NEW ISSUE

RATINGS: Moody's "Aaa"
S&P "AAA"
(see "RATINGS" herein)

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable 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. Interest on the Bonds is not exempt from current State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

$9,460,000
COMMUNITY COLLEGE DISTRICT NO. 502
COUNTIES OF DUPAGE, COOK AND WILL AND STATE OF ILLINOIS
(COLLEGE OF DUPAGE)
GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 2011B

Dated: Date of Issuance **Due: January 1, as shown on the inside cover**

This Official Statement contains information relating to Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the "District") and its General Obligation Refunding Bonds (Alternate Revenue Source), Series 2011B (the "Bonds").

The Bonds will be 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 ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial ownership interests in the Bonds will be made in book-entry only form, in denominations of $5,000 principal amount and integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. Principal and interest on the Bonds will be paid directly to DTC by Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent (the "Bond Registrar") for the Bonds.

The Bonds bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2012, until maturity or earlier redemption. The Bonds will be subject to redemption prior to maturity as described herein. See "THE BONDS" herein.

The Bonds are being issued to (i) refund a portion of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2003B and (ii) pay costs of issuing the Bonds. See "THE REFUNDING" herein.

The Bonds are "alternate bonds" as described in the Local Government Debt Reform Act of the State of Illinois, as amended. The Bonds will constitute valid and legally binding general obligations of the District, payable as to principal and interest (i) together with the District's outstanding Prior Alternate Bonds, from student tuition and fees, and (ii) from *ad valorem* taxes levied against all the taxable property in the District without limitation as to rate or amount, except that 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. See "SECURITY FOR THE BONDS" herein.

The Bonds are being offered when, as and if issued by the District and received and accepted by the Underwriters, subject to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the District by its counsel Robbins, Schwartz, Nicholas, Lifton & Taylor, Ltd. and for the Underwriters by their counsel, Perkins Coie LLP, Chicago, Illinois. It is expected that the Bonds in definitive form will be available for delivery through the facilities of DTC in New York, New York on or about August 10, 2011.

William Blair & Company **BofA Merrill Lynch**

Dated: July 27, 2011

$9,460,000
COMMUNITY COLLEGE DISTRICT NO. 502
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS
(COLLEGE OF DUPAGE)
GENERAL OBLIGATION REFUNDING BONDS
(ALTERNATE REVENUE SOURCE), SERIES 2011B

MATURITIES, AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIPS[1]

MATURITY (January 1)	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP[1]
2015	$1,530,000	4.00%	1.08%	262615 HG5
2016	1,585,000	4.00	1.40	262615 HH3
2021	2,025,000	4.00	3.00	262615 HJ9
2022	2,110,000	4.75	3.23	262615 HK6
2023	2,210,000	4.75	3.42[C]	262615 HL4

[C] Yield to January 1, 2022 call date.

No dealer, broker, salesperson, or other person has been authorized by Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the "District"), to give any information or to make any representation with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement is neither an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Bonds offered hereby, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion set forth herein have been furnished by the District and include information from other sources which the District believes to be reliable. Such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. Such information and expressions of opinion are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change since the date hereof. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Bonds.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety. All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Resolution (as defined herein). Copies of the Bond Resolution are available for inspection at the offices of the District and the Bond Registrar. The information contained herein is provided as of the date hereof and is subject to change.

The Underwriters intend to make a bona fide initial public offering of all of the Bonds at prices no higher than, or yields not lower than, those shown in this Official Statement. The Underwriters reserve the right to lower such initial offering prices as they deem necessary in connection with the marketing of the Bonds. In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds offered hereby at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

COLLEGE OF DUPAGE

COMMUNITY COLLEGE DISTRICT NO. 502
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

$9,460,000
COMMUNITY COLLEGE DISTRICT NO. 502
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS
(COLLEGE OF DUPAGE)
GENERAL OBLIGATION REFUNDING BONDS
(ALTERNATE REVENUE SOURCE), SERIES 2011B

INTRODUCTION

The Bonds

The purpose of this Official Statement, including the cover page, the inside cover page and the Appendices hereto, is to set forth information in connection with the offering and sale by Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the "District") and its General Obligation Refunding Bonds (Alternate Revenue Source), Series 2011B, in the aggregate principal amount of $9,460,000 (the "Bonds").

The Bonds are being issued under and pursuant to a resolution providing for the issuance of the Bonds duly adopted by the Board of Trustees of the District on June 23, 2011 (as supplemented by a Bond Order, Notification of Sale and Direction to Extend Taxes, the "Bond Resolution").

Amalgamated Bank of Chicago, Chicago, Illinois, has been appointed bond registrar and paying agent for the Bonds (the "Bond Registrar") pursuant to the Bond Resolution.

The Bonds are "alternate bonds" as described in the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"). The Bonds will constitute valid and legally binding general obligations of the District, payable as to principal and interest (i) together with the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2003B (the "2003B Alternate Bonds"), General Obligation Refunding Bonds (Alternate Revenue Source), Series 2006 (the "2006 Alternate Bonds"), General Obligation Bonds (Alternate Revenue Source), Series 2009A (the "2009A Alternate Bonds") and General Obligation Taxable Bonds (Alternate Revenue Source), Series 2009B (the "2009B Alternate Bonds" and, together with the 2003B Alternate Bonds, the 2006 Alternate Bonds and the 2009A Alternate Bonds, the "Prior Alternate Bonds") from student tuition and fees (the "Pledged Revenues"), and (ii) from *ad valorem* taxes levied against all the taxable property in the District without limitation as to rate or amount (the "Pledged Taxes"), except that 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. See "SECURITY FOR THE BONDS" herein.

The proceeds derived from the issuance of the Bonds will be used by the District to (i) refund a portion of the outstanding 2003B Alternate Bonds and (ii) pay costs of issuing the Bonds (including Underwriters' discount). See "THE REFUNDING".

The District has sold for issuance and delivery on the date of issuance of the Bonds, its $95,440,000 aggregate principal amount of General Obligation Community College Bonds, Series 2011A (the "Series 2011A Bonds"). The Series 2011A Bonds will be general obligations of the District payable from *ad valorem* taxes levied against all taxable property in the District without limitation as to rate or amount. The Series 2011A Bonds are not secured by a pledge of the Pledged Revenues. See "SECURITY FOR THE BONDS". The Series 2011A Bonds are being issued for the purpose of financing capital improvements and refunding a portion of the District's outstanding General Obligation Bonds, Series 2003A (the "Series 2003A Bonds").

The District

The District encompasses an area of approximately 357 square miles and includes the majority of DuPage County and portions of Cook and Will Counties in Illinois. The District operates the College of DuPage (the "College"), a comprehensive community college located in the Village of Glen Ellyn, approximately 35 miles west of downtown Chicago. The College facilities in Glen Ellyn are situated on approximately 273 acres and the College also operates six regional centers and delivers programs at over 150 satellite locations throughout the District. Students can choose from 47 pre-baccalaureate areas of study and from 48 occupational and technical programs, as well as continuing education and other programs. The College offers its students nine Associate Degree programs and more than 35 programs with degrees that transfer to baccalaureate granting institutions. The population of the District is approximately 1,091,387. See "THE DISTRICT" herein.

Contact Information

Copies of statutes, resolutions or other documents referred to in this Official Statement are available, upon request, from the District's Senior Vice President Administration and Treasurer, 425 Fawell Boulevard, Glen Ellyn, Illinois 60137, telephone (630) 942-2218 or facsimile (630) 858-9078.

Additional Information

Certain factors concerning the Bonds are described throughout this Official Statement, which should be read in its entirety. All references herein to laws, resolutions, agreements and documents do not purport to be complete statements of the provisions thereof and are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Resolution.

THE BONDS

General

The Bonds will be issued only in fully registered form without coupons, will be dated the date of issuance (the "Dated Date") and will bear interest from the Dated Date or from the most recent interest payment date to which interest has been paid or provided for, which interest will be payable on January 1 and July 1 of each year, commencing January 1, 2012, computed on the basis of a 360-day year of twelve 30-day months. The Bonds will mature on January 1 of each of the years and in the principal amounts and will bear interest at the respective rates per annum shown on the inside cover page of this Official Statement. The Bonds will initially be registered through the book-entry only system operated by The Depository Trust Company ("DTC"). Principal of and interest on the Bonds will be paid as described in " – Book-Entry Only System," below. The Bonds will be issued in denominations of $5,000 and any integral multiples thereof.

