
Total Overlapping Bonded Debt:			<u>\$ 3,157,114,383</u>
Net Direct Debt and Overlapping Bonded Debt*:			<u><u>\$ 3,296,714,383</u></u>

District Estimated Population	970,512
2007 Estimated Full Valuation	\$134,181,815,313
2007 Equalized Assessed Valuation	\$44,727,271,771
Estimated Full Value per Capita	\$138,258.79

	<u>% Full Value</u>	<u>Per Capital</u>
Direct Debt:	0.10%	\$144
Direct Debt and Overlapping Bonded Debt*:	2.46%	\$3,397

⁽¹⁾ As of June 30, 2008.

⁽²⁾ Does not include Alternate Revenue Source Bonds.

Debt Limit

The District's statutory debt limit is 2.875% of the Equalized Assessed Valuation of all taxable property within the boundaries of the District.

	Statutory Debt Limit	
	<u>Amount</u>	<u>% of Limit</u>
2007 Equalized Assessed Valuation	\$44,727,271,771	
Statutory Debt Limit @ 2.875% of EAV	\$1,285,909,063	100.00%
Bonded Debt Outstanding	\$ 216,000,000	16.80%
The Bonds	<u>23,270,000</u>	<u>1.81%</u>
Total Outstanding Debt	\$239,270,000	18.61%
Less: Self Supporting Debt	<u>(99,670,000)</u>	
Total Debt Applicable to Limit	\$139,600,000	10.86%
Remaining Debt Margin	\$1,146,309,063	89.14%

(1) General Obligation Bonds (Alternate Revenue Source) payable from an alternate revenue source of the District do not count against the District's debt limit unless Pledged Taxes are extended pursuant to the general obligation full faith and credit pledge of the District. The Series 2003B Bonds, Series 2006 Bonds and the Series 2009 Bonds are General Obligation Bonds (Alternate Revenue Source).

Future Financing

The District does not expect to issue any additional debt in the next twelve months.

Short-Term Debt

As of the close of this issue, the District will have no tax anticipation warrants or notes outstanding.

History of Debt Administration

The District has never issued any obligations to avoid default nor has the District ever defaulted in the payment of any of its obligations.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Tax Levy and Collection Procedures

Local Assessment Officers determined the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "*Department*") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest, and costs, constitute a lien against the property subject to the tax.

Exemptions

Public Act 93-0715, effective July 12, 2004, made changes to a number of property tax exemptions taken by residential property owners. These changes are discussed below.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("*EAV*") of certain property owned and used for residential purposes ("*Residential Property*") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$4,500 for taxable years prior to tax year 2004 in counties with 3,000,000 or more inhabitants, and \$3,500 in all other counties, and a maximum reduction of \$5,000 for taxable year 2004 and thereafter (the "*General Homestead Exemption*").

The new law creates the Alternative General Homestead Exemption (the "*Alternative General Homestead Exemption*") which caps property tax assessment increases for homeowners at 7% a year for a total of three years in counties that choose to adopt the provision by ordinance. Such ordinance must have been adopted prior to January 12, 2005. If counties did not adopt such ordinance, the General Homestead Exemption will apply. In counties with fewer than 3,000,000 inhabitants, the Alternative General Homestead Exemption will apply for taxable years 2003, 2004 and 2005 if 2002 is the designated base year or 2004, 2005 and 2006 if 2003 is the designated base year. Specifically, the amount of the Alternative General Homestead Exemption is the EAV of the Residential Property for the current tax year minus the Adjusted Homestead Value with the following exception: the exemption shall not exceed \$20,000 for any taxable year. Assessors calculate the Adjusted Homestead Value by determining the lesser of (i) the homestead property's Base Homestead Value increased by 7% for each tax year after the base year (2002 or 2003) through the including the current tax year or (ii) the EAV of the homestead property for the current tax year minus \$3,500 in all counties in tax year 2003 or \$5,000 in all counties in tax year 2004 and thereafter. The Base Homestead Value equals the EAV of the homestead property for the base year prior to exemptions, minus \$3,500 in all counties in tax year 2003 or \$5,000 in all counties in tax year 2004 and thereafter. Furthermore, for the first tax year that the Alternative General Homestead Exemption no longer applies, there shall be an Additional General Homestead Exemption of \$5,000 awarded to Residential Property owners (i) who have not been granted a Senior Citizens Assessment Freeze Exemption for the taxable year, (ii) whose Residential Property has increased by more than 20% over the previous assessed valuation and (iii) who have a household income of \$30,000 or less.

Additional exemptions exist for (i) senior citizens, with the exemption operating annually to reduce the EAV on a senior citizen's home for taxable years prior to 2004 by \$2,000 in all counties, and for taxable year 2004 and thereafter, the maximum reduction shall be \$3,000 in all counties; and (ii) disabled veterans, with the exemption

operating annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Residential Properties that have been improved or rebuilt following a catastrophic event are entitled to the Homestead Improvement Exemption limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 to the extent the assessed value is attributable solely to such improvements or rebuilding. A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of \$35,000 or less prior to taxable year 1999, annual incomes of \$40,000 or less in taxable years 1999 through 2003 and \$45,000 or less in taxable year 2004 and thereafter. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. The exempt amount is the difference between the current EAV of their residence and the EAV of their residence for the year prior to the year in which the senior citizen first qualifies and applies for the Exemption (plus the EAV of improvements since such year). Beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption. In addition, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit and public schools, churches, and not-for-profit and public hospitals.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Limitation Law*") limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The District has the authority to levy taxes for many different purposes. See "THE DISTRICT – District Funds and Levy Limits." The ceiling at any particular time on the rate at which these taxes may be extended by District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) now have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bodies or are for certain refunding purposes.

Local governments, including the Issuer, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "*Law*") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

DISTRICT TAX BASE INFORMATION

District Equalized Assessed Valuation

Year	DuPage County	Cook County	Will County	Total	Percent Change
2001	\$24,505,400,849	\$1,856,353,710	\$1,356,686,213	\$27,718,440,772	-
2002	26,748,869,388	2,371,458,718	1,541,413,520	30,661,741,626	10.62%
2003	28,876,986,380	2,393,940,805	1,715,299,114	32,986,226,299	7.58%
2004	31,151,154,721	2,529,008,117	1,869,441,637	35,549,604,475	7.77%
2005	33,462,991,322	3,180,333,360	2,048,262,019	38,691,586,701	8.84%
2006	36,137,439,494	3,176,573,005	2,272,214,518	41,586,227,017	7.48%
2007	38,909,050,896	3,368,763,397	2,449,457,478	44,727,271,771	7.55%

Source: County Clerks' Offices

Composition of District's Equalized Assessed Valuation

DuPage County - 2007 Equalized Assessed Valuation

Property Type	DuPage County	Percent
Residential	\$29,507,147,049	75.84%
Commercial	6,502,936,727	16.71%
Industrial	2,886,616,885	7.42%
Farm	1,432,593	0.00%
Railroad	10,917,642	0.03%
Total	<u>\$38,909,050,896</u>	<u>100.00%</u>

Will County - 2007 Equalized Assessed Valuation

Property Type	Will County	Percent
Residential	\$2,329,533,931	95.10%
Commercial	92,733,275	3.79%
Industrial	25,955,152	1.06%
Farm	1,235,120	0.05%
Railroad	-	0.00%
Total	<u>\$2,449,457,478</u>	<u>100.00%</u>

Cook County - 2006 Equalized Assessed Valuation ⁽¹⁾

Property Type	Cook County	Percent
Residential	\$2,335,731,789	73.53%
Commercial	317,835,917	10.01%
Industrial	516,182,373	16.25%
Farm	32,612	0.00%
Railroad	6,790,314	0.21%
Total	<u>\$3,176,573,005</u>	<u>100.00%</u>

⁽¹⁾ Most current available for Cook County.

Source: County Clerks' Offices

Tax Extensions and Collections

Net Tax Extensions

Tax Year	DuPage County	Cook County	Will County	Net Tax Extension
2003	60,555,040	5,434,246	3,440,891	69,430,177
2004	61,430,077	5,690,268	3,563,159	70,683,505
2005	62,709,646	6,074,437	3,715,549	72,499,631
2006	69,709,121	6,543,740	4,296,758	80,549,619
2007	73,460,288	7,007,028	4,614,778	85,082,094

Net Tax Collections ⁽¹⁾

Tax Year	DuPage County	Cook County	Will County	Total Collections	Percent Collected
2003	60,495,941	5,260,258	3,430,727	69,186,926	99.65%
2004	61,397,758	5,376,847	3,563,543	70,338,148	99.51%
2005	62,698,809	5,909,083	3,717,411	72,325,303	99.76%
2006	69,695,758	6,270,110	4,298,028	80,263,896	99.65%
2007	73,321,231	Not Available	4,610,111	39,670,031	46.63%

(1) Tax payments, including late payments and proceeds from sales, are shown as collections in the year when due.

Source: County Clerks' and County Treasurers' Offices

Tax Rate Trend per \$100 of Equalized Assessed Valuation

Fund	2003	2004	2005	2006	2007	Maximum Authorized Rate
Education	\$0.1474	\$0.1422	\$0.1388	\$0.1315	\$0.1285	\$0.7500
Operations & Maintenance	0.0252	0.0243	0.0235	0.0224	0.0213	-
Liability, Protection and Settlement	0.0001	0.0006	0.0021	0.0020	0.0023	1.0000
Bonds & Interest	0.0324	0.0277	0.0220	0.0339	0.0333	-
Social Security/Medicare	0.0047	0.0041	0.0031	0.0029	0.0031	-
Working Cash Bonds	0.0000	0.0000	0.0000	0.0000	0.0000	-
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000	-
Audit	0.0002	0.0001	0.0002	0.0002	0.0003	0.0050
	<u>\$0.2100</u>	<u>\$0.1990</u>	<u>\$0.1897</u>	<u>\$0.1929</u>	<u>\$0.1888</u>	

Source: DuPage County Clerk's Office

Representative Tax Rate per \$100 of Equalized Assessed Valuation

The following is a representative 2007 tax rate for a District property owner.

<u>Taxing Body</u>	<u>Tax Rate</u>
DuPage County	\$0.1651
DuPage County Forest Preserve	0.1187
DuPage Airport Authority	0.0170
Milton Township	0.0344
Milton Township Road District	0.0555
Village of Glen Ellyn	0.4041
Glen Ellyn Library	0.2073
Glen Ellyn Mosquito Abatement	0.0078
Glen Ellyn Park District	0.3161
Township High School District No. 87	1.6612
Community College District No. 502	0.1888
Total Representative Tax Rate	\$3.1760

Source: DuPage County Clerk's Office

Largest Taxpayers

The following are among the largest taxpayers in the District ⁽¹⁾:

<u>Name</u>	<u>Product or Service</u>	<u>2007 EAV</u>	<u>Percent of 2007 EAV</u>
NS MPG Inc	Chemicals and Chemical Preparations	\$70,434,150	0.16%
Oak Brook Shopping Center	Shopping Center	52,809,600	0.12%
Long Ridge Office	Operators of Non-Residential Buildings	33,494,000	0.07%
Highland Yorktown LLC	Business Services	30,402,180	0.07%
Westfield Property Tax Dept	Tax Department	29,684,530	0.07%
Stratford Square Mall	Shopping Center	28,946,460	0.06%
Amoco Oil Company	Oil Company	25,950,930	0.06%
Tellabs Operations Inc	Telephone and Telegram Apparatus Manufacturing	23,921,970	0.05%
Ondeo Nalco Center	Child Day Care Services	23,432,660	0.05%
Pampered Chef	Restaurant & Retail Store	<u>16,507,880</u>	<u>0.04%</u>
		\$335,584,360	0.75%
2007 Equalized Assessed Valuation		<u>\$44,727,271,771</u>	
Ten Largest Taxpayers as Percent of District's 2007 EAV		<u>0.75%</u>	

(1) Most current information available.

Source: DuPage County Assessor's Office. Note that valuations are obtained from the warrant book which provides details as to owner, valuation, tax bill amount, etc. for each parcel in the County. These books are searched, noting larger assessed valuations within the District. Since a taxpayer may own numerous parcels in the District, certain parcels may be overlooked. Thus, the valuations presented herewith are approximations.

FINANCIAL INFORMATION

Financial Overview

Illinois public community colleges receive funding from three major sources: local property taxes, student tuition and fees and state appropriations. Local Sources represent 47.91% of the District's operating revenues and state appropriations represent 11.32% of the District's operating revenues.

The appropriation process begins with the Illinois Community College Board (ICCB) submitting a fiscal year system operating budget request to the Illinois Board of Higher Education (IBHE). The IBHE evaluates the community college system request while considering the state's total higher education priorities. Legislation requesting state funding for the community college system is introduced in the State Legislature, usually at the level recommended by IBHE.

Early in the legislation session, the Governor presents a proposed state budget. The IBHE then allocates the Governor's higher education budget among the state's five higher education systems. If the Governor's budget for higher education differs from its own it is then the responsibility of the Legislature to appropriate funds at the level it desires and to authorize the distribution mechanism for its appropriations.

The process is completed when the Governor signs the appropriations and the spending authorization bill is passed by the legislature. The Governor may amend an appropriation. This usually is done by imposing a line item veto, which the Legislature has an opportunity to override.

The current funding plan for community colleges was adopted in 1979 and first affected fiscal year 1981 appropriations. Conceptually the appropriation for community colleges equals the difference between estimated resource requirements for the system and the estimate of resources available to them from sources other than the grants appropriated by the ICCB. These "residual" funds are distributed through six separate grants:

1. Credit hour grant
2. Equalization grant
3. Special populations grant
4. Economic development grant
5. Advanced technology equipment grant
6. Square footage allocation

Resource requirements are estimated by multiplying the statewide average cost per semester credit hour (obtained via a statewide unit cost study) by the number of credit hours produced during the fiscal year which is two years prior to the budget. This amount is adjusted to account for two years' inflation, thus providing an estimate of the budget year's resource needs. The two-year inflation factor is determined by utilizing actual appropriation increases experienced for the first year and economic forecast estimates of inflation factors for salaries, library materials, utilities and the general cost of living for the second year. The expected costs of programs not included in calculated statewide average semester credit hour costs are added to this figure.

Credit Hour Grants. Credit hour grants are paid for each of the system's seven instructional categories. The credit hour rate for each instructional category is determined by calculating a projected statewide average per semester credit hour cost for that category and subtracting the system's other available resources in each instructional category. Since the resources available to each instructional category are nearly the same, an instructional category which has a high unit cost will be funded at a higher level than a category which has a lower unit cost. Credit hour grants are not restricted as to use and comprise of approximately 73 percent total ICCB grants.

Equalization Grants. Equalization grants are designed to reduce the disparity among districts in local funds available per student. A state average of equalization assessed valuations (EAV) per full-time equivalent (FTE) student multiplied by a statewide average local tax rate determines an amount of expected local tax revenues per student. Any community college district which is below this amount when applying the statewide average state tax rate to its EAV/FTE student receives additional state funding in the form of equalization grants. Local property tax revenues, corporate personal property replacement tax revenues, fixed costs and each district's instructional program mix are considered in the equalization calculations. Equalization grants are not restricted as to use and comprise of approximately 18 percent total ICCB grants. The District does receive equalization funding.

Special Restricted Grants: Special populations, Workforce Preparation, Special Initiative, Economic Development, Advanced Technology Equipment and Retirees Health Insurance. Special grants to support programs and services for special populations of students, employment training services, special initiative activities, economic development activities, advanced technology equipment purchases and retirees health insurance are also included in community college appropriations. These grants must be held in a restricted account by the college and used only for their specified purposes.

From time to time, other special grants have been and will be appropriated for community colleges. All restricted grant amounts are based on an estimate of the amount needed to fund the programs for the budget year. Restricted grants are limited by statute and ICCB rule as to use and comprise approximately nine percent to total ICCB grants.

Financial Reporting, Basis of Accounting and Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

The following tables contain information from the annual audits of the District but do not purport to be the complete audits, copies of which are available upon request from the District. See Appendix A for a copy of the District’s 2008 fiscal year audit. Crowe Horwath LLP, Oak Brook, Illinois, the District’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Crowe Horwath LLP also has not performed any procedures relating to this official statement.

Sources of Revenue

The following table details the District’s revenue sources for the general funds.

	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>REVENUES</u>			
Local Sources	48.38%	48.05%	47.91%
State Governments	13.00%	12.01%	11.32%
Federal Governments	0.00%	0.00%	0.00%
Student Tuition and Fees	36.82%	37.57%	38.78%
Other Sources	<u>1.79%</u>	<u>2.37%</u>	<u>1.98%</u>
TOTAL REVENUES	100.00%	100.00%	100.00%

General Fund

**STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GENERAL FUND
ACCRUAL BASIS**

FISCAL YEAR ENDING JUNE 30

	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>REVENUES</u>			
Local Tax Revenue	\$60,917,641	\$62,834,162	\$65,483,153
All Other Local Revenue	\$349,820	\$579,339	508,217
ICCB Grants	\$15,004,204	\$14,227,990	13,796,963
All Other State Revenue	1,464,917	1,628,249	1,794,791
Federal Revenue	3,925	3,560	3,889
Student Tuition and Fees	46,625,384	49,580,720	53,409,218
All Other Revenue	2,271,544	3,129,210	2,731,910
TOTAL REVENUES	<u>\$126,637,435</u>	<u>\$131,983,230</u>	<u>\$137,728,141</u>
<u>EXPENDITURES</u>			
Instruction	\$64,288,772	\$66,624,371	\$68,748,828
Academic Support	9,477,752	9,814,050	8,978,010
Student Services	11,515,629	11,279,351	11,844,921
Public Services	897,077	951,302	1,127,437
Operations and Maintenance of Plant	13,916,930	14,323,038	14,944,479
General Administration	9,852,123	9,456,236	9,918,321
General Institutional	9,962,282	12,724,979	9,746,124
Scholarships	6,378,990	6,700,663	6,973,540
TOTAL EXPENDITURES	<u>\$126,289,555</u>	<u>\$131,873,990</u>	<u>\$132,281,660</u>
Excess of Revenue Received Over (Under) Expenditures Disbursed	\$347,880	\$109,240	\$5,446,481
<u>OTHER NET FINANCING SOURCES (USES)</u>			
TOTAL	<u>(\$248,205)</u>	<u>(\$630,830)</u>	<u>(\$658,099)</u>
Excess of Revenue Collected and Other Financing Sources Over (Under) Expenses Paid & Other Uses	\$99,675	(\$521,590)	\$4,788,382
Beginning General Fund Balance	\$37,961,801	\$38,061,476	\$37,539,886
Prior Year Adjustment	-	-	-
Restated Beginning General Fund Balance	<u>\$37,961,801</u>	<u>\$38,061,476</u>	<u>\$37,539,886</u>
Ending General Fund Balance	<u><u>\$38,061,476</u></u>	<u><u>\$37,539,886</u></u>	<u><u>\$42,328,268</u></u>

Working Cash Fund

The District is authorized to issue general obligation limited bonds to create a Working Cash Fund. Such fund can also be created or increased by a levy of an annual tax not to exceed \$.05 per hundred dollars of equalized assessed valuation. The purpose of the fund is to enable the District to have sufficient money to meet demands for ordinary and necessary expenditures for school operating purposes. In order to achieve this purpose, the money in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board of Trustees of the District, to any fund of the District in anticipation of the receipt by the District of money from the State of Illinois, the Federal government or other sources, or in anticipation of corporate personal property replacement taxes to be received by the District. The Working Cash Fund is reimbursed when the anticipated taxes or money are received by the District. The District's Working Cash Fund had an audited balance of \$8,034,976 as of June 30, 2008. The District's Working Cash Fund Balance has not been drawn down over the past three fiscal years.

Pension and Retirement Plan

Information regarding the District's retirement fund obligations are described in the Audited Financial Statements for the fiscal year ending June 30, 2008, Note 4.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the Beneficial Owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information which is to be provided on an annual basis, the events which will be reported on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in Appendix C, "FORM OF CONTINUING DISCLOSURE UNDERTAKING."

The District is currently in compliance with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking. See Appendix C, "FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

UNDERWRITING

The Bonds were offered for sale by the District at a public, competitive sale on June 3, 2009. The best bid submitted at the sale was submitted by Robert W. Baird & Co. Incorporated (the "Underwriter"). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$24,569,172.45 (consisting of the par amount of the Bonds plus \$891,513.70 original issue premium and less \$42,341.25 underwriting discount) plus accrued interest (if any) to the date of delivery.

The Underwriter has represented to the District that the Bonds have been subsequently re-offered to the public at the yields or prices set forth on the cover of this Official Statement. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the cover of this Official Statement.

FINANCIAL ADVISOR

The District has engaged BMO Capital Markets GKST Inc. as financial advisor (the "Financial Advisor") in connection with the issuance and sale of the Bonds. The Financial Advisor received bids on behalf of the District at the public competitive sale on June 3, 2009.

LEGAL MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments and arbitrage profits to the United States, requirements regarding the proper use of bonds proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is not includible in the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations but is taken into account in computing "Adjusted Current Earnings". The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would generally include all tax exempt interest, but not interest on the Bonds.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public. The Issue Price of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Ice Miller LLP, Lisle, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the District. Bond Counsel has only reviewed the cover page and those sections of the Final Official Statement regarding the description of the Bonds, the security for the Bonds, the description of the federal tax exemption of interest on the Bonds and the "bank-qualified" status of the Bonds. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy,

completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement, except that in its capacity as Bond Counsel, Ice Miller LLP has supplied the information under the heading "Tax Exemption."

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or questioning the proceedings or authority pursuant to which the Bonds are issued, or questioning or relating to the validity of the Bonds or contesting the corporate existence of the District or the titles of its present officers to the respective offices.

BOND RATINGS

The Bonds have been rated "Aaa" by Moody's Investor Services ("Moody's") and "AAA" by Standard & Poor's Rating Group ("S&P"). The ratings reflect only the views of the rating agencies providing the rating at the time such rating was issued and any explanation of the significance of such rating may be obtained only from each rating service. Certain information and materials concerning the Bonds, the District and overlapping agencies and entities were furnished to each rating agency by the District and others.

This rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of information and such change in rating may have an effect on the market price of the Bonds. An explanation of the significance of investment ratings may be obtained from the rating agencies: Moody's Investor Services, 99 Church Street, New York, New York 10007, telephone (212) 553-0300 and Standard & Poor's Rating Group, 25 Broadway, New York, New York 10004.

THE FINAL OFFICIAL STATEMENT

This Final Official Statement includes the cover page, Summary Statement, and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Final Official Statement

This Final Official Statement has been approved for distribution to prospective purchasers and the Underwriters of the Bonds, by the District. All of the statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the District.

The District's officials will provide to the original purchaser of the Bonds at the time of delivery of the Bonds, a certificate confirming to the purchaser that, to the best of their knowledge and belief, the Near Final Official Statement and Final Official Statement, with respect to the Bonds, at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

/s/ Kathy A. Wessel
Chairman, Board of Trustees
Community College District No. 502
Counties of DuPage, Cook and Will and State of
Illinois

Date: June 3, 2009

Appendix A

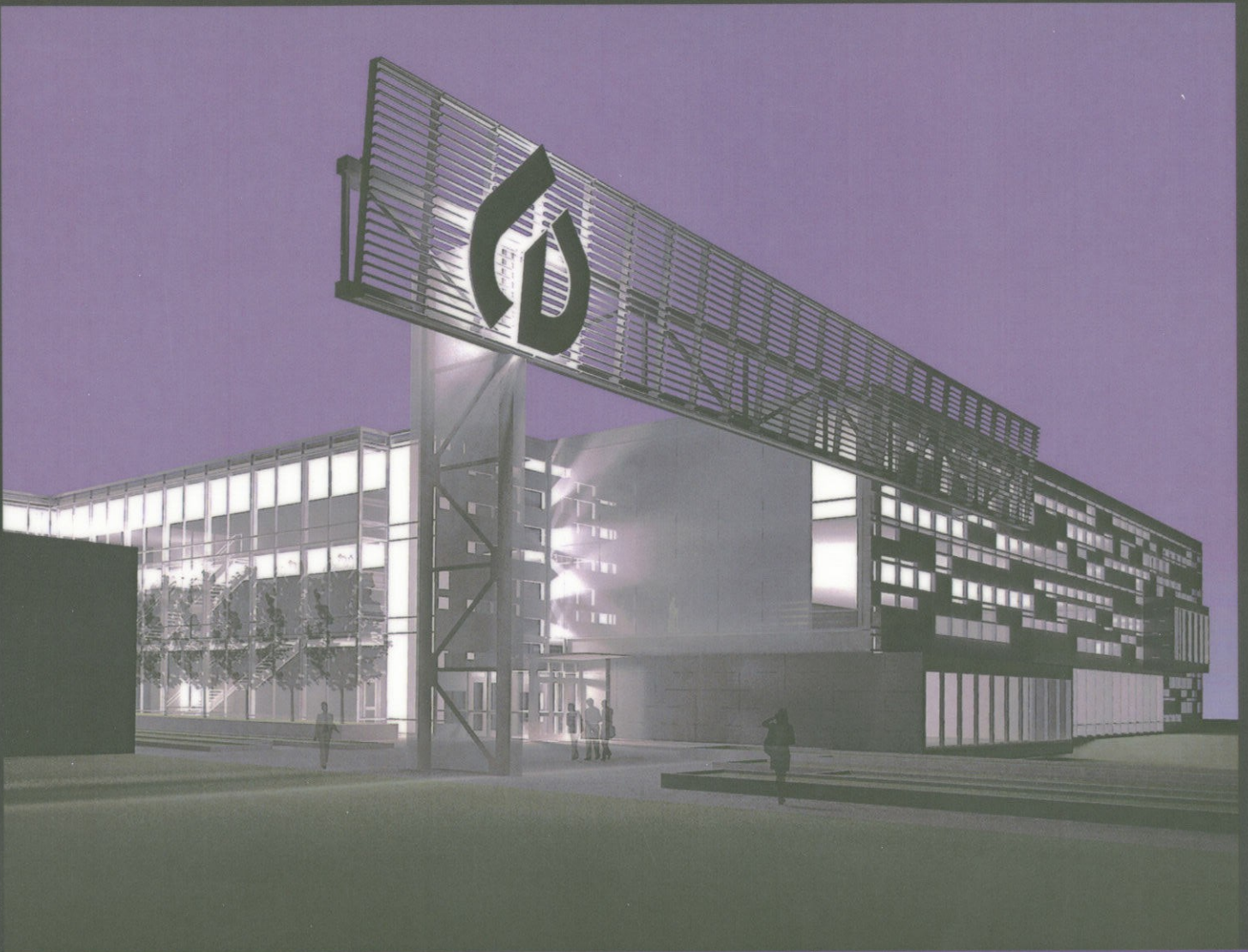
Audited Financial Statements for

Community College District No. 502 Counties of DuPage, Cook and Will and State of Illinois (College of DuPage)

**for the Year Ended
June 30, 2008**

(The audited financial statement contained in this Appendix (the "*Audit*"), including the independent auditor's report accompanying the Audit, has been prepared by Crowe Horwath LLP, Oak Brook, Illinois (the "*Auditor*"), and approved by formal action of the Board of Trustees (the "*Board*") of the Community College District Number 502, DuPage, Cook and Will Counties, Illinois (the "*District*"). The Board has not requested the Auditor to update information contained in the Audit; nor has the Board requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. If you have a specific question or inquiry relating to the financial information of the District since the date of the Audit, you should contact Chris Wodka, Director of Financial Affairs.)

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 College of DuPage

Comprehensive Annual
FINANCIAL REPORT

Fiscal Year Ended June 30, 2008

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

College of DuPage
425 Fawell Blvd., Glen Ellyn, IL, 60137-6599
www.cod.edu

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**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
Glen Ellyn, Illinois**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Years Ended June 30, 2008 and June 30, 2007**

**Prepared by:
Finance Office**

**Chris Wodka
Director Financial Affairs and Controller**

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
425 FAWELL BLVD.
GLEN ELLYN, ILLINOIS 60137-6599**

LEAD AUDITOR:

John C. Weber, Executive
Crowe Horwath LLP
One Mid America Plaza
Post Office Box 3697
Oak Brook, Illinois 60522-3697

College's Accrediting Organization: North Central Association of Colleges and Schools

Commission on Institutions of Higher Education
30 North LaSalle Street
Suite 2400
Chicago, IL 60602-2504
Phone: (800) 621-7440

The College utilizes the following Servicer -

National Student Loan Clearinghouse
2191 Fox Mill Road, Suite 300
Herndon, Virginia 20171-3019

This Servicer performs the following functions:

The National Student Loan Clearinghouse is a servicer for forwarding our enrollment data for individual students to certain guarantors and servicers of student loans.

All records for the accounting and administration of the Student Financial Aid programs are located at the College's campus in Glen Ellyn, Illinois.

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September 26, 2008

To the Citizens of DuPage Community College District Number 502:

The Comprehensive Annual Financial Report (CAFR) of College of DuPage, Community College District Number 502 (the College), Counties of DuPage, Cook, and Will, State of Illinois, for the fiscal year ended June 30, 2008 (FY2008), is hereby submitted. The Illinois Community College Board (ICCB) requires that the College publish a complete set of financial statements by October 15th of each year. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, changes in financial position and cash flows of the College.

Crowe Horwath LLP, have issued an unqualified (“clean”) opinion on College of DuPage, Community College District No. 502’s CAFR for the year ended June 30, 2008. The independent auditor’s report is located at the front of the financial section of the report.

The Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE COLLEGE

Community College District 502 encompasses 357 square miles and includes the majority of DuPage County, a portion of Cook County, and a portion of Will County. The Glen Ellyn campus is located about 35 miles west of downtown Chicago. Originally formed from 10 high school districts, District 502 became the most populous in Illinois outside of Chicago, when a neighboring community College district was annexed in 1967. Total population of the district today is approximately 1,058,023 and the total 2007 equalized assessed valuation is \$44,535,081,379.

College of DuPage offers its approximately 30,000 students a diverse and far-reaching educational program. Students can choose from 55 pre-baccalaureate areas of study and from 52 occupational and technical programs, with classes offered on the college’s 273-acre Glen Ellyn campus and at nearly 84 suburban locations. College of DuPage also offers a wide variety of Continuing Education programs, an Adult Fast Track program, online college, a Weekend Degree program, plus special seminars and workshops for community members with a specific interest in mind.

PROFILE OF THE COLLEGE (CONTINUED)

The mission statement of College of DuPage identifies the fundamental purpose and aspirations of the College. The mission is the foundation upon which all College activities are built and ultimately measured against. The following mission was affirmed by the College's Board of Trustees in 2002 and will be reviewed every seven years.

"The Mission of College of DuPage is to be at the forefront of higher education, serving the needs of the community. The College will be the first place residents turn to for the highest quality education and cultural opportunities. The College will serve as a model of distinction for community college education."

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB), and the Illinois Community College Board (ICCB). The ICCB requires accounting by subfunds in order that limitations and restrictions on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when an obligation has been incurred. The notes to the financial statements expand and explain the financial statements and the accounting principles applied.

LOCAL ECONOMY

The College's district includes the majority of DuPage County. DuPage County is located 20 miles west of downtown Chicago in northeastern Illinois.

Covering 332.1 square miles and neighboring Chicago, DuPage is at the hub of the nation's mail, air, freight, and trucking systems. The County plays a critical role in maintaining a large, efficient transportation system and infrastructure which includes six major expressways and three major commuter rail lines. DuPage County Airport is Illinois' third busiest and O'Hare International is on the County's northeastern border.