Redemption Provisions

The Bonds due on January 1, 2023 are subject to redemption prior to maturity at the option of the District from any available funds, in whole or in part in integral multiples of $5,000, in such principal amounts as determined by the District (less than all the Bonds of such maturity to be selected by lot by the Bond Registrar), on January 1, 2022, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Redemption Notice and Procedures

The Bonds will be redeemed only in the principal amount of $5,000 and integral multiples thereof. The District will, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period is satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity of the Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed will be selected by lot by the Bond Registrar, by such method of lottery as the Bond Registrar deems fair and appropriate, upon or prior to the time of the giving of notice of redemption (see " – Book-Entry Only System" for information regarding DTC's customary procedures and practices for selecting book-entry bonds for redemption).

Notice of the call for any such redemption will be given by the Bond Registrar on behalf of the District by mailing the redemption notice by first class mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to the registered owners of the Bonds at the addresses shown on the books for the registration and transfer of the Bonds maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners.

All official notices of redemption will include (a) the redemption date; (b) the redemption price; (c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed; (d) unless the redemption is made conditional as described in the succeeding paragraph, a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for that purpose of the Bond Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

So long as notice of redemption is given as described above, the Bonds or portions of Bonds so to be redeemed will, subject to the condition described in the preceding paragraph, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District defaults in the payment of the redemption price) such Bonds or portions of Bonds will cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, the principal amount will be paid by the Bond Registrar at the redemption price. Interest due on or prior to the redemption date will be payable as provided for the payment of principal. Upon surrender for any partial redemption of the Bonds, there will be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of a Bond called for redemption will not be so paid upon surrender thereof for redemption, the principal will, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed will be canceled and destroyed by the Bond Registrar and will not be reissued.

Book-Entry Only System

General. The following information concerning DTC has been furnished by DTC for use in this Official Statement. Neither the District nor the Underwriters are responsible for its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 bond certificate will be issued for each maturity of the Bonds 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 Bonds under the book-entry system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 the Bonds, except in the event that use of the book-entry only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, unless otherwise described herein, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Registrar 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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 Bond Registrar, on the 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, the Bond Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuance of DTC Services. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving notice to the District and the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond 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 sources that the District and the Underwriters believe to be reliable, but the District and the Underwriters take no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of the Official Statement. WHILE THE BONDS ARE IN THE BOOK-ENTRY SYSTEM, REFERENCE IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT TO OWNERS OF SUCH BONDS SHOULD BE READ TO INCLUDE ANY PERSON FOR WHOM A PARTICIPANT ACQUIRES AN INTEREST IN SUCH BONDS, BUT (I) ALL RIGHTS OF OWNERSHIP, AS DESCRIBED HEREIN, MUST BE EXERCISED THROUGH DTC AND THE BOOK-ENTRY SYSTEM AND (II) NOTICES THAT ARE TO BE GIVEN TO REGISTERED OWNERS BY THE BOND REGISTRAR WILL BE GIVEN ONLY TO DTC. DTC IS REQUIRED TO FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICES TO THE PARTICIPANTS BY ITS USUAL PROCEDURES SO THAT SUCH PARTICIPANTS MAY FORWARD (OR CAUSE TO BE FORWARDED) SUCH NOTICES TO THE BENEFICIAL OWNERS.

THE REFUNDING

Proceeds of the Bonds will be used to refund a portion of the 2003B Alternate Bonds. The following table sets forth the maturity date, interest rate, principal amount and redemption date and price for each maturity of the 2003B Alternate Bonds being refunded with proceeds of the Bonds (the "Refunded Bonds"):

Maturity Date (January 1)	Interest Rate	Principal Amount	CUSIP[1]	Redemption Date	Redemption Price
2015	4.000%	$1,580,000	262615 DN4	1/1/2013	100%
2016	4.125	1,640,000	262615 DP9	1/1/2013	100
2023	4.750	6,560,000	262615 DW4	1/1/2013	100

To provide for the payment and retirement of the Refunded Bonds, a portion of the proceeds of the Bonds will be used to purchase certain securities that are direct obligations of the United States of America (the "Government Obligations"). The principal of and interest on the Government Obligations will be sufficient (i) to pay when due the interest on the Refunded Bonds to their respective redemption dates and (ii) to pay or redeem the Refunded Bonds on their respective redemption dates at their respective redemption prices.

The Government Obligations purchased with the proceeds of the Bonds will be held in an irrevocable escrow account (the "Escrow Account") created pursuant to an Escrow Agreement between the District and Amalgamated Bank of Chicago, Chicago, Illinois (the "Escrow Agreement"). The District will, by entering into the Escrow Agreement, irrevocably determine to call for redemption each of the Refunded Bonds on its applicable redemption date. Neither the maturing principal of the Government Obligations nor the interest to be earned thereon will serve as security or be available for the payment of the principal of or the interest on the Bonds.

The mathematical computation of (i) the adequacy of the Escrow Account to provide for payments on the Refunded Bonds as described above and (ii) the actuarial yields on the Bonds and the Government Obligations will be verified at the time of the delivery of the Bonds by Robert Thomas CPA, LLC, independent certified public accountants. See "CERTAIN VERIFICATIONS."

As described elsewhere, the District has sold for issuance and delivery on the date of issuance of the Bonds, the Series 2011A Bonds for the purpose of refunding a portion of the Series 2003A Bonds.

---

[1] Copyright 1999-2011, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor's Financial Services, LLC, a Subsidiary of The McGraw-Hill Companies, Inc. The District does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the issuance of the Bonds and the implementation of the refunding plan described above:

Sources:	
Principal Amount of the Bonds	$ 9,460,000
Original Issue Premium	1,024,184
Total Sources	$10,484,184
Uses:	
Refunding of Refunded Bonds	$10,395,785
Costs of Issuance, including Underwriters' Discount	88,399
Total Uses	$10,484,184

SECURITY FOR THE BONDS

General

The Prior Alternate Bonds and the Bonds are "alternate bonds" ("Alternate Bonds") as described in the Debt Reform Act. The Bonds will constitute valid and legally binding general obligations of the District, payable as to principal and interest (i) ratably and equally with the Prior Alternate Bonds from the Pledged Revenues, and (ii) from the Pledged Taxes, except that 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. The Bonds are being issued on a parity with the Prior Alternate Bonds to the extent the Bonds and the Prior Alternate Bonds are payable from the Pledged Revenues. The District is authorized to issue from time to time additional obligations payable from the Pledged Revenues as permitted by law and to establish the lien priority thereof.

Pledged Revenues

The Bonds and the Prior Alternate Bonds are secured by the Pledged Revenues and the Bonds are further secured by the Pledged Taxes, as described below. The Pledged Revenues consist of student tuition and fees. For more information concerning student tuition and fees, see "THE DISTRICT – District Revenue – *Student Tuition and Fees*" herein.

Pledged Taxes

The Bonds will be general obligations of the District to the payment of which the District will pledge its full faith and credit. The Bond Resolution provides for the levy of *ad valorem* property taxes in amounts sufficient to pay, as and when due, all principal of and the interest on the Bonds. The Bond Resolution will be filed with the Country Clerks of DuPage County, Cook County and Will County and will serve as authorization to said County Clerks to extend and collect such property taxes. The District may only direct abatement of such taxes in any year if and to the extent that it has Pledged Revenues or other funds irrevocably set aside in the Bond Fund established pursuant to the Bond Resolution to pay the principal of and interest on the Bonds.

In accordance with the Debt Reform Act, the Bonds will be excluded from statutory limitations on indebtedness unless *ad valorem* property taxes are extended for the payment of the Bonds pursuant to the general obligation, full faith and credit pledge supporting the Bonds. In such case, the outstanding Bonds will be included in computing all statutory limitations on indebtedness of the District until an audit shows that the Bonds have been paid from the Pledged Revenues for one complete fiscal year. It is the District's intention to use the Pledged Revenues for the payment of the Bonds so that it will not be necessary to extend the Pledged Taxes levied by the Bond Resolution.

Other Provisions

The Debt Reform Act requires that the Pledged Revenues must be pledged to the payment of the Prior Alternate Bonds and the Bonds and that the District must covenant to provide for, collect and apply such Pledged Revenues to the payment of the Prior Alternate Bonds and the Bonds and the provision of not less than an additional .25 times debt service. This pledge and covenant is contained in the Bond Resolution. The covenant and pledge constitute continuing obligations of the District and a continuing appropriation of the Pledged Revenues received.

No later than the last date on which property tax abatements may be filed with respect to *ad valorem* taxes to be extended and collected for each Tax Year (defined below), the District intends to abate the Pledged Taxes in such Tax Year in an amount equal to the amount then on deposit in the Bond Fund and available for such payment. To the extent that sufficient Pledged Revenues are not deposited by the District in the Bond Fund on or prior to the last date on which property tax abatements may be filed with respect to *ad valorem* taxes to be extended and collected for each Tax Year, and other funds are not so deposited, the Pledged Taxes are required to be extended, collected and deposited in the Bond Fund in such tax year for payment of debt service due on the Bonds. The term "Tax Year" means for any year for which taxes are levied in the Bond Resolution, the year in which such taxes are to be extended for collection.

Bond Fund

The Bond Resolution creates the "Alternate Bond and Interest Fund of 2011" (the "Bond Fund"). In the Bond Resolution, the District covenants to provide for, collect, budget and apply the Pledged Revenues to the payment of the Prior Alternate Bonds and the Bonds and the provision of not less than an additional .25 times debt service on the Prior Alternate Bonds and the Bonds and deposit in the Bond Fund and in the debt service funds established for the respective series of the Prior Alternate Bonds all Pledged Revenues so budgeted and collected.

In addition, if Pledged Taxes are extended to pay the Bonds, the District will deposit in the Bond Fund all Pledged Taxes for the purpose of paying principal of and interest on the Bonds. Pursuant to the Bond Resolution, the Pledged Taxes are irrevocably pledged to the purpose of paying principal of and interest on the Bonds when due.

Debt Service Coverage

The following table compares actual Pledged Revenues for the fiscal year ended June 30, 2010 with debt service due and to become due on the Prior Alternate Bonds and the Bonds.

(As of July 27, 2011, giving effect to the issuance of the Bonds and the refunding of the Refunded Bonds)

Fiscal Year Ending June 30	(A) Pledged Revenues[1]	Prior Alternate Bonds[2] Principal	Prior Alternate Bonds[2] Interest	The Bonds Principal	The Bonds Interest	The Refunded Bonds Principal	The Refunded Bonds Interest	(B) Total Debt Service Payable from Pledged Revenues	Debt Service Coverage Ratio (A)/(B)[3]
2012	$53,409,218	$ 4,555,000	$ 4,321,810		$ 160,897		$ (221,225)	8,816,482	6.06
2013	53,409,218	4,680,000	4,201,710		410,800		(442,450)	8,850,060	6.03
2014	53,409,218	4,795,000	4,080,100		410,800		(442,450)	8,843,450	6.04
2015	53,409,218	4,985,000	3,888,300	$1,530,000	410,800	$(1,580,000)	(442,450)	8,791,650	6.07
2016	53,409,218	5,130,000	3,697,275	1,585,000	349,600	(1,640,000)	(379,250)	8,742,625	6.11
2017	53,409,218	5,295,000	3,490,025		286,200		(311,600)	8,759,625	6.10
2018	53,409,218	5,465,000	3,265,006		286,200		(311,600)	8,704,606	6.14
2019	53,409,218	5,640,000	3,028,350		286,200		(311,600)	8,642,950	6.18
2020	53,409,218	5,835,000	2,773,933		286,200		(311,600)	8,583,533	6.22
2021	53,409,218	6,050,000	2,520,440	2,025,000	286,200	(2,085,000)	(311,600)	8,485,040	6.29
2022	53,409,218	6,280,000	2,223,153	2,110,000	205,200	(2,185,000)	(212,563)	8,420,790	6.34
2023	53,409,218	6,520,000	1,910,520	2,210,000	104,975	(2,290,000)	(108,775)	8,346,720	6.40
2024	53,409,218	4,370,000	1,579,670					5,949,670	8.98
2025	53,409,218	4,525,000	1,345,875					5,870,875	9.10
2026	53,409,218	4,680,000	1,099,263					5,779,263	9.24
2027	53,409,218	4,845,000	841,863					5,686,863	9.39
2028	53,409,218	5,020,000	575,388					5,595,388	9.55
2029	53,409,218	5,205,000	299,288					5,504,288	9.70
TOTAL[4]		$93,875,000	$45,141,969	$9,460,000	$3,484,072	$(9,780,000)	$(3,807,163)	$138,373,878	

(1) Pledged Revenues for the fiscal year ended June 30, 2010

(2) Gross Debt Service. Does not take into account interest subsidy payments expected to be received from the U.S. Treasury with respect to the 2009B Alternate Bonds, which were issued as "Build America Bonds pursuant to the American Recovery and Reinvestment Act of 2009. The interest subsidy payments may be applied to any lawful corporate purposes of the District.

(3) As required by the Debt Reform Act, the debt service payable in any year on the Bonds will not exceed the debt service payable in such year on the Refunded Bonds.

(4) Columns may not total due to dollar rounding.

DISTRICT DEBT

Summary of Outstanding Debt

The following table sets forth the outstanding long-term debt of the District giving effect to the issuance of the Bonds, the refunding of the Refunded Bonds and the issuance of the Series 2011A Bonds and the application of the proceeds thereof:

Name of Issue	Dated Date	Original Principal Amount	Current Amount Outstanding	Final Maturity Date
General Obligation Bonds, Series 2003A[1]	2/1/2003	$92,815,000	$ 13,705,000	6/1/2013
General Obligation Bonds (Alternate Revenue Source), Series 2003B[2][3]	2/1/2003	31,580,000	4,380,000	1/1/2014
General Obligation Bonds (Alternate Revenue Source), Series 2006[2]	11/1/2006	7,890,000	7,760,000	1/1/2020
General Obligation Bonds, Series 2007	2/1/2007	78,840,000	72,945,000	6/1/2023
General Obligation Bonds (Alternate Revenue Source), Series 2009A[2]	5/4/2009	12,550,000	9,505,000	6/1/2014
General Obligation Bonds (Alternate Revenue Source), Series 2009B[2]	5/4/2009	62,450,000	62,450,000	1/1/2029
General Obligation Refunding Bonds, Series 2009C	6/18/2009	23,720,000	11,715,000	12/1/2011
The Bonds	8/10/2011[4]	9,460,000	9,460,000	1/1/2023
The Series 2011A Bonds	8/10/2011[4]	95,440,000	95,440,000	6/1/2031
Total:			$287,360,000	

[1] To be refunded in whole or in part with proceeds of the Series 2011A Bonds. See "INTRODUCTION – The Bonds."

[2] The Prior Alternate Bonds and the Bonds are payable from (1) the Pledged Revenues and (2) *ad valorem* taxes levied against all taxable property within the District without limitation as to rate or amount. The principal amount of the Alternate Bonds does not count against the District's statutory debt limit unless the taxes levied for the payment of the Alternate Bonds are extended for collection.

[3] To be refunded in whole or in part with proceeds of the Bonds. See "INTRODUCTION – The Bonds" and "THE REFUNDING".

District Debt Service Schedule

General Obligation
Debt Service Schedule
As of June 30, 2011
(giving effect to the issuance of the Bonds, the refunding of the Refunded Bonds and the issuance of the Series 2011A Bonds and the application of the proceeds thereof)

Fiscal Year Ending June 30	Total Alternate Bond Debt Service[1] Principal	Total Alternate Bond Debt Service[1] Interest	Total Unlimited Tax Bonds Debt Service[2] Principal	Total Unlimited Tax Bonds Debt Service[2] Interest	Total General Obligation Debt Service
2012	$ 4,555,000	$ 4,261,482	$ 21,825,000	$ 5,748,488	$ 36,389,969
2013	4,680,000	4,170,060	17,875,000	7,992,225	34,717,285
2014	4,795,000	4,048,450	14,165,000	7,301,725	30,310,175
2015	4,935,000	3,856,650	14,780,000	6,710,025	30,281,675
2016	5,075,000	3,667,625	13,195,000	6,092,625	28,030,250
2017	5,295,000	3,464,625	12,665,000	5,479,325	26,903,950
2018	5,465,000	3,239,606	12,065,000	4,865,225	25,634,831
2019	5,640,000	3,002,950	11,450,000	4,261,975	24,354,925
2020	5,835,000	2,748,532	10,810,000	3,689,475	23,083,008
2021	5,990,000	2,495,040	10,130,000	3,148,975	21,764,015
2022	6,205,000	2,215,790	9,425,000	2,642,475	20,488,265
2023	6,440,000	1,906,720	8,615,000	2,237,475	19,199,195
2024	4,370,000	1,579,670	7,785,000	1,849,550	15,584,220
2025	4,525,000	1,345,875	6,960,000	1,460,300	14,291,175
2026	4,680,000	1,099,263	6,110,000	1,094,900	12,984,163
2027	4,845,000	841,863	5,200,000	789,400	11,676,263
2028	5,020,000	575,388	4,245,000	529,400	10,369,788
2029	5,205,000	299,288	3,240,000	317,150	9,061,438
2030			2,185,000	155,150	2,340,150
2031			1,080,000	45,900	1,125,900
TOTAL[3]	$93,555,000	$44,818,877	$193,805,000	$66,411,763	$398,590,638

[1] See "SECURITY FOR THE BONDS – Debt Service Coverage", above.
[2] Consists of the the Series 2003A Bonds, the Series 2007 Bonds, the Series 2009 Bonds and the Series 2011A Bonds described above under "Summary of Outstanding Debt.
[3] Columns may not total due to dollar rounding.