The County has a highly skilled employment pool, reflecting the educational commitment of its residents. Over forty-four percent of DuPage's population has a college or professional degree, compared to the twenty-nine percent statewide average. High school graduation rates are ninety-three percent while the statewide average is eighty-five percent. School test scores consistently rank above the state average, and school operating expenditures per child exceed the state average. Fourteen private or public colleges are located in DuPage County.

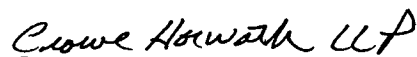
The County has a very diverse economic base, comprised of construction and manufacturing, wholesale, and retail trade, various service sectors, and research. A high tech research and development corridor covers the width of DuPage County, stretching from the Argonne National Laboratory in the eastern part of the County to the Fermi National Accelerator Laboratory on the western boundary. DuPage County is home to more than 100 industrial parks, 32,000 businesses, and over 700,000 full and part-time employed persons. A pro-business atmosphere, a commitment to a well-educated workforce, and a modern transportation system make DuPage County an ideal location for business expansion and relocation.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2008 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as whole. The supplemental financial information listed in the financial section of the table of contents and the other supplemental financial information listed under the special reports section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the College. This information is required by the Illinois Community College Board and is presented on the modified accrual basis. Such information was subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis, designated in the table of contents as "Required Supplementary Information" is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

The items listed in the introductory section and statistical section in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These items have not been subjected to the audit procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion on them.


Crowe Horwath LLP

Oak Brook, Illinois
September 26, 2008

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

JUNE 30, 2008

Management's Discussion and Analysis

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MANAGEMENT’S DISCUSSION AND ANALYSIS

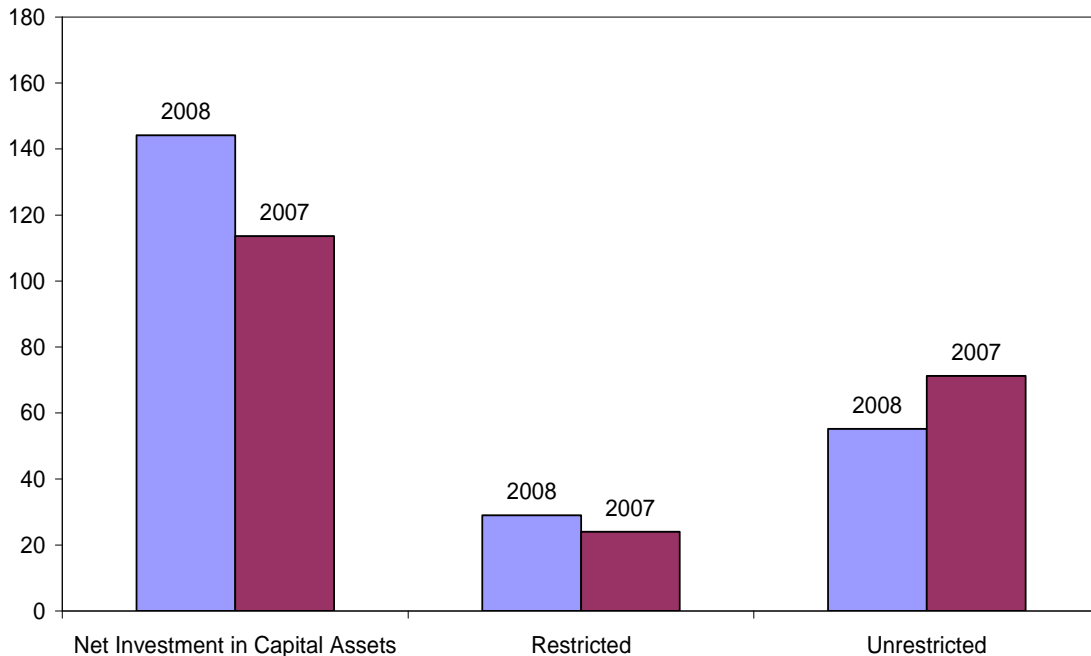
This section of College of DuPage’s Community College’s Comprehensive Annual Financial Report presents management’s discussion and analysis of the College’s financial activity during the fiscal years ended June 30, 2008 and June 30, 2007. Since this management’s discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter (pages 8-16), and the College’s basic financial statements including the notes to the financial statements (pages 41-66). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The new financial statement (implemented in the fiscal year ended June 30, 2003) focuses on the College as a whole. The College financial statements (see pages 34-38) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statement of Net Assets is to reflect the College’s financial position at a certain date. This statement, combines and consolidates, current financial resources (short-term spendable resources) with capital assets. The Statement of Revenues, Expenses, and Changes in Net Assets focuses on both the gross costs and the net 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 summarize and simplify the user’s analysis of the cost of various College services to students and the community.

Financial Highlights

Comparative of Net Assets – Fiscal Years 2008 and 2007 (in millions dollars)



Financial Analysis of the College as a Whole

Net Assets As of June 30, 2008 (in millions)

	<u>2008</u>	<u>2007</u>	Increase (Decrease) <u>2008-2007</u>	<u>2006</u>	Increase (Decrease) <u>2007-2006</u>
Current assets	\$325.8	\$352.6	\$(26.8)	\$276.8	\$75.8
Non-current assets					
Capital assets, net of depreciation	175.5	121.5	54.0	100.0	21.5
Bond issuance costs	<u>.8</u>	<u>.9</u>	<u>(.1)</u>	<u>.6</u>	<u>.3</u>
Total assets	<u>502.1</u>	<u>475.0</u>	<u>27.1</u>	<u>377.4</u>	<u>97.6</u>
Current liabilities	100.4	84.4	16.0	76.4	8.0
Non-current liabilities	<u>173.3</u>	<u>181.7</u>	<u>(8.4)</u>	<u>105.7</u>	<u>76.0</u>
Total liabilities	<u>273.7</u>	<u>266.1</u>	<u>7.6</u>	<u>182.1</u>	<u>84.0</u>
Net assets					
Investment in capital assets	144.2	113.6	30.6	99.9	13.7
Restricted expendable	29.0	24.0	5.0	19.1	4.9
Unrestricted	<u>55.2</u>	<u>71.2</u>	<u>(16.0)</u>	<u>76.2</u>	<u>(5.0)</u>
Total Net Assets	<u>\$228.4</u>	<u>\$208.8</u>	<u>\$19.6</u>	<u>\$195.2</u>	<u>\$13.6</u>

This schedule is prepared from the College's statement of net assets (pages 32-33) which is presented on the accrual basis of accounting whereby assets are capitalized and depreciated.

Fiscal Year 2008 Compared to 2007

The total current assets decreased by \$26.8 million as compared to prior year. The non-restricted current assets increased by \$10.3 million, while the restricted assets decreased by \$37.1 million. This is due entirely to the reduction of investments as the construction of the new facilities is in full process.

Non-current assets increased by \$53.9 million due primarily to the increase in construction-in-progress as explained in the Analysis of Net Assets section of this document.

Current liabilities increased by \$16.0 million. The primary difference being in the restricted accounts payable that increased by \$10.5 million due to the increase in construction activity. The bond payable current portion increased by \$1.8 million and the unearned property tax revenues increased by \$600,000 all due to the changes in the bond payment schedule. This change in net assets is explained on page 30.

Fiscal Year 2007 Compared to 2006

The total current assets increased by \$75.8 million as compared to the prior year. The non-restricted current assets increased by only \$350,000 while the restricted current assets increased by \$75.5 million. The restricted current assets increase of \$75.5 million was due primarily to the increase of restricted investments in the amount of \$75.3 million due to the issuance of the General Obligation Bonds Series 2007. The restricted interest receivables increased by \$1.3 million, also due to this issuance.

Non-current assets increased by \$21.8 million due primarily to the increase in construction-in-progress as explained in the Analysis of Net Assets section of this document.

Current liabilities increased by \$8.0 million. The primary differences are in the restricted accounts payable account with an increase of \$2.6 million due to the increase in construction activity. The bonds payable current portion increased by \$1.5 million due to the increase of the General Obligation Bonds Series 2007. The unearned property tax revenues increased by \$2.9 million also due to the bond issue. The non-current liabilities increased by \$76.0 million due to the issuance of the General Obligation Bonds Series 2007.

The change in Net Assets is explained on page 30.

**Operating Results for the Year Ended
June 30, 2008
(in millions)**

	<u>2008</u>	<u>2007</u>	Increase (Decrease) <u>2008 -2007</u>	<u>2006</u>	Increase (Decrease) <u>2007-2006</u>
Operating revenues					
Tuition and fees	\$51.3	\$ 47.9	\$3.4	\$42.5	\$5.4
Auxiliary	6.0	6.8	(.8)	5.4	1.4
Other	<u>.8</u>	<u>.9</u>	<u>(.1)</u>	<u>.5</u>	<u>.4</u>
Total operating revenues	<u>58.1</u>	<u>55.6</u>	<u>2.5</u>	<u>48.4</u>	<u>7.2</u>
Non-operating revenues					
State grants and contracts	29.1	27.4	1.7	25.8	1.6
Federal grants and contracts	10.1	9.1	1.0	8.9	.2
Real estate taxes	82.1	76.3	5.8	72.1	4.2
Investment income	10.5	11.4	(.9)	8.5	2.9
Other income	<u>3.3</u>	<u>2.2</u>	<u>1.1</u>	<u>2.5</u>	<u>(.3)</u>
Total non-operating revenues	<u>135.1</u>	<u>126.4</u>	<u>8.7</u>	<u>117.8</u>	<u>8.6</u>
Total revenues	<u>193.2</u>	<u>182.0</u>	<u>11.2</u>	<u>166.2</u>	<u>15.8</u>
Less operating expenses (page 27)	165.7	161.8	3.9	151.5	10.3
Less non-operating expenses					
Interest on debt	7.9	6.0	1.9	5.2	.8
Loss on sale of capital assets	<u>.1</u>	<u>.7</u>	<u>(.6)</u>	<u>-</u>	<u>.7</u>
Total non-operating expenses	<u>8.0</u>	<u>6.7</u>	<u>1.3</u>	<u>5.2</u>	<u>1.5</u>
Net income before capital contribution	<u>19.5</u>	<u>13.5</u>	<u>6.0</u>	<u>9.5</u>	<u>4.0</u>
Capital contributions					
Capital gifts and grants	<u>.1</u>	<u>.1</u>	<u>-</u>	<u>.1</u>	<u>-</u>
Increase in net assets	19.6	13.6	6.0	9.6	4.0
Net assets, beginning of year	<u>208.8</u>	<u>195.2</u>	<u>13.6</u>	<u>185.6</u>	<u>9.6</u>
Net assets, end of year	<u>\$228.4</u>	<u>\$208.8</u>	<u>\$19.6</u>	<u>\$195.2</u>	<u>\$13.6</u>

Fiscal Year 2008 Compared to 2007

Operating revenue increased by \$2.5 million which is reflective of a tuition and fee increase.

Operating expenses increased by \$3.9 million from the prior year. The operating expense categories are summarized on page 27.

Non-operating revenue increased by \$8.7 million. An increase of \$5.8 million in property tax revenue was generated by the current levy.

At June 30, 2008, the College is economically better off than at June 30, 2007 by \$19.6 million.

There are currently no other known facts, decisions or conditions that will have a significant effect on the financial positions (net assets) or changes in financial position (revenues, expenses and changes in net assets).

Fiscal Year 2007 Compared to 2006

Operating revenue increased by \$7.2 million which reflects both a tuition and fee increase and an increase in enrollment as compared to the previous year.

Operating expenses increased by \$10.3 million from the prior year. The operating expense categories are summarized on page 27.

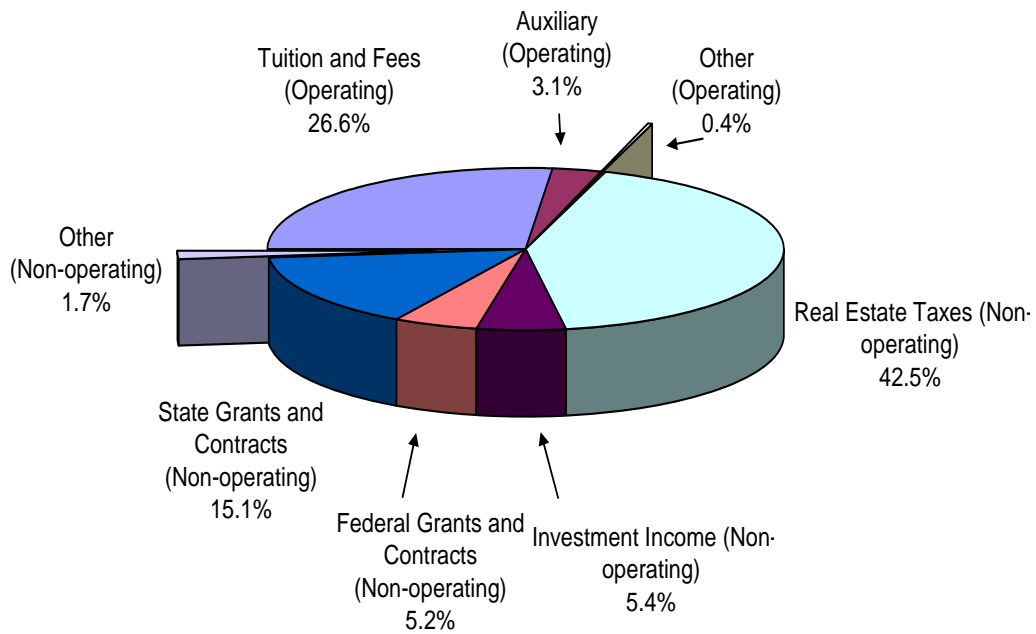
Non-operating revenue increased by \$8.6 million. An increase of \$4.2 million in property tax revenue was generated by the current levy. Investment income increased by \$2.9 million due to continual increases in term rates.

At June 30, 2007, the College is economically better off than at June 30, 2006 by \$13.6 million.

There are currently no other known facts, decisions or conditions that will have a significant effect on the financial positions (net assets) or changes in financial position (revenues, expenses and changes in net assets).

The following is a graphic illustration of revenues by source.

Revenue by Source Operating and Non-Operating Revenues June 30, 2008

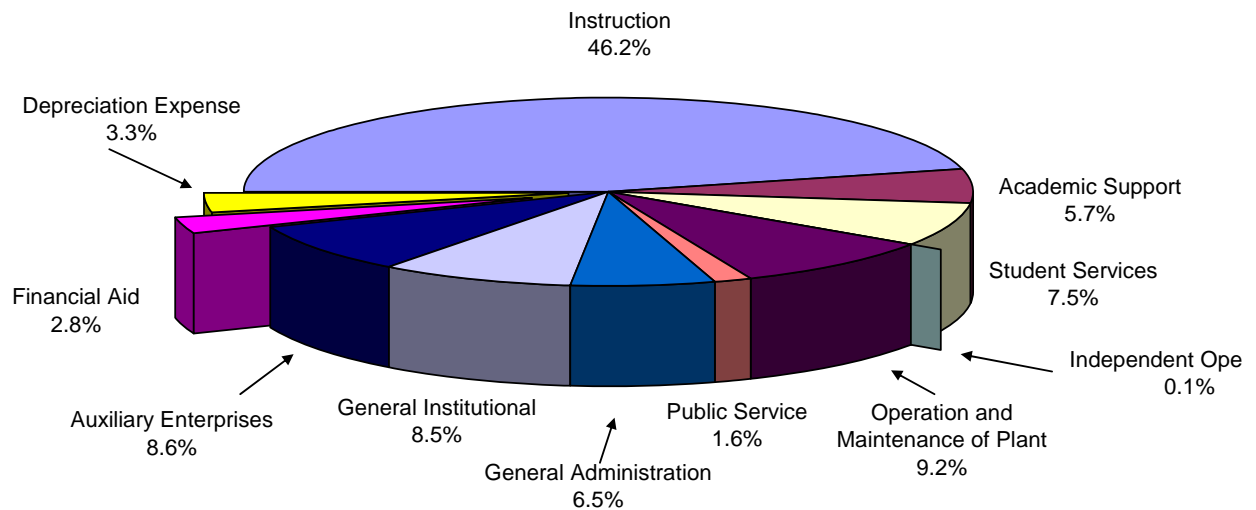


Operating Expenses
For the Year Ended June 30, 2008
(in millions)

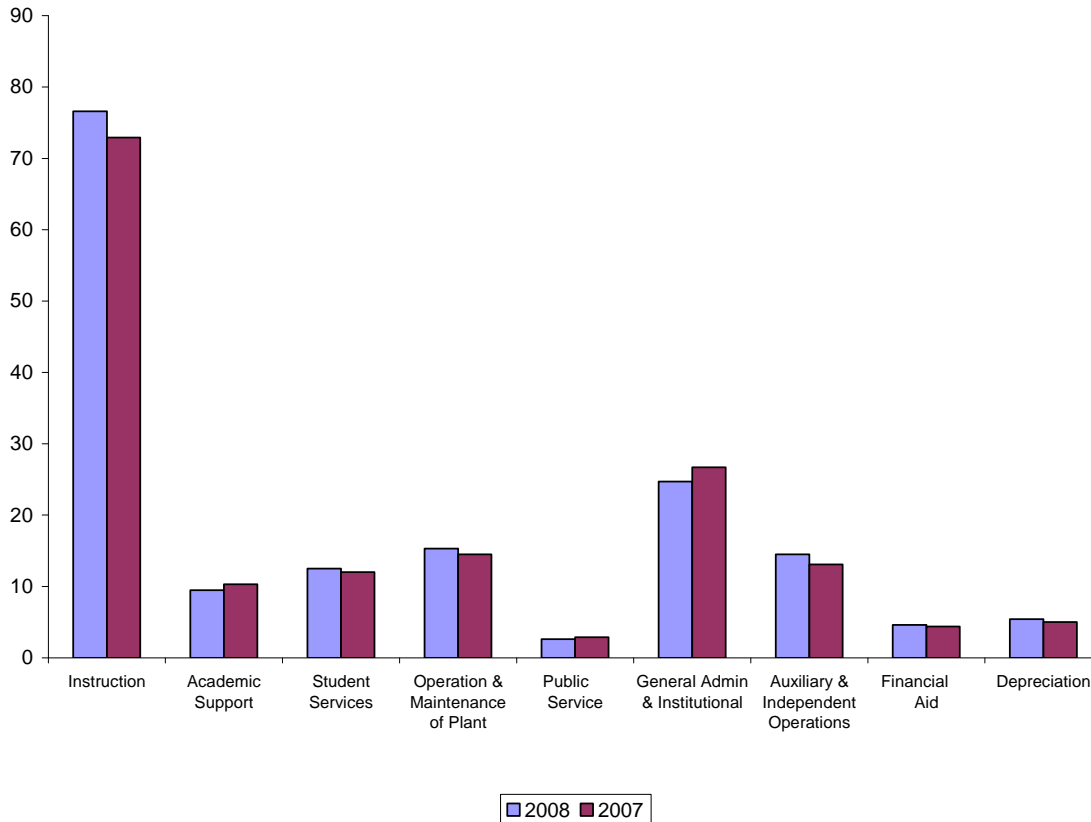
	<u>2008</u>	<u>2007</u>	Net Increase (Decrease) <u>2008 -2007</u>	<u>2006</u>	Net Increase (Decrease) <u>2007 -2006</u>
Operating expenses					
Instruction	\$76.6	\$72.9	\$3.7	\$69.7	\$3.2
Academic Support	9.5	10.3	(.8)	9.7	.6
Student Services	12.5	12.0	.5	11.9	.1
Public Service	2.6	2.9	(.3)	2.3	.6
Independent Operations	.2	.1	.1	.1	-
Operations & Main. of Plant	15.3	14.5	.8	14.2	.3
General Administration	10.7	9.7	1.0	10.2	(.5)
General Institutional	14.0	17.0	(3.0)	11.9	5.1
Financial Aid	4.6	4.4	.2	3.5	.9
Auxiliary	14.3	13.0	1.3	12.9	.1
Depreciation	<u>5.4</u>	<u>5.0</u>	<u>.4</u>	<u>5.1</u>	<u>(.1)</u>
Total	<u>\$165.7</u>	<u>\$161.8</u>	<u>\$3.9</u>	<u>\$151.5</u>	<u>\$10.3</u>

The following is a graphic illustration of operating expenses.

Operating Expenses
June 30, 2008



Comparison of Operating Expenses Fiscal Years 2008 and 2007



Fiscal Year 2008 Compared to 2007

Operating expenses for Fiscal Year 2008 increased by only \$3.9 million. Instructional, academic and student services increased by \$3.4 million due to salary, benefits, material and supplies increases. All other expenses, excluding Financial Aid, increased by only \$300,000 as there was a conscious effort to stay within budget parameters. Financial Aid expenses increased \$200,000 due to an increase in students utilizing financial aid scholarships.

Fiscal Year 2007 Compared to 2006

Operating expenses for Fiscal Year 2007 increased by \$10.3 million. Instructional, academic and student services increased by \$3.9 million due to salary, benefits, material and supplies increases. General Institutional expenses increased by \$5.1 million due to an increase in construction activities. Financial Aid expenses increased \$900,000 due to an increase in students utilizing financial aid scholarships.

**Analysis of Net Assets
June 30, 2008
(in millions)**

	<u>2008</u>	<u>2007</u>	Increase (Decrease) <u>2008-2007</u>	<u>2006</u>	Increase (Decrease) <u>2007-2006</u>
Net Assets					
Net Investment in Capital Assets	\$144.2	\$113.6	\$30.6	\$99.9	\$13.7
Restricted Expendable	29.0	24.0	5.0	19.1	4.9
Unrestricted	<u>55.2</u>	<u>71.2</u>	<u>(16.0)</u>	<u>76.2</u>	<u>(5.0)</u>
Total	<u>\$228.4</u>	<u>\$208.8</u>	<u>\$19.6</u>	<u>\$195.2</u>	<u>\$13.6</u>

Fiscal Year 2008 Compared to 2007

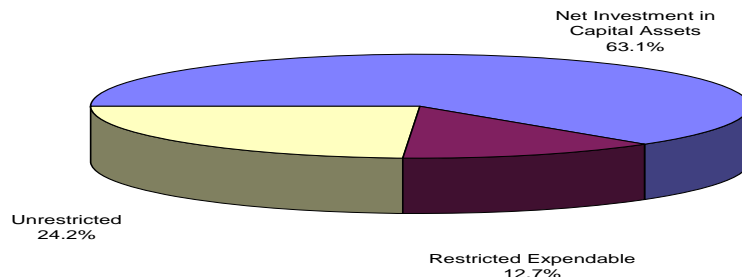
The net investment in capital assets increased by \$30.6 million. This increase is attributed to a significant increase in the construction-in-progress. The major projects include the Technology Building, Health Careers and Natural Sciences Building, and Parking Lot Phases II and III. Restricted expendable net assets increased by \$5.0 million due to the increases in tax levies to pay the principal and interest on the General Obligation Bonds Series 2007. Unrestricted net assets decreased by \$16.0 million due to the partial completion of some construction projects.

Fiscal Year 2007 Compared to 2006

The net investment in capital assets increased by \$13.7 million. This increase is attributed to a significant increase in the construction-in-progress. The major projects include the Technology Building, \$1.9 million, Health Career and Natural Sciences Building, \$4.9 million, Early Childhood Center at \$4.9 million and Parking Phase II at \$9.5 million. Restricted expendable net assets increased by \$4.9 million due to the increases in tax levies to pay the principal and interest on the General Obligation Bonds Series 2007. Unrestricted net assets decreased by \$5.0 million due to the completion of some construction projects.

The following is a graphic illustration of net assets.

Analysis of Net Assets June 30, 2008



Capital Assets, Net
June 30, 2008
(in millions)

	<u>2008</u>	<u>2007</u>	Increase (Decrease) <u>2008-2007</u>	<u>2006</u>	Increase (Decrease) <u>2007-2006</u>
Capital Assets					
Land and Improvements	\$9.7	\$11.2	\$(1.5)	\$12.1	\$(.9)
Buildings and Improvements	129.1	124.5	4.6	121.3	3.2
Equipment	34.1	34.7	(.6)	33.7	1.0
Construction in Progress	<u>93.2</u>	<u>40.2</u>	<u>53.0</u>	<u>19.5</u>	<u>20.7</u>
Total	<u>266.1</u>	<u>210.6</u>	<u>55.5</u>	<u>186.6</u>	<u>24.0</u>
Less Accumulated Depreciation	<u>(90.6)</u>	<u>(89.1)</u>	<u>(1.5)</u>	<u>(86.7)</u>	<u>(2.4)</u>
Net Capital Assets	<u>\$175.5</u>	<u>\$121.5</u>	<u>\$54.0</u>	<u>\$99.9</u>	<u>\$21.6</u>

Fiscal Year 2008 Compared to 2007

As of June 30, 2008, the College had recorded \$266.1 million invested in capital assets, \$90.6 million in accumulated depreciation and \$175.5 million in net capital assets.

Net capital assets increased by \$54.0 million due primarily to a significant increase in the construction-in-progress. The major projects include the Technology Building \$19.6 million, Health Careers and Natural Sciences Building \$27.8 million, Parking Phases II \$2.0 million and Parking Phase III at \$2.4 million. Additional information on capital assets is provided in Note 3 to the financial statements.

In November 2006, the College issued \$7,890,000 in General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2006 to advance refund a portion of the 2003 Bonds. Both Moody's Investors Service, Inc. and Standard and Poor's Ratings Group have assigned the highest municipal bond ratings of "Aaa" and "AAA" respectively to the bonds. During fiscal year 2008, \$0 principal was retired on the Series 2006 Refunding Bonds.

In February 2007, the College issued \$78,840,000 in General Obligation Bonds, Series 2007. Both Moody's Investors Service, Inc. and Standard and Poor's Ratings Group have assigned the highest municipal bond ratings of "Aaa" and "AAA" respectively to the bonds. The proceeds derived from the issuance of the Series 2007 Bonds will be used by the College to build and equip new buildings and renovate existing facilities. During fiscal year 2008, \$535,000 principal was retired on the Series 2007 Bonds.

In February 2003, the College issued \$92,815,000 in General Obligation Bonds, Series 2003A and \$31,580,000 in General Obligation Alternate Revenue Source Bonds, Series 2003B. Both Moody's Investors Service, Inc. and Standard and Poor's Ratings Group have assigned the highest municipal bond ratings of "Aaa" and "AAA" respectively to the bonds. The proceeds derived

from the issuance of the Series 2003A bonds will be used by the College to build and equip new buildings and renovate existing facilities. The proceeds derived from the issuance of the Series 2003B bonds will be used by the College to construct parking facilities and related site improvements. During fiscal year 2008, \$5,175,000 principal was retired on the Series 2003A bonds; and \$1,235,000 principal was retired during the year on the Series 2003B Bond.

As of June 30, 2008, \$78,305,000 (Series 2007), \$7,890,000 (Series 2006 Refunding Bonds), \$66,640,000 (Series 2003A) and \$18,085,000 (Series 2003B) remain outstanding. The payment schedule, along with changes in activities for debt, is provided in Note 6 to the financial statements.

Fiscal Year 2007 Compared to 2006

As of June 30, 2007, the College had recorded \$210.6 million invested in capital assets, \$89.1 million in accumulated depreciation and \$121.5 million in net capital assets.

Net capital assets increased by \$21.6 million due primarily to a significant increase in the construction-in-progress. The major projects include the Technology Building \$1.9 million, Health Career and Natural Sciences Building \$4.9 million, Early Childhood Center \$4.8 million and Parking Phases II \$9.5 million. Additional information on capital assets is provided in Note 3 to the financial statements.

In November 2006, the College issued \$7,890,000 in General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2006 to advance refund a portion of the 2003 Bonds. Both Moody's Investors Service, Inc. and Standard and Poor's Ratings Group have assigned the highest municipal bond ratings of "Aaa" and "AAA" respectively to the bonds. During fiscal year 2007, \$0 principal was retired on the Series 2006 Refunding Bonds.

In February 2007, the College issued \$78,840,000 in General Obligation Bonds, Series 2007. Both Moody's Investors Service, Inc. and Standard and Poor's Ratings Group have assigned the highest municipal bond ratings of "Aaa" and "AAA" respectively to the bonds. The proceeds derived from the issuance of the Series 2007 Bonds will be used by the College to build and equip new buildings and renovate existing facilities. During fiscal year 2007, \$0 principal was retired on the Series 2007 Bonds.

In February 2003, the College issued \$92,815,000 in General Obligation Bonds, Series 2003A and \$31,580,000 in General Obligation Alternate Revenue Source Bonds, Series 2003B. Both Moody's Investors Service, Inc. and Standard and Poor's Ratings Group have assigned the highest municipal bond ratings of "Aaa" and "AAA" respectively to the bonds. The proceeds derived from the issuance of the Series 2003A bonds will be used by the College to build and equip new buildings and renovate existing facilities. The proceeds derived from the issuance of the Series 2003B bonds will be used by the College to construct parking facilities and related site improvements. During fiscal year 2007, \$4,480,000 principal was retired on the Series 2003A bonds; and \$1,205,000 principal was retired during the year and \$7,375,000 was advance refunded on the Series 2003B Bonds.

As of June 30, 2007, \$78,840,000 (Series 2007), \$7,890,000 (Series 2006 Refunding Bonds), \$71,815,000 (Series 2003A) and \$19,320,000 (Series 2003B) remain outstanding. The payment schedule, along with changes in activities for debt, is provided in Note 6 to the financial statements.

Other

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the College's financial position (net assets) or results of operations (revenues, expenses, and other changes in net assets).

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide our customers with a general overview of College of DuPage's finances and to show College of DuPage's accountability for the revenue it receives.

If you have questions about this report or need additional information, contact Chris Wodka, Controller, at 425 Fawell Blvd., Glen Ellyn, IL 60137-6599, (630) 942-2219.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

JUNE 30, 2008

BASIC FINANCIAL STATEMENTS

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STATEMENT 1

Page 1 of 2

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

STATEMENTS OF NET ASSETS

June 30, 2008 and 2007

ASSETS	2008	2007
Current Assets		
Cash and cash equivalents	\$ 29,639,994	\$ 18,397,665
Current investments	57,900,000	63,500,001
Property taxes receivable (net of allowances of \$335,350 and \$323,778, respectively)	35,170,341	33,565,718
Tuition and fees receivable (net of allowances of \$2,092,853 and \$1,846,544, respectively)	4,673,291	3,643,838
Interest receivable	1,612,314	1,344,848
Other accounts receivable	1,035,152	985,274
Inventory	231,045	29,323
Prepaid expenses	3,829,567	2,267,497
Restricted Assets		
Restricted cash and cash equivalents	103,779,756	1,808,115
Restricted investments	72,695,172	210,707,390
Property taxes receivable (net of allowances of \$87,067 and \$81,932, respectively)	9,220,260	8,685,344
Federal and state government claims receivable	3,087,442	2,244,132
Restricted interest receivable	1,724,209	4,830,058
Prepaid expenses	1,249,730	621,611
Total Current Assets	325,848,273	352,630,814
Non Current Assets		
Interest receivable	9,842	-
Capital assets not being depreciated	97,998,887	45,013,041
Capital assets being depreciated,	168,153,906	165,613,901
Less allowance for depreciation	(90,641,622)	(89,136,893)
Bond issuance costs	811,809	898,041
Total Non Current Assets	176,332,822	122,388,090
Total Assets	502,181,095	475,018,904

The accompanying notes are an integral part of this statement.