For additional information about the outstanding debt of the District, see "THE DISTRICT – Outstanding Debt".

THE DISTRICT

Introduction

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 a seven-member Board of Trustees, 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 District. The principal policy and budget decisions are also made by the District.

The District includes all of DuPage County except Wayne Township, Lyons Township in Cook County and a small portion of Will County. 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, a comprehensive, publicly-supported, community college serving the District. The College currently enrolls approximately 30,000 students each semester and has 4,052 staff members, including 274 full-time faculty-staff members, 2,271 part-time faculty-staff members and 1,507 other employees, which includes administrators, counselors and advisors, classified staff, various other professionals and student employees.

The District's offices and the main campus of the College are located at 425 Fawell Boulevard, in the Village of Glen Ellyn, Illinois (the "Village"), approximately 35 miles west of Chicago in the center of DuPage County. The District is actively considering de-annexation of the campus of the College from the Village, although no formal proceedings have been initiated. De-annexation proceedings would not affect the corporate boundaries of the District, the equalized assessed valuation of the District or the extension or collection of taxes levied to pay the principal of and interest on the Bonds. In the event of de-annexation, certain services currently provided to the District by the Village, such as water and sewer, may continue to be provided by the Village, at possibly increased rates or these services would be provided by DuPage County and others. The District believes that de-annexation would have no material adverse impact on its operations or financial condition.

The College's campus facilities are situated on approximately 273 acres and include fifteen on-campus buildings, including resource centers, instructional centers, computing centers, arts facilities and recreational centers. Three new buildings are currently under construction: an approximate 60,000 square foot Homeland Security Education Institute and an approximate 60,000 square foot Culinary and Hospitality Center, which are scheduled to open in August, 2011 and an approximate 75,000 square foot Student Services Center which is scheduled to open in October, 2011.

The College offers a diverse educational program giving students the choice of enrolling on a full or part-time basis. Students can choose from 47 pre-baccalaureate areas of study and from 48 occupational and technical programs. The College offers its students nine Associate Degree programs and more than 35 programs with degrees that transfer to baccalaureate granting institutions. The College also offers a wide variety of program options, including an Adult Fast Track program, an Honors program, an online program and a Field and Experiential Learning program. In addition, the College also offers a wide variety of continuing education programs, including Adult Basic Education, GED Preparation and Adult ESL programs, Youth Academy, Career and Professional Development plus special seminars and workshops for community members with a specific interest in mind. The College in 2008 received a maximum seven-year reaccreditation through the North Central Association of Colleges and Schools Commission on Institutions of Higher Education. It is also recognized by the Illinois Community College Board.

Credit and non-credit courses are offered on the College's Glen Ellyn campus and at over 150 satellite locations throughout the District, including either College regional or community education centers in Addison, Bloomingdale, Carol Stream, Naperville, West Chicago and Westmont. The College also operates several Centers for Independent Learning, including one on the Glen Ellyn Campus and one each at the regional centers in Bloomingdale, Naperville and Westmont.

The academic divisions of the College include Business and Technology; Continuing Education/Extended Learning; Health & Sciences; Learning Resources and Liberal Arts. In addition, the College conducts specialized programs such as English as a Second Language, GED and Citizenship. The College also offers a variety of courses and other services over the Internet through COD Online. The College's library maintains a collection of over 240,000 books, 585 periodicals, and many non-print materials such as videos, CDs, and tapes. In addition, the College provides a variety of extracurricular activities for its students, such as athletics, band, choir, a variety of 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 by the U.S. Census Bureau, the population of the County was 781,666 in 1990, 904,161 in 2000 and 954,215 in 2010. The population of the District was 970,512 in 2000 and is currently 1,091,387, making the District slightly more populous than DuPage County, which is the second most populous county in the State of Illinois.

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, Navistar, Inc. recently announced the relocation of its world headquarters, including a research and development center, to Lisle which is expected to retain or create approximately 3,000 permanent jobs. Also, Central DuPage Hospital recently opened the CDH Proton Center in Warrenville. This is the first such proton therapy center in Illinois and the ninth in the United States.

Due to the fact that approximately 90 percent of the equalized assessed valuation of real property in the District lies in DuPage County, much of the financial, statistical, socioeconomic and demographic data discussed below and in APPENDIX B – "Socioeconomic and Demographic Information" relates to DuPage County and does not describe Cook or Will Counties.

Enrollments

The following chart shows actual enrollments of the College for the past four years.

Historical Enrollments

Fiscal Year	10th Day Fall Semester Head Count	10th Day Full Time Equivalent	Male	Female	Attendance Full Time	Attendance Part Time
2011	26,722	15,902	47%	53%	39%	61%
2010	27,083	16,036	46	54	39	61
2009	28,230	14,913	45	55	39	61
2008	28,361	14,601	45	55	35	65

Source: District records.

The following chart shows projected enrollments for the next three years.

Projected Enrollments

Fiscal Year	Fall Semester Head Count	10th Day Fall Semester Full Time Equivalent
2012	28,933	17,674
2013	29,216	17,825
2014	29,573	18,036

Source: District records.

Funding Sources; Financial and Operating Information

District Revenues. The operating and debt service funds of the District have three primary sources of revenue: local property taxes, student tuition and fees and state funding. The following chart shows the revenues of the District by source for the fiscal year ended June 30, 2010.

Revenue Source	Amount (000's)	Percent of Total	Increase (Decrease) From FY09 (000's)	Percent Increase (Decrease) From FY09
Local Government	$ 97,167	44.7%	$ 9,478	10.8%
Student Tuition & Fees	54,420	25.0	(4,741)	(8.0)
State Government	34,000	15.6	1,337	4.1
Federal Government	20,019	9.2	6,994	53.7
Sales & Service Fees	5,884	2.7	431	7.9
Income on Investments	2,024	0.9	(5,738)	(73.9)
All Other	3,939	1.9	735	22.9
TOTAL	$217,453	100.0%	$8,496	4.1%

Source: Comprehensive Annual Financial Report of the District for fiscal year ended June 30, 2010.

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

Total Operating Funds Revenue of District

FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
$126,993,155	$132,458,079	$138,198,347	$151,126,770	$153,794,166

Source: District records. Amounts equal revenue plus interfund transfers.

Tax Revenues. Local taxes are raised from property taxes levied on District residents in the portions of DuPage, Cook and Will Counties that comprise the District. The following chart shows the assessed valuation of all property in the District for recent years.

History of Assessed Valuation of District

Assessment Year	DuPage County	Cook County	Will County	Total
2010[(1)]	$38,913,477,604	$4,016,070,084	$2,401,363,863	$45,330,911,551
2009	41,322,377,605	4,016,070,084	2,544,699,547	47,883,147,236
2008	41,338,403,397	3,924,143,457	2,535,083,018	47,797,629,872
2007	38,909,050,896	3,368,763,397	2,449,457,478	44,727,271,771
2006	36,137,439,494	3,176,573,005	2,272,214,518	41,586,227,017
2005	33,462,991,322	3,180,333,360	2,048,262,019	38,691,586,701

(1) Final valuation for Assessment Year 2010 of property located in Cook County is not yet available and the 2009 EAV for Cook County was used for the estimated total 2010 valuation. Assessed value is equal to one-third of estimated actual value.

Sources: District records, DuPage, Will and Cook County Clerks.

Property taxes are levied based on the assessed value and the tax levy amount is filed with each County Clerk for each fund. Each County Clerk calculates the actual tax levy for each fund based upon the maximum tax rates allowed for each fund and the tax extension limits allowed under the Tax Extension Limitation Law (as defined below). Those taxes may be allocated to separate funds of the District, subject to legal levy limits imposed upon them by State statutes. The following chart shows the separate funds of the District and the applicable legal levy limits.

District Funds and Levy Limits

	Levy Rates (per $100 of equalized assessed valuation)			
Fund Type	**Max. Auth.**	**2010**	**2009**	**2008**
Education	.7500	.1483	.1337	.1291
Operations & Maintenance	.1000	.0242	.0217	.0214
Liability, Protection and Settlement	None	None	None	.0019
Social Security/Medicare	None	None	None	.0025
Audit	.0050	None	None	.0004
Bond and Interest	None	.0624	.0573	.0329
Working Cash Bonds	None	None	None	None
Life Safety	None	None	None	None
Total	.8550	.2349	.2127	.1882

The following chart shows the total tax levies and collections of the District for the past ten years, current as of June 21, 2011.

District Property Tax Levies and Collections

Year of Levy	Tax Collection Year	Total Tax Levy*	Tax Collections	Percent of Levy Collected
2010	2011	$104,941,060	$ 51,528,118**	49.1%**
2009	2010	101,143,667	100,243,488	99.1
2008	2009	89,505,364	88,707,763	99.1
2007	2008	84,423,396	84,928,987	100.6
2006	2007	80,729,055	80,350,042	99.5
2005	2006	73,030,950	72,367,702	99.1
2004	2005	70,389,994	70,339,139	99.9
2003	2004	68,924,720	69,201,478	100.4
2002	2003	67,271,095	66,559,363	98.9
2001	2002	54,194,402	53,897,537	99.5

* Total tax levy amounts are shown net of the .5% allowance for uncollectible taxes.
** Taxes in process of collection. Tax collections are shown as of June 29, 2011. The District will receive the remainder of the levy year 2010 taxes between July and December, 2011.
Source: District records.

Student Tuition and Fees. Student tuition and fees are determined by the District and are payable by students upon registration for classes. They must be paid no later than the start of the semester to which the student tuition and fees apply or students will be dropped from classes. The District makes deferred payment arrangements with approximately 56% of its students, allowing them to pay student tuition and fees prior to the beginning of the succeeding semester. The chart below shows the tuition and fee rates at the College and the total tuition revenues and fee revenues from fiscal years 2003 through 2012.

District Tuition Rates and Tuition and Fee Revenues

Fiscal Year	Total Tuition and Fees in District per Semester Hour	Total Tuition and Fees Out of District per Semester Hour	Total Tuition and Fees Out of State per Semester Hour	Operating Funds Tuition Revenue(1)	Operating Funds Fee Revenue(1)	Operating Funds Tuition and Fee Revenue(1)	Total Tuition and Fee Revenue(2)
2012(3)	$132.00(4)	$319.00(4)	$389.00(4)	$70,457,953	$6,546,728	$77,004,681	$90,980,533
2011(3)	129.00	316.00	386.00	66,708,669	2,895,912	69,604,581	90,566,040
2010	116.00	305.00	370.00	58,420,294	3,711,112	62,131,406	75,780,538
2009	108.00	296.00	359.00	58,694,441	4,174,566	62,869,007	76,074,710
2008	103.00	292.00	305.00	50,998,778	2,410,439	53,409,217	66,224,840
2007	96.00	250.00	307.00	47,078,797	2,501,923	49,580,720	56,472,220
2006	87.00(5)	243.00	286.00	44,378,178	2,247,206	46,625,384	56,736,214
2005	75.00	202.50	271.50	42,413,314	2,357,836	44,771,150	54,837,003
2004	69.00	189.00	259.50	37,515,119	2,381,633	39,896,752	51,150,656
2003	64.50	186.00	256.50	34,457,274	2,263,649	36,720,923	47,707,542

(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) Budget.
(4) For Fiscal Year 2012, the Board of Trustees of the District approved a $3.00 Student Service Fee to help cover expected shortfalls in State funding.
(5) In fiscal year 2006, the District changed to semester from the quarter system. Hours for prior years were restated to semester hours.
Source: District records.

The total tuition and fees for in-District students has been made up of the following components for Fiscal Years 2007-2012.

Tuition and Fee Breakdown

	FY 2007	FY2008	FY 2009	FY 2010	FY 2011	FY 2012
In-District Tuition	$75.85	$ 82.25	$ 88.25	$ 92.15	$ 99.15	$ 99.15
Construction Fee[(1)]	5.50	4.50	3.50	5.00	9.00	9.00
Debt Service Fee	9.00	9.00	9.00	9.00	10.00	10.00
Technology Fee	3.00	4.50	4.50	7.00	8.00	8.00
Student Activity Fund	2.50	2.60	2.60	2.70	2.70	2.70
Service Fee[(2)]	-	-	-	-	-	3.00
Student to Student Grant	0.15	0.15	0.15	0.15	0.15	0.15
TOTAL	$96.00	$103.00	$108.00	$116.00	$129.00	$132.00

[(1)] Beginning FY 2012, the Construction Fee is allocated between the Operations and Maintenance Fund (Fund 02) and Operations and Maintenance (Restricted) Fund (Fund 03) based on management's annual assessment of need.
[(2)] For FY 2012, the Board approved a $3.00 Student Service Fee to help cover expected shortfalls in State funding.
Source: District records.

State Funding. As shown above under *"District Revenues,"* State funding accounted for approximately 15% of all District revenues for fiscal year 2010. State funding is based upon enrollment levels and reimbursement rates established by the State. These funds are appropriated to the Illinois Community College Board ("ICCB") and then distributed to the various community colleges. The District has experienced recent declines and delays in State funding as compared to other revenue sources. Due to the fact that the State is facing significant financial shortfalls and challenges to balancing the State budget, the District is uncertain as to future levels of State funding. As a result, the District was conservative and only budgeted one-third of the annual amount expected to be received from the State. To address any potential shortfalls in State funding, a $3.00 Student Service Fee will be charged to students beginning fiscal year 2012.

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:

(a) Credit hour grant
(b) Equalization grant
(c) Special populations grant
(d) Economic development grant
(e) Advanced technology equipment grant
(f) 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 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 approximately 73 percent of total ICCB 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 approximately 18 percent of total ICCB grants. The District does not receive equalization funding.

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 of total ICCB grants.

Financial Operations. The District's Treasurer is the custodian for all District funds. The Treasurer receives receipts directly from the county collectors of the District's various counties and from the Treasurer of the State.

Budgeting Process. The District's budget process and system of budgetary controls works as follows:

- All financial operations for the District are implemented according to a running, five year financial plan (the "Plan"). The Plan is updated each year between September and December. Historical data, trends in the District's financial condition, state funding, and economic indicators are used to formulate a base forecast, which is reviewed by the District's cabinet level officers during this period.

- The Plan is presented to the District for review in January. Thereupon, the District and the District's staff develop a set of financial goals consistent with the Plan and from which the budget (the "Budget") is formulated.

- The Budget and all department goals are reviewed monthly by cabinet level officers until budgetary expenditures for the coming year are fully matched against total institutional resources. This process is completed in May.

The Budget is published and available for public inspection in May. A budget hearing for public comment is held at a District meeting each June with the final Budget being adopted at this meeting.

Commencing with its adoption in June, the Budget, on a line by the line basis, is entered on the District's fully computerized encumbrance reporting system. This on-line system monitors all District's expenditures during the year, allowing for expenditures to be controlled within the limits established in the Budget. The system also summarizes the year-to-date performance of each department relative to the Budget and the above-mentioned financial goals.

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 $8,123,977 as of June 30, 2010. The District's Working Cash Fund Balance has not been drawn down over the past three fiscal years.

Employee Relations and Collective Bargaining

The District has approximately 4,052 employees. The 274 full-time faculty-staff members are represented by the College of DuPage Faculty Association IEA/NEA, pursuant to a contract expiring on August 16, 2011. The 572 part-time faculty union-staff members are represented by the College of DuPage Adjunct Association IEA/NEA, pursuant to a contract that expired on May 13, 2011. The District's 16 operating engineers are represented by the International Union of Operating Engineers Local 399, pursuant to a contract that expired on June 30, 2011. In addition, the District's 16 public safety officers are represented by the Illinois Fraternal Order of Police Labor Council, pursuant to a contract that expired on June 30, 2011. The District is currently in negotiations with all four unionized employee groups. The District characterizes relations with all bargaining units as generally positive.

Risk Management

The District 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 twelve community colleges in Illinois. Each college pays an annual premium to the Consortium as its pro rata share for property, casualty, liability, workers compensation, medical malpractice, sport accident and directors' and officers' insurance coverage. The Agreement for Formation of the Consortium provides that the Consortium will be self-sustaining through member premiums. The Consortium self-insures certain portions of the coverage and reinsures excess through commercial companies.

Settled claims resulting from these risks have not exceeded Consortium insurance limits in any of the past three fiscal years. Therefore, the District has not recorded an accrual for any liabilities related to these risks.

The District maintains self-insurance coverage through a third-party administrator for its employee health insurance. The District 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 District maintains a specific excess policy that provides coverage in excess of $125,000 per employee.

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

Estimated claims incurred but not reported June 30, 2010	$834,654
Estimated FY 2010 claims incurred	(9,696,557)
FY 2010 claims paid	9,609,359
Estimated claims incurred but not reported June 30, 2009	$747,456

Source: Comprehensive Annual Financial Report of the District for FY 2010

The District includes this liability in the amount reported for accrued salaries and benefits, within current liabilities, on the Statement of Net Assets contained in the District's audited financial statements.

Pension, Termination and Post Employment Benefits

Pension Plan. The District 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). Required District contributions to SURS in fiscal year 2010 totaled $229,315. SURS is 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 issues a publicly available financial report that includes financial statements and required supplementary information.