STATEMENT 1

Page 2 of 2

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

STATEMENTS OF NET ASSETS

June 30, 2008 and 2007

LIABILITIES	<u>2008</u>	<u>2007</u>
Current Liabilities		
Accounts payable	\$ 1,487,283	\$ 1,393,705
Accrued salaries and benefits	5,234,307	5,348,728
Accrued compensated absences	2,266,555	2,112,771
Unearned property tax revenues	33,534,917	32,377,806
Unearned tuition and fee revenues	19,856,627	17,154,869
Bonds payable - current	9,640,360	7,807,578
Bond interest payable	593,127	614,598
Termination benefits payable	1,161,855	918,692
Other current liabilities	89,395	34,600
Liabilities Payable from Restricted Assets		
Accounts payable	16,373,106	5,808,561
Accrued salaries and benefits	418,797	126,550
Unearned property tax revenues	8,706,610	8,193,228
Unearned tuition and fee revenues	451,892	494,205
Unearned grant revenues	143,003	150,783
Bond interest payable	-	596,039
Deposits held in custody for others	270,235	251,987
Other current liabilities	165,558	1,018,247
Total Current Liabilities	<u>100,393,627</u>	<u>84,402,947</u>
Non Current Liabilities		
Bonds payable - non current	170,520,519	179,506,963
Arbitrage liability	698,711	-
Termination benefits payable	2,127,500	2,268,400
Total Non Current Liabilities	<u>173,346,730</u>	<u>181,775,363</u>
Total Liabilities	<u>273,740,357</u>	<u>266,178,310</u>
NET ASSETS		
Invested in Capital Assets, net of related debt	144,249,896	113,596,287
Restricted for:		
Debt service	19,594,285	14,584,822
Working cash	8,034,976	8,034,976
Other purposes	1,375,089	1,375,595
Unrestricted	55,186,492	71,248,914
Total Net Assets	<u>\$ 228,440,738</u>	<u>\$ 208,840,594</u>

The accompanying notes are an integral part of this statement.

STATEMENT 2

COLLEGE OF DUPAGE COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

REVENUES	2008	2007
Operating Revenues:		
Student tuition and fees (net of scholarship allowances of \$14,948,415 and \$14,250,418, respectively)	\$ 51,276,425	\$ 47,850,011
Chargeback revenue	508,217	579,339
Auxiliary enterprises revenues	6,039,744	6,811,211
Other operating revenues	296,539	333,256
Total Operating Revenues	58,120,925	55,573,817
EXPENSES		
Operating Expenses:		
Instruction	76,609,450	72,868,157
Academic support	9,483,446	10,360,929
Student services	12,529,969	12,028,071
Public service	2,623,898	2,860,059
Independent operations	154,873	51,778
Operation and maintenance of plant	15,312,683	14,457,218
General administration	10,658,353	9,739,609
General institutional	14,019,867	16,973,154
Auxiliary enterprises	14,320,304	13,053,615
Scholarship expense	4,602,028	4,408,225
Depreciation expense	5,399,659	4,975,163
Total Operating Expenses	165,714,530	161,775,978
Operating Income (Loss)	(107,593,605)	(106,202,161)
NON-OPERATING REVENUES (EXPENSES)		
Real estate taxes	82,100,987	76,301,141
Corporate personal property replacement taxes	1,794,791	1,628,249
State appropriations	29,087,797	27,416,450
Federal grants and contracts	10,167,590	9,166,655
Non-governmental gifts and grants	1,302,882	618,351
Investment income	10,517,209	11,401,935
Other non-operating revenues (expenses)	157,391	13,309
Interest on capital asset-related debt	(7,934,169)	(6,054,992)
Gain (loss) on sale of capital assets	(60,167)	(715,646)
Net Non-Operating Revenues (Expenses)	127,134,311	119,775,452
Net Income Before Capital Contributions	19,540,706	13,573,291
CAPITAL CONTRIBUTIONS		
Capital gifts and grants	59,438	41,800
Total Capital Contributions	59,438	41,800
Increase in Net Assets	19,600,144	13,615,091
NET ASSETS		
Net Assets at Beginning of Year	208,840,594	195,225,503
Net Assets at End of Year	\$ 228,440,738	\$ 208,840,594

The accompanying notes are an integral part of this statement.

STATEMENT 3

Page 1 of 2

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502****STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 52,906,417	\$ 47,971,265
Payment to suppliers	(36,831,484)	(29,192,536)
Payment to employees	(117,295,140)	(118,921,640)
Auxiliary enterprise charges	6,039,744	6,811,211
Other revenues	1,611,606	650,265
	<u>(93,568,857)</u>	<u>(92,681,435)</u>
Net Cash from Operating Activities		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Real estate taxes	81,631,941	75,897,711
State appropriations	21,489,700	21,845,940
Grants & contracts	11,470,472	9,785,006
Other revenues	156,662	-
	<u>114,748,775</u>	<u>107,528,657</u>
Net Cash from Non-Capital Financing Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from bonds	-	83,540,972
Purchases of capital assets	(49,304,808)	(24,702,976)
Bond principal payments	(6,945,000)	(5,685,000)
Interest paid on capital debt	(8,674,109)	(7,139,405)
Other revenues	-	13,309
	<u>(64,923,917)</u>	<u>46,026,900</u>
Net Cash from Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	301,236,044	214,648,441
Interest on investments	13,345,750	9,821,444
Purchase of investments	(157,623,825)	(281,471,680)
	<u>156,957,969</u>	<u>(57,001,795)</u>
Net Cash from Investing Activities		
Net Increase in Cash	113,213,970	3,872,327
Cash - Beginning of Year	<u>20,205,780</u>	<u>16,333,453</u>
Cash - End of the Year	<u>\$ 133,419,750</u>	<u>\$ 20,205,780</u>

The accompanying notes are an integral part of this statement.

STATEMENT 3

Page 2 of 2

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502****STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (107,593,605)	\$ (106,202,161)
Adjustments to Reconcile Income (Loss) to Net Cash from Operating Activities:		
Depreciation and amortization expense	5,399,659	4,975,163
State Universities Retirement System on-behalf payments	8,549,578	6,596,461
Changes in Assets and Liabilities:		
Receivables (net)	(1,079,331)	486,517
Inventories	(201,722)	(4,081)
Prepaid expenses	(2,190,189)	832,249
Accounts payable	542,150	(330,983)
Accrued salaries and benefits	331,610	(279,783)
Arbitrage Liability	698,711	-
Other accrued liabilities	(797,894)	979,324
Unearned tuition and fees	2,659,445	(187,903)
Accrued post-employment benefits	102,263	893,452
Other unearned revenues - restricted	(7,780)	(387,681)
Deposits held in custody for others	18,248	(52,009)
Net Cash from Operating Activities	<u>\$ (93,568,857)</u>	<u>\$ (92,681,435)</u>
Schedule of Noncash Transactions		
Donated capital assets	<u>\$ 59,438</u>	<u>\$ 41,800</u>
RECONCILIATION OF CASH		
Cash and cash equivalents	29,639,994	18,397,665
Restricted cash and cash equivalents	<u>103,779,756</u>	<u>1,808,115</u>
Total Cash	<u>\$ 133,419,750</u>	<u>\$ 20,205,780</u>

The accompanying notes are an integral part of this statement.

STATEMENT 4

COLLEGE OF DUPage FOUNDATION

STATEMENT OF FINANCIAL POSITION

June 30, 2008

(With Summarized Financial Information for June 30, 2007)

	2008				2007		
	Unrestricted	Temporarily		Permanently	Restricted	Total	Total
		Designated	Restricted				
ASSETS							
Cash and cash equivalents							
Cash in bank	\$ 66,489	\$ -	\$ 66,489	\$ -	\$ -	\$ 66,489	\$ 99,270
Money market	9,659	-	9,659	-	-	9,659	8,428
Total cash and cash equivalents	76,148	-	76,148	-	-	76,148	107,698
Investments	2,105,747	1,315,529	3,421,276	2,929,134	3,106,820	9,457,230	9,082,938
Cash surrender value of life insurance policies	-	-	-	-	9,008	9,008	8,755
Other assets	1	5,322	5,323	80	-	5,403	4,673
TOTAL ASSETS	\$ 2,181,896	\$ 1,320,851	\$ 3,502,747	\$ 2,929,214	\$ 3,115,828	\$ 9,547,789	\$ 9,204,064
LIABILITIES AND NET ASSETS							
LIABILITIES							
Due to College of DuPage	-	\$ 16,462	\$ 16,462	-	-	\$ 16,462	\$ 3,663
Other liabilities	-	22,272	22,272	50,503	-	72,775	115,313
Total liabilities	-	38,734	38,734	50,503	-	89,237	118,976
NET ASSETS							
Unrestricted	2,181,896	1,282,117	3,464,013	-	-	3,464,013	3,454,370
Temporarily restricted	-	-	-	2,878,711	-	2,878,711	2,630,878
Permanently restricted	-	-	-	-	3,115,828	3,115,828	2,999,840
Total net assets	2,181,896	1,282,117	3,464,013	2,878,711	3,115,828	9,458,552	9,085,088
TOTAL LIABILITIES AND NET ASSETS	\$ 2,181,896	\$ 1,320,851	\$ 3,502,747	\$ 2,929,214	\$ 3,115,828	\$ 9,547,789	\$ 9,204,064

See accompanying notes to financial statements.

STATEMENT 5

COLLEGE OF DuPAGE FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

(With Summarized Financial Information for the Year Ended June 30, 2007)

	2008				2007	
	Unrestricted		Temporarily		Permanently	
	Undesignated	Designated	Total	Restricted	Restricted	Total
REVENUES						
Gifts and contributions	\$ 181,510	\$ 176,671	\$ 358,181	\$ 480,478	\$ 215,544	\$ 1,054,203
Net investment income	64,677	26,262	90,939	110,270	739	201,948
Net realized gain on sale of investments	-	-	-	75	12	87
Net unrealized gain (loss) on investments	(132,753)	(50,811)	(183,564)	(148,259)	(100,560)	(432,383)
Noncash contributions	472,937	22,663	495,600	42,263	-	537,863
Change in value of split-interest agreement	-	-	-	(3,392)	-	(3,392)
Change in cash surrender value of life insurance	-	-	-	-	253	253
Miscellaneous	-	57,540	57,540	36,429	-	93,969
Net assets released from restrictions	270,031	-	270,031	(270,031)	-	-
Total revenues	856,402	232,325	1,088,727	247,833	115,988	1,452,548
EXPENSES						
Program						
Scholarships granted	151,040	89,079	240,119	-	-	240,119
Awards granted	7,178	25,474	32,652	-	-	32,652
Cash gifts to College of DuPage	71,893	72,999	144,892	-	-	144,892
Noncash gifts to College of DuPage	57,876	39,057	96,933	-	-	96,933
Other	1,398	1,726	3,124	-	-	3,124
Fundraising	35,412	56,637	92,049	-	-	92,049
Management and general	469,310	5	469,315	-	-	469,315
Total expenses	794,107	284,977	1,079,084	-	-	1,079,084
CHANGE IN NET ASSETS	62,295	(52,652)	9,643	247,833	115,988	373,464
NET ASSETS, BEGINNING OF YEAR	2,119,601	1,334,769	3,454,370	2,630,878	2,999,840	9,085,088
NET ASSETS, END OF YEAR	\$ 2,181,896	\$ 1,282,117	\$ 3,464,013	\$ 2,878,711	\$ 3,115,828	\$ 9,458,552

See accompanying notes to financial statements.

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COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of College of DuPage - Community College District Number 502 (the College) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to government units and Illinois community colleges, as well as those prescribed by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The College's reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the significant accounting policies.

A. Reporting Entity

The College is a municipal corporation governed by an elected seven member Board of Trustees. The College is fiscally independent and is considered a primary government pursuant to GASB Statement No. 14, *The Financial Reporting Entity*. The College has determined that the College of DuPage Foundation meets the requirements of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement 14*, which has resulted in the College of DuPage Foundation being reported as a discretely presented component unit of the College. The College of DuPage Foundation is a legally separate not-for-profit established under Internal Revenue Code Section 501 C(3). Separate financial statements of the Foundation are available from the Foundation's Executive Director, 425 Fawell Boulevard, SRC 2073, Glen Ellyn, Illinois 60137-6599.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include: property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specific purpose, and expense requirements, in which the resources are provided to the College on a reimbursement basis.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Property Taxes

The College's property taxes are levied each year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to guidance from the Illinois Community College Board, and the College Board of Trustees resolution, property tax levies are allocated fifty percent for each of the two fiscal years after the levy year.

Each County Assessor is responsible for assessment of all taxable real property within each county except for certain railroad property that is assessed directly by the state. Reassessment is on a three-year schedule for Cook County and on a four-year schedule for DuPage and Will Counties, as established by their respective Assessors.

Each County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the taxing bodies their respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year, generally on June 1st and September 1st. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1, immediately following the levy year.

The statutory maximum tax rates and the respective final rates for the 2007 tax levy payable in calendar year 2008, per \$100 of assessed valuation are as follows:

	<u>Statutory Maximum Rate</u>	<u>Final Rate</u>
Education	\$.7500	\$.1292
Operations and Maintenance	.1000	.0214
Liability, Protection & Settlement	none	.0023
Social Security/Medicare	none	.0031
Audit	.0050	.0003
Bond and Interest	none	.0334
Life Safety	.0500	none
Working Cash	(1)	<u>none</u>
TOTAL		<u>\$.1897</u>

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Property Taxes (continued)

The statutory maximum tax rates and the respective final rates for the 2006 tax levy payable in calendar year 2007, per \$100 of assessed valuation are as follows:

	<u>Statutory Maximum Rate</u>	<u>Final Rate</u>
Education	\$.7500	\$.1331
Operations and Maintenance	.1000	.0226
Liability, Protection & Settlement	none	.0020
Social Security/Medicare	none	.0030
Audit	.0050	.0002
Bond and Interest	none	.0342
Life Safety	.0500	none
Working Cash	(1)	<u>none</u>
 TOTAL		 <u>\$.1951</u>

(1) Subject to limitation of bonds at 75% of property tax base.

The 2008 tax levy, which attached as an enforceable lien on property as of January 1, 2008, has not been recorded as a receivable as of June 30, 2008 as the tax has not yet been levied by the counties within the College's district and will not be levied until December 2008 and, therefore, the levy is not measurable at June 30, 2008.

D. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets, such as roads, parking lots, and sidewalks. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are defined by the College as assets with an initial unit cost greater than defined capitalization thresholds, and having an estimated useful life of at least one year. Property, plant, and equipment of the College are depreciated using the straight-line method over the following useful lives. See Note 3 for further detail.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Capital Assets (continued)

<u>Assets</u>	<u>Capitalization Threshold</u>	<u>Years</u>
Buildings	\$500,000	50
Building improvements	500,000	20
Temporary buildings	100,000	20
Original land improvements	-	20
Renovations of original land improvements	100,000	10
Original infrastructure	-	20
Renovations of original infrastructure	500,000	10
Equipment	2,500	6
Vehicles	2,500	4
Computers and related equipment	2,500	4

E. Cash Equivalents

Cash includes deposits held at banks, and small amounts maintained for change and petty cash funds. Cash equivalents are defined as highly liquid investments readily converted to cash with original maturities of three months or less; they include amounts held in overnight Repurchase Agreements, Illinois Funds (ILFUNDS), ISDLAF Money Market, Federated Money Market, and amounts held in banks as Trust Assets.

F. Investments

Investments with a maturity less than one year when purchased and all non-negotiable certificates of deposit are reported at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Fair value is determined at quoted market prices. Interest income is reported at the stated interest rate, and any premiums or discounts on debt securities are not amortized.

G. Inventories

Inventories consist of items purchased for resale in the automotive services, IT special services and student activities areas, and are stated at lower of cost (first-in, first-out) or market. The cost is recorded as expenses as the inventory is consumed.

H. Restricted Assets

Restricted assets are primarily bond funded construction accounts, the use of which is restricted by the bond covenants, debt service funds, the use of which is restricted by the bond covenants for

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets (continued)

repayment of bonds, and in working cash funds, the use of which is restricted by Illinois Compiled Statutes (ILCS). When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first and then unrestricted resources when they are needed.

I. Unearned Tuition and Fee Revenue

Tuition and fee revenues related to the periods after June 30, 2008 and June 30, 2007 have been classified as unearned.

J. Net Assets

The College's net assets are classified as follows:

Invested in capital assets, net of related debt – this represents the College's total investment in capital assets, net of accumulated depreciation and net of any debt issued to acquire the capital asset, plus unspent bond proceeds.

Restricted for:

Debt service – this represents the amount of net assets that have been set aside for payments of bond principal and interest.

Working cash – this represents the principal balance of the Working Cash subfund, which pursuant to College Board of Trustees resolution and ILCS, is held in perpetuity.

Other purposes – this includes primarily unspent property tax receipts in the Audit and Liability Protection and Settlement subfunds.

None of the College's restricted net assets result from enabling legislation adopted by the College.

Unrestricted net assets – This includes resources from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose.

K. Long-Term Obligations

Long-term obligations are reported as liabilities in the applicable financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations (continued)

bonds. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Arbitrage liabilities, if any, are recorded as reductions of investment income in the year the potential liability is incurred.

L. Classification of Revenues and Expenses

Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions. Operating expenses are those expenses directly attributable to the operations of the College. Incidental expenses are classified as non-operating expenses.

M. Federal Financial Assistance Programs

The College participates in federally funded programs providing Pell Grants, SEOG Grants, Federal Work-Study, Federal Family Education Loans, Perkins Loans, and support for other grant programs not related to student financial aid. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133 Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

N. On-Behalf Payments for Fringe Benefits and Salaries

The College recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement System on behalf of the College's employees. See Note 4 for further detail.

O. Compensated Absences

The College records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. The College has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System pension plan. See Note 5 for further detail.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Use of Estimates

In order to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America, management has made a number of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses and gains and losses during the reporting period. Actual results could differ from those estimates.

2. CASH DEPOSITS AND INVESTMENTS

The Illinois Public Community College Act and the Investment of the Public Funds Act authorize the College to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of U.S. corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by savings and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, and securities issued by the Illinois Funds.

In addition, the College of DuPage Board of Trustees has adopted an investment policy (Policy 6610) which provides further restrictions on the investment of College funds. It is the policy of the College to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the College and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

The Board of Trustees policy permits deposits without collateralization in financial institutions with capital and surplus in excess of \$100,000,000. The total deposits not collateralized at any one institution may not exceed \$5,000,000. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold. These investments are not required to be categorized based on custodial risk in accordance with GASB Statement No. 40 because they are not securities. The relationship between the College and the agent is a direct contractual relationship, and the investments are not supported by a transferable instrument that evidences ownership. For the College's reporting purposes, Illinois Funds are considered cash equivalents.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

2. CASH DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the College's deposits may not be returned to it. As previously noted, the College's investment policy allows up to \$5,000,000 of uninsured and uncollateralized deposits at one financial institution that meets certain criteria. At June 30, 2008 and 2007, the College had no bank balances on deposit which were uninsured and uncollateralized, out of total bank balances on deposit of \$133,419,750 and \$70,128,685, respectively.

B. Investments

The following table presents the investment in debt securities of the College as of June 30, 2008 and 2007 by type of investment.

June 30, 2008

<u>Investment</u>	<u>Fair Value</u>	<u>Duration</u>
Time deposits	\$ 130,595,172	<2 years

June 30, 2007

<u>Investment</u>	<u>Fair Value</u>	<u>Duration</u>
Time deposits	\$ 224,284,486	<2 years

The College limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government, limiting its investments in commercial paper to no more than 33% of the overall portfolio and no more than 10% in one corporation and limiting investments in mutual funds to the ten highest classifications established by a recognized rating service with no more than 5% of the portfolio invested in this fashion.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the College will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the College's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the College's agent separated from where the investment was purchased.

At June 30, 2008 and 2007, the College had investments of \$8,841,580 and \$7,400,000, respectively, which were uninsured and uncollateralized, out of total investment balances of \$130,595,172 and \$224,284,486, respectively.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

3. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2008 is as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2008</u>
Capital assets not being depreciated:					
Land	\$4,786,881	\$ -	\$ -	\$ -	\$4,786,881
Construction in progress	40,226,160	<u>57,578,680</u>	<u>-</u>	<u>(4,592,834)</u>	<u>93,212,006</u>
Total capital assets not being depreciated	<u>45,013,041</u>	<u>57,578,680</u>	<u>-</u>	<u>(4,592,834)</u>	<u>97,998,887</u>
Capital assets being depreciated:					
Land improvements	6,479,510	-	(1,571,372)	-	4,908,138
Buildings	91,148,218	-	-	-	91,148,218
Building improvements	33,376,641	-	-	4,592,834	37,969,475
Equipment	<u>34,609,532</u>	<u>1,902,267</u>	<u>(2,383,724)</u>	<u>-</u>	<u>34,128,075</u>
Total capital assets being depreciated	<u>165,613,901</u>	<u>1,902,267</u>	<u>(3,955,096)</u>	<u>4,592,834</u>	<u>168,153,906</u>
Total cost	<u>210,626,942</u>	<u>59,480,947</u>	<u>(3,955,096)</u>	<u>-</u>	<u>266,152,793</u>
Less: accumulated depreciation:					
Land improvements	(3,710,175)	(309,970)	1,571,372	-	(2,448,773)
Buildings	(39,977,012)	(1,666,832)	-	-	(41,643,844)
Building improvements	(16,064,342)	(1,544,124)	-	-	(17,608,466)
Equipment	<u>(29,385,364)</u>	<u>(1,878,732)</u>	<u>2,323,557</u>	<u>-</u>	<u>(28,940,539)</u>
Total accumulated depreciation	<u>(89,136,893)</u>	<u>(5,399,659)</u>	<u>3,894,929</u>	<u>-</u>	<u>(90,641,622)</u>
Net Capital Assets	<u>\$121,490,049</u>	<u>\$54,081,289</u>	<u>\$ (60,167)</u>	<u>\$ -</u>	<u>\$175,511,171</u>

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

3. CAPITAL ASSETS (continued)

A summary of changes in capital assets for the fiscal year ended June 30, 2007 is as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2007</u>
Capital assets not being depreciated:					
Land	\$4,786,881	\$ -	\$ -	\$ -	\$4,786,881
Construction in progress	<u>19,513,151</u>	<u>25,079,160</u>	<u>(715,648)</u>	<u>(3,650,503)</u>	<u>40,226,160</u>
Total capital assets not being depreciated	<u>24,300,032</u>	<u>25,079,160</u>	<u>(715,648)</u>	<u>(3,650,503)</u>	<u>45,013,041</u>
Capital assets being depreciated:					
Land improvements	7,289,458	-	(1,255,265)	445,317	6,479,510
Buildings	91,148,218	-	-	-	91,148,218
Building improvements	30,171,455	-	-	3,205,186	33,376,641
Equipment	<u>33,733,328</u>	<u>2,131,134</u>	<u>(1,254,930)</u>	<u>-</u>	<u>34,609,532</u>
Total capital assets being depreciated	<u>162,342,459</u>	<u>2,131,134</u>	<u>(2,510,195)</u>	<u>3,650,503</u>	<u>165,613,901</u>
Total cost	<u>186,642,491</u>	<u>27,210,294</u>	<u>(3,225,843)</u>	<u>-</u>	<u>210,626,942</u>
Less: accumulated depreciation					
Land improvements	(4,623,740)	(341,700)	1,255,265	-	(3,710,175)
Buildings	(38,312,473)	(1,664,539)	-	-	(39,977,012)
Building improvements	(14,872,520)	(1,191,822)	-	-	(16,064,342)
Equipment	<u>(28,863,192)</u>	<u>(1,777,102)</u>	<u>1,254,930</u>	<u>-</u>	<u>(29,385,364)</u>
Total accumulated depreciation	<u>(86,671,925)</u>	<u>(4,975,163)</u>	<u>2,510,195</u>	<u>-</u>	<u>(89,136,893)</u>
Net Capital Assets	<u>\$99,970,566</u>	<u>\$22,235,131</u>	<u>\$ (715,648)</u>	<u>\$ -</u>	<u>\$121,490,049</u>

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

4. RETIREMENT, TERMINATION AND POST EMPLOYMENT RELATED BENEFITS

The College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined pension plan with a special funding situation whereby the State of Illinois makes substantially all contributions on behalf of the participating employers (albeit at less than the actuarially required amounts). SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees.

SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: SURS, 1901 Fox Drive, Champaign, IL 61820 or by calling 1-800-275-7877.

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at a rate different than the actuarially determined rate with the College funding employer contributions for those employees paid from restricted grant funds. The rate for 2008 and 2007 was 10.75% and 10.82%, respectively, of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

The employer contributions to SURS made by the College and the State are as follows:

<u>Years Ending June 30,</u>	<u>College</u>	<u>State of Illinois</u>
2008	\$131,637	\$8,185,317
2007	107,783	6,235,640
2006	123,691	4,268,294
2005	120,125	6,949,011

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)

4. RETIREMENT, TERMINATION AND POST EMPLOYMENT RELATED BENEFITS
(CONTINUED)

The College provides compensation payments to its eligible benefited employees. To encourage early retirement, payments are available to administrators, classified and faculty. The long term liability for the payments, which is payable in installments up to a maximum of three years subsequent to retirement, is recorded at present value in the fiscal year of election for retirement using a 2.8% discount rate.

The expected future payments for faculty, administrators and classified at June 30, 2008 and 2007 are as follows:

Fiscal year 2009 payments	\$ 1,161,855
Present value of payments beyond fiscal year 2009	2,127,500
Fiscal year 2008 payments	\$ 918,692
Present value of payments beyond fiscal year 2008	2,268,400

At June 30, 2008 and 2007, respectively, there were 68 and 69 participants in the early retirement program. The College began fiscal year 2007 with 56 participants. Eleven new participants joined the program in Fiscal 2008 and twenty-two new participants joined the program in Fiscal 2007, and 12 and 9 participants received their final payments during Fiscal 2008 and 2007, respectively.

The College also provides eligible faculty, administrators, and classified retirees with a health benefit program. There are a variety of health care arrangements depending on when an individual retired from the College. The College has gradually moved from providing health care coverage to the provision of annual fixed dollar allocations in lieu of health coverage. The cost of health care coverage for retirees is recorded annually as incurred, and was \$500,583 and \$497,932 for Fiscal 2008 and 2007, respectively. There are approximately 334 and 316 participants eligible to receive benefits at June 30, 2008 and 2007, respectively. Health coverage is currently available to eligible retirees through a state program – The College Insurance Plan. Active College employees pay .5% of their salary to participate in the program subsequent to retirement. The College, as well as the State of Illinois, provides matching contributions. For Fiscal 2008 and 2007, the College and the State each provided a matching contribution of \$364,261 and \$360,821, respectively.

5. COMPENSATED ABSENCES

As of June 30, 2008 and 2007, employees had earned but not taken annual vacation leave which at salary rates then in effect aggregated approximately \$2,266,555 and \$2,112,771, respectively. The College has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System.

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)

6. LONG TERM DEBT

A. A summary of long term debt transactions for the years ended June 30, 2008 and 2007 is as follows.

<u>June 30, 2008</u>	<u>Balance</u> <u>July 1, 2007</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds - Series 2003A	\$71,815,000	\$ -	\$5,175,000	\$66,640,000	\$5,955,000
General Obligation Bonds - Series 2003B (Alternate Revenue Source)	19,320,000	-	1,235,000	18,085,000	1,265,000
General Obligation Refunding Bonds - Series 2006 (Alternate Revenue Source)	7,890,000	-	-	7,890,000	40,000
General Obligation Bonds - Series 2007	78,840,000	-	535,000	78,305,000	1,630,000
General Obligation Bonds - Series 2003A-Bond Premium	5,434,074	-	610,458	4,823,616	576,596
General Obligation Bonds - Series 2003B-Bond Premium (Alternate Revenue Source)	229,311	-	14,794	214,517	11,590
Loss on Bond Refunding 2006	(541,896)	-	(34,960)	(506,938)	(34,961)
General Obligation Refunding Bonds - Series 2006-Bond Premium (Alternate Revenue Source)	21,358	-	1,708	19,650	1,420
General Obligation Bonds - Series 2007-Bond Premium	4,306,694	-	270,577	4,036,117	195,715
Arbitrage Liability	-	698,711	-	698,711	-
Termination Benefits	<u>2,268,400</u>	<u>867,671</u>	<u>1,008,571</u>	<u>2,127,500*</u>	<u>1,161,855</u>
Total	<u>\$189,582,941</u>	<u>\$1,566,382</u>	<u>\$8,816,148</u>	<u>\$182,333,175</u>	<u>\$10,802,215</u>

* Exclusive of current portion

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

6. LONG TERM DEBT (CONTINUED)

June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Issuances</u>	<u>Retirements/ Refundings</u>	<u>Balance June 30, 2007</u>	<u>Current Portion</u>
General Obligation Bonds - Series 2003A	\$76,295,000	\$ -	\$4,480,000	\$71,815,000	\$5,175,000
General Obligation Bonds - Series 2003B (Alternate Revenue Source)	27,900,000	-	8,580,000	19,320,000	1,235,000
General Obligation Refunding Bonds - Series 2006 (Alternate Revenue Source)	-	7,890,000	-	7,890,000	-
General Obligation Bonds - Series 2007	-	78,840,000	-	78,840,000	535,000
General Obligation Bonds - Series 2003A-Bond Premium	6,042,863	-	608,789	5,434,074	610,458
General Obligation Bonds - Series 2003B-Bond Premium (Alternate Revenue Source)	351,952	-	122,641	229,311	14,794
Loss on Bond Refunding 2006	-	(565,204)	(23,308)	(541,896)	(34,961)
General Obligation Refunding Bonds - Series 2006-Bond Premium (Alternate Revenue Source)	-	22,497	1,139	21,358	1,709
General Obligation Bonds - Series 2007-Bond Premium	-	4,419,435	112,741	4,306,694	270,578
Termination Benefits	<u>1,428,120</u>	<u>1,952,588</u>	<u>1,112,308</u>	<u>2,268,400</u> *	<u>918,692</u>
Total	<u>\$112,017,935</u>	<u>\$92,559,316</u>	<u>\$14,994,310</u>	<u>\$189,582,941</u>	<u>\$8,726,270</u>

* Exclusive of current portion

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

6. LONG TERM DEBT (CONTINUED)

B. The long term debt of the College outstanding at June 30, 2008 is as follows:

General Obligation Bonds – Series 2003A

On February 20, 2003 the College issued the Series 2003A bonds in the amount of \$92,815,000. The proceeds derived from the issuance of these bonds will be used by the College to build and equip new buildings and renovate existing facilities of the College and to pay the cost of issuing the bonds.

Bond issue date	February 20, 2003
Current portion	\$ 5,955,000
Long – term portion	\$ 60,685,000
Interest rates	2.0% to 5.25%
Final payment date	June 1, 2016
Payment dates	June 1 and December 1

GENERAL OBLIGATION BONDS – SERIES 2003A

Year ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$5,955,000	\$3,385,100	\$9,340,100
2010	6,815,000	3,097,350	9,912,350
2011	7,760,000	2,756,600	10,516,600
2012	8,775,000	2,368,600	11,143,600
2013	<u>9,795,000</u>	<u>1,929,850</u>	<u>11,724,850</u>
2014 - 2016	<u>27,540,000</u>	<u>2,634,713</u>	<u>30,174,713</u>
Total	<u>\$66,640,000</u>	<u>\$16,172,213</u>	<u>\$82,812,213</u>

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

6. LONG TERM DEBT (CONTINUED)

B. The long term debt of the College outstanding at June 30, 2008 is as follows (continued):

General Obligation Bonds (Alternate Revenue Source) – Series 2003B

On February 20, 2003 the College issued the Series 2003B bonds in the amount of \$31,580,000. The proceeds derived from the issuance of these bonds will be used by the College to construct parking facilities and related site improvements and to pay the cost of issuing the bonds. On November 1, 2006, the College refunded a \$7,375,000 of the Series 2003B bonds.