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State on behalf of the individual employers at an actuarially determined rate. The employer contributions that are funded by the District are for employees paid from restricted grant funds. The current actuarially funded rate for 2011 is 21.27% and the prior year rate for 2010 was 18.61% 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 District and the State are as follows:

Year Ending June 30	District	State of Illinois
2010	$229,315	$15,932,474
2009	156,619	10,696,716
2008	131,637	8,185,317
2007	107,783	6,235,317
2006	123,691	4,268,294

Retiree Health Plan. The District contributes to the State of Illinois Community College Health Insurance Security Fund (the "College Insurance Plan"), a cost-sharing multiple employer defined benefit post-employment healthcare plan administered by the State. The College Insurance Plan provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating community colleges. The benefits, employer, employee, retiree and State contribution requirements are established and may be amended by the Illinois General Assembly

By statute, each active contributor (employee) of SURS and each community college district is required to contribute 0.5% of covered payroll. Retirees also pay a premium for coverage that is determined by statute. The State is required by law to make an annual appropriation to the College Insurance Plan to cover any expenditures in excess of the contributions made by employees, employers and retirees.

The employer contributions to the College Insurance Plan for recent years are as follows:

Year Ending June 30	District[1]	State of Illinois
2010	$371,377	$371,377
2009	380,265	380,265
2008	364,261	364,261

[1] Represents 100% of required contribution.

Termination Benefit. The District provides compensation payments to eligible administrators, classified employees and faculty to encourage early retirement. The long-term liability for the payments, which is payable in installments up to a maximum of three years subsequent to retirement, is recorded in the fiscal year of election for retirement. The expected future payments at June 30 of the years 2010 and 2009 are as follows:

As of June 30	Number of Participants		
2010	75	Fiscal Year 2011 payments	$ 916,489
		Value of payments beyond Fiscal Year 2011	2,494,618
2009	67	Fiscal Year 2010 payments	$ 980,039
		Value of payments beyond Fiscal Year 2010	2,039,445

Other Post-Employment Benefits ("OPEB"). The District provides eligible faculty, administrators and classified retirees with a health benefit program, which is a single-employer plan. There are a variety of health care arrangements depending on when an individual retired from the District. The District also provides fixed health care coverage reimbursements capped at a fixed dollar amount to retirees. The District is not required to and currently does not advance funds to cover the cost of benefits that will become due and payable in the future.

Funding Progress:

Fiscal Year Ended June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) – Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
2010	-0-	$12,013,103	$12,013,103	0.00%	$74,656,269	16.1%
2009	-0-	11,357,994	11,357,994	0.00	76,769,160	14.8

The District had an actuarial valuation performed for the program as of June 30 of the years 2010 and 2009 to determine its annual required contribution. The following chart summarizes the net annual OPEB cost and OPEB contributions of the District for those years:

Fiscal Year Ending June 30	Annual OPEB Cost (Determined Actuarially)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$506,592	100.6%	$52,796
2009	598,641	92.6	55,610

For additional information regarding the District's retirement fund obligations, see APPENDIX A – "Audited Financial Report of the District for Fiscal Year Ended June 30, 2010", Note 4.

Outstanding Debt

District Debt. The chart below shows the direct general obligation debt of the District. For more detail, see "DISTRICT DEBT".

Direct General Obligation
Bonded Indebtedness of the District
(as of July 27, 2011 giving effect to the issuance of the Bonds, the refunding of the Refunded Bonds, the issuance of the Series 2011A Bonds and the application of the proceeds thereof)

Estimated Full Value of Taxable Property (1)	$135,992,734,653
Equalized Assessed Valuation of Taxable Property (1)	$45,330,911,551
General Obligation Bonded Debt	$193,805,000
Percentage to Full Value of Taxable Property	0.14%
Percentage to Equalized Assessed Valuation	0.43%
Percentage of Debt Limit (2.875% of EAV) (2)	14.87%
Per Capita	$177.58
Population Estimate (3)	1,091,387

(1) As of assessment year 2010.
(2) Does not include the Alternate 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 2011.

Source: District records.

Overlapping Debt. The following shows the overlapping debt of the District as of June 21, 2011.

	Estimated Percentage Applicable	Amount Applicable
DuPage County	96.44%	$ 47,419,548(1)(2)
DuPage County Forest Preserve	96.44	205,295,422(1)(3)
DuPage Water Commission	92.43	0
Townships	100.00	0
Municipalities	43.96	483,891,494(1)(2)(3)(4)(5)
Special Service Areas	100.00	16,173,500
Park Districts	75.00	219,337,337(1)(2)(3)
Fire Protection Districts	100.00	4,395,000(2)
Library Districts	45.00	1,356,750(1)
Grade School Districts	93.63	331,155,213(1)(2)(3)
High School Districts	88.60	296,494,324(1)(2)(3)
Unit School Districts	82.30	580,469,210(2)
Total Overlapping General Obligation Bonded Debt		$2,185,987,798

(1) Excludes outstanding principal amounts of General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.
(2) Excludes installment contracts, purchase agreements and debt certificates
(3) Includes original principal amounts of General Obligation Capital Appreciation Bonds.
(4) Excludes self-supporting bonds.
(5) Includes TIF bonds.

Source: Office of the DuPage County Clerk.

TAX COLLECTION INFORMATION FOR DUPAGE COUNTY, ILLINOIS

Summary of Property Assessment, Tax Levy And Tax Collection Procedures. A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. Due to the fact that 90 percent of the District lies in DuPage County, the information under this caption describes the current procedures for real property assessment, tax levy and collection in DuPage County. As used below, references to the "County" mean DuPage County. There can be no assurance that the procedures described herein will not be changed.

General. In the District, taxes are extended on assessed values after equalization. Real estate tax bills in the County are payable in two installments, usually June 1 and September 1. Taxes levied in one calendar year become payable during the following calendar year in two equal installments. Taxes not paid when due are subject to a penalty rate of 1-1/2 percent per month until paid. Unpaid property taxes constitute a valid lien against the property on which the tax is levied. Railroad taxes are payable in one installment with the same penalty date as the second installment of real estate bills. Property is subject to sale by the Treasurer of the County (the "County Treasurer") to recover delinquent taxes. The property tax cycle is based upon the calendar year.

Assessment. The township assessor of each of the nine townships in DuPage County is responsible for the assessment of all taxable real property within the township except for certain railroad property and certified pollution control facilities which are assessed directly by the State. The County is reassessed every fourth year by the township assessors. Between these quadrennial assessments, assessors can revalue those properties whose condition has altered significantly in the past year because of improvements or damages and any other properties that they determine are incorrectly assessed.

After the township assessors establish the fair market value of a parcel of land, the value, as revised by the County supervisor of assessments, is multiplied by 33-1/3 percent to arrive at the assessed valuation ("Assessed Valuation") for that parcel. Each township assessor and the County supervisor of assessments may revise the Assessed Valuation. Taxpayers may formally petition for review of their assessments by the DuPage County Board of Review. In addition, taxpayers have the right to appeal the DuPage County Board of Review's decision to the State Property Tax Appeal Board or to the Circuit Court in a tax objection proceeding.

Equalization. After the township assessors and the county supervisor of assessments have established the Assessed Valuation for each parcel for a given year and township multipliers have been established, and following the DuPage County Board of Review revisions, the Illinois Department of Revenue (the "Revenue Department") is required by statute to review the Assessed Valuations. The Revenue Department establishes an equalization factor (commonly called the "Multiplier ") for each county, to make all valuations uniform among the 102 counties in the State. Assessments are equalized at 33-1/3 percent of estimated fair market value.

Once the equalization factor is established, the Assessed Valuations determined by the township assessors, as revised by the DuPage County Board of Review, are multiplied by the equalization factor to determine the Equalized Assessed Valuations. The Equalized Assessed Valuations are the final property valuations used for determination of tax liability in the County.

The aggregate Equalized Assessed Valuation for all parcels in the County, including the valuation of certain railroad property and certified pollution control facilities assessed directly by the State, and the valuation of farms assessed under the direction of the State, constitutes the total real estate tax base for the County, and is the figure utilized to calculate tax rates.

Exemptions. An annual General Homestead Exemption provides the Equalized Assessed Valuation ("EAV") of certain property owned and used exclusively for residential purposes ("Residential Properties") may be reduced by up to $5,000 for taxable years 2004 through 2007, $5,500 for assessment year 2008 and up to $6,000 for assessment year 2009 and thereafter (the "General Homestead Exemption").

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the two years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption ("Senior Citizens Homestead Exemption") operates annually to reduce the EAV on a senior citizen's home for assessment years prior to taxable year 2004, the maximum reduction is $2,500 in counties with 3,000,000 or more inhabitants and $2,000 in all other counties. For taxable years 2004 through 2005, the maximum reduction is $3,000 in all counties, $3,500 for taxable years 2006 and 2007 and $4,000 for taxable years 2008 and thereafter in all counties. Furthermore, 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.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes the assessed value component of the property tax bill for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 from assessment years 2006 and 2007 and for assessments year 2008 and after, the maximum income limitation is $55,000. In general, this exemption prevents appreciating market drive assessed value increases by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. Recipients of this exemption may still experience annual increases in their property tax bills if their aggregate tax rate increases.

Another exemption available to disabled veterans operates 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. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the Disabled Veterans Standard Homestead Exemption ("Disabled Veterans Standard Homestead Exemption") cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, "or a leasehold interest of land on which a single family residence is located, which is occupied as a principle residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which the veteran is liable for the payment of property taxes." Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

In addition, certain property is exempt from taxation on the basis of ownership and/or use, such as parks, public schools, churches and property owned by charitable institutions.

Tax Levy. As part of the annual budget process of the District, a resolution is adopted by the County, in each year in which it determines to levy real estate taxes no later than the last Tuesday in December of such year. This tax levy resolution imposes real estate taxes in terms of a dollar amount. The District certifies its real estate tax levy, as established by ordinance, to each of County Clerks of DuPage, Cook and Will Counties. The remaining administration and collection of the real estate taxes are statutorily assigned to said County Clerks and the County Treasurers of those Counties who also serve as the County Collector for their respective Counties.

After the determination of the aggregate Equalized Assessed Valuation for the County, the County Clerk computes the annual tax rate for the County. The County Clerk will calculate a limiting rate for the County in accordance with the Tax Extension Limitation Law. The limiting rate is the mechanism for implementing the tax extension limitation or cap of five percent or the percentage increase in the Consumer Price Index, whichever is less, or the amount approved by referendum, on the amount of taxes to be collected by the County. Once calculated, the limiting rate is compared with the sum of the tax rates of the County's funds, which are subject to the aforementioned limitation. If the sum of the tax rates exceeds the limiting rate an adjustment must be made. The County Clerk will not extend a levy using an aggregate tax rate greater than the limiting rate.

Once the necessary adjustments to the tax rates are made, the County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the taxing units having jurisdiction over that particular parcel. The County Clerk enters the tax determined by multiplying that total tax rate by the Equalized Assessed Valuation of the parcel in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. These books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Truth in Taxation Act requires additional procedures in connection with the annual levying of property taxes. Notice in the prescribed form must be published if the annual aggregate levy is estimated to exceed 105 percent of the amount extended or estimated to be extended upon the final aggregate levy of the preceding year, exclusive of election costs and debt service costs. A public hearing must also be held, which may not be in conjunction with the budget hearing of the taxing County. No amount in excess of 105 percent of the amount exclusive of election costs and debt service costs, which has been extended or is estimated to be extended upon the final aggregate levy of the preceding year, may be extended unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the legislation is to require disclosure of a levy in excess of specified levels.

Collection. Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to the County its share of the collections. Taxes levied in one calendar year become payable during the following calendar year in two equal installments, the first on the later of June 1 or 30 days after the mailing of the tax bills and the second on the later of September 1 or 30 days after the mailing of the tax bills.

At the end of each calendar year, the County Collector presents the Warrant Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1-1/2 percent (one percent for agricultural property) per month from their due date until the date of sale. Taxpayers can redeem their property by paying the tax buyer the amount paid at the sale, plus a penalty. If no redemption is made within two years, the tax buyer can receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

Property Tax Extension Limitation Law. The Tax Extension Limitation Law limits the amount of annual increase in property taxes to be extended for certain Illinois non-home rule units of government, including the County. In general, the Tax Extension Limitation Law restricts the amount of such increases to 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 assessed valuation increases from new construction, referendum approval of tax rate increases, and consolidations of local government units.

The effect of the Tax Extension Limitation Law is to limit the growth of the amount of property taxes than can be extended for a taxing body. In addition, general obligation bonds (other than alternate 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 the obligations first are approved at a direct referendum or are for certain refunding purposes.

Section 15.01 of the Local Debt Reform Act, permits local governments, including the District, to issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

FINANCIAL STATEMENTS

The financial statements of the District as of and for the year ended June 30, 2010, included in APPENDIX A to this Official Statement have been audited by Crowe Horwath LLP, Certified Public Accountants, Oak Brook, Illinois, as stated in their report appearing herein. Crowe Horwath LLP 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.

LITIGATION

The District is not engaged in and, to the best of its knowledge and belief has not been threatened with, any litigation of any nature which seeks to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or which in any way contests the validity of the Bonds or any proceedings of the District taken with respect to their issuance or sale or the pledge or application of any moneys or the security provided for the payment of the Bonds, or which contests the creation, organization or existence of the District or the title of any of the present members or other officials of the District to their respective offices. Upon the delivery of the Bonds, the District will deliver a certificate, in form satisfactory to Bond Counsel, to the effect of the foregoing.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond 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 includable 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 excludable from 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 interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge and upon the mathematical computation of the yield on the bond issue of which the Bonds are a part, and the yield on certain investments by Robert Thomas CPA, LLC. 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.

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 include all tax exempt interest, including interest on the Bonds.

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 each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity 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 or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), 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. 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 includable 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, obligations including tax-exempt obligations such as 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 on the Bonds from gross income for federal tax purposes.

Interest on the Bonds is not exempt from Illinois state income taxes. 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.

CONTINUING DISCLOSURE UNDERTAKING

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 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. A copy of the form of the Undertaking is attached as APPENDIX C.

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). A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The District is in compliance with each and every undertaking previously entered into pursuant to the Rule. Bond Counsel expresses no opinion as to whether the Undertaking complies with Section (b)(5) of the Rule.

CERTAIN VERIFICATIONS

Robert Thomas CPA, LLC (the "Verifier"), independent certified public accountants, upon delivery of the Bonds, will deliver to the District, Bond Counsel and the Underwriters a report stating that the firm, at the request of the District and the Underwriters, has reviewed the mathematical accuracy of certain computations based on certain assumptions relating to (i) the sufficiency of the principal and interest received from the investment in Governmental Obligations, together with any initial cash deposit, to meet the timely payment of the applicable redemption price of and interest on the Refunded Bonds, as described under "THE REFUNDING" and (ii) the actuarial yields on the Bonds and the Government Obligations, such computations with respect to such yields to be used to support the conclusion of Bond Counsel that the Bonds are not "arbitrage bonds" under Section 148 of the Code. The Verifier will express no opinion on the attainability of any assumptions or the tax-exempt status of the Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel ("Bond Counsel") who has been retained by, and acts as, Bond Counsel to the District. The form of such legal opinion is attached hereto as APPENDIX C. 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 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 Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has at the request of the District, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax status of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the District and did not include any obligation to establish or confirm factual matters set forth herein.

Certain legal matters will be passed upon for the District by its counsel, Robbins, Schwartz, Nicholas, Lifton & Taylor, Ltd., Chicago, Illinois and for the Underwriters by their counsel, Perkins Coie LLP, Chicago Illinois.

RATINGS

The Bonds have been rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. 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.

There is no assurance that such ratings will be maintained for any given period of time or that the ratings will not be raised, lowered or withdrawn entirely by each rating agency, if in its judgment circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds. An explanation of the significance of investment ratings may be obtained from the rating agencies.

FINANCIAL ADVISOR

The District has engaged Public Financial Management, Inc., of Chicago, Illinois, as Financial Advisor in connection with the authorization, issuance and sale of the Bonds.

UNDERWRITING

William Blair & Company, L.L.C., as representative and on behalf of itself and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "**Underwriters**"), has agreed to purchase the Bonds at an aggregate purchase price of $10,434,733.11 (representing an aggregate principal amount of $9,460,000.00 plus original issue premium of $1,024,184.10 less $49,450.99 of Underwriters' discount). The Bonds will be offered to the public at the yields as set forth on the inside cover page of this Official Statement. The Underwriters will be obligated to purchase all of the Bonds if any are purchased. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public.

The obligation of the Underwriters to accept delivery of and pay for the Bonds is subject to various conditions set forth in the Contract of Purchase for such Bonds, including, among others, the delivery of specified opinions of counsel and a certificate of the Board that there has been no material adverse changes in its conditions (financial or otherwise) from that set forth in this Official Statement.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Such Underwriters and affiliates may, from time to time, have performed and may in the future perform, various investment banking services for the District, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, certain of the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

CERTIFICATION OF THE OFFICIAL STATEMENT

Upon the delivery of the Bonds, the District will deliver a certificate executed by proper officers acting in their official capacities, to the effect that, among other things, to the best of their knowledge and belief, the Official Statement was, as of its date, and is, as of the date of delivery of the Bonds, true and correct in all material respects and did not, and does not, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Any statements made in this Official Statement or the Appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized.