Bond issue date	February 20, 2003
Current portion	\$ 1,265,000
Long – term portion	\$ 16,820,000
Interest rates	2.0% to 5.25%
Final payment date	January 1, 2023
Payment dates	July 1 and January 1

GENERAL OBLIGATION BONDS – SERIES 2003B
(ALTERNATE REVENUE SOURCE)

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$1,265,000	\$753,836	\$2,018,836
2010	1,305,000	715,886	2,020,886
2011	1,355,000	666,386	2,021,386
2012	1,405,000	615,460	2,020,460
2013	1,460,000	559,260	2,019,260
2014 – 2018	4,735,000	1,947,950	6,682,950
2019 – 2023	<u>6,560,000</u>	<u>1,256,138</u>	<u>7,816,138</u>
Total	<u>\$18,085,000</u>	<u>\$6,514,916</u>	<u>\$24,599,916</u>

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

6. LONG TERM DEBT (CONTINUED)

B. The long term debt of the College outstanding at June 30, 2008 is as follows (continued):

General Obligation Bonds (Alternate Revenue Source) – Series 2006

On October 31, 2006 the College issued the Series 2006 refunding bonds in the amount of \$7,890,000. The proceeds were used to advance refund, through an in-substance defeasance, \$7,375,000 of the Series 2003B bonds and to pay the cost of issuing the bonds. The \$7,375,000 in defeased bonds outstanding will be called and paid on January 1, 2013.

Bond issue date	October 31, 2006
Current portion	\$ 40,000
Long – term portion	\$ 7,850,000
Interest rates	3.75% to 4.00%
Final payment date	January 1, 2020
Payment dates	July 1 and January 1

GENERAL OBLIGATION BONDS – SERIES 2006
(ALTERNATE REVENUE SOURCE)

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$40,000	\$303,210	\$343,210
2010	45,000	301,610	346,610
2011	45,000	299,810	344,810
2012	45,000	298,010	343,010
2013	50,000	296,210	346,210
2014 – 2018	3,770,000	1,381,250	5,151,250
2019 – 2020	<u>3,895,000</u>	<u>223,440</u>	<u>4,118,440</u>
Total	<u>\$7,890,000</u>	<u>\$3,103,540</u>	<u>\$10,993,540</u>

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

6. LONG TERM DEBT (CONTINUED)

B. The long term debt of the College outstanding at June 30, 2008 is as follows (continued):

General Obligation Bonds – Series 2007

On February 13, 2007 the College issued the Series 2007 bonds in the amount of \$78,840,000. The proceeds derived from the issuance of these bonds will be used by the College to build and equip new buildings and renovate existing facilities of the College and to pay the cost of issuing the bonds.

Bond issue date	February 13, 2007
Current portion	\$ 1,630,000
Long – term portion	\$ 76,675,000
Interest rates	4.00% to 5.00%
Final payment date	June 1, 2023
Payment dates	December 1 and June 1

GENERAL OBLIGATION BONDS – SERIES 2007

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$1,630,000	\$3,732,426	\$5,362,426
2010	1,785,000	3,667,226	5,452,226
2011	1,945,000	3,595,826	5,540,826
2012	2,115,000	3,518,026	5,633,026
2013	2,290,000	3,433,426	5,723,426
2014 – 2018	30,430,000	14,119,130	44,549,130
2019 – 2023	<u>38,110,000</u>	<u>5,101,130</u>	<u>43,211,130</u>
Total	<u>\$78,305,000</u>	<u>\$37,167,190</u>	<u>\$115,472,190</u>

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

6. LONG TERM DEBT (CONTINUED)

B. The long term debt of the College outstanding at June 30, 2008 is as follows (continued):

Total General Obligation Bonds – Series 2003A and Series 2007 and
General Obligation Bonds (Alternate Revenue Source) – Series 2003B and Series 2006

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$8,890,000	\$8,174,572	\$17,064,572
2010	9,950,000	7,782,072	17,732,072
2011	11,105,000	7,318,622	18,423,622
2012	12,340,000	6,800,096	19,140,096
2013	13,595,000	6,218,746	19,813,746
2014 – 2018	66,475,000	20,083,043	86,558,043
2019 – 2023	<u>48,565,000</u>	<u>6,580,708</u>	<u>55,145,708</u>
Total	<u>\$170,920,000</u>	<u>\$62,957,859</u>	<u>\$233,877,859</u>

Termination Benefits

A long term liability is recorded at present value in the amount of \$2,127,500 and \$2,268,400 at June 30, 2008 and 2007, respectively, for expected future retirement benefit payments to administrators, classified, and faculty.

C. Pledges of Future Revenues

The College has pledged future tuition and fee revenues to repay \$24,205,000 and \$7,890,000 in General Obligation Bonds (Alternate Revenue Source) issued February 20, 2003 and October 31, November 1, 2006, respectively. Proceeds from the bonds are providing financing for the construction of parking facilities and related site improvements. The bonds are payable solely from tuition and fees revenues and are payable through 2023 and 2020, respectively. Annual principal and interest payments on the bonds are expected to require less than 49.8% of tuition and fees revenues. The total principal and interest remaining to be paid on the bonds is \$35,593,456. Principal and interest paid for the current year and total tuition and fees revenues were \$2,376,543 and \$4,770,360 respectively.

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)

7. BOOKSTORE LEASE

The College's bookstore facility is leased to Follett Higher Education Group of Oak Brook, Illinois through March 13, 2009. Under the terms of this agreement dated August 1, 2003, the service provider agrees to operate the bookstore facility with a total minimum rental guarantee of \$4,250,000 or an annual minimum of \$850,000. For the years ended June 30, 2008 and 2007, the College recognized income under this agreement of \$926,332 and \$927,682 respectively.

8. DINING SERVICES LEASE AND VENDING

The College's Dining Services program consists of manual operations and vending throughout the campus. The College had a lease for manual services with Eurest Dining Services of Elmhurst, Illinois through August 17, 2007. Under the terms of this agreement, the service provider agreed to operate the manual operations without a direct subsidy from the College. In August 2007, the College obtained a five-year lease for manual services with Chartwells Dining Services of Rye Brook, New York through August 3, 2012. Under the terms of this agreement dated August 4, 2007, the service provider agrees to operate the manual operations with a total minimum guarantee of \$50,000 in year 1, escalating 5% each year, for a total minimum level of \$276,282. The annual commission is based on 3% of annual net manual sales and 5.5% of annual net catering sales. The College will receive the greater of these two calculations each year. For the year ended June 30, 2008, the College recognized income under this agreement of \$37,700 which does not include a full year under the new contract.

The College also has agreements with two firms to provide vending program services. The agreement for food vending is with Aramark Corporation of Lansing, Illinois, for a five-year period commencing on or about September 1, 2004 and ending December 31, 2009. Under the terms of this agreement, the service provider agrees to pay commissions at an average rate of 23.3%, payable monthly, for the term of the agreement. For the years ended June 30, 2008 and 2007, the College recognized income under these agreements of \$65,625 and \$62,827, respectively.

The agreement for beverage vending is with Pepsi Americas (PAS) of Chicago, Illinois, for a five and one-half-year period ending December 31, 2009, as amended on July 1, 2004. Under the terms of this agreement, the service provider agrees to pay minimum commissions annually in the amount of \$155,000 for each full year of the agreement and \$77,500 in the final partial year of the agreement for a total minimum level of \$852,500. The annual commission is approximately 46% of annual gross sales. The College will receive the greater of these two calculations each year. For the years ended June 30, 2008 and 2007, the College recognized income of \$155,000 in both years. In accordance with the beverage vending agreement, PAS also agrees to pay an annual sponsorship fee of \$75,000 for each full year of the agreement and \$37,500 in the final partial year of the agreement.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

9. FACILITIES LEASE

The College has operating leases for nine on and off-campus facilities expiring through April 30, 2018. Current year rental cost on these nine facilities approximated \$876,538 and for 2007 rental costs approximated \$733,853 exclusive of assessed common area maintenance charges and real estate taxes. The future minimum rental payments on these leases are as follows:

<u>Fiscal Year</u>	<u>Minimum Rental Payments</u>
2009	\$896,615
2010	799,007
2011	822,757
2012	811,444
2013	833,424
2014-2016	2,788,119

10. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft of, damage to, or destruction of property, injuries to employees and natural disasters. The College is a member of the Illinois Community College Risk Management Consortium (the "Consortium"). The Consortium is a public entity risk pool operating as a common risk management and insurance program for eleven local community colleges. Each college pays an annual premium to the Consortium as its pro rata share for property and casualty insurance coverage. The Agreement for Formation of the Consortium provides that the Consortium will be self-sustaining through member premiums and will reinsure through commercial companies. The College continues to carry commercial insurance coverage for directors' and officers' liability and sports accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance limits in any of the past three fiscal years. Therefore, the College has not recorded an accrual for any liabilities related to property, liability or student nurse's malpractice insurance.

The College maintains self-insurance coverage through a third-party administrator for its employee health insurance. The College currently allocates all expenses associated with the employee health plan to each of the individual subfunds. Claims and expenses are reported when incurred. To limit its exposure of risk, the College maintains a specific excess policy that provides coverage in excess of \$125,000 per employee.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

10. RISK MANAGEMENT (CONTINUED)

The College's estimate of liability for claims incurred but not reported is as follows:

Estimated claims incurred but not reported June 30, 2008	\$981,000
Estimated FY2008 claims incurred	(10,020,260)
FY2008 claims paid	<u>9,924,260</u>
Estimated claims incurred but not reported June 30, 2007	<u>\$885,000</u>
Estimated claims incurred but not reported June 30, 2007	\$885,000
Estimated FY2007 claims incurred	(9,559,704)
FY2007 claims paid	<u>9,410,704</u>
Estimated claims incurred but not reported June 30, 2006	<u>\$736,000</u>

The College includes this liability in the amount reported for accrued salaries and benefits, within current liabilities, on the Statement of Net Assets.

11. LITIGATION

From time to time, the College is party to various pending claims and legal proceedings. Although the outcome cannot be forecast with certainty, it is the opinion of management and appropriate legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the College's financial position or results of operations.

12. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* is effective for the College's fiscal year ending June 30, 2009. This new standard addresses how employers should account for and report costs and obligations for post-employment health care and other nonpension post-employment benefits promised to employees.

TB2004-2, *Recognition of Pension and Other Postemployment Benefit [OPEB] Expenditures/Expense and Liabilities by Cost-Sharing Employers*. The Technical Bulletin clarifies the application of requirements regarding accounting for employers' contractually required contributions to cost-sharing pension and OPEB plans issued in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, respectively and is effective for the College's fiscal year ending June 30, 2009.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

12. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*, provides guidance on accounting for pollution remediation for the effects of existing pollution. Statement 49 is effective for the College's fiscal year ending June 30, 2009.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Statement 51 is effective for the College's fiscal year ending June 30, 2010.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, was issued in November, 2007. This Statement establishes consistent standards for the reporting of land and other real estate held as investments. It requires endowments to report their land and other real estate investments at fair value. Statement 52 is effective for the College's fiscal year ending June 30, 2009. The College is currently evaluating the impact of adopting Statement No. 52.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was issued in November, 2007. This Statement addresses recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Statement 53 is effective for the College's fiscal year ending June 30, 2010. The College is currently evaluating the impact of adopting Statement No. 53.

13. SIGNIFICANT COMMITMENTS

The College's current construction program has committed \$49,998,389 at year-end that has not yet been expended.

14. DISCRETELY PRESENTED COMPONENT UNIT

A. Nature of Activities

The College of DuPage Foundation (the Foundation) is a not-for-profit organization which was formed to promote the educational development and general educational welfare of the College of DuPage, Community College District Number 502 (College).

B. Summary of Significant Accounting Policies

Basis of Presentation

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting established by the Financial Accounting Standards Board (FASB). Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)**

14. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

B. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into three classes of net assets - permanently restricted, temporarily restricted, or unrestricted. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or passage of time.

Unrestricted Undesignated Net Assets - Net assets not subject to donor-imposed restrictions.

Unrestricted Designated Net Assets - Net assets not subject to donor-imposed restrictions but subject to Foundation Board imposed stipulations.

Revenues are reported as increases in either unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted undesignated or unrestricted designated net assets as appropriate. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted undesignated or unrestricted designated net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted undesignated or unrestricted designated net assets and reported in the statement of activities as net assets released from restrictions.

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)

14. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

B. Summary of Significant Accounting Policies (continued)

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their fair value. Contributions, from unconditional promises to give that are to be received after one year are discounted at an appropriate discount rate; based on the Federal Funds rate at the date the promise is made. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions if any, on the contributions. An allowance for uncollectible contributions is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Prior Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Income from Permanently Restricted Net Assets

Contributions, investment income, realized, and unrealized net gains on investments of permanently restricted net assets are reported as follows:

- As increases in permanently restricted net assets if the terms of the gift or the Foundation's Board's interpretation of relevant state law requires that they be added to the principal of permanently restricted net assets;
- As increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;
- As increases in unrestricted net assets in all other cases.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(CONTINUED)

14. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

B. Summary of Significant Accounting Policies (continued)

Investments

Investment securities are reported in the statement of financial position at fair value based on quoted market prices.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 and the differences could be material to these financial statements.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with presentation in the current year financial statements.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

JUNE 30, 2008

Supplementary Financial Information

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**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

JUNE 30, 2008

The following special reports are required by the Illinois Community College Board (ICCB).

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EXHIBIT 1

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**ALL SUBFUNDS SUMMARY
FOR THE YEAR ENDED JUNE 30, 2008**

	Operations and Maintenance Purposes		Operations and Maintenance (Restricted) Subfunds		Bond & Interest Subfund	Auxiliary Enterprises Subfunds	Restricted Purposes Subfunds	Working Cash Subfund	Audit Subfund	Liability Protection & Settlement Subfunds	GASB 34-35 Adjustments	Total
	\$		\$									
Net Assets July 1, 2007	\$ 23,502,975	\$ 14,036,911	\$ 208,498,344	\$ 40,935	\$ 8,034,976	\$ 121,369	\$ 1,254,226	\$ (67,809,449)	\$ 208,840,594			
Revenues												
Local tax revenue	56,084,082	9,399,071										82,100,987
All other local revenue	508,217				14,276,605				107,259	2,233,970		508,217
ICCB grants	13,269,173	527,790		1,479,837								15,276,800
All other state revenue	1,794,791			5,199,069		62,350					8,549,578	15,605,788
Federal revenue	3,889			10,034,136		129,565						10,167,590
Student tuition and fees	53,409,218		795,059	196,050	4,770,360	6,982,021				72,132	(14,948,415)	51,276,425
All other revenue	1,914,868	817,042	6,530,282	293,846	829,577	22,633,590		382,511		40,162	(15,068,675)	18,373,203
Total Revenues	126,984,238	10,743,903	7,325,341	17,202,938	19,876,542	29,807,526		382,511	107,259	2,346,264	(21,467,512)	193,309,010
Expenditures												
Instruction	68,748,828						3,321,325				4,539,297	76,609,450
Academic support	8,978,010						27,867				477,569	9,483,446
Student services	11,844,921											12,529,969
Public service	1,127,437					5,246,603	1,196,714				(4,946,856)	2,623,898
Organized research												
Auxiliary services												
Operations and maintenance	6,432,018	8,512,461									6,322,658	14,475,177
General administration	9,918,321					358,315					368,204	15,312,683
General institutional	9,680,057	66,067	60,817,210	55,149	14,867,079	15,265,580			86,439	2,173,937	(75,597,656)	27,413,862
Scholarship expense	6,973,540			12,576,903							(14,948,415)	4,602,028
Total Expenditures	123,703,132	8,578,528	60,817,210	17,171,938	14,867,079	29,023,017			86,439	2,173,937	(82,718,434)	173,708,866
Net Transfers	254,429	(912,305)	1,789,980	(908)		(803,879)		(382,511)		55,194		0
Net Assets June 30, 2008	\$ 27,038,510	\$ 15,289,981	\$ 156,796,455	\$ 65,007	\$ 8,034,976	\$ 6,556,115	\$ 65,007	\$ 8,034,976	\$ 142,189	\$ 1,481,747	\$ (6,558,527)	\$ 228,440,738

EXHIBIT 2

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**SUMMARY OF CAPITAL ASSETS AND LONG TERM DEBT
FOR THE YEAR ENDED JUNE 30, 2008**

	Capital Assets/ Long Term Debt July 1, 2007	Additions	Deletions	Transfers	Capital Assets/ Long Term Debt June 30, 2008
<u>Capital Assets</u>					
Land	\$ 4,786,881	\$ -	\$ -	\$ -	\$ 4,786,881
Land Improvements	6,479,510	-	1,571,372	-	4,908,138
Buildings	91,148,218	-	-	-	91,148,218
Building Improvements	33,376,641	-	-	4,592,834	37,969,475
Equipment	34,609,532	1,902,267	2,383,724	-	34,128,075
Construction in Progress	40,226,160	57,578,680	-	(4,592,834)	93,212,006
Total Cost	<u>210,626,942</u>	<u>59,480,947</u>	<u>3,955,096</u>	<u>-</u>	<u>266,152,793</u>
<u>Accumulated Depreciation</u>					
Land Improvements	(3,710,175)	(309,970)	(1,571,372)	-	(2,448,773)
Buildings	(39,977,012)	(1,666,832)	-	-	(41,643,844)
Building Improvements	(16,064,342)	(1,544,124)	-	-	(17,608,466)
Equipment	(29,385,364)	(1,878,732)	(2,323,557)	-	(28,940,539)
Total Accumulated Depreciation	<u>(89,136,893)</u>	<u>(5,399,658)</u>	<u>(3,894,929)</u>	<u>-</u>	<u>(90,641,622)</u>
Net Capital Assets	<u>\$ 121,490,049</u>	<u>\$ 54,081,289</u>	<u>\$ 60,167</u>	<u>\$ -</u>	<u>\$ 175,511,171</u>
<u>Long Term Debt</u>					
Bonds Payable	\$ 187,314,541	\$ -	\$ 7,807,577	\$ -	\$ 179,506,964
Less Current Portion	<u>(7,807,577)</u>	<u>(9,640,360)</u>	<u>(7,807,577)</u>	<u>-</u>	<u>(9,640,360)</u>
	179,506,964	(9,640,360)	-	-	169,866,604
Other Long Term Debt	2,268,400	867,671	1,008,571	-	2,127,500
Total Long Term Debt	<u>\$ 181,775,364</u>	<u>\$ (8,772,689)</u>	<u>\$ 1,008,571</u>	<u>\$ -</u>	<u>\$ 171,994,104</u>

See Accompanying Independent Auditors' Report

EXHIBIT 3
(Page 1 of 2)

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

OPERATING SUBFUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008

OPERATING REVENUES BY SOURCE	Education Purposes	Operations and Maintenance Purposes	Total
Local government:			
Local taxes	\$ 56,084,082	\$ 9,399,071	\$ 65,483,153
Chargeback revenue	508,217	-	508,217
TOTAL LOCAL GOVERNMENT	56,592,299	9,399,071	65,991,370
State government:			
Corporate personal property replacement tax	1,794,791	-	1,794,791
Illinois Community College Board	12,666,947	527,790	13,194,737
ICCB-Career and Technical Education	602,226	-	602,226
TOTAL STATE GOVERNMENT	15,063,964	527,790	15,591,754
Federal government:			
Other	3,889	-	3,889
TOTAL FEDERAL GOVERNMENT	3,889	-	3,889
Student tuition and fees:			
Tuition	50,998,779	-	50,998,779
Fees	2,410,439	-	2,410,439
TOTAL TUITION AND FEES	53,409,218	-	53,409,218
Other Sources:			
Investment revenue	1,719,325	687,572	2,406,897
Other	195,543	129,470	325,013
Transfers from non-operating subfunds	382,511	87,695	470,206
TOTAL OTHER SOURCES	2,297,379	904,737	3,202,116
TOTAL REVENUE AND TRANSFERS	127,366,749	10,831,598	138,198,347
Less: non-operating items			
Chargeback revenue	(508,217)	-	(508,217)
Transfers from non-operating subfunds	(382,511)	(87,695)	(470,206)
ADJUSTED REVENUE	\$126,476,021	\$ 10,743,903	\$ 137,219,924

See Accompanying Independent Auditors' Report

**EXHIBIT 3
(Page 2 of 2)**

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**OPERATING SUBFUNDS REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

	Education Purposes	Operations and Maintenance Purposes	Total
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 68,748,828	\$ -	\$ 68,748,828
Academic support	8,978,010	-	8,978,010
Student services	11,844,921	-	11,844,921
Public service	1,127,437	-	1,127,437
Operations and maintenance of plant	6,432,018	8,512,461	14,944,479
General administration	9,918,321	-	9,918,321
General institutional	9,680,057	66,067	9,746,124
Scholarships, student grants, and waivers	6,973,540	-	6,973,540
Transfers	128,082	1,000,000	1,128,082
TOTAL EXPENDITURES AND TRANSFERS	<u>123,831,214</u>	<u>9,578,528</u>	<u>133,409,742</u>
Less non-operating items			
Tuition chargeback	(134,824)	-	(134,824)
Transfers to non-operating subfunds	(128,082)	(1,000,000)	(1,128,082)
ADJUSTED EXPENDITURES AND TRANSFERS	<u>\$ 123,568,308</u>	<u>\$ 8,578,528</u>	<u>\$ 132,146,836</u>
BY OBJECT			
Salaries	\$ 85,645,275	\$ 2,181,516	\$ 87,826,791
Employee benefits	12,959,089	542,019	13,501,108
Contractual services	4,347,919	772,556	5,120,475
General materials and supplies	6,210,725	649,062	6,859,787
Library materials*	897,778	-	897,778
Conference and meeting	991,234	1,084	992,318
Fixed charges	1,731,037	117,108	1,848,145
Utilities	107,551	4,338,801	4,446,352
Capital outlay	3,650,307	(23,618)	3,626,689
Other	8,059,995	-	8,059,995
Student grants and scholarships*	6,973,540	-	6,973,540
Transfers	128,082	1,000,000	1,128,082
TOTAL EXPENDITURES AND TRANSFERS	<u>123,831,214</u>	<u>9,578,528</u>	<u>133,409,742</u>
Less non-operating items			
Tuition chargeback	(134,824)	-	(134,824)
Transfers to non-operating subfunds	(128,082)	(1,000,000)	(1,128,082)
ADJUSTED EXPENDITURES AND TRANSFERS	<u>\$ 123,568,308</u>	<u>\$ 8,578,528</u>	<u>\$ 132,146,836</u>

* Library materials of \$897,778 is also included in the General Materials and Supplies amount of \$6,210,725 and is, therefore, not added into the total expenditures amount. Student Grants and Scholarships of \$6,973,540 is also included in the Other amount of \$ 8,059,995 and is, therefore, not added into the total expenditures amount.

EXHIBIT 4

(Page 1 of 2)

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**RESTRICTED PURPOSES SUBFUND REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

REVENUE BY SOURCE

Local government	\$ -
TOTAL LOCAL GOVERNMENT	-
State Government	
ICCB - Workforce Development Grants:	
Business/Industry Grant	175,014
ICCB - P-16 Initiative Grant	180,233
ICCB - State Adult Education and Family Literacy Restricted Funds	1,015,881
ICCB - Career and Technical Education - Program Improvement Grant	73,651
ICCB - Tech Prep Support Grant	35,058
Financial aid	4,226,869
Retirees Health Insurance Grant	-
Other grants	972,200
TOTAL STATE GOVERNMENT	6,678,906
Federal government	
College work study grants	270,658
Pell grants	7,506,703
Supplemental Educational Opportunity Grants	206,813
Other	2,049,962
TOTAL FEDERAL GOVERNMENT	10,034,136
Other sources	
Tuition and fees	196,050
Other	293,846
TOTAL OTHER SOURCES	489,896
TRANSFERS - NET	(908)
TOTAL RESTRICTED PURPOSES FUND REVENUES	\$ 17,202,030

See Accompanying Independent Auditors' Report

EXHIBIT 4
(Page 2 of 2)

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

RESTRICTED PURPOSES SUBFUND REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)

EXPENDITURES BY PROGRAM

Instruction	\$ 3,321,325
Academic support	27,867
Student services	-
Public service	1,196,714
Auxiliary services	-
Operations and maintenance	-
General administration	-
General institutional	55,149
Scholarships, student grants, and waivers	12,576,903
TOTAL EXPENDITURES BY PROGRAM	\$ 17,177,958

EXPENDITURES BY OBJECT

Salaries	\$ 2,855,260
Employee benefits	472,149
Contractual services	577,035
General materials and supplies	387,847
Conference and meeting	104,759
Fixed charges	13,027
Utilities	955
Capital outlay	156,261
Scholarships, student grants, and waivers	12,576,903
Other	33,762
TOTAL EXPENDITURES BY OBJECT	\$ 17,177,958

See Accompanying Independent Auditors' Report

EXHIBIT 5
COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
CURRENT SUBFUNDS* EXPENDITURES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2008

INSTRUCTION	
Instructional programs	\$ 72,070,153
Total instruction	<u>72,070,153</u>
PUBLIC SERVICE	<u>7,570,754</u>
ACADEMIC SUPPORT	
Library	4,441,441
Other academic support	4,564,436
Total academic support	<u>9,005,877</u>
STUDENT SERVICES SUPPORT	
Admissions and records	2,651,811
Counseling and career services	2,968,676
Financial aid administration	1,087,454
Other student services support	5,136,980
Total student services support	<u>11,844,921</u>
OPERATIONS AND MAINTENANCE OF PLANT	
O & M administration	948,531
Custodial services	2,874,359
Building maintenance	2,896,758
Grounds maintenance	741,967
Plant utilities	4,598,977
Security	1,832,279
Transportation	453,990
Other O & M	597,618
Total operations and maintenance of plant	<u>14,944,479</u>
GENERAL ADMINISTRATION	
Executive office	274,270
Business office	2,326,694
General administrative services	2,953,239
Community relations	214,120
Other general administration	4,508,313
	<u>10,276,636</u>
INSTITUTIONAL SUPPORT	
Board of trustees	660,355
General institutional support	15,886,832
Data processing	10,780,042
Total institutional support	<u>27,327,229</u>
SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS	<u>19,550,443</u>
AUXILIARY SERVICES	<u>8,152,519</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u>\$ 180,743,011</u>

* Current Subfunds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement subfunds.

EXHIBIT 6

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR THE YEAR ENDED JUNE 30, 2008

All non-capital audited expenditures for the past fiscal year from all revenue sources	
Education purposes:	\$ 120,052,825
Operations and maintenance purposes:	8,602,146
Bond and interest fund:	14,867,079
Restricted purpose funds:	17,021,697
Audit fund:	86,439
Liability, protection and settlement fund:	<u>2,173,937</u>
Total non-capital expenditures	162,804,123
Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid from sources other than state and federal funds)	
	<u>5,399,658</u>
Total costs included	<u>\$ 168,203,781</u>
Total certified semester credit hours	
	<u>454,493</u>
Per capita cost	\$ 370.09
All fiscal year 2008 state and federal operating grants for non-capital expenditures except ICCB grants	<u>\$ 16,772,452</u>
Fiscal year 2008 state and federal operating grants per semester credit hour	36.90
District's average ICCB grant rate for fiscal year 2008	27.81
District's student tuition and fee rate per semester credit hour for fiscal year 2009	<u>108.00</u>
Chargeback reimbursement per semester credit hour	<u>\$ 197.38</u>

Approved: Thomas E Ryan 9/29/08
Chief Fiscal Officer Date

Approved: Steve Quinich 9/29/08
Chief Executive Officer Date

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
STATISTICAL SECTION
JUNE 30, 2008**

This section of the College of DuPage's Comprehensive Annual Financial Report presents additional historical perspective, context, and detailed information to assist the reader in using the information in the financial statements, note disclosures, and required supplementary information to understand and assess the College's overall economic condition.

<u>Contents</u>	<u>Page</u>
Financial Trends Tabular information is presented to demonstrate changes in the College's financial position over time.	76
Revenue Capacity These tables contain information to assist the reader in understanding and assessing the College's ability to generate its most significant local revenue sources - real estate taxes and tuition and fees.	78
Debt Capacity Data are shown to disclose the College's current level of outstanding debt and to indicate the College's ability to issue additional debt.	83
Demographic and Economic Information These tables offer information about the socioeconomic environment within which the College operates. Data are provided to facilitate comparisons of financial statement information over time and between the College and other community colleges.	88
Operating Information Non-financial information about the College's operations and resources is provided in these tables to facilitate the reader's use of the College's financial statement information to understand and assess the College economic condition.	93

Sources: Unless otherwise noted, the information in these tables is derived from the College's Comprehensive Annual Financial Reports for the relevant years. The College implemented GASB Statements 34 and 35 in fiscal year 2003; the data contained in some tables may begin in that year if it is otherwise unavailable.

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TABLE 1

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

FINANCIAL TRENDS

NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS

	2008	2007	2006	2005	2004	2003
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	\$ 144,249,896	\$ 113,596,287	\$ 99,970,566	\$ 91,463,080	\$ 89,752,062	\$ 90,237,594
Restricted						
Debt service	19,594,285	14,584,822	9,601,782	9,616,450	9,455,651	8,330,428
Working cash	8,034,976	8,034,976	8,034,976	8,034,976	8,034,976	8,034,976
Other purposes	1,375,089	1,375,595	1,382,294	1,204,593	1,234,046	2,021,303
Unrestricted	55,186,492	71,248,914	76,235,885	77,179,758	69,798,330	63,382,278
Total Net Assets	\$ 228,440,738	\$ 208,840,594	\$ 195,225,503	\$ 187,498,857	\$ 178,275,065	\$ 172,006,579

Source: College of DuPage Comprehensive Annual Financial Reports

Note: The College implemented GASB Statement No. 34 for the year ended June 30, 2003.

TABLE 2

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

FINANCIAL TRENDS

**CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS**

	2008	2007	2006	2005	2004	2003
OPERATING REVENUES						
Student tuition and fees	\$ 51,276,425	\$ 47,850,011	\$ 42,488,260	\$ 43,128,495	\$ 40,647,507	\$ 37,356,721
Chargeback revenue	508,217	579,339	349,820	457,817	681,253	613,498
Auxiliary enterprises revenue:						
Bookstore	926,332	927,682	971,551	1,068,363	980,392	897,598
Other	5,113,412	5,883,529	4,394,272	5,374,772	4,860,775	4,791,429
Total operating revenue	296,539	333,236	192,701	37,992	137,148	490,830
Total operating revenues	\$ 58,120,925	\$ 55,573,817	\$ 48,396,604	\$ 50,066,839	\$ 47,307,075	\$ 44,150,076
OPERATING EXPENSES						
Instruction	76,609,450	72,868,157	69,669,411	68,639,277	85,167,259	58,627,497
Academic support	9,483,446	10,360,929	9,745,702	8,827,676	11,030,267	7,977,193
Student services	12,529,969	12,028,071	11,860,003	12,295,833	14,721,950	10,601,913
Public services	2,623,898	2,860,059	2,286,215	2,947,607	3,583,598	2,853,426
Independent operations	154,873	51,778	59,504	211,008	1,299,069	184,038
Operation and maintenance of plant	15,312,683	14,457,218	14,199,441	10,483,733	14,769,724	11,347,700
General administration	10,638,353	9,739,609	10,240,114	13,288,096	13,865,832	9,549,621
General institutional	14,019,867	16,973,154	11,848,961	11,848,961	13,447,238	12,219,848
Auxiliary enterprises	14,320,304	13,053,615	12,852,677	11,511,965	12,297,422	11,430,680
Scholarship expense	4,602,028	4,408,225	3,528,618	5,155,093	3,702,501	2,553,262
Depreciation expense	5,399,659	4,975,163	5,129,078	6,032,853	6,046,836	6,011,236
Total operating expenses	165,714,530	161,775,978	151,467,718	151,242,102	179,931,696	133,356,414
Operating income (loss)	(107,593,605)	(106,202,161)	(103,071,114)	(101,175,263)	(132,624,621)	(89,206,338)
NON-OPERATING REVENUES (EXPENSES)						
Real estate taxes	82,100,987	76,301,141	72,106,710	69,879,209	67,360,185	60,530,513
Corporate personal property replacement taxes	1,794,791	1,628,249	1,464,917	1,140,989	974,052	866,227
State appropriations	29,087,797	27,416,450	25,857,848	27,906,061	63,930,337	30,497,544
Federal grants and contracts	10,167,590	9,166,655	8,856,466	9,152,295	7,898,636	6,697,188
Non-governmental gifts and grants	1,302,882	618,351	1,089,689	328,920	710,072	411,381
Investment income	10,517,209	11,401,935	8,486,658	5,135,012	3,682,338	2,670,667
Other non-operating revenues	137,391	13,309				
Interest on capital asset-related debt	(7,934,169)	(6,054,992)	(5,256,422)	(5,498,273)	(5,653,269)	(1,831,075)
Gain (loss) on disposal of capital assets	(60,167)	(715,646)	(69,356)	1,569,343	(40,239)	(22,177)
Net non-operating revenues (expenses)	127,134,311	119,775,452	112,536,510	109,613,556	138,862,112	99,820,268
Net income before capital contributions	19,540,706	13,573,291	9,465,396	8,438,293	6,237,491	10,613,930
CAPITAL CONTRIBUTIONS						
Capital gifts and grants	59,438	41,800	128,000	785,499	30,995	111,800
Total capital contributions	59,438	41,800	128,000	785,499	30,995	111,800
CHANGE IN NET ASSETS	\$ 19,600,144	\$ 13,615,091	\$ 9,593,396	\$ 9,223,792	\$ 6,268,486	\$ 10,725,730

Sources: College of DuPage Comprehensive Annual Financial Reports and general ledger reports

Notes: (1) The College implemented GASB Statement No. 34 for the year ended June 30, 2003.

(2) Increase in operating expenses and state appropriations for fiscal year 2004 is due to a one-time increase in State Universities Retirement System on-behalf payments of \$35,515,196.

(3) The College is subject to two property tax caps in Illinois whereby the increase in the levy from year to year is limited to the lesser of 5% or the consumer price index for the state as determined by the Illinois Department of Revenue, and individual rates are limited by maximum rates established by Illinois Compiled Statutes.

TABLE 3

COLLEGE OF DU PAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

REVENUE CAPACITY

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property	Other (1) Assessed Value	Total Taxable Assessed Value	Total (2)(3) Direct Tax Rate	Estimated Actual Taxable Value	Percentage of Estimated Actual Taxable Value
2007	\$ 31,836,680,980	\$ 6,595,670,002	\$ 2,912,572,037	\$ 2,667,713	\$ 10,917,642	\$ 3,176,573,005	\$ 44,535,081,379	0.1897	\$ 133,605,244,137	33.3333%
2006	29,246,065,591	6,291,723,886	2,859,239,695	2,932,176	9,692,664	3,180,333,360	41,589,987,372	0.1951	124,769,962,116	33.3333%
2005	29,103,966,538	6,296,510,530	3,271,961,845	3,213,331	15,934,457	-	38,691,586,701	0.1897	116,074,760,103	33.3333%
2004	26,416,105,066	6,027,992,934	3,083,982,863	4,683,159	16,840,453	-	35,549,604,475	0.1990	106,648,813,425	33.3333%
2003	22,733,204,270	5,654,153,197	2,864,568,763	5,020,343	16,996,175	1,712,283,551	32,986,226,299	0.2100	98,958,678,897	33.3333%
2002	20,683,504,218	5,590,840,572	2,826,438,586	5,038,923	17,136,616	1,538,782,711	30,661,741,626	0.2205	91,985,224,878	33.3333%
2001	18,575,134,209	5,180,400,605	2,587,871,930	5,091,942	15,807,843	1,354,134,243	27,718,440,772	0.1965	83,155,322,316	33.3333%
2000	17,290,389,120	4,961,851,892	2,280,340,380	5,574,380	14,949,967	1,182,707,003	25,735,812,742	0.1996	77,207,438,226	33.3333%
1999	16,511,723,133	4,663,964,125	2,216,188,799	5,937,435	15,085,972	1,043,277,384	24,456,176,848	0.2018	73,368,530,544	33.3333%
1998	15,667,002,696	4,387,677,519	2,058,796,623	6,143,221	13,505,230	862,667,889	22,995,793,178	0.2043	68,987,379,534	33.3333%

Data Sources:
Offices of the County Clerks for DuPage, Cook, and Will Counties; DuPage County comprises approximately 90% of College of DuPage District 502.

Notes:

Property in the College's district is reassessed each year. Property is assessed at 33% of actual value.

(1) For levy years 2003 and previous, amounts in the "Other Assessed Value" column are made up primarily of assessed values from Will County, as at that time Will County provided the College with information on assessed valuations broken out only by "farm value" and "non-farm value". In levy year 2006, this column includes assessed values from Cook County, as the breakdown by type of property is not yet available at the time the CAFR is prepared. This will be adjusted each year as the information becomes available.

(2) The total direct tax rate increased from .1965 in 2001 to .2205 in 2002 due to (a) a voter-approved referendum to issue \$92,815,000 in General Obligation bonds for facility improvements and (b) a direct tax levy to pay the debt service on those General Obligation bonds.

(3) The total direct tax rate increased from .1897 to .1951 in 2007 due to (a) issuance of \$78,840,000 in General Obligation bonds for building and equipping new buildings and renovation of existing College facilities and (b) a direct tax levy to pay the debt service on those General Obligation bonds.

TABLE 4

COLLEGE OF DUYPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

REVENUE CAPACITY

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN LEVY YEARS

Levy Year	2007	2006	2005	2004	2003	2002 (2)	2001	2000	1999	1998
College of DuPage (1) (3)										
Educational Purposes	0.7500	0.1292	0.1331	0.1388	0.1422	0.1474	0.1553	0.1671	0.1710	0.1682
Audit	0.0050	0.0003	0.0002	0.0001	0.0002	0.0001	0.0001	0.0002	0.0000	0.0002
Operations and Maintenance Purposes (Unrestricted)	0.1000	0.0214	0.0226	0.0235	0.0243	0.0252	0.0265	0.0281	0.0286	0.0290
Liability Protection and Settlement	None	0.0023	0.0020	0.0021	0.0006	0.0001	0.0024	0.0006	0.0000	0.0002
Social Security and Medicare	None	0.0031	0.0030	0.0031	0.0041	0.0047	0.0023	0.0005	0.0000	0.0046
Bond and Interest	None	0.0334	0.0342	0.0220	0.0277	0.0324	0.0339	0.0000	0.0000	0.0000
Total	0.1897	0.1951	0.1897	0.1990	0.2100	0.2205	0.1965	0.1996	0.2018	0.2043

Overlapping Rates

County	0.1713	0.1797	0.1850	0.1999	0.2154	0.2353	0.2536	0.2682	0.2831	0.2970
Cities and Villages	0.5412	0.5607	0.5702	0.5862	0.6046	0.6081	0.6081	0.6152	0.6194	0.6182
High Schools	0.9144	0.9395	0.9662	1.0086	1.0537	1.0930	1.1137	1.1320	1.1490	1.1443
Unit District	1.5584	1.6083	1.6305	1.6758	1.6688	1.7113	1.6610	1.6070	1.6292	1.6575
Grade Schools	1.4412	1.4703	1.4977	1.5017	1.4996	1.5212	1.5304	1.5386	1.5481	1.5561
Junior Colleges	0.1984	0.1960	0.2055	0.2154	0.2229	0.1996	0.2028	0.2065	0.2097	0.2112
Townships	0.0968	0.0995	0.1017	0.1068	0.1088	0.1188	0.1224	0.1233	0.1268	0.1311
Sanitary District	0.0024	0.0025	0.0025	0.0027	0.0028	0.0029	0.0030	0.0030	0.0030	0.0031
Park Districts	0.2853	0.2933	0.2982	0.3057	0.2962	0.3073	0.3163	0.3154	0.3248	0.3238
Library	0.0548	0.0569	0.5830	0.0583	0.0613	0.0636	0.0640	0.0632	0.0605	0.0613
Forest Preserve	0.1303	0.1271	0.1358	0.1419	0.1543	0.1654	0.1742	0.1797	0.1849	0.1871
Fire Protection	0.2298	0.2235	0.2288	0.2363	0.2416	0.2416	0.2429	0.2501	0.2510	0.2544
Water Commission	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Other Special Districts	0.0207	0.0222	0.0239	0.0254	0.0267	0.0290	0.0311	0.0326	0.0343	0.0345

Data Sources:

College of DuPage property tax records
DuPage County property tax data dated November 30, 2006.

Notes:

- (1) The direct tax rates reported for the College are those of DuPage County, as it comprises approximately 90% of College of DuPage District 502.
- (2) The total direct tax rate increased from .1965 in 2001 to .2205 in 2002 due to (a) a voter-approved referendum to issue \$92,815,000 in General Obligation bonds for facility improvements and (b) a direct tax levy to pay the debt service on those General Obligation bonds.
- (3) The College is subject to two property tax caps in Illinois whereby the increase in the levy from year to year is limited to the lesser of 5% or the consumer price index for the state as determined by the Illinois Department of Revenue, and individual rates are limited by maximum rates established by Illinois Compiled Statutes.

TABLE 5
COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
REVENUE CAPACITY

PRINCIPAL PROPERTY TAXPAYERS
CURRENT LEVY YEAR AND NINE YEARS AGO

Taxpayer (a)	Type of Business	2007 Levy Year			1998 Levy Year		
		Assessed Value (a) (000s)	Rank	Percentage of Total District 502 Assessed Valuation (b)	Assessed Value (a) (000s)	Rank	Percentage of Total District 502 Assessed Valuation (b)
Oakbrook Shopping Center	Shopping Center Property	\$ 106,954	1	0.240%	-	-	-
AMB Prop RE Tax CO	Commercial Property	105,144	2	0.236%	-	-	-
Hamilton Partners, Inc.	Commercial Development	97,435	3	0.219%	\$ 107,521	2	0.468%
AIMCO	Property Development	91,756	4	0.206%	-	-	-
Long Ridge Office	Commercial Property	83,831	5	0.188%	-	-	-
NS-MPO INC (Lucent Industries)	Communications Research and Development	83,107	6	0.187%	47,256	3	0.205%
Real Estate Tax Advisors	Commercial Property	72,606	7	0.163%	-	-	-
AMLI	Commercial Property	62,918	8	0.141%	-	-	-
Wells Real Estate	Commercial Property	54,731	9	0.123%	-	-	-
Amoco (Division of Standard Oil)	Petroleum Products Research	48,082	10	0.108%	43,611	4	0.190%
JMB/Urban Development Co.	Shopping Center Property	-	-	-	123,906	1	0.539%
Inland Real Estate	Commercial Property	-	-	-	40,375	5	0.176%
McDonald's Corporation	Food Service	-	-	-	37,666	6	0.164%
Commonwealth Edison	Utility	-	-	-	36,610	7	0.159%
ZML Development	Commercial Development	-	-	-	32,176	8	0.140%
Yorktown Joint Venture	Commercial Property	-	-	-	26,904	9	0.117%
Nalco Chemical Company	Chemical Company	-	-	-	21,893	10	0.095%
		<u>\$ 806,564</u>		<u>1.811%</u>	<u>\$ 517,918</u>		<u>2.252%</u>

Data Sources:
(a) DuPage County CAFRs, dated November 30, 2007 and November 30, 1998; approximately 90% of College of DuPage District 502 lies in DuPage County
(b) College records

TABLE 6

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

REVENUE CAPACITY

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN LEVY YEARS

Levy Year	Assessed Valuation	Direct Tax Rate (1)(2)	Taxes Extended (3)(4)	Total Collected Through June 30, 2007	Collected During Year Ended June 30, 2008	Total Collected Through June 30, 2008 (5)	Percent of Taxes	
							Extended Through June 30, 2008	Limit (6)
2007	\$ 44,535,081,379	0.1897	\$ 84,060,634	-	\$ 39,670,031	\$ 39,670,031	47.19%	2.50%
2006	41,589,987,372	0.1951	80,736,355	38,486,827	41,777,069	80,263,896	99.41%	3.40%
2005	38,691,586,701	0.1897	73,030,950	72,325,303	37,912	72,363,215	99.09%	3.30%
2004	35,549,604,475	0.1990	70,389,994	70,338,148	736	70,338,884	99.93%	1.90%
2003	32,986,226,299	0.2100	68,924,720	69,186,926	2,273	69,189,199	100.38%	2.40%
2002	30,661,741,626	0.2205	67,271,095	66,546,519	128	66,546,647	98.92%	1.60%
2001	27,718,440,772	0.1965	54,194,402	53,396,476	1,060	53,397,536	99.45%	3.40%
2000	25,735,812,742	0.1996	51,111,839	51,101,912	369	51,102,281	99.98%	2.70%
1999	24,456,176,848	0.2018	49,105,802	48,970,554	-	48,970,554	99.72%	1.60%
1998	22,995,793,178	0.2043	46,745,503	46,813,932	-	46,813,932	100.15%	1.70%

Data Sources:

College of DuPage property tax records
DuPage County property tax data dated November 30, 2007

Notes:

- (1) The direct tax rates reported for the College are those of DuPage County, as it comprises approximately 90% of College of DuPage District 502.
- (2) The total direct tax rate increased from .1965 in 2001 to .2205 in 2002 due to (a) a voter-approved referendum to issue \$92,815,000 in General Obligation bonds for facility improvements and (b) a direct tax levy to pay the debt service on those General Obligation bonds.
- (3) Taxes extended are shown net of the .5% allowance for uncollectible taxes.
- (4) Due to differences in the computational methods followed by the three counties (DuPage, Cook, and Will), portions of each of which are within the District's boundaries, there may be slight differences between the final levy amounts extended by the counties and those used for financial statement purposes.
- (5) Taxes are generally due on June 1st and September 1st of the calendar year subsequent to the levy year.
- (6) The College is subject to two property tax caps in Illinois whereby the increase in the levy from year to year is limited to the lesser of 5% or the consumer price index for the state as determined by the Illinois Department of Revenue, and individual rates are limited by maximum rates established by Illinois Compiled Statutes.

TABLE 7

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

REVENUE CAPACITY

ENROLLMENT, TUITION AND FEE RATES, CREDIT HOURS, AND TUITION AND FEE REVENUES GENERATED
LAST TEN FISCAL YEARS

Fiscal Year	Fall Term 10th Day Enrollment				Tuition and Fee Rates (1)			Total Semester Credit Hours Generated	Education Purposes and Operations and Maintenance Purposes		Tuition and Fee Revenues (2)		Total All Subfunds
	FTE Credit Courses	Headcount Credit Courses	Headcount Noncredit Courses	In District Tuition and Fees per Semester Hour	Out of District Tuition and Fees per Semester Hour	Out of State Tuition and Fees per Semester Hour	Subfunds		Subfunds	Auxiliary Enterprises & Other	Subfunds		
				\$	\$	\$	\$		\$	\$	\$		
2008	14,601	25,768	2,593	103.00	292.00	305.00	454,493	53,409,218	12,815,622	66,224,840			
2007	14,431	26,032	2,735	96.00	250.00	307.00	449,943	49,580,720	6,891,500	56,472,220			
2006 (1)	14,645	27,117	2,975	87.00	243.00	286.00	449,860	46,625,384	10,110,830	56,736,214			
2005	17,676	29,852	3,880	75.00	202.50	271.50	500,041	44,771,150	10,065,854	54,837,004			
2004	17,661	30,378	4,157	69.00	189.00	259.50	498,537	39,896,752	11,253,904	51,150,656			
2003	17,024	30,235	4,300	64.50	186.00	256.50	479,033	36,720,923	10,986,619	47,707,542			
2002	16,320	29,423	4,887	55.50	180.00	244.50	456,874	30,611,536	9,003,664	39,615,200			
2001	15,588	28,862	5,223	52.50	169.50	234.00	429,023	27,275,184	9,308,445	36,583,629			
2000	15,665	29,034	5,039	48.00	169.50	234.00	426,856	23,935,498	8,331,757	32,267,255			
1999	15,327	28,972	4,829	45.00	162.00	223.50	415,995	21,735,000	7,306,764	29,041,764			

Data Sources: College of DuPage records and Comprehensive Annual Financial Reports

Notes:

- (1) At Fall Term of fiscal year 2006, the College changed from a quarter term system to a semester system. Tuition rates for 2006 are per semester credit hour; tuition rates for all previous years have been adjusted to semester hour equivalents for comparison purposes.
- (2) Tuition and Fee Revenues may differ from CAFR Statement 2 amounts, as they are shown on this Table before adjustment for scholarship allowance.

TABLE 8

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
DEBT CAPACITY

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds (1)	General Obligation Alternate Revenue Source Bonds (1)	Notes Payable	Total Outstanding Debt (2)	District 502 Estimated Actual Taxable Property Value	Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value	Population (2008 Estimated) (3)	Total Outstanding Debt Per Capita
2008	\$ 144,945,000	\$ 25,975,000	\$ -	\$ 170,920,000	\$ 133,605,244,137	0.13%	969,580	176.28
2007	150,655,000	27,210,000	-	177,865,000	124,769,962,116	0.14%	960,036	185.27
2006	76,295,000	27,900,000	-	104,195,000	116,074,760,103	0.09%	932,670	111.72
2005	81,905,000	29,080,000	-	110,985,000	106,648,813,425	0.10%	929,113	119.45
2004	88,170,000	30,235,000	-	118,405,000	98,958,678,897	0.12%	935,451	126.58
2003	92,815,000	31,580,000	-	124,395,000	91,985,224,878	0.14%	925,188	134.45
2002	-	-	-	-	83,155,322,316	0.00%	921,452	-
2001	-	-	720,000	720,000	77,207,438,226	0.00%	915,316	0.79
2000	-	-	2,097,000	2,097,000	73,368,530,544	0.00%	904,161	2.32
1999	-	-	2,948,400	2,948,400	68,987,379,534	0.00%	892,547	3.30

Data Sources: College of DuPage records, Comprehensive Annual Financial Reports, and DuPage County records

Notes:

- (1) Balances include current and non-current portions of bond principal outstanding.
- (2) Details of the College's outstanding debt can be found in the notes to the financial statements.
- (3) Population figures for years 1999 through 2007 are taken from the DuPage County CAFR for the year ended November 30, 2007. The 2008 figure is projected population provided by Woods & Poole Economics, Inc. Washington, D.C., Copyright 2007.

TABLE 9
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
DEBT CAPACITY

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available		Net General Bonded Debt (4)	District 502 Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Taxable Property Value	Population (2008 Estimated) (3)	Net General Bonded Debt Per Capita
		In Debt Service Fund (2)						
2008	\$144,945,000	\$ 19,594,285	\$125,350,715	\$133,605,244,137	0.09%	969,580	129.28	
2007	150,655,000	14,584,822	136,070,178	124,769,962,116	0.11%	960,036	141.73	
2006	76,295,000	9,601,782	66,693,218	116,074,760,103	0.06%	932,670	71.51	
2005	81,905,000	9,616,450	72,288,550	106,648,813,425	0.07%	929,113	77.80	
2004	88,170,000	9,455,651	78,714,349	98,958,678,897	0.08%	935,451	84.15	
2003	92,815,000	8,330,428	84,484,572	91,985,224,878	0.09%	925,188	91.32	
2002	-	-	-	83,155,322,316	0.00%	921,452	-	
2001	-	-	-	77,207,438,226	0.00%	915,316	-	
2000	-	-	-	73,368,530,544	0.00%	904,161	-	
1999	-	-	-	68,987,379,534	0.00%	892,547	-	

Data Sources: College of DuPage records, Comprehensive Annual Financial Reports, and DuPage County records

Notes:

- (1) Balances include current and non-current portions of bond principal outstanding.
- (2) Amounts equal net assets restricted for debt service per CAFR Statement of Net Assets.
- (3) Population figures for years 1999 through 2007 are taken from the DuPage County CAFR for the year ended November 30, 2007. The 2008 figure is projected population provided by Woods & Poole Economics, Inc. Washington, D.C., Copyright 2007.
- (4) Details of the College's outstanding debt can be found in the notes to the financial statements.

TABLE 10

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

DEBT CAPACITY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
GENERAL OBLIGATION BONDS
JUNE 30, 2008

District	Total Gross Debt Outstanding	Percentage of Debt Applicable to DuPage County (2)	DuPage County Share of Debt (1)
County	\$ 188,250,000	100.00%	\$ 188,250,000
Forest Preserve	224,048,677	100.00%	224,048,677
Water Commission	54,670,000	98.41%	53,800,747
Cities and Villages	7,602,583,345 (1)	8.42%	639,876,916
Townships	395,000	100.00%	395,000
Parks	858,112,496 (1)	37.23%	319,463,686
Fire Protection	15,905,000	93.53%	14,876,401
Library	41,800,000	58.02%	24,252,382
Special Service	5,297,225	100.00%	5,297,225
Grade Schools	434,654,668	94.02%	408,678,495
High Schools	414,344,301	96.57%	400,133,236
Unit Schools	1,563,289,435	56.15%	877,864,035
Subtotal Overlapping Debt	<u>11,403,350,147</u>		<u>3,156,936,800</u>
College of DuPage - Direct	<u>144,945,000</u>	62.42%	<u>90,474,669</u>
Total Direct and Overlapping Debt	<u>\$ 11,548,295,147</u>		<u>\$ 3,247,411,469</u>

Data Sources:

DuPage County Computation of Direct and Overlapping Debt dated November 30, 2007 and College of DuPage records.

Note: Approximately 90% of College of DuPage District 502 lies in DuPage County

(1) Data includes City of Chicago, a minor portion of which overlaps into DuPage County.

(2) Debt percentage applicable to DuPage County is calculated by applying the ratio of assessed value of the specific district to that portion which is in DuPage County. Percentages have been rounded to the nearest hundredth.

TABLE 11

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

DEBT CAPACITY

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	Debt Limit Rate	Debt Limit (Assessed Value X Debt Limit Rate)	Net Debt Applicable to Debt Limit (1)	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
2008	\$44,535,081,379	2.875%	\$ 1,280,383,590	\$ 125,350,715.00	\$ 1,155,032,875	9.79%
2007	41,589,987,372	2.875%	1,195,712,137	136,070,178	1,059,641,959	11.38%
2006	38,691,586,701	2.875%	1,112,383,118	66,693,218	1,045,689,900	6.00%
2005	35,549,604,475	2.875%	1,022,051,129	72,288,550	949,762,579	7.07%
2004	32,986,226,299	2.875%	948,354,006	78,714,349	869,639,657	8.30%
2003	30,661,741,626	2.875%	881,525,072	84,484,572	797,040,500	9.58%
2002	27,718,440,772	2.875%	796,905,172	-	796,905,172	0.00%
2001	25,735,812,742	2.875%	739,904,616	-	739,904,616	0.00%
2000	24,456,176,848	2.875%	703,115,084	-	703,115,084	0.00%
1999	22,995,793,178	2.875%	661,129,054	-	661,129,054	0.00%

Data Sources: College of DuPage records, Comprehensive Annual Financial Reports, and DuPage County records

Notes:

- (1) Balances include current and non-current portions of Series 2003A and Series 2007 bond principal outstanding, less net assets restricted for debt service. Series 2003B and Series 2006 bonds do not count against the legal debt limitation unless taxes are extended to pay debt service thereon.
- (2) Details of the College's outstanding debt can be found in the notes to the financial statements

TABLE 12
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

DEBT CAPACITY

PLEGDED REVENUE COVERAGE
SERIES 2003B BONDS
SERIES 2006 BONDS
LAST SIX FISCAL YEARS (1)

Levy Year	Fiscal Year Ending June 30	Pledged Revenues (2)	Principal and Interest	Coverage
2007	2008	\$ 4,770,360	\$ 2,376,543	2.01
2006	2007	4,572,585	2,600,475	1.76
2005	2006	2,309,085	2,396,935	0.96
2004	2005	2,560,950	2,399,185	1.07
2003	2004	2,563,155	1,987,267	1.29
2002	2003	2,118,735	413,905	5.12
TOTAL DEBT SERVICE			\$ 12,174,310	

Data Source: College of DuPage records

Notes:

- (1) Series 2003B General Obligation Bonds (Alternate Revenue Source) were issued February 20, 2003. Series 2006 General Obligation Bonds (Alternate Revenue Source) were issued November 1, 2006.
- (2) Pledged revenue includes actual student tuition and fees.
- (3) Additional information regarding historical tuition and fees can be found in Table 7 - Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated.
- (4) Details of the College's outstanding debt can be found in the notes to the financial statements.

TABLE 13
COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
DEMOGRAPHIC AND ECONOMIC INFORMATION
PERSONAL INCOME PER CAPITA
LAST TEN CALENDAR YEARS

Calendar Year	Population (1)	DuPage County Total Personal Income ('96 \$) (2)	Per Capita Personal Income ('96 \$)	Unemployment Rate (3)
2008	969,580	\$ 48,782,097,000	\$ 50,313	6.2%
2007	960,036	41,031,803,000	42,740	3.5%
2006	932,670	39,882,897,000	42,762	3.8%
2005	929,113	38,761,252,000	41,719	4.7%
2004	935,451	37,761,829,000	40,368	4.9%
2003	925,188	36,655,598,000	39,620	5.5%
2002	921,452	36,812,996,000	39,951	5.5%
2001	915,316	37,858,576,000	41,361	4.4%
2000	904,161	39,218,156,000	43,375	3.3%
1999	892,547	37,672,036,000	42,207	2.9%

Data Sources:

(1) Population figures for years 1999 through 2007 are taken from the DuPage County CAFR for the year ended November 30, 2007. The 2008 figure is a DuPage population estimate provided by Woods & Poole Economics, Inc. Washington, D.C., Copyright 2007.

(2) DuPage County Total Personal Income figures for years 1999 through 2007 are taken from the DuPage County CAFR for the year ended November 30, 2007. The 2008 figure is an estimate provided by Woods & Poole Economics, Inc., Washington, D.C. Copyright 2007.

(3) DuPage County unemployment data was provided by the Illinois Department of Employment Security (IDES), Local Area Unemployment Statistics (LAUS). The 2008 rate is year-to-date.

Note: Approximately 90% of College of DuPage District 502 lies in DuPage County

TABLE 14

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
DEMOGRAPHIC AND ECONOMIC INFORMATION

PRINCIPAL EMPLOYERS
CURRENT YEAR AND EIGHT YEARS AGO

		2008 (1)				1999 (2)						
Employer	City	Number of		Rank	Percent of		City	Number of		Rank	Percent of	
		Jobs	Population		DuPage County	Total		Jobs	Population		DuPage County	Total
Lucent Technologies	Lisle	4,250	0.44%	1	Lucent Technologies	Lisle	12,500	1	1.40%			
Edward Hospital	Naperville	4,247	0.44%	2	Edward Hospital	Naperville	5,000	2	0.56%			
Central DuPage Hospital	Winfield	4,000	0.42%	3	Argonne National Lab	Argonne	4,200	3	0.47%			
BP America	Warrenville	3,200	0.33%	4	DuPage County	Wheaton	3,333	4	0.37%			
Elmhurst Memorial Hospital	Elmhurst	3,156	0.33%	5	NiCor Gas	Naperville	2,969	5	0.33%			
College of DuPage	Glen Ellyn	3,111	0.32%	6	Elmhurst Hospital	Elmhurst	2,700	6	0.30%			
DuPage County	Wheaton	2,900	0.30%	7	Central DuPage Hospital	Winfield	2,400	7	0.27%			
Argonne National Lab	Argonne	2,800	0.29%	8	Good Samaritan Hospital	Downers Grove	2,400	8	0.27%			
Advocate Good Samaritan	Downers Grove	2,525	0.26%	9	Fermi National Lab	Batavia	2,300	9	0.26%			
Nalco	Naperville	2,400	0.25%	10	College of DuPage	Glen Ellyn	2,100	10	0.24%			
Total		3.39%			Total		Total		4.47%			

Data Sources:

- (1) DuPage County Economic Profile - Major Employers - 2008
- (2) DuPage County Economic Profile - Major Employers - 1999
(earliest data available)

Note: Approximately 90% of College of DuPage District 502 lies in DuPage County

TABLE 15

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

DEMOGRAPHIC AND ECONOMIC INFORMATION

STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Fall Enrollment		Gender		Attendance		Enrollment Status			In-District Residency	Mean Age	Median Age	
	H/C	FTE	M	F	FT	PT	Cont	New	Transfer				Readmit
2007	28,361	14,601	44%	56%	33%	67%	56%	16%	8%	15%	5%	30	23
2006	28,767	14,431	44%	56%	31%	69%	54%	18%	7%	16%	5%	30	24
2005	30,092	14,645	44%	56%	29%	71%	51%	19%	5%	20%	5%	28	22
2004	33,732	17,676	42%	58%	32%	68%	50%	17%	6%	20%	6%	32	25
2003	34,535	17,661	42%	58%	30%	70%	48%	17%	7%	22%	6%	32	25
2002	34,535	17,024	44%	56%	28%	72%	47%	18%	5%	22%	7%	32	26
2001	34,310	16,320	42%	58%	27%	73%	45%	18%	6%	22%	8%	33	27
2000	34,085	15,588	41%	59%	26%	74%	45%	19%	5%	22%	9%	33	27
1999	34,073	15,665	42%	58%	26%	74%	47%	18%	5%	22%	8%	33	27
1998	33,801	15,327	41%	59%	25%	75%	46%	20%	4%	22%	8%	33	27

Note - Above statistics reflect tenth day total enrollment for Fall terms of year listed.
2007 reflects the start of the new fiscal year.

Data Source: College records

Legend:

H/C (Headcount), FTE (Full-Time Equivalent), M (Male), F (Female), FT (Full-Time),
PT (Part-Time), Cont (Continuing Student)

TABLE 16

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

DEMOGRAPHIC AND ECONOMIC INFORMATION

**STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS
BY CATEGORY
LAST TEN FISCAL YEARS**

<u>Funding Category</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Baccalaureate	268,645	263,431	267,290	312,434	307,485
Business Occupational	38,319	37,923	34,014	38,720	38,422
Technical Occupational	40,415	40,471	40,151	50,487	55,151
Health Occupational	27,322	26,699	26,132	26,181	25,353
Remedial Developmental	38,439	37,676	38,645	34,442	34,238
Adult Basic/Secondary Education	<u>41,354</u>	<u>43,744</u>	<u>43,628</u>	<u>37,777</u>	<u>37,888</u>
Total Credit Hours	<u><u>454,493</u></u>	<u><u>449,944</u></u>	<u><u>449,860</u></u>	<u><u>500,041</u></u>	<u><u>498,537</u></u>
<u>Funding Category</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Baccalaureate	294,975	275,935	255,596	253,663	256,392
Business Occupational	36,857	33,174	27,549	29,260	30,798
Technical Occupational	57,953	66,346	68,837	67,691	64,527
Health Occupational	21,551	18,273	14,461	12,947	12,898
Remedial Developmental	32,367	34,809	32,777	33,941	27,675
Adult Basic/Secondary Education	<u>35,332</u>	<u>28,337</u>	<u>29,803</u>	<u>29,084</u>	<u>23,705</u>
Total Credit Hours	<u><u>479,035</u></u>	<u><u>456,874</u></u>	<u><u>429,023</u></u>	<u><u>426,586</u></u>	<u><u>415,995</u></u>

Data Source: College Records

TABLE 17

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

DEMOGRAPHIC AND ECONOMIC INFORMATION

STATE CREDIT HOUR GRANT FUNDING PER SEMESTER CREDIT HOUR
BY INSTRUCTIONAL CATEGORY
LAST TEN FISCAL YEARS

Fiscal Year	Baccalaureate	Business	Technical	Health	Remedial	ABE/ASE	State Average	Annual Percentage Increase (Decrease)	College of DuPage Average	Annual Percentage Increase (Decrease)
2008	\$ 18.61	\$ 22.98	\$ 61.65	\$ 97.19	\$ 16.01	\$ 51.42	\$ 32.87	2.8%	\$ 28.14	(0.8%)
2007	19.06	23.62	59.36	91.58	15.78	56.23	31.97	2.5%	28.38	(5.0%)
2006	19.31	27.02	61.05	89.33	13.82	46.37	31.20	(7.2%)	28.99	(6.5%)
2006	Hold harmless funding								0.87	
2005	21.72	27.90	59.26	94.88	18.68	56.87	33.63	(5.3%)	30.95	(6.5%)
2005	Hold harmless funding								0.98	
2004	24.63	28.23	49.93	93.43	18.58	69.99	35.50	10.3%	31.52	(6.5%)
2004	Hold harmless funding								2.64	
2003	34.45	22.90	40.03	78.81	25.52	13.16	32.18	(0.1%)	33.94	0.6%
2002	35.91	17.51	41.83	78.75	26.67	9.78	32.22	4.5%	34.32	(1.1%)
2001	31.84	15.89	41.64	72.48	26.69	16.16	30.84	1.9%	32.20	6.6%
2000	32.71	18.88	40.55	69.55	22.53	13.16	30.27	3.2%	32.40	(0.6%)
1999	31.23	20.08	43.61	65.10	19.25	12.71	29.32	3.6%	31.80	1.9%
										5.3%

TABLE 18

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

OPERATING INFORMATION

FULL-TIME EQUIVALENT EMPLOYEES
LAST TEN FISCAL YEARS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
FACULTY										
Full Time	301	311	313	315	309	289	284	275	280	285
Full Time Overload	82	83	85	96	79	78	69	67	70	66
Full Time Summer	67	63	67	79	70	69	61	66	68	67
Subtotal	450	457	465	490	458	436	414	408	418	418
Part Time	593	563	619	649	667	637	551	513	503	489
Total Faculty FTE	1,043	1,020	1,084	1,139	1,125	1,073	965	921	921	907
Teaching	934	898	958	982	992	947	863	826	820	812
Non-Teaching	109	122	126	157	133	126	102	95	101	95
Total Faculty FTE	1,043	1,020	1,084	1,139	1,125	1,073	965	921	921	907
LIBRARY, COUNSELORS, & OTHER										
Full Time	23	25	25	24	25	25	25	25	24	25
Summer	4	4	6	5	5	5	5	6	7	6
Part Time	16	14	18	21	13	14	13	10	12	10
Total Library, Counselors, & Other FTE	43	43	49	50	43	44	43	41	43	41
Library	13.8	13.8	14.7	14.1	13.4	12.5	12.2	11.8	13.8	13.5
Counselors	24.7	24.7	29.4	30.6	25.0	27.0	24.1	23.0	24.6	25.6
Other	4.5	4.5	4.9	5.3	4.6	4.8	6.8	6.1	4.6	2.2
Total Library, Counselors, & Other FTE	43.0	43.0	49.0	50.0	43.0	44.3	43.1	40.9	43.0	41.3
ADMINISTRATORS	49	49	51	49	49	46	42	46	46	46
CLASSIFIED EMPLOYEES	571	567	608	591	578	574	541	507	511	510
TOTAL FTE EMPLOYEES (before student employee FTE)	1,706	1,679	1,792	1,829	1,795	1,737	1,591	1,515	1,521	1,504
STUDENT EMPLOYEES (1)	195	194	228	213	251	241	233	214	209	214
TOTAL FTE EMPLOYEES (including student employee FTE)	1,901	1,873	2,020	2,042	2,046	1,978	1,824	1,729	1,730	1,718

Data Source: College records

Notes:

FTEs are based on total salary expenditures per group divided by average salaries per group.

(1) Student FTE are based upon 20 hours per week

TABLE 19

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

OPERATING INFORMATION

OPERATING INDICATORS
LAST TEN FISCAL YEARS

	2008	2007	2006*	2005	2004	2003	2002	2001	2000	1999
Annual Credit Headcount (1)	42,954	44,123	45,687	52,586	54,875	54,551	54,810	53,475	52,829	51,884
Annual Non-credit Headcount (2)	17,925	17,664	17,195	19,194	18,949	20,166	21,572	24,021	22,224	21,029
Fall 10th Day Seatcount (3)	70,771	70,398	72,150	70,287	70,927	69,238	68,557	66,593	66,952	65,757
Remedial/Developmental FTES (4)	2,851	2,905	2,919	2,889	2,829	2,729	2,593	2,516	2,281	1,937
Prior Education (5)										
Bachelors	4,150	4,428	4,952	6,043	6,255	6,500	6,618	6,593	6,648	6,216
Some College	6,742	6,750	7,074	7,788	7,815	7,625	7,446	7,143	7,172	6,164
HS/GED	13,808	13,752	14,270	15,686	15,905	15,732	15,648	15,313	15,206	15,785
< HS	2,631	2,704	2,680	2,670	2,817	2,837	2,604	2,668	2,454	2,181
Unknown	1,030	1,133	1,116	1,545	1,743	1,841	1,994	2,368	2,593	3,455
Special Needs--Total (6)	14,678	14,120	14,044	2,855	3,708	3,495	2,637	3,196	3,224	3,100
Handicap	1,166	1,080	726	647	815	769	638	671	781	724
Limited English Proficiency	504	737	736	103	143	161	149	213	258	391
Disadvantaged (7)	14,098	13,584	13,436	2,105	2,750	2,565	1,850	2,312	2,185	1,985
Within-Term Retention, Fall (8)	84.9%	84.8%	83.1%	85.3%	85.2%	85.4%	84.9%	82.7%	83.4%	83.4%

* The College of DuPage changed from quarters to semesters in Fall 2005.

Data Source: College records

Notes:

- (1) Unduplicated credit headcount--Summer through Spring terms
- (2) Unduplicated non-credit headcount--Summer through Spring terms
- (3) Credit plus non-credit seatcount (duplicated headcount)
- (4) FTES, Fall 10th Day; full-time equivalent is 1.5 credit hours.
- (5) Total Headcount, Fall 10th Day
- (6) Beginning in Fall 2005 special needs students were tracked on an annual basis, so data for Years 2006-08 are based annual headcount. For Years 1998-2005, special needs headcounts are based on Fall Term only.
- (7) Economic or Academic Disadvantage
- (8) Percentage of total grades resulting in withdrawal for previous fall term

TABLE 20

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

OPERATING INFORMATION

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Total Acreage - Main Campus	283.92	283.92	283.92	283.92	283.92	283.92	283.92	283.92	283.92	297.49
Total Acreage - Regional Sites	11.53	11.53	11.53	11.53	31.03	31.03	11.53	11.53	11.53	N/A
Gross Square Feet - Owned Main Campus	1,358,343	1,352,960	1,292,419	1,361,000	1,350,759	1,350,759	1,360,792	1,350,759	1,350,759	1,350,759
Gross Square Feet - Owned Off Campus	55,157	55,157	55,157	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gross Square Feet - Leased Off Campus	34,520	34,520	20,812	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Assignable Square Footage - Owned Main Campus	863,194	857,983	860,150	940,065	940,065	940,065	865,493	940,065	919,795	908,455
Assignable Square Footage - Owned Off Campus	33,297	33,297	33,297	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Assignable Square Footage - Leased Off Campus	22,984	22,984	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Number of Buildings - Owned Main Campus	15	14	9	9	9	9	9	9	9	9
Total Number of Buildings - Owned Off Campus	3	3	7	7	6	6	6	6	6	6
Total Number of Buildings - Leased Off Campus	6	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Number of Computers	4,380	4,420	4,380	4,206	3,894	3,954	3,540	3,540	3,450	3,350
Total Number of Computer Labs	140	140	140	140	124	120	97	80	78	74
Total Number of Parking Spaces	7,000	7,000	7,237	7,237	7,237	7,217	7,332	7,284	7,262	7,335

Data Source: College records

N/A - Information for noted categories is not available.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

JUNE 30, 2008

Continuing Disclosure Information

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**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**CONTINUING DISCLOSURE INFORMATION
JUNE 30, 2008**

**Debt Service Coverage
Series 2003B Bonds
Series 2006 Bonds**

Levy Year	Fiscal Year Ending June 30	Pledged Revenues*	Estimated Principal and Interest
2007	2009	\$34,457,274	\$2,362,046
2008	2010	34,457,274	2,367,496
2009	2011	34,457,274	2,366,196
2010	2012	34,457,274	2,363,470
2011	2013	34,457,274	2,365,470
2012	2014	34,457,274	2,362,260
2013	2015	34,457,274	2,369,660
2014	2016	34,457,274	2,364,260
2015	2017	34,457,274	2,369,410
2016	2018	34,457,274	2,368,610
2017	2019	34,457,274	2,369,610
2018	2020	34,457,274	2,372,030
2019	2021	34,457,274	2,396,600
2020	2022	34,457,274	2,397,562
2021	2023	34,457,274	<u>2,398,776</u>
TOTAL DEBT SERVICE			<u>\$35,593,456</u>

* Consists of actual student tuition and fees. See "THE DISTRICT – *Student Tuition and Fees* – District Tuition Rates and Tuition and Fee Revenues" for additional information regarding historical student tuition and fees.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**CONTINUING DISCLOSURE INFORMATION
JUNE 30, 2008
(CONTINUED)**

District Revenue

Revenue Source	Amount (000's)	Percent of Total	Increase (Decrease) From FY07 (000's)	Percent Increase (Decrease) From FY07
Local Government	\$ 82,609	42.7%	\$ 5,729	7.5%
Student Tuition & Fees	51,276	26.5	3,426	7.2
State Government	30,883	16.0	1,838	6.3
Federal Government	10,168	5.3	1,001	10.9
Sales & Service Fees	5,429	2.8	125	2.4
Income on Investments	10,517	5.4	(885)	(7.8)
All Other	2,427	1.3	(87)	(3.5)
TOTAL	\$ 193,309	100.0%	\$ 11,147	6.1%

Source: District records. For fiscal year ended June 30, 2008.

The following chart shows revenue in the operating funds of the District over the past five years.

Total Operating Funds Revenue of District

FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
<u>\$113,218,270</u>	<u>\$135,044,587</u>	<u>\$126,993,155</u>	<u>\$132,458,079</u>	<u>\$138,198,347</u>

Source: District records. Amounts equal revenue plus interfund transfers

History of Assessed Valuation of District

Assessment Year	DuPage County	Cook County	Will County	Total
2007	\$ 38,909,050,896	\$3,176,573,005	\$ 2,449,457,478	\$ 44,535,081,379
2006	36,137,439,494	3,180,333,360	2,272,214,518	41,589,987,372
2005	33,462,991,322	3,180,333,360	2,048,262,019	38,691,586,701
2004	31,151,154,721	2,529,008,117	1,869,441,637	35,549,604,475
2003	28,876,986,380	2,393,940,805	1,715,299,114	32,986,226,299
2002	26,748,869,388	2,371,458,718	1,541,413,520	30,661,741,626
2001	24,505,400,849	1,856,353,710	1,356,686,213	27,718,440,772

Source: District records. Assessed value is equal to one-third of estimated actual value.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**CONTINUING DISCLOSURE INFORMATION
JUNE 30, 2008
(CONTINUED)**

District Funds and Levy Limits

<u>Fund Type</u>	<u>Levy Rates (per \$100 of equalized assessed valuation):</u>				<u>State Avg. 2006⁽¹⁾</u>
	<u>Max. Auth.</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	
Education	.7500	.1292	.1331	.1388	.1961
Operations & Maintenance	.1000	.0214	.0226	.0235	.0562
Liability, Protection and Settlement	None	.0023	.0020	.0021	.0531*
Social Security/Medicare	None	.0031	.0030	.0031	—
Audit	.0050	.0003	.0002	.0002	.0021
Bond and Interest	None	.0334	.0342	.0220	.0497
Life Safety	.0500	.0000	.0000	.0000	.0294
Total		<u>.1897</u>	<u>.1897</u>	<u>.1990</u>	

(1) State average for community college district taxes levied in 2005 and collected in 2006 which is the latest data available.

* State Average data combines Liability, Protection, & Settlement Fund levy rates with those of Social Security/Medicare.

Source: District records.

The following chart shows the total tax levies and collections of the District for the past ten years, current as of June 30, 2008.

District Property Tax Levies and Collections

<u>Year of Levy</u>	<u>Tax Collection Year</u>	<u>Total Tax Levy*</u>	<u>Tax Collections</u>	<u>Percent of Levy Collected</u>
2007	2008	\$84,060,634	\$39,670,031	47.19%
2006	2007	80,736,355	80,263,896	99.41%
2005	2006	73,030,950	72,325,303	99.0%
2004	2005	70,389,994	70,338,148	99.9%
2003	2004	68,924,720	69,186,926	100.4%
2002	2003	67,271,095	66,545,519	98.9%
2001	2002	54,194,402	53,896,476	99.8%
2000	2001	51,111,839	51,101,912	99.8%
1999	2000	49,105,802	48,970,554	99.7%
1998	1999	46,745,503	46,813,932	100.2%

* Total tax levy amounts are shown net of the .5% allowance for uncollectible taxes.

Source: District records.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

CONTINUING DISCLOSURE INFORMATION

JUNE 30, 2008
(CONTINUED)

District Tuition Rates and Tuition and Fee Revenues

Fiscal Year	Total Tuition and Fees in District per Hour		Total Tuition and Fees Out of District per Hour		Operating Funds Tuition Revenue ⁽¹⁾	Operating Funds Fee Revenue ⁽¹⁾	Operating Funds Tuition and Fee Revenue ⁽¹⁾	Total Tuition and Fee Revenue ⁽²⁾
	Total Tuition and Fees in District per Hour	Total Tuition and Fees Out of District per Hour	Total Tuition and Fees Out of District per Hour	Total Tuition and Fees Out of District per Hour				
2009	\$108.00	\$276.25	\$339.25	\$ -	\$ -	\$ -	\$57,102,363 ⁽³⁾	\$71,973,721 ⁽³⁾
2008	103.00	265.00	329.00	50,998,778	2,410,439	2,410,439	57,014,364	70,877,806
2007	96.00	223.00	280.00	47,078,797	2,501,923	2,501,923	49,580,720	62,100,429
2006	87.00 ⁽⁴⁾	243.00	286.00	44,378,178	2,247,206	2,247,206	46,625,384	56,736,214
2005	50.00	135.00	181.00	42,413,314	2,357,836	2,357,836	44,771,150	54,837,003
2004	46.00	126.00	173.00	37,515,119	2,381,633	2,381,633	39,896,752	51,150,656
2003	43.00	124.00	171.00	34,457,274	2,263,649	2,263,649	36,720,923	47,707,542
2002	37.00	120.00	163.00	28,971,036	1,640,500	1,640,500	30,611,536	39,615,200
2001	35.00	113.00	156.00	26,049,784	1,225,400	1,225,400	27,275,184	36,583,629
2000	32.00	113.00	156.00	23,103,703	831,795	831,795	23,935,498	32,267,255
1999	30.00	108.00	149.00	21,030,569	704,431	704,431	21,735,000	29,041,764
1998	30.00	104.00	141.00	21,432,104	812,885	812,885	22,244,989	28,385,158

Source: District records.

- (1) Includes only tuition and fee revenue deposited in the education and operation and maintenance funds of the District. Does not include tuition and fee revenue deposited in special revenue funds, capital projects fund and expendable trust fund.
- (2) Includes all tuition and fee revenue.
- (3) Budgeted.
- (4) Starting in Fiscal Year 2006 the College tuition and fees rate is calculated on semester hours.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

CONTINUING DISCLOSURE INFORMATION

**JUNE 30, 2008
(CONTINUED)**

The following chart shows actual enrollments of the College for the past five years and projected enrollments for the next five years.

College Enrollment

Five Year History			Five Year Projection		
Fiscal Year	Fall Term Head Count	Annualized FTE*	Fiscal Year	Fall Term Head Count	Annualized FTE*
2002-03	34,535	18,448	2007-08	28,361	16,964
2003-04	34,535	18,986	2008-09	28,361	16,964
2004-05	33,732	18,970	2009-10	28,645	17,134
2005-06	30,092	17,104	2010-11	28,645	17,134
2006-07	28,767	16,936	2011-12	28,931	17,305

* Full-time equivalency.
Source: District records.

**Direct General Obligation
Bonded Indebtedness of the District**

Estimated Full Value of Taxable Property ⁽¹⁾	\$133,605,244,137
Equalized Assessed Valuation of Taxable Property ⁽¹⁾	\$44,535,081,379
General Obligation Bonded Debt (including the Bonds):	\$170,920,000
Percentage to Full Value of Taxable Property:	0.13%
Percentage to Equalized Assessed Valuation:	0.38%
Percentage of Debt Limit (2.875% of EAV): ⁽²⁾	0.15%
Per Capita	\$176
Population Estimate: ⁽³⁾	969,580

(1) As of assessment year 2007.

(2) Does not include the Series 2003B Bonds, which do not count against the legal debt limitation of the District unless taxes are extended to pay debt service thereon.

(3) Estimate of population for 2008.

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**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

JUNE 30, 2008

Other Supplementary Financial Information

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EXHIBIT A
Page 1 of 4

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

COMBINING BALANCE SHEET
ALL SUBFUNDS AND ACCOUNTS
JUNE 30, 2008

	Education Subfund	O & M Subfund	Capital Projects Subfund	Bond & Interest Subfund	Auxiliary Ent. Subfund	Restricted Purposes Subfund	Permanent Subfund Working Cash	General Capital Assets Subfund
ASSETS								
Cash	\$ 3,063,723	\$ 223,773	\$ 212,656	\$ 66,631	\$ 2,274,322	\$ (2,751,274)	\$ 48,542	\$ -
Cash Equivalents:								
IL Funds	12,610,250	4,914,310	6,653,690	7,044,683	-	-	643,166	-
ISDLAF Money Market	-	-	2,929	-	-	-	-	-
Federated Money Market	-	-	95,558,416	-	-	-	-	-
Trust Assets	-	-	1,225,918	-	-	-	-	-
Cash & Cash Equivalents	15,673,973	5,138,083	103,653,609	7,111,314	2,274,322	(2,751,274)	691,708	-
Investments:								
Other Investments	26,400,000	10,000,000	68,595,172	11,500,000	7,000,000	-	7,100,000	-
Subtotal Investments	26,400,000	10,000,000	68,595,172	11,500,000	7,000,000	-	8,483,416	-
Receivables (net of allowances):								
Taxes	30,217,207	4,953,134	-	7,818,978	-	-	-	-
Federal and state government claims	-	-	-	-	-	3,087,443	-	-
Tuition & fees receivable	4,673,291	-	-	-	-	-	-	-
Interest	713,583	445,740	1,592,215	72,830	293,886	-	228,111	-
Other	526,243	117	-	-	508,792	23,630	-	-
Subtotal receivables	36,130,324	5,398,991	1,592,215	7,891,808	802,678	3,111,073	228,111	-
Due from other funds	1,486,322	20	34,779	-	1,109,322	963,496	16,434	-
Inventory	-	-	-	-	231,045	-	-	-
Prepaid expenditures and deposits	3,503,177	-	-	528,522	326,391	721,207	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital assets, net of accum depreciation	-	-	-	-	-	-	-	175,511,170
Total assets	\$ 83,193,796	\$ 20,537,094	\$ 173,873,773	\$ 27,031,644	\$ 11,743,758	\$ 2,046,502	\$ 8,036,253	\$ 175,511,170

EXHIBIT A
Page 2 of 4

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**COMBINING BALANCE SHEET
ALL SUBFUNDS AND ACCOUNTS
JUNE 30, 2008**

	General Long-term Debt	Agency Subfund	Audit Subfund	LFS Subfund	Total	GASB Adjustments	Adjusted Total
ASSETS:							
Cash	\$ -	\$ -	\$ -	\$ 253,669	\$ 3,141,955	\$ -	\$ 3,141,955
Cash Equivalents:							
IL Funds	-	400,829	125,057	1,098,547	33,490,532	-	33,490,532
ISDLAF Money Market	-	-	-	-	2,929	-	2,929
Federated Money Market	-	-	-	-	95,558,416	-	95,558,416
Trust Assets	-	-	-	-	1,225,918	-	1,225,918
Cash & Cash Equivalents	-	150,742	125,057	1,352,216	133,419,750	-	133,419,750
Investments:							
Other Investments	-	-	-	-	130,595,172	-	130,595,172
Subtotal Investments	-	-	-	-	130,595,172	-	130,595,172
Receivables (net of allowances):							
Taxes	-	-	83,935	1,317,347	44,390,601	-	44,390,601
Federal and state government claims	-	-	-	-	3,087,443	-	3,087,443
Tuition & fees receivable	-	-	-	-	4,673,291	-	4,673,291
Interest	-	-	-	-	3,346,365	-	3,346,365
Other	-	(182,561)	-	-	876,221	158,931	1,035,152
Subtotal receivables	-	(182,561)	83,935	1,317,347	56,373,921	158,931	56,532,852
Due from other funds	-	302,054	-	55,194	3,969,621	(3,969,621)	-
Inventory	-	-	-	-	231,045	-	231,045
Prepaid expenditures and deposits	-	-	-	-	5,079,297	-	5,079,297
Bond issuance costs	811,809	-	-	-	811,809	-	811,809
Capital assets, net of accum depreciation	-	-	-	-	175,511,170	-	175,511,170
Total assets	\$ 811,809	\$ 270,235	\$ 208,992	\$ 2,724,757	\$ 505,991,785	\$ (3,810,690)	\$ 502,181,095

EXHIBIT A
Page 3 of 4

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

COMBINING BALANCE SHEET
ALL SUBFUNDS AND ACCOUNTS
JUNE 30, 2008

	Education Subfund	O & M Subfund	Capital Projects Subfund	Bond & Interest Subfund	Auxiliary Ent. Subfund	Restricted Purposes Subfund	Permanent Subfund Working Cash	Capital Assets Subfund
LIABILITIES, FUND EQUITY AND OTHER CREDITS								
Liabilities:								
Accounts payable-vendors	\$ 588,354	\$ 331,365	\$ 16,363,136	\$ -	\$ 262,888	\$ 140,502	\$ -	\$ -
Accounts payable-payroll related	38,002	-	-	-	-	-	-	-
Other accrued expenses:								
Accrued salaries	4,984,839	40,692	5,326	-	203,450	418,797	-	-
Payroll deductions payable	136,143	-	-	-	-	-	-	-
Accrued compensated absences	1,992,097	63,974	10,406	-	200,078	-	-	-
Other	81,774	-	-	-	6,802	-	-	-
Subtotal other accrued expenses	7,194,853	104,666	15,732	-	410,330	418,797	-	-
Post-retirement benefits payable-current	1,161,855	-	-	-	-	-	-	-
Due to other funds	790,754	45,828	1,741	-	2,262,157	867,358	1,783	-
Unearned property tax revenues	28,769,663	4,765,254	-	7,437,359	-	-	-	-
Unearned grant revenues	-	-	-	-	-	143,002	-	-
Unearned tuition and fee revenues	17,604,359	-	-	-	2,252,268	411,836	-	-
Deposits held in custody for others	-	-	-	-	-	-	-	-
Bonds payable-current	-	-	-	-	-	-	-	-
Bond interest payable-current	-	-	-	-	-	-	-	-
Arbitrage liability	-	-	698,711	-	-	-	-	-
Other current liabilities	7,446	-	-	-	-	-	-	-
Termination benefits payable-non current	-	-	-	-	-	-	-	-
Bonds payable - non current	-	-	-	-	-	-	-	-
Total liabilities	56,155,286	5,247,113	17,079,320	7,437,359	5,187,643	1,981,495	1,277	-
Fund equity and other credits:								
Investment in capital assets, net of related debt	-	-	-	-	-	-	-	175,511,170
Fund balance:								
Restricted for: debt service	-	-	-	19,065,763	-	-	-	-
Restricted for: encumbrances	823,552	310,347	49,998,389	-	139,241	34,651	-	-
Restricted for: inventory	-	-	-	-	231,045	-	-	-
Restricted for: prepaid expenditures	3,503,177	-	-	528,522	326,391	30,356	-	-
Restricted for: working cash	-	-	-	-	-	-	8,034,976	-
Restricted for: other purposes	-	-	-	-	-	-	-	-
Unrestricted	22,711,781	14,979,634	106,798,066	-	5,859,438	-	-	-
Total fund equity and other credits	27,038,510	15,289,981	156,796,455	19,594,285	6,556,115	65,007	8,034,976	175,511,170
Total liabilities, fund equity and other credits	\$ 83,193,796	\$ 20,537,094	\$ 173,875,775	\$ 27,031,644	\$ 11,743,758	\$ 2,046,502	\$ 8,036,253	\$ 175,511,170

EXHIBIT A
Page 4 of 4

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

COMBINING BALANCE SHEET
ALL SUBFUNDS AND ACCOUNTS
JUNE 30, 2008

	General Long-term Debt	Agency Subfund	Audit Subfund	LPS Subfund	Total	GASB Adjustments	Adjusted Total
LIABILITIES, FUND EQUITY AND OTHER CREDITS							
Liabilities:							
Accounts payable-vendors	\$ -	\$ -	\$ -	\$ -	\$ 17,686,245	\$ -	\$ 17,686,245
Accounts payable-payroll related	-	-	-	-	38,002	-	38,002
Other accrued expenses:							
Accrued salaries	-	-	-	-	5,653,104	-	5,653,104
Payroll deductions payable	-	-	-	-	136,143	-	136,143
Accrued compensated absences	-	-	-	-	2,266,555	-	2,266,555
Other	-	-	-	-	88,576	(819)	89,395
Subtotal other accrued expenses	-	-	-	-	8,144,378	(819)	8,145,197
Termination benefits payable-current	-	-	-	-	1,161,855	-	1,161,855
Due to other funds	-	-	66,803	-	3,969,621	(3,969,621)	-
Unearned property tax revenues	-	-	-	1,202,448	42,241,527	-	42,241,527
Other unearned revenues	-	-	-	-	143,002	-	143,002
Unearned tuition and fee revenues	-	-	-	40,056	20,308,519	-	20,308,519
Deposits held in custody for others	-	270,235	-	-	270,235	-	270,235
Bonds payable-current	9,640,360	-	-	-	9,640,360	-	9,640,360
Bond interest payable-current	593,127	-	-	-	593,127	-	593,127
Arbitrage liability	-	-	-	-	698,711	-	698,711
Other current liabilities	-	-	-	-	6,940	-	6,940
Termination benefits payable-non current	2,127,500	-	-	-	2,127,500	160,256	1,671,196
Bonds payable - non current	170,520,519	-	-	-	170,520,519	-	170,520,519
Total liabilities	182,881,506	270,235	66,803	1,242,504	277,550,541	(3,810,184)	273,740,357
Fund equity and other credits:							
Investment in capital assets, net of related debt	-	-	-	-	175,511,170	(31,261,274)	144,249,896
Fund balance:							
Restricted for: debt service	-	-	-	-	19,065,763	528,522	19,594,285
Restricted for: encumbrances	-	-	48,700	-	51,354,880	(51,354,880)	-
Restricted for: inventory	-	-	-	-	231,045	(231,045)	-
Restricted for: prepaid expenditures	-	-	-	-	4,388,446	(4,388,446)	-
Restricted for: working cash	-	-	-	-	8,034,976	-	8,034,976
Restricted for: other purposes	-	-	-	-	-	1,375,089	1,375,089
Unrestricted	(182,069,697)	-	93,489	1,482,253	(30,145,036)	85,331,528	55,186,492
Total fund equity and other credits	(182,069,697)	-	142,189	1,482,253	228,441,244	(506)	228,440,738
Total liabilities, fund equity and other credits	\$ 811,809	\$ 270,235	\$ 208,992	\$ 2,724,757	\$ 505,991,785	\$ (3,810,690)	\$ 502,181,095

EXHIBIT B
Page 1 of 2

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
ALL SUBFUNDS AND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

	Education Subfund	O & M Subfund	Capital Projects Subfund	Bond & Interest Subfund	Auxiliary Ent. Subfund	Restricted Purposes Subfund	Permanent Subfund Working Cash	Capital Assets Subfund
Revenues:								
Local government sources:								
Real estate taxes	\$ 56,084,082	\$ 9,399,071	\$ -	\$ 14,276,605	\$ -	\$ -	\$ -	\$ -
Chargeback revenue	503,217	-	-	-	-	-	-	-
Total Local government sources	56,587,299	9,399,071	-	14,276,605	-	-	-	-
State government sources:								
Corporate personal property replacement tax	1,794,791	-	-	-	-	-	-	-
Illinois Community College Board base operating grant	12,666,947	527,790	-	-	-	-	-	-
ICCB Career and Technical Education grant - unrestricted	602,226	-	-	-	-	-	-	-
Other grants	-	-	-	-	62,350	15,228,484	-	-
Total State government sources	15,063,964	527,790	-	-	62,350	15,228,484	-	-
Federal government sources	3,889	-	-	-	129,565	10,034,136	-	-
Student tuition and fees	53,409,218	-	795,059	4,770,360	6,982,021	196,030	-	-
Sales and service fees	35,148	-	-	-	5,386,000	7,798	-	-
Interest on investments	1,719,325	687,572	6,530,282	829,577	327,780	-	382,511	-
Other revenue:								
Rentals	-	-	-	-	590,749	-	-	-
Non govt gifts and grants	-	-	-	-	1,055,645	276,556	-	29,719
Capital contributions	-	-	-	-	-	-	-	-
Indirect cost recoveries	45,364	-	-	-	507,708	-	-	-
Other	115,031	129,470	-	-	14,765,708	9,092	-	-
Auxiliary enterprises revenues	-	-	-	-	-	-	-	-
Subtotal Other Revenue	160,395	129,470	-	-	16,919,810	286,048	-	29,719
Total revenues	126,984,238	10,743,903	7,325,341	19,876,542	29,807,526	25,752,516	382,511	29,719
Expenses:								
Current:								
Instruction	68,748,828	-	-	-	-	8,331,484	-	(943,362)
Academic support	8,578,010	-	-	-	-	557,941	-	(16,805)
Student services	11,844,921	-	-	-	-	752,363	-	(6,915)
Public service	1,127,437	-	-	-	5,246,603	1,572,895	-	(73,034)
Independent operations	-	-	-	-	8,152,519	256,382	-	(101,509)
Operation and maintenance of plant	6,432,018	8,512,461	-	-	-	521,524	-	(143,420)
General administration	9,918,321	-	-	-	358,315	683,966	-	(54,834)
Auxiliary enterprises	9,680,057	66,067	60,817,210	1,400	15,265,580	474,078	-	(85,711,349)
Scholarships, student grants & waivers	6,973,540	-	-	-	-	12,576,903	-	-
Indirect cost recoveries	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	5,999,659
Loss on disposal of fixed assets	-	-	-	6,945,000	-	-	-	60,167
Debt service: Principal retirement	-	-	-	7,920,679	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	123,703,132	8,578,528	60,817,210	14,867,079	29,023,017	25,727,536	-	(53,991,402)
Excess (deficiency) of revenues over expenditures	3,281,106	2,165,375	(33,491,869)	5,009,463	784,509	24,980	382,511	54,021,121
Other financing sources (uses):								
Bond proceeds	-	-	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-	-	-
Payment to refunded bond agent	382,511	87,695	1,789,980	-	128,082	(908)	-	-
Transfers in	(128,082)	(1,000,000)	-	-	(931,961)	-	(382,511)	-
Transfers out	254,429	(912,305)	1,789,980	-	(803,879)	(908)	(382,511)	-
Total other financing sources (uses):	3,535,535	1,253,070	(51,701,889)	5,009,463	(19,370)	24,072	-	54,021,121
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	23,502,975	14,036,911	208,498,344	14,584,822	6,575,485	40,935	8,034,976	121,490,049
Fund Balance at Beginning of Year	\$ 27,038,510	\$ 15,289,981	\$ 156,796,455	\$ 19,594,285	\$ 6,556,115	\$ 65,007	\$ 8,034,976	\$ 175,511,170
Fund Balance at End of Year								

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
ALL-SUBFUNDS AND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

	General	Agency	Audit	LPS	Total	GASB Adjustments	Adjusted Total
	Long-term Debt	Subfund	Subfund	Subfund			
Revenues:							
Local government sources:							
Real estate taxes			\$ 107,259	\$ 2,233,970	\$ 82,100,987	\$ -	\$ 82,100,987
Chargeback revenue					508,217		508,217
Total Local government sources			107,259	2,233,970	82,609,204		82,609,204
Slate government sources:							
Corporate personal property replacement tax					1,794,791		1,794,791
Illinois Community College Board base operating grant					13,194,737		13,194,737
ICCB Career and Technical Education grant - unrestricted					602,226		602,226
Other grants					15,290,834		15,290,834
Total State government sources					30,882,588		30,882,588
Federal government sources					10,167,590		10,167,590
Student tuition and fees				72,132	66,224,840	(14,948,415)	51,276,425
Sales and service fees					5,428,946	(5,428,946)	-
Interest on investments				40,162	10,517,209		10,517,209
Rentals					590,749	(590,749)	-
Non govt gifts and grants					1,362,320	(59,438)	1,302,882
Capital contributions						59,438	59,438
Indirect cost recoveries					553,072	(553,072)	-
Other					15,019,301	(14,722,762)	296,539
Auxiliary enterprises revenues					6,039,744	(6,039,744)	-
Subtotal Other Revenue			107,259	2,346,264	223,355,819	(30,204,200)	193,151,619
Total revenues					223,355,819		193,151,619
Expenses:							
Current:							
Instruction	(127,500)				76,609,450		76,609,450
Academic support	(35,700)				9,483,446		9,483,446
Student services	(60,400)				12,529,969		12,529,969
Public service	(3,400)				7,870,501	(5,246,603)	2,623,898
Independent operations					8,307,392	(8,152,519)	154,873
Operation and maintenance of plant	(9,900)				15,312,683		15,312,683
General administration	110,900				11,016,668	(358,315)	10,658,353
General institutional	(14,900)				29,838,519	(15,818,652)	14,019,867
Auxiliary enterprises			86,439	2,173,937	29,838,519	14,320,304	14,320,304
Scholarships, student grants & waivers					19,550,443	(14,948,415)	4,602,028
Indirect cost recoveries					5,399,659		5,399,659
Depreciation expense					60,167		60,167
Loss on disposal of capital assets					(243,623)		(243,623)
Debt service: Principal retirement	(7,188,623)				7,934,169		793,4169
Interest	13,490				86,232		86,232
Bond issuance costs	86,232				203,755,675	(30,204,200)	173,551,475
Total expenditures	(7,229,801)		86,439	2,173,937	193,600,144		193,600,144
Excess (deficiency) of revenues over expenditures							
Other financing sources (uses):							
Bond proceeds							
Premium on bonds							
Payment to refunded bond agent							
Transfers in				55,194	2,442,554	(2,442,554)	-
Transfers out					(2,442,554)	2,442,554	-
Total other financing sources (uses):				55,194			
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses							
Fund Balance at Beginning of Year	7,229,801		20,820	227,521	19,600,144		19,600,144
Fund Balance at End of Year	(189,299,498)		121,369	1,254,226	208,840,594		208,840,594
	\$ (182,069,697)		\$ 142,189	\$ 1,481,747	\$ 228,440,738		\$ 228,440,738

EXHIBIT C

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**SCHEDULE OF AUXILIARY SUBFUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Subfund Balance			Operating	Subfund Balance
	July 1, 2007	Revenues	Expenditures	Transfers In (Out)	June 30, 2008
General Auxiliary:					
Auxiliary services	\$ 3,217,674	\$ 342,899	\$ 478,124		\$ 3,082,449
Bookstore	(153,348)	1,219,281	174,235	(752,097)	139,601
Dining services	88,226	348,185	222,251	(91,689)	122,471
Facilities scheduling	134,983	436,017	419,507	-	151,493
Total General Auxiliary	3,287,535	2,346,382.00	1,294,117	(843,786)	3,496,014
Student Activities:					
Arts	(315,709)	72,429	(299,253)	(2,214)	53,759
Athletics	(53,996)	506,033	617,809		(165,772)
Student activities	446,206	295,140	229,229		512,117
Student activities fees	139,907	13,876	(19,500)		173,283
Total Student Activities	216,408	887,478	528,285	(2,214)	573,387
Specialized Accounts:					
Athletics Tournament	159,892	86,164	107,989	-	138,067
BTE/Membership	64,430	472,352	1,047,655		(510,873)
Business & Prof. Institute	(477,264)	789,941	1,234,289		(921,612)
Child Development Center	(27,223)	607,682	625,686		(45,227)
Continuing Education	209,891	3,719,756	4,014,798		(85,151)
Culinary Arts	209,108	71,027	80,983		199,152
Field & Exp. Learning	355,596	884,928	891,587		348,937
Fleet Vehicles	228,632	49,779	782		277,629
Fringe Benefits	-	14,702,713	14,579,101	(55,194)	68,418
Library Auxiliary Services	76,928	171,137	176,632		71,433
Physical Education Facilities	148,613	453,386	434,211		167,788
Radio/TV/Audio Sales/Serv.	(244,698)	796,590	653,155		(101,263)
Seminar/Teleconference	66,544	70,034	51,243		85,335
The Art Center	(485,940)	1,099,969	1,527,770	128,082	(785,659)
WDCB Fundraising	250,155	870,610	686,496		434,269
Miscellaneous	2,536,878	1,727,598	1,088,238	(30,767)	3,145,471
Total Specialized Accts.	3,071,542	26,573,666	27,200,615	42,121	2,486,714
Total Auxiliary					
Enterprises Subfund	\$ 6,575,485	\$ 29,807,526	\$ 29,023,017	\$ (803,879)	\$ 6,556,115

See Accompanying Independent Auditors' Report

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**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**STATE GRANT ACTIVITY AND SCHEDULE OF ENROLLMENT DATA
JUNE 30, 2008**

The following audit reports are required by the Illinois Community College Board:

Workforce Development (Business/Industry) Grant

Provides funding to be used to operate a Business Assistance Center or economic development office. Activities include assistance in commercial and industrial expansion and/or retention and employment training services for unemployed or underemployed adults to improve their job skills and assist them in seeking employment.

P-16 Initiative Grant

Funding is intended to allow community colleges to address the need to strengthen student preparation within the P-16 education spectrum by expanding their service to high school students desiring to take college-level classes prior to receiving their high school diploma to accelerate their college coursework.

State Adult Education and Family Literacy Restricted Funds Grants

State Basic – Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high school and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

Public Assistance – Grant awarded to Adult Education and Family Literacy providers to pay for instruction, fees, books, and materials incurred in the program for the students identified as recipients of public assistance. Priority for services must be given to educationally disadvantaged students with basic literacy skills from beginning literacy through low intermediate ABE/ESL and to recipients of Temporary Assistance for Needy Families (TANF). Persons eligible for services on a priority basis are employed and unemployed TANF clients and persons who have been cancelled from TANF and receive extended medical assistance. Other eligible persons are those who receive TANF Medical Assistance No Grant (MANG)/Kidcare Assist, nonassistance food stamps, and noncustodial parents who are referred by the Department of Human Services or by the court system.

Performance – Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**STATE GRANT ACTIVITY AND SCHEDULE OF ENROLLMENT DATA
JUNE 30, 2008**

Career and Technical Education - Program Improvement Grant

The grant recognizes that keeping career and technical programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

Tech Prep Support Grant

The purpose of this grant is to fund innovative activities initiated by Illinois community colleges in support of the overall goals and objectives of the federal Tech Prep grant. Grant funded activities should be planned and carried out in coordination with the local Tech Prep consortium and must seek to 1) develop and/or expand community college involvement in activities from the local Tech Prep consortium's approved FY 2008 plans, and/or 2) support local efforts to develop innovative CTE programs of study.

Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed

Credit hour grants are to be received for courses for each semester credit hour or equivalent for students who were certified as being in attendance at midterm during each semester of the fiscal year. There are no special restrictions on the use of these funds. The Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed provides the information on which such grants are based.



Crowe Horwath LLP
Member Horwath International

Independent Auditors' Report

To the Board of Trustees
College of DuPage
Community College District 502
Glen Ellyn, Illinois

We have audited the accompanying balance sheets of the College of DuPage, Community College District 502 (the College) Workforce Development, P-16 Initiative, State Adult Education (State Basic, Public Assistance, and Performance), Career and Technical Education - Program Improvement and Tech Prep Support Grants (Grant Programs) as of June 30, 2008, and the related statements of revenues, expenditures, and changes in fund balances for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

The financial statements presented are only for the Grant Programs and do not purport to, and do not, present fairly the financial position or results of operations of the College.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College's Workforce Development, P-16 Initiative, State Adult Education (State Basic, Public Assistance, and Performance), Career and Technical Education - Program Improvement and Tech Prep Support Grants as of June 30, 2008, and the revenues, expenditures, and changes in fund balances for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 26, 2008 on our consideration of the College's internal control over financial reporting of the Grant Programs 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.

Our audit was made for the purpose of forming opinions on the financial statements taken as a whole for each of the Grant Programs referred to in the first paragraph. The supplementary information included on pages 116 and 123, designated in the special reports section of the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements of the Workforce Development and State Adult Education and Family Literacy Grant Programs, respectively. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements of the Workforce Development and the State Adult Education and Family Literacy Grant Programs taken as a whole.

This report is intended solely for the information and use of the board of trustees, management, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Howarth LLP
Crowe Howarth LLP

Oak Brook, Illinois
September 26, 2008



Crowe Horwath LLP
Member Horwath International

Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Grant Program Financial
Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Trustees
College of DuPage
Community College District 502
Glen Ellyn, Illinois

We have audited the accompanying financial statements of the College of DuPage, Community College District 502 (the College) Workforce Development, P-16 Initiative, State Adult Education (State Basic, Public Assistance, and Performance), Career and Technical Education – Program Improvement and Tech Prep Support Grants (Grant Programs) as of and for the year ended June 30, 2008 and have issued our report thereon dated September 26, 2008. 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 and the guidelines of the Illinois Community College Board *Fiscal Management Manual*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the College's internal control over financial reporting of the Grant Programs as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting of the Grant Programs.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the College's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the College's Grant Program financial statements that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the College's internal control.

Our consideration of internal control over financial reporting of the Grant Programs was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting of the Grant Programs that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether these financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

This report is intended solely for the information and use of the board of trustees, management, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP
Crowe Horwath LLP

Oak Brook, Illinois
September 26, 2008

SCHEDULE 1

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
WORKFORCE DEVELOPMENT (BUSINESS/INDUSTRY) GRANT
BALANCE SHEET
JUNE 30, 2008**

ASSETS

Cash	\$	<u>31,421</u>
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LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$	21,733
Accrued payroll		<u>9,688</u>
Total liabilities		<u>31,421</u>
 Fund balance		 <u>-</u>
Total liabilities and fund balance	\$	<u>31,421</u>

See Notes to the Financial Statements

SCHEDULE 2

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
WORKFORCE DEVELOPMENT (BUSINESS/INDUSTRY) GRANT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008**

Revenue	
State grant revenues	\$ <u>175,014</u>
Expenditures	
Salaries	121,948
Employee benefits	13,621
Contractual services	909
Materials and supplies	19,449
Conference and meeting	12,853
Fixed charges	-
Utilities	-
Capital outlay	-
Other expenditures	<u>6,234</u>
Total Expenditures	<u>175,014</u>
Revenues Equal to Expenditures	<u>-</u>
Fund Balance at Beginning of Year	<u>-</u>
Fund Balance at End of Year	\$ <u><u>-</u></u>

See Notes to the Financial Statements

SCHEDULE 3

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
WORKFORCE DEVELOPMENT (BUSINESS/INDUSTRY) GRANT
EXPENDITURES COMPLIANCE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008**

	General	Operation of Workforce Development Office	Total
Expenditures			
Personnel (salaries and benefits)	\$ -	\$ 135,569	\$ 135,569
Contractual services	-	909	909
Instructional materials	-	2,965	2,965
Instructional equipment	-	-	-
Promotional materials	-	432	432
Staff development	-	9,379	9,379
Conference and meeting	-	12,716	12,716
Travel	-	137	137
Costs of operating a Business Assistance Center/Economic Development/Workforce Preparation office:			
Office equipment	-	-	-
Utilities and telephone	-	-	-
Consumable supplies	-	12,907	12,907
Total Expenditures	\$ -	\$ 175,014	\$ 175,014

See Notes to the Financial Statements

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**WORKFORCE DEVELOPMENT (BUSINESS/INDUSTRY) GRANT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College of DuPage Workforce Development (Business/Industry) Grant conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

A. Basis of Accounting

The Workforce Development (Business/Industry) Grant was awarded by the Illinois Community College Board (ICCB) to College of DuPage for the year ended June 30, 2008. The expenditures of these funds are accounted for in the Restricted Purposes Fund on a modified accrual basis and in accordance with the Fiscal Management Manual of the ICCB. Accordingly, expenditures are recognized when liabilities are incurred and grant revenues are recognized only to the extent of allowable expenditures. Unexpended funds that are obligated prior to June 30 for which the goods are received or the services are provided after June 30 but prior to August 31 are recorded as deferred revenue. Unexpended funds, if any, are reflected as a liability due to the ICCB by October 15. The financial statements presented are only for the Workforce Development (Business/Industry) Grant of the College of DuPage, and are not intended to present the financial position or changes in financial position of the College of DuPage.

B. Capital Assets

Capital asset purchases, if any, are recorded as capital outlays of the Program from which the expenditures are made.

2. BACKGROUND INFORMATION ON GRANT ACTIVITY

The Workforce Development (Business/Industry) Grant provides funding to be used to operate a Business Assistance Center or economic development office. Activities include assistance in commercial and industrial expansion and/or retention and employment training services for unemployed or underemployed adults to improve their job skills and assist them in seeking employment.

SCHEDULE 4

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
P-16 INITIATIVE GRANT
BALANCE SHEET
JUNE 30, 2008**

ASSETS

Cash	\$	<u>283</u>
Total assets	\$	<u><u>283</u></u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$	-
Due to Illinois Community College Board		<u>283</u>
Total liabilities		<u>283</u>
Fund balance		<u>-</u>
Total liabilities and fund balance	\$	<u><u>283</u></u>

See Notes to the Financial Statements

SCHEDULE 5

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
P-16 INITIATIVE GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

Revenue	
State grant revenues	\$ <u>179,838</u>
Expenditures	
Student grants and scholarships	<u>179,838</u>
Total expenditures	<u>179,838</u>
Revenues equal to expenditures	-
Fund Balance at Beginning of Year	<u>-</u>
Fund Balance at End of Year	\$ <u><u>-</u></u>

See Notes to the Financial Statements

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**P-16 INITIATIVE GRANT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College of DuPage P-16 Initiative Grant conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

A. Basis of Accounting

The P-16 Initiative Grant was awarded by the Illinois Community College Board (ICCB) to College of DuPage for the period July 1, 2007 to June 30, 2008. The expenditures of these funds are accounted for in the Restricted Purposes Fund on a modified accrual basis and in accordance with the Fiscal Management Manual of the ICCB. Accordingly, expenditures are recognized when liabilities are incurred and grant revenues are recognized only to the extent of allowable expenditures. Unexpended funds, if any, in excess of \$100, are reflected as a liability due to the ICCB at June 30th. Unexpended funds totaling \$100 or more shall be returned to the ICCB by October 15 following the end of the fiscal year. Unexpended funds totaling less than \$100 need not be returned to the ICCB provided the funds are spent in the next fiscal year and for the restricted grant purpose. The financial statements presented are only for the P-16 Initiative Grant of the College of DuPage, and are not intended to present the financial position or changes in financial position of the College of DuPage.

2. BACKGROUND INFORMATION ON GRANT ACTIVITY

The P-16 Initiative Grant provides funds to allow community colleges to address the need to strengthen student preparation within the P-16 education spectrum in two ways:

A. Tuition and Fees for Dual Credit/Dual Enrollment - The College may use these funds for full or partial coverage of the high school student's tuition and universal fees for courses generating ICCB reimbursable credit hours during a semester in the current fiscal year. The student must be enrolled as of the midterm to receive the funding. Funds are to be used primarily to support in-district high school students. In instances where students from outside the college district are being served, a written agreement must be in place between the community college providing the instruction and the student's home community college.

3. RETURN OF GRANT FUNDS

In the prior year, the College did not use the entire grant award. Therefore, the College returned unused grant funds of \$385 to ICCB on January 24, 2008, which is past the deadline of October 15 noted in the grant agreement.

SCHEDULE 6

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS GRANTS
COMBINING BALANCE SHEET
JUNE 30, 2008**

ASSETS

	<u>State Basic</u>	<u>Public Assistance</u>	<u>Performance</u>	<u>Total (Memo. Only)</u>
Cash	\$ 5,067	\$ 363	\$ 30,452	\$ 35,882
Total assets				\$ 35,882

LIABILITIES AND FUND BALANCE

Liabilities				
Accrued payroll	\$ 1,181	\$ 363	\$ 30,452	\$ 31,996
Accounts payable	-	-	-	-
Deferred revenue - obligated	3,886	-	-	3,886
Total liabilities	\$ 5,067	\$ 363	\$ 30,452	\$ 35,882
Fund balance				-
Total liabilities and fund balance				\$ 35,882

See Notes to the Financial Statements

SCHEDULE 7

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS GRANTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008**

	Actual			Total
	<u>State Basic</u>	<u>Public Assistance</u>	<u>Performance</u>	<u>(Memo. Only)</u>
Revenue				
State grant revenues	\$ 405,230	\$ 60,693	\$ 553,844	\$ 1,019,767
Expenditures by program				
Instruction	330,689	33,305	96,399	460,393
Guidance services	3,275	-	41,106	44,381
Assessment and testing	14,606	3,787	37,615	56,008
Literacy services	-	-	31,896	31,896
Child care services	-	-	-	-
Subtotal Instructional and Student Services	348,570	37,092	207,016	592,678
Improvement of instructional services	-	2,127	77,144	79,271
General administration	-	-	49,594	49,594
Workforce coordination	-	-	35,142	35,142
Data and information services	56,660	21,474	184,948	263,082
Subtotal Program Support	56,660	23,601	346,828	427,089
Total Expenditures	405,230	60,693	553,844	1,019,767
Revenues Equal to Expenditures	\$ -	\$ -	\$ -	\$ -
Fund Balance at Beginning of Year				-
Fund Balance at End of Year				\$ -

See Notes to the Financial Statements

SCHEDULE 8

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS GRANTS
ICCB COMPLIANCE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008**

**EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
FOR THE YEAR ENDED JUNE 30, 2008**

Enter the dollar amounts and percentages of actual, audited expenditures for each of the following grant streams:

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$ 330,689	82%
General Administration (9% Maximum Allowed)	\$ -	0%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	\$ 33,305	54%
General Administration (9% Maximum Allowed)	\$ -	0%

State Performance	Audited Expenditure Amount	Actual Expenditure Percentage
General Administration (9% Maximum Allowed)	\$ 49,594	9%

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS GRANTS
(State Basic, Public Assistance, and Performance)
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College of DuPage State Adult Education and Family Literacy Funds - including State Basic, Public Aid, and Performance Grants, conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

A. Basis of Accounting

The State Adult Education and Family Literacy Restricted Funds, including State Basic, Public Assistance, and Performance Grants, were awarded by the Illinois Community College Board (ICCB) to College of DuPage for the year ended June 30, 2008. The expenditures of these funds are accounted for in the Restricted Purposes Fund on a modified accrual basis and in accordance with the Adult Education and Family Literacy Audit Requirements of the ICCB. Accordingly, expenditures are recognized when liabilities are incurred and grant revenues are recognized only to the extent of allowable expenditures. Unexpended funds that are obligated prior to June 30 for which the goods are received or the services are provided after June 30 but prior to July 31 are recorded as deferred revenue. Unexpended funds, if any, are reflected as a liability due to the ICCB by October 15. The financial statements presented are only for the State Adult Education and Family Literacy Restricted Funds, including State Basic, Public Aid, and Performance Grants of the College of DuPage, and are not intended to present the financial position or results of operations of the College of DuPage.

B. Capital Assets

Capital asset purchases, if any, are recorded as capital outlays of the Program from which the expenditures are made.

2. BACKGROUND INFORMATION ON GRANT ACTIVITY

The State Adult Education and Family Literacy Restricted Funds Grant provides funding to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency, to assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children, and to assist adults in the completion of a secondary school education.

SCHEDULE 9

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
CAREER AND TECHNICAL EDUCATION -
PROGRAM IMPROVEMENT GRANT
BALANCE SHEET
JUNE 30, 2008**

ASSETS

Cash	<u>\$ 15,415</u>
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LIABILITIES AND FUND BALANCE

Liabilities	
Deferred revenue - obligated	<u>\$ 15,415</u>

Total liabilities	<u>15,415</u>
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Fund balance	<u>-</u>
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Total liabilities and fund balance	<u><u>\$ 15,415</u></u>
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See Notes to the Financial Statements

SCHEDULE 10

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
CAREER AND TECHNICAL EDUCATION -
PROGRAM IMPROVEMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

Revenue	
State grant revenues	\$ <u>66,879</u>
Expenditures	
Materials and supplies	15,943
Staff travel	6,636
Capital outlay	<u>44,300</u>
Total expenditures	<u>66,879</u>
Revenues equal to expenditures	<u>-</u>
Fund Balance at Beginning of Year	<u>-</u>
Fund Balance at End of Year	\$ <u><u>-</u></u>

See Notes to the Financial Statements

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**CAREER AND TECHNICAL EDUCATION - PROGRAM IMPROVEMENT GRANT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College of DuPage Career and Technical Education Program Improvement Grant conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

A. Basis of Accounting

The Career and Technical Education Program Improvement grant was awarded by the Illinois Community College Board (ICCB) to College of DuPage for the year ended June 30, 2008. The expenditures of these funds are accounted for in the Restricted Purposes Fund on a modified accrual basis and in accordance with the Fiscal Management Manual of the ICCB. Accordingly, expenditures are recognized when liabilities are incurred and grant revenues are recognized only to the extent of allowable expenditures. The financial statements presented are only for the Career and Technical Education Program Improvement Grant of the College of DuPage, and are not intended to present the financial position or results of operations of the College of DuPage.

B. Capital Assets

Capital asset purchases are recorded as capital outlays of the Program from which the expenditures are made.

2. BACKGROUND INFORMATION ON GRANT ACTIVITY

The Career and Technical Education Program Improvement grant recognizes that keeping career and technical programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

SCHEDULE 11

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
TECH PREP SUPPORT GRANT
BALANCE SHEET
JUNE 30, 2008**

ASSETS

Cash \$ 4,112

LIABILITIES AND FUND BALANCE

Liabilities
Accrued payroll \$ 4,112

Total liabilities 4,112

Fund balance -

Total liabilities and fund balance \$ 4,112

See Notes to the Financial Statements

SCHEDULE 12

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
TECH PREP SUPPORT GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008**

Revenue	
State grant revenues	\$ <u>35,058</u>
Expenditures	
Salaries	19,145
Benefits	383
Contractual services	9,727
Materials and supplies	4,099
Conference and meetings	<u>1,704</u>
Total expenditures	<u>35,058</u>
Revenues equal to expenditures	<u>-</u>
Fund Balance at Beginning of Year	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>

See Notes to the Financial Statements

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**TECH PREP SUPPORT GRANT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College of DuPage Tech Prep Support Grant conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies.

A. Basis of Accounting

The Tech Prep Support Grant was awarded by the Illinois Community College Board (ICCB) to College of DuPage for the year ended June 30, 2008. The expenditures of these funds are accounted for in the Restricted Purposes Fund on a modified accrual basis and in accordance with the Fiscal Management Manual of the ICCB. Accordingly, expenditures are recognized when liabilities are incurred and grant revenues are recognized only to the extent of allowable expenditures. The financial statements presented are only for the Tech Prep Support Grant of the College of DuPage, and are not intended to present the financial position or results of operations of the College of DuPage.

B. Capital Assets

Capital asset purchases are recorded as capital outlays of the Program from which the expenditures are made.

2. BACKGROUND INFORMATION ON GRANT ACTIVITY

The purpose of the Tech Prep Support Grant is to fund innovative activities initiated by Illinois community colleges in support of the overall goals and objectives of the Federal Tech Prep grant. Grant funded activities should be planned and carried out in coordination with the local Tech Prep consortium and must seek to 1) develop and/or expand community college involvement in activities from the local Tech Prep consortium's approved FY 2008 plans, and/or 2) support local efforts to develop innovative CTE programs of study.

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Crowe Horwath LLP
Member Horwath International

Independent Accountants' Report

To the Board of Trustees
College of DuPage
Community College District 502
Glen Ellyn, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, of the College of DuPage, Community College District 502 for the year ended June 30, 2008. The Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is the responsibility of the College's management. Our responsibility is to express an opinion on the schedule based upon our examination.

Our examination was conducted in accordance with attestations standards established by the American Institute of Certified Public Accountants, in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, included examining, on a test basis, evidence supporting the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, in all material respects, is fairly presented in accordance with the provisions of the aforementioned guidelines.

The supplementary information on 133-134 has not been subjected to the examination procedures applied in the examination of the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, and accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 26, 2008 on our consideration of the College'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 examination.

This report is intended solely for the information and use of the board of trustees, management, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP
Crowe Horwath LLP

Oak Brook, Illinois
September 26, 2008

SCHEDULE 13
(Page 1 of 2)

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2008

Categories Notes 1 and 2	Total Semester Credit Hours by Term (In-District and Out-of-District Reimbursable)							
	Summer		Fall		Spring		Total (Note 3)	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	45,436.0	-	112,629.0	-	110,424.0	156.0	268,489.0	156.0
Business Occupational	4,713.0	-	16,660.0	-	16,946.0	-	38,319.0	-
Technical Occupational	4,558.0	-	17,388.0	-	18,468.5	-	40,414.5	-
Health Occupational	5,299.5	-	10,613.0	-	11,019.5	390.0	26,932.0	390.0
Remedial Development	3,382.5	-	20,151.0	-	14,905.0	-	38,438.5	-
Adult Basic/Secondary Education	7,720.0	97.0	661.0	15,953.0	16,901.5	21.0	25,282.5	16,071.0
TOTAL	71,109.0	97.0	178,102.0	15,953.0	188,664.5	567.0	437,875.5	16,617.0

NOTE 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.
NOTE 2) Restricted credit hours are supported with more than 50% of restricted sources of funding.
NOTE 3) Total of unrestricted and restricted should equal the S-3 totals.

Attending In-District	415,795.00	Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement	1,995.00	TOTAL	417,790.00
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Semester Credit Hours (All Terms)		Dual Credit	9,713.0	Dual Enrollment	1,156.0
Reimbursable Semester Credit Hours (All Terms)					

District Prior Year Equalized Assessed Valuation:			
Cook County	\$	3,176,573,005.00	
DuPage County		38,909,050,896.00	
Will County		2,449,457,478.00	
Total	\$	44,535,081,379.00	

Student Residency Verification Process

College of DuPage only requires that students provide documentation to verify their in-district permanent residence when the address provided by the student is returned by the post office as undeliverable. To prove in-district residency, a student must submit to the Admission Office two items from the following list: valid driver's license, voter registration card, current lease, contract for sale of a home, community library card, current utility bill/insurance/medical/credit card statement, automobile registration, recent in-district high school transcript, tax bill for Dist. 502, imprinted checks, or paycheck stub.

A student must reside within the district for a least 30 days prior to the start of semester classes in order to meet the residency requirement unless they've met the exemptions outlined by ICCB. A student may also qualify for in-district tuition rates if he/she is employed full time at a company within the College of DuPage district and provides a letter from the employer to the Admissions Office.

District Prior Year Equalized Assessed Valuation

Signatures:  Chief Executive Officer (CEO)
 Chief Financial Officer (CFO)

\$ 44,535,081,379.00

SCHEDULE 13
(Page 2 of 2)

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2008

Categories	Total		Total		Difference
	Total Unrestricted Credit Hours	Certified to the ICCB	Total Restricted Credit Hours	Certified to the ICCB	
Baccalaureate	268,489.00	268,489.00	156.00	156.00	-
Business Occupational	38,319.00	38,319.00	-	-	-
Technical Occupational	40,414.50	40,414.50	-	-	-
Health Occupational	26,932.00	26,932.00	390.00	390.00	-
Remedial Development	38,438.50	38,438.50	-	-	-
Adult Basic/Secondary Education	25,282.50	25,282.50	16,071.00	16,071.00	-
TOTAL	437,875.50	437,875.50	16,617.00	16,617.00	-

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB (Unrestricted and Restricted)	Difference
In-District Residents	415,795.00	415,795.00	-
Out-of-District on Chargeback or Contractual Agreement	1,995.00	1,995.00	-
Total	417,790.00	417,790.00	-



Crowe Horwath LLP
Member Horwath International

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
College of DuPage
Community College District 502
Glen Ellyn, Illinois

We have audited the basic financial statements of the College of DuPage – Community College District 502 (the College) as of and for the year ended June 30, 2008 and have issued our report thereon dated September 26, 2008. Our report was modified to include a reference to other auditors. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing our opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 08-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, the significant deficiency described above, we consider to be material weakness. We also noted certain matters that we reported to management of the College in a separate letter dated September 26, 2008.

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements of which noncompliance with could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Board of Trustees, management of the College, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


Crowe Horwath LLP

Oak Brook, Illinois
September 26, 2008



Crowe Horwath LLP
Member Horwath International

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees
College of DuPage
Community College District 502
Glen Ellyn, Illinois

We have audited the compliance of the College of DuPage – Community College District 502 (the College) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-02 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the College as of and for the year ended June 30, 2008, and have issued our report thereon dated September 26, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Board of Trustees, management of the College, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Crowe Horwath LLP
Crowe Horwath LLP

Oak Brook, Illinois
September 26, 2008

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Expenditures	Encumbrances	Interest	Federal Revenue Recognized
Major Programs						
U.S. DEPARTMENT OF EDUCATION						
Student Financial Aid Cluster:						
Pell Grants - 2006	84.062	\$ -	\$ (2,026)	-	\$ -	(2,026)
Pell Grants - 2007	84.063	7,500,000	(27,990)	-	-	(27,990)
Pell Grants - 2008	84.063	7,536,719	7,536,719	-	-	7,536,719
College Work - Study 2007	84.033	254,556	1,159	-	-	1,159
College Work - Study 2008	84.033	269,499	269,499	-	-	269,499
S.E.O.G. - 2007	84.007	208,727	(1,125)	-	-	(1,125)
S.E.O.G. - 2008	84.007	207,938	207,938	-	-	207,938
Academic Competitiveness Grant 2007	84.375	-	125	-	-	125
Academic Competitiveness Grant 2008	84.375	65,400	65,400	-	-	65,400
Sub Total Student Financial Aid Cluster		16,042,839	8,049,699	-	-	8,049,699
U.S. Department of Labor		505,453	505,453	-	-	505,453
Community Based Job Training	17.269	505,453	505,453	-	-	505,453
Total Tested as Major Programs		16,548,292	8,555,151	-	-	8,555,151
U.S. Department of Health and Human Services						
Passed through Illinois Department of Children and Family Services :						
Foster Parent Training '07	93.658	66	66	-	-	66
Passed through Illinois Department of Health and Human Services						
Passed through World Relief						
World Relief/Citizensp Now '08	93.566	22,338	22,338	-	-	22,338
Passed through Illinois Department of Health and Human Services						
Passed through YWCA						
Quality Counts '07	93.596	(105)	(105)	-	-	(105)
U.S. Department of Education						
Passed through Illinois Community College Board:						
Federal Adult Basic Educ '07	84.002	-	-	-	-	-
Federal Adult Basic Educ '08	84.002	425,787	425,787	-	-	425,787
English Literacy Civics Grant '08	84.002	77,931	77,931	-	-	77,931
Sub Total CFDA 84.002		503,718	503,718	-	-	503,718

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Expenditures	Encumbrances	Interest	Federal Revenue Recognized
Passed through Illinois Community College Board:						
Passed through DuPage Area Occupational Education System (DAOES)						
Tech Prep Grant '08	84.243	\$ 66,000	\$ 66,000	-	\$ -	\$ 66,000
Passed through Illinois Community College Board:						
Carl Perkins Grants '07	84.048	570,307	44,531	-	-	44,531
Carl Perkins Grants '08	84.048	592,830	608,290	-	-	608,290
CTE Collaboration '07	84.048	2,000	-	-	-	-
CTE Collaboration '08	84.048	5,000	5,000	-	-	5,000
CTE Strand One '07	84.048	10,000	2,516	-	-	2,516
CTE Strand One '08	84.048	10,000	11,290	-	-	11,290
CTE Strand Two '08	84.048	5,000	3,729	-	-	3,729
CTE Strand Three '08	84.048	5,000	4,981	-	-	4,981
Tech Prep Support '06/07	84.048	70,116	1,980	-	-	1,980
Tech Prep Support '07/08	84.048	15,460	-	-	-	-
Finding Ways to Employee Non-Traditional Careers	84.048	1,500	1,500	-	-	1,500
Sub Total CFDA 84.048	84.048	1,500	1,500	-	-	1,500
		<u>1,288,713</u>	<u>685,317</u>	-	-	<u>685,317</u>
U.S Department of Labor						
Innovate Now - 27%	17.258	2,700	2,700	-	-	2,700
Innovate Now - 29%	17.259	2,900	2,900	-	-	2,900
Innovate Now - 44%	17.260	4,400	4,400	-	-	4,400
Nursing Program of Study	17.267	161	161	-	-	161
Women in Skilled Trades	17.260	7,439	7,439	-	-	7,439
Job Training Partnership Act Student Grants	17.250	293,871	97,349	-	-	97,349

**COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Expenditures	Encumbrances	Interest	Federal Revenue Recognized
<u>U.S. Department of Veteran Affairs</u> Veteran Administration Rehabilitation Student Grants	64.116	\$ 15,120	\$ 15,120	-	-	\$ 15,120
<u>National Science Foundation</u> Physics Tutoring '06/07	47.076	44,418	8,038	-	-	8,038
Passed through Purdue University: CASPIE Program '05/09	47.076	31,730	7,967	-	-	7,967
Passed through Middlesex Community College: Nat'l Engineering Tech Ed Program	47.076	30,342	3,722	-	-	3,722
Passed through Benedictine University BU/CCLI 7/10	47.076	27,455	8,766	-	-	8,766
Sub Total CFDA 47.076		<u>133,945</u>	<u>28,493</u>	-	-	<u>28,493</u>
OSU/ IN CLASS POLLING 07/09	47.049	19,021	9,969	-	-	9,969
CC/URC/7/11	47.049	58,444	33,120	-	-	33,120
Sub Total CFDA 47.049		<u>77,465</u>	<u>43,089</u>	-	-	<u>43,089</u>
Total		\$ 18,967,022	\$ 10,034,136	-	-	\$ 10,034,136
Noncash Federal Financial Assistance: Stafford/PLUS/SLS Loan Program	84.032	<u>\$ 10,556,391</u>				

**COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). It is summary of the activity of College of DuPage's federal awards program prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

2. FEDERAL LOAN PROGRAM

For the year ended June 30, 2008, the College by acted as a pass-through agency for Federal Stafford Loans (subsidized and unsubsidized) to students in the amount of \$10,556,391.

COLLEGE OF DuPAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiencies identified not
considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified not
considered to be material weaknesses? X Yes None Reported

Type of auditor's report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of
OMB Circular A-133? X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.062, 84.063, 84.033, 84.007, 84.375, 84.032	Student Financial Aid Cluster
17.269	Community Based Job Training
84.002	Federal Adult Education Basic

Dollar threshold used to distinguish between Type A and Type B programs: \$301,024

Auditee qualified as low-risk auditee? Yes X No

COLLEGE OF DuPAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Section II - Financial Statement Findings

Finding 08-01 Financial Reporting Controls

During the past fiscal year a number of new auditing standards became effective. The new standards do not allow for the auditor to rely on inquiry alone for the documentation of controls. This has caused a significant increase in the number of areas that the College could be documenting sign-offs to signify a review was completed. Based on the testing performed we identified the following areas the College can improve on documenting that a review was completed:

- ◆ Wire Transfers
- ◆ Depreciation on Capital Assets
- ◆ Tuition Receivable
- ◆ Debt Payments
- ◆ Cash Reconciliations for the Illinois Funds Account
- ◆ Investment Statements

Based on our control testing we found that the following areas had financial allocations that were being reviewed, but were not done in a timely manner during the year:

- ◆ Property Taxes
- ◆ Interest Income

In addition, the following items were noted:

- ◆ Not all manual journal entries were formally approved. 8 out of 33 journal entries were not formally approved.

During our testing of accounts, we identified areas that required journal entries including the arbitrage liability, interest receivable, loans made to students, deferred revenue, bond premium, accounts receivable, interest expense and tuition revenue accounts.

Recommendation

We recommend the following for the above items:

- ◆ That all reviews be clearly documented and completed in a timely manner.
- ◆ For journal entries, that the College implement procedures requiring all manual journal entries be reviewed and formally approved by appropriate personnel. The use of a journal entry form could be used for all manual transactions to document the initials of the preparer, the initials of the employee posting, and the initials of the employee approving.
- ◆ All accounts should be reviewed for proper year-end balances.

Corrective Action Plan

The College agrees with the recommendations and will develop procedures to address the issues identified.

COLLEGE OF DuPAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Section III - Federal Award Findings

Finding 08-02 Reviews of Cash Management and Reporting

Federal Department:	Department of Labor
CFDA Number(s):	17.269
Program Name(s):	Community Based Job Training
Questioned Costs:	\$ 0

In obtaining an understanding of controls over the Department of Labor Grant, Community Based Job Training, (DOL) the following items were noted:

- ♦ The Grant Accountant was responsible for tracking the grant expenditures and the grant revenues. No other formal independent review was performed. For example, there was no independent review of the cash drawdown requests. Not having an independent review of receipts and disbursements increases risk of noncompliance with grant requirements.
- ♦ Quarterly financial reports were required to be filed with the U.S. Department of Labor. According to the grant agreement, one individual is required to enter the information and a separate individual is required to submit and approve the information. At the College, the Grant Accountant prepared and submitted the reports with no independent review.

Although the above control issues were identified, based on our samples, no compliance problems were noted in our testing.

Recommendation

We recommend that the College implement additional procedures requiring an independent review of revenues, expenses and quarterly reports.

Corrective Action Plan

The College agrees with the recommendation and will develop procedures to address the issues identified.

COLLEGE OF DuPAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Section IV –Prior Year Findings and Questioned Costs

Finding 07-01 Capital Assets

While auditing capital assets of the College, we noted that the College did not capitalize one large purchase of capital assets that met the College's capitalization policy that was purchased in spring of 2007. We proposed a journal entry to record these and the general ledger was adjusted to record the capital assets. However, the College chose not to rerun depreciation expense for this one capital asset in the current year, due to the limitations in the capital asset system.

In addition, the capital asset system is not interfacing properly with the general ledger, most notably for equipment less than \$2,500 that is tracked in the system but not capitalized or depreciated for reporting purposes. When these are removed from the system, the system generates a loss on disposal that needs to be manually adjusted by the College, which was not done. We proposed an adjustment to correct this. Also, we noted that a loss on disposal of library books of approximately \$130,000 was inappropriately recorded as depreciation expense. We proposed a journal entry to correct the reporting of the loss on disposal.

We recommend that the College review its procedures for capitalizing capital assets and document the manual adjustments and other year end processes necessary to correctly record the capital asset activity of the College.

Corrective Action Plan

The error was caused by an incorrect commodity code being entered into the system due to a misunderstanding as to what part of the purchase order was for hardware and what was for services.

The College will attempt to improve procedures that will ensure a clear description of the purchases on the requisition.

2008 Update

The Purchasing Department had a new report designed from the Advantage System. This report (AD0661) will detail purchase orders with fixed asset object codes with a non fixed assets commodity code. The Purchasing Department can then review these exceptions for items that should be considered capital.

An annual journal entry is also made to reduce the machinery and equipment total for the total of items less than \$2,500- the threshold for fixed assets machinery and equipment items.

A journal entry is made at fiscal year end to record fixed assets donated during the year.

COLLEGE OF DuPAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Section IV –Prior Year Findings and Questioned Costs (continued)

Finding 07-01 Capital Assets (continued)

2008 Update (continued)

Journal entries are made at fiscal year end to reclassify the Fixed Asset Equity Accounts.

The College has documented the manual adjustments and other year end processes necessary to correctly record the capital asset activity of the College.

Journal entries were prepared and posted to the general ledger system in the first quarter of the fiscal year and at fiscal year end to reverse the loss on disposal of capital assets for those disposed items with a value less than \$2,500.

Finding 07-02 Review and Analysis of General Ledger Balances

During our preliminary analytical review of the College's trial balances that were sent to us for audit, we noted that, due to turn over in key positions in the finance department, the College did not review certain financial reporting cycles and their related trial balance accounts at year end for accuracy/reasonableness. The College should review and consider strengthening its control procedures for reviewing the year end trial balances to insure the accuracy and integrity of the trial balances in accordance with generally accepted accounting principles. This is especially imperative to perform in periods with significant staff turn over in key positions in the finance department.

Corrective Action Plan

We agree with the auditor's recommendation. Due to two retirements, an illness, a job transfer and a job elimination the finance office was undergoing major personnel changes the last six months of the fiscal year. The new personnel reviewed year end information for both accuracy and integrity. In examples where uncertainty occurred we sought assistance from our auditors and recorded everything accurately prior to finalization of our financial statements. This should not be an issue for next year as individuals in the finance office would have a year experience.

2008 Update

During FY08, the finance department again experienced staff turnover due to retirements and internal job transfers or promotions. However, due to improvements in both documentation of procedures and in ensuring employees in new positions could be mentored by a predecessor, trial balances were reviewed at fiscal year end to ensure the accuracy and integrity of the trial balances in accordance with generally accepted accounting principles.

COLLEGE OF DuPAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Section IV –Prior Year Findings and Questioned Costs (continued)

Finding 07-03 Title IV Recalculations

During our testing of the calculation of Title IV Refund returns it was discovered that there were eighteen incorrect calculations of the Title IV returns out of a sample of thirty-five. Upon discussion with the financial aid department and further audit testing it was determined that the incorrect calculations were isolated to the Fall 2006 term and were caused by an incorrect length of the Fall term being input into the Title IV Return System. Further investigation concluded that incorrect calculations were performed for a total of 154 students.

We recommend that the financial aid department manually recalculate a sample of Title IV returns each school term to verify that there are no errors in inputting the parameters of the term.

Corrective Action Plan

The College calendar for the Fall 2006 semester was the first time that the Thanksgiving break included the Wednesday before as a non-academic day. This resulted in the need to insert a break of 5 days into the R2T4 software. The entry of this break period was inaccurate resulting in the incorrect length of the term. As a result, a procedural change has been made to require a review, by multiple staff, of the calendar to ensure the proper entry of break periods prior to the use of the R2T4 calculation software in order to ensure its accuracy.

2008 Update

Appropriate breaks were recorded in the Department of Education R2T4 software to insure accurate calculations. Multiple staff reviewed the calendar to ensure the proper entry of break periods.

Finding 07-04 Timely Notification of Title IV Amounts Due

In the calculation of Title IV returns it is sometimes necessary for both the College and the student to return funds back to the Department of Education. Once the calculation is made by the financial aid department the College is required to notify the student within thirty days of the amount the student owes to the Department of Education. Out of a sample of thirty students six were found where notification was not done within the required 30 days. We recommend that the financial aid department incorporate a control procedure where each Title IV Return calculation includes a letter to the student within the time required time frame that either no balance is due from the student or a balance is due from the student as a result of the Title IV return calculation.

COLLEGE OF DuPAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Section IV –Prior Year Findings and Questioned Costs (continued)

Finding 07-04 Timely Notification of Title IV Amounts Due (continued)

Corrective Action Plan

With notification dependent upon the date that the institution becomes aware of the withdrawal, procedures have been modified to perform the review of withdrawals on a schedule that ensures timely notification to students within the required 30 days. This procedure was followed throughout the Spring 2007 semester and no other instances of untimely notification were identified. Appropriate notification will be provided to all impacted students.

2008 Update

The review of withdrawal schedule was followed to ensure timely notification to all impacted students within the required 30 days.

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Appendix B
Form of Legal Opinion

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June 18, 2009

Community College District No. 502,
Counties of DuPage, Cook and Will and State
of Illinois

Re: Community College District No. 502,
Counties of DuPage, Cook and Will and State of Illinois
General Obligation Refunding Bonds, Series 2009C
Total Issue: \$23,720,000
Original Date: June 18, 2009

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois ("District") of \$23,720,000 of its General Obligation Refunding Bonds, Series 2009C, dated June 18, 2009 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the District relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the District's tax covenants and representations ("Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding general obligations of the District.
2. The Bonds are payable as to principal and interest from (i) tuition receipts of the District and such other funds of the District lawfully available and annually appropriated for such purpose, and (ii) ad valorem taxes levied against all taxable property in the District, without limitation as to rate or amount.
3. Under federal statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Code, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by the District with the Tax Covenants. Failure to comply with the Tax Covenants

Community College District No. 502,
Counties of DuPage, Cook and Will and State of Illinois
June 18, 2009
Page 2

could cause interest on the Bonds to lose the exclusion from gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

The opinion set forth herein express the professional judgment of the attorneys participating in the transaction as to the legal issues addressed herein. By rendering such opinion, the undersigned does not become an insurer or guarantor of that expression of professional judgment or of the transaction opined upon. Nor does the rendering that of opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion thereon.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity; and (ii) the valid exercise of the constitutional powers of the State of Illinois and the United States of America.

Very truly yours,

Appendix C

Form of Continuing Disclosure Undertaking

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**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12**

This Continuing Disclosure Undertaking (the "Agreement") is executed and delivered by Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the "District") in connection with the issuance of its \$23,720,000 General Obligation Refunding Bonds, Series 2009C (the "Bonds"). The Bonds are being issued pursuant to an authorizing resolution adopted by the Board of Trustees of the District (the "Board") on May 21, 2009 and a Bond Order dated June 4, 2009 (together, the "Resolution").

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. Purpose of This Agreement. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the Beneficial Owners (as that term is defined in the Final Official Statement, defined below) and to assist the Underwriter in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited general purpose financial statements of the District prepared pursuant to the standards and as described in Exhibit I.

"Event" means the occurrence of any of the events set forth in Exhibit II.

"Material Event" means the occurrence of an Event that is material, as materiality is interpreted under the 1934 Act.

"Material Events Disclosure" means dissemination of a notice of a Material Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"1934 Act" means the Securities Exchange Act of 1934, as amended.

"**NRMSIRs**" means, as of any date, all Nationally Recognized Municipal Securities Information Repositories then recognized by the SEC for purposes of the Rule. As of the date of this Agreement, the NRMSIRs are:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
<http://www.bloomberg.com/markets/rates/municontacts.html>
E-Mail: Munis@Bloomberg.com

Fed Ex:
Bloomberg Business Park
100 Business Park Drive
Stillman, NJ 08558

DPC Data, Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
<http://www.munifilings.com>
E-Mail: nrmsir@dpcdata.com

Standard & Poor's Securities Evaluations, Inc.
55 Water Street, 45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
<http://www.disclosuredirectory.standardandpoors.com>
E-Mail: nrmsir_repository@sandp.com

Interactive Data Pricing and Reference Data, Inc.
Attn: NRMSIR
100 William Street, 15th Floor
New York, NY 10038
Phone: (212) 771-6999; 800-689-8466
Fax: (212) 771-7390
<http://www.interactivedata-prd.com>
E-Mail: NRMSIR@interactivedata.com

"**Participating Underwriter**" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"**Rule**" means Rule 15c2-12 adopted by the SEC under the 1934 Act, as the same may be amended from time to time.

"**SEC**" means the Securities and Exchange Commission.

"**SID**" means any public or private repository designated by the State as the state repository and recognized as such by the SEC for purposes of the Rule. As of the date of this Agreement there is no SID.

"**State**" means the State of Illinois.

"**Undertaking**" means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP Number/Final Official Statement. The CUSIP Numbers of the Bonds are as set forth on Exhibit III. The Final Official Statement relating to the Bonds is dated June 4, 2009 (the "Final Official Statement").

4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to each NRMSIR and to the SID, if any. The District is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified. To the extent that Annual Financial Information is included in the District's Audited Financial Statements, it need not be separately delivered. Notwithstanding the foregoing, any filing under this Agreement, including any filing required by Section 5 of this Agreement, may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District shall disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Events Notification: Material Events Disclosure. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate in a timely manner a Material Event Disclosure to each NRMSIR or to the MSRB, and to the SID, if any, upon the occurrence of a Material Event. Notwithstanding the foregoing, notice of optional unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. Duty to Update NRMSIRs/SID. The District shall determine, in the manner it deems appropriate, the names and address of the then-existing NRMSIRS and SID each time it is required to file information with such entities.

7. Consequences of Failure of the District to Provide Information. The District shall give notice in a timely manner to each NRMSIR or to the MSRB, and to the SID, if any, of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, any Beneficial Owner may seek mandamus or specific performance by court order to cause the District to comply with its obligations under this Agreement. A default under this Agreement

shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Chief Financial Officer of the District, pursuant to authorization granted in the Resolution, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or type of business conducted;

(b) this Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not materially impair the interests of the Beneficial Owners, as determined by a party unaffiliated with the District (such as bond counsel) at the time of the amendment.

9. Termination of Undertaking. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. If this Section is applicable, the District shall give notice in a timely manner to each NRMSIR or to the MSRB, and to the SID, if any.

10. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

11. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or Material Event Disclosure, in addition to that which is required by this Agreement. If the District chooses to include any other information in any Annual Financial Information Disclosure or Material Event Disclosure in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such other information or include it in any future Annual Financial Information Disclosure or Material Event Disclosure.

12. Beneficiaries. This Agreement has been executed to assist the Underwriter in complying with the Rule; however, this Agreement shall insure solely to the benefit of the District and the Beneficial Owners, and shall create no rights in any other person or entity.

13. Assignment. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State.

**COMMUNITY COLLEGE DISTRICT NO. 502,
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS**

By: _____
Its: Chairman

Address:

425 Fawell Boulevard
Glen Ellyn, IL 60137

Date: June 18, 2009

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to each NRMSIR and to the SID, if any, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB; the Final Official Statement need not be available from each NRMSIR, the SID or the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, by 210 days after the last day of the District's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the accounting principles described in the Official Statement. Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, within 30 days after availability to the District.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE CERTIFICATES
FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

**EXHIBIT III
CUSIP NUMBERS**

SERIES 2009C BONDS

Year of Maturity	Cusip Number
2009	262615 GE1
2010	262615 GF8
2011	262615 GG6

Appendix D

Official Notice of Sale

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OFFICIAL NOTICE OF SALE

\$24,195,000*

**COMMUNITY COLLEGE DISTRICT NO. 502
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS
(COLLEGE OF DUPAGE)**

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009C

**Date of Sale: June 3, 2009
10:00 a.m. CDT**

BIDS

Bids will be received (as described below) by Community College District No. 502, Counties of DuPage, Cook and Will and the State of Illinois (the "District"), at the offices of BMO Capital Markets GKST Inc., 425 Sears Tower, 233 South Wacker Drive, Chicago, Illinois 60606, until 10:00 A.M., Central Daylight Time, on June 3, 2009, for the purchase of the District's General Obligation Refunding Bonds, Series 2009C (the "Bonds"). Bids submitted for the purchase of the Bonds will be accepted or rejected by the District's Board of Trustees (the "Board") on June 4, 2009, pursuant to a resolution adopted on the 21st day of May, 2009. The successful bidder will be notified of the time of the formal award.

Each bid must either:

(i) be submitted electronically via **PARITY**[®] in accordance with this Notice of Sale, until 10:00 a.m. Central Daylight Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY**[®] conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**[®], potential bidders may contact Lindsay Wall at the Financial Advisor telephone (312) 441-2605, or I-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5021; or

(ii) be sent by **facsimile transmission to (312) 441-2667**. Bids submitted by facsimile transmission shall be deemed to constitute an offer of contract to the same extent as a submission by **PARITY**. **Any bidder intending to bid by facsimile transmission shall notify the Financial Advisor of such intention no later than the close of business on June 2, 2009**. Neither the District nor the Financial Advisor shall be responsible for the inability of the bidder to successfully fax its bid in a timely manner.

No bid will be received after the time for receiving bids specified above.

BOND DETAIL

The Bonds will be issued only as fully registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"), New York, New York. **DTC** will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in denominations of \$5,000 and any integral multiple of that sum. Purchasers will not receive Bonds representing their interest in the Bonds unless the book-entry system is terminated. See "**BOOK-ENTRY ONLY SYSTEM**" in the District's Near Final Official Statement relating to the Bonds.

The Bonds shall bear interest from their date at a rate or rates to be determined as provided in the accepted bid, first payable on December 1, 2009 and semiannually thereafter on each June 1 and December 1. Principal shall be payable on the Bonds beginning on December 1, 2009 and ending December 1, 2011 in the amounts as set forth in the Official Bid Form. The Bonds will be dated June 18, 2009.

*Preliminary, subject to change.

The District has designated Cole Taylor Bank, Chicago, Illinois as Bond Registrar and Paying Agent.

BIDDING DETAILS

Each bid shall provide a schedule of interest rates on the Official Bid Forms for the Bonds, as specified below. The bids shall state the rate or rates at which the Bonds shall bear interest in multiples of 1/8 or 1/20 of 1% or both.

No bid on the Bonds will be considered at an aggregate purchase price of less than \$24,195,000.00 exclusive of any accrued interest. No bid on the Bonds will be considered in which the interest rate is in excess of 3.00%.

Each bid to be considered must contain a bid for one or all of the Bonds. If the Bonds will be reoffered the bids must also state the prices (exclusive of any accrued interest) at which the bidder intends that the Bonds initially shall be offered to the public.

Any Official Bid Form which is not fully completed and signed may be rejected at the option of the District. The successful bidder(s) will be required to sign the Arbitrage Certificate.

GOOD FAITH DEPOSIT

The successful bidder will be required to post a good faith deposit by wire transfer as instructed by the Financial Advisor to be received by the Treasurer of the District prior to 3:00 p.m. central time on June 3, 2009 as evidence of good faith of the bidder (the "Deposit"). Such Deposit amount will be for \$485,000.00. The Deposit of the successful bidder will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of any Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until disposed of, as follows: (a) at the delivery of the Bonds and upon compliance with the successful bidder's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the successful bidder fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

SECURITY

In the opinion of Ice Miller LLP, Lisle, Illinois, Bond Counsel, the Bonds are legally binding general obligations of the District, payable both as to principal and interest from ad valorem property taxes levied upon all taxable property in the District without limitation as to rate or amount. See "THE BONDS – Security and Payment" in the District's Near Final Official Statement relating to the Bonds.

RATINGS

The Bonds have been rated "Aaa" by Moody's Investor Services ("Moody's") and "AAA" by Standard & Poor's Rating Group ("S&P"). The ratings reflect only the views of the rating agencies providing the rating at the time such rating was issued and any explanation of the significance of such rating may be obtained only from each rating service. This rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of information and such change in rating may have an effect on the market price of the Bonds.

The District is not securing the Bonds with bond insurance or any other form of credit enhancement.

OPTIONAL REDEMPTION

The Bonds are not subject to optional redemption prior to maturity.

ACCEPTANCE OF BID

For the purpose of determining the winning bid for the Bonds, the interest cost of each bid will be computed by determining the True Interest Cost to the District on the Bonds to their maturity date. The Bonds will be awarded to the bidder whose bid produces the lowest True Interest Cost to the District on the Bonds.

The True Interest Cost is the annual compounded percentage rate by which periodic principal and interest payments on the Bonds are discounted to the present value, represented by the bid for Bonds, as of the prospective settlement date of June 18, 2009. The bid for the Bonds shall be determined by calculating the par amount of the Bonds plus any premium, less any original issue discount, less underwriting spread, plus accrued interest to the prospective settlement date of June 18, 2009. Each bidder should supply with its bid the True Interest Cost to the District, computed in the manner specified above. The True Interest Cost calculation is not a part of the bid and is for information purposes only.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The District reserves the right to adjust the par amount of the Bonds in any maturity by no more than 10% of any maturity in a manner that produces the desired debt service. To the extent that any such adjustment affects the underwriting spread assumed by the bidder, the bid price will be adjusted in an amount that preserves the winning bidder's total underwriting spread.

Each bidder agrees to furnish with its bid a list of the firms comprising that bidder's syndicate.

The District reserves the right to reject any or all bids. The District may also, at its sole discretion, waive any irregularity or informality in any bid.

LEGAL OPINION

A copy of the approving legal opinion of Ice Miller LLP, Lisle, Illinois, Bond Counsel to the District, in substantially the form included in the Near Final Official Statement dated the date of delivery of the Bonds, will be delivered without expense to the successful bidder(s) at the delivery of the Bonds.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the Beneficial Owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information which is to be provided on an annual basis, the events which will be reported on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in Appendix C to the District's Near Final Official Statement relating to the Bonds, "FORM OF CONTINUING DISCLOSURE UNDERTAKING."

The District is currently in compliance with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking. See Appendix C to the District's Near Final Official Statement, "FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

PAYMENT OF BONDS

Payment for the Bonds, including accrued interest to the date of delivery, shall be made in immediately available Federal funds at the time of delivery of the Bonds.

DELIVERY OF BONDS

It is expected that the Bonds will be delivered on or about June 18, 2009 and at delivery will be registered in the name of Cede & Co., as nominee for DTC. Delivery of the Bonds will be made in New York, New York, without cost to the successful bidder(s). A certified copy of the record of proceedings of the District relating to the Bonds, which shall include certified copies of the Bond Resolution and a no-litigation certificate as described in the Near Final Official Statement, shall be delivered to the successful bidder(s) of the Bonds. Among the documents included in the record of proceedings is a certification of the District, to be dated the date of delivery of the Bonds, to the effect that the Official Statement, as of its date did not, and as of the date of delivery of the Bonds does not, contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they have been made, not misleading.

If the Bonds are not tendered for delivery by 12:00 Noon, Chicago Time, by the 45th day following the date of acceptance of the winning bid (or on any date after that as to which the successful bidder(s) and the District shall have agreed in writing to extend the deadline for delivery), the successful bidder(s) may on that day, or any time after that date until delivery is made of the Bonds, withdraw its proposal by serving notice of cancellation on the District, in writing, in which event the District shall promptly return the good faith deposit.

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder(s) to accept delivery of and make payment for the Bonds. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the successful bidder(s).

OFFICIAL STATEMENT

The District has deemed the Near Final Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of the Rule, except for the omission of the offering price or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identities of the underwriters. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Near Final Official Statement, subject to minor additions, deletions and revisions as required to complete the Near Final Official Statement. By submission of its bid, the successful bidder(s) will be deemed to have certified that it has obtained and reviewed the Near Final Official Statement. Promptly after the sale date, but in no event later than seven business days after the sale date, the District will provide the successful bidder(s) with a reasonable number (not to exceed 75) of Final Official Statements. The successful bidder(s) agrees to supply to the District all information necessary to complete the Final Official Statement within 24 hours after the award of the Bonds.

A condition of the bid shall be the bidder's agreement to comply with all provisions of MSRB Rule G-32 to which the successful bidder(s) is subject, including compliance with paragraph (d)(ii) of MSRB Rule G-32, which requires that from the time the Final Official Statement becomes available in final printed form until up to twenty-five days after the delivery of bonds by the Issuer, the successful bidder(s) shall send the Final Official Statement by first class mail or equally prompt means to any potential customer no later than the next business day following a request for the Final Official Statement.

AVAILABLE DOCUMENTS

Copies of the Near Final Official Statement, the Official Bid Forms and the Bond Resolution may be obtained upon request directed to the District at the office of its Financial Advisor: BMO Capital Markets GKST Inc., 425 Sears Tower, 233 South Wacker, Chicago, Illinois 60606, (312) 441-2605, lindsay.wall@bmo.com, Attn: Lindsay Wall.

The Near Final Official Statement and the Official Bid Form can also be downloaded from the following website: <http://www.bmocm.com/industry/uspublicfinance/posreports/default.aspx>.

Community College District No. 502
(College of DuPage)
Counties of DuPage, Cook and Will and the State of Illinois

BMO Capital Markets GKST Inc.
425 Sears Tower, 233 South Wacker Drive
Chicago, Illinois 60606
Tel: 312-441-2605