The execution and delivery of this Official Statement has been authorized by the District.

COMMUNITY COLLEGE DISTRICT NO. 502,
COUNTIES OF DUPAGE, COOK AND WILL AND
STATE OF ILLINOIS

/s/ David Carlin
Chairman of the Board of Trustees

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2010

[THIS PAGE INTENTIONALLY LEFT BLANK]

Crowe Horwath.™

Crowe Horwath LLP
Independent Member Crowe 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 basic financial statements of the College of DuPage, Community College District 502 (the College) as of and for the years ended June 30, 2010 and 2009, as listed in the Table of Contents. These basic financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these basic financial statements based on our audits. We did not audit the financial statements of the College of DuPage Foundation, the discretely presented component unit. The component unit financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors.

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 basic financial statements are free of material misstatement. The financial statements of the College of DuPage Foundation were not audited in accordance with *Government Auditing Standards.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audits and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the College, and the discretely presented component unit as of June 30, 2010 and 2009, and the results of its operations and its cash flows for the years 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 our report dated October 14, 2010 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 and Schedule of Funding Progress, 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

Crowe Horwath LLP

Oak Brook, Illinois
October 14, 2010

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

JUNE 30, 2010

Management's Discussion and Analysis

(This page left blank intentionally)

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION AND BACKGROUND

This section of College of DuPage's Community College's Comprehensive Annual Financial Report presents management's discussion and analysis (MD&A) of the College's financial activity during the fiscal years ended June 30, 2010 and June 30, 2009. Since this MD&A is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter and the College's basic financial statements including the notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the College.

USING THIS ANNUAL REPORT

The financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The financial statements consists of four primary parts: (1) the statement of net assets, (2) statements of revenues, expenses, and changes in net assets, (3) statements of cash flow and (4) notes to the financial statements. The financial statements are prepared on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, expenses are recorded when incurred and all revenues are recognized when earned in accordance with generally accepted accounting principles.

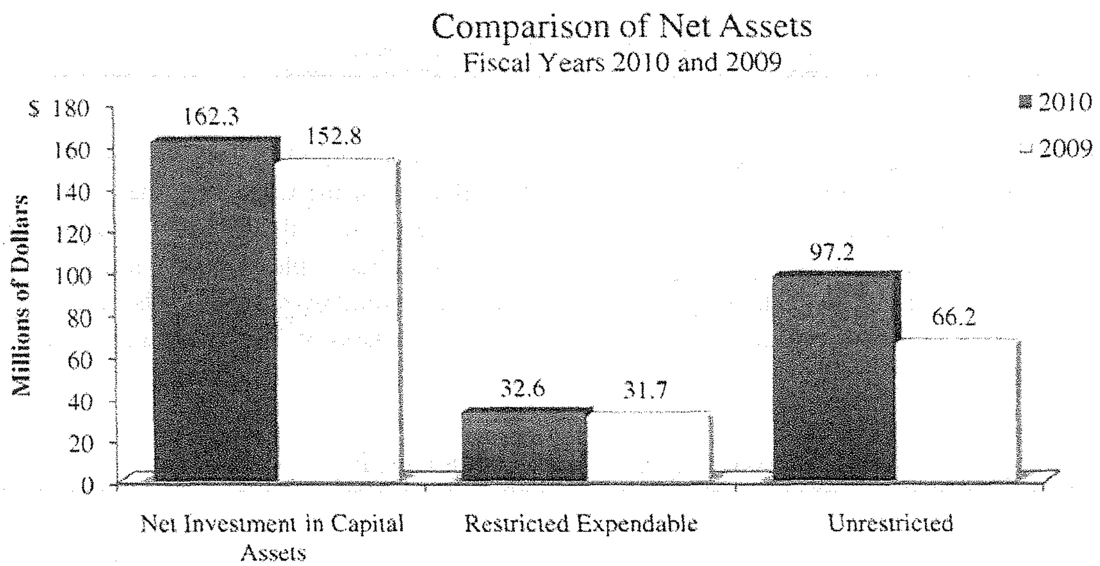
The Statement of Net Assets is presented in the format where assets equal liabilities plus net assets. Assets and liabilities are presented in order of liquidity and are classified as current (convertible into cash within one year) and noncurrent. This statement combines and consolidates current financial resources (short-term spendable resources) with long-term capital assets. The focus of this statement is to show the overall liquidity and health of the College as of the end of the fiscal year.

The Statement of Revenues, Expenses, and Changes in Net Assets focuses on both the gross and 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 financial results of the various College services to students and the public.

The statement of cash flows discloses net cash provided by or used for operating, non-capital financing and related financing activities. This statement shows the College's cash flows are sufficient to pay current liabilities.

The notes to the financial statements are an integral part of the basic statements and describe the College's significant accounting policies. The reader is encouraged to review the notes in conjunction with the management discussion and analysis of the financial statements.

FINANCIAL HIGHLIGHTS



STATEMENT OF NET ASSETS

The major components of College of DuPage's assets, liabilities, and net assets as of June 30, 2010, 2009 and 2008, are as follows (in millions of dollars):

	2010	2009	2008	Change 2010-09	Change 2009-08
Assets					
Current assets	$332.6	$355.9	$325.8	($23.3)	$30.1
Capital assets, net of depreciation	289.5	229.5	175.5	60.0	54.0
Bond issuance costs	1.0	1.2	0.8	($0.2)	0.4
Total assets	623.1	586.6	502.1	36.5	84.5
Liabilities					
Current liabilities	118.3	97.9	100.4	20.4	($2.5)
Noncurrent liabilities	212.7	238.0	173.3	($25.3)	64.7
Total liabilities	331.0	335.9	273.7	($4.9)	62.2
Net Assets					
Invested in capital assets, net of related debt	162.3	152.8	144.2	9.5	8.6
Restricted expendable	32.6	31.7	29.0	0.9	2.7
Unrestricted	97.2	66.2	55.2	31.0	11.0
Total net assets	**$292.1**	**$250.7**	**$228.4**	**$41.4**	**$22.3**

Fiscal Year 2010 Compared to 2009

The total current assets decreased by $23.3 million as compared to prior year. The non-restricted current assets increased by $28.0 million while the restricted current assets decreased by $51.3 million. The primary reason for the decrease in current assets is attributed to the reduction in restricted investments due to spending on construction projects.

Non-current assets increased by $59.8 million due primarily to an increase in construction-in-progress from spending on various capital projects.

Current liabilities increased by $20.4 million due primarily to debt service payments due in the next twelve months on bonds outstanding. Consequently non-current liabilities decreased by $25.3 million from prior year due to a decrease in long-term bond debt.

Total net assets increased by $41.4 million over prior year. This increase is attributed to an increase in construction spending during the fiscal year. During fiscal year 2010, the College made significant progress on the BIC/SRC renovation project spending approximately $32.3 million. Substantial progress was also made on parking, signage and landscaping projects, as well as the athletic fields. The net investment in capital assets increased by $9.6 million. Unrestricted net assets increased by $31.0 million due to strong financial measures implemented by College management during the current year to reduce operating expenses and strengthen revenue growth.

Fiscal Year 2009 Compared to 2008

The total current assets increased by $30.1 million as compared to the prior year. The non-restricted current assets increased by $6.3 million and the restricted current assets increased by $23.8 million. The primary increase is attributed to the issuance of the General Obligation Bond Series 2009.

Non-current assets increased by $54.4 million due primarily to the increase in construction-in-progress, as explained in the Analysis of Net Assets section of this document.

Current liabilities decreased by $2.5 million due primarily to less accounts payable from a year ago in the restricted portion pertaining to construction activity.

The net investment in capital assets increased by $8.6 million. This increase is attributed to a significant increase in construction-in-progress. The major projects include the completion of the Technology Education Center, Health Careers and Natural Sciences Center, and Parking Lot Phases II and III. Restricted expendable net assets increased by $2.7 million due to the increases in tax levies to pay the principal and interest on the General Obligation Bonds. Unrestricted net assets increased by $11.0 million due to the current year bond issuances.

The following table presents the statement of revenues, expenses and changes in net assets for the College for fiscal years 2010, 2009 and 2008 (in millions of dollars):

	2010	2009	2008	Change 2010-09	Change 2009-08
Operating Revenues					
Student tuition and fees, net	$54.4	$59.1	$51.3	($4.7)	$7.8
Auxiliary enterprises, net	6.7	5.9	6.0	0.8	($0.1)
Other	2.6	1.0	0.8	1.6	0.2
Total operating revenues	63.7	66.0	$58.1	(2.3)	7.9
Non-operating Revenues					
State grants and contracts	34.0	30.8	29.1	3.2	1.7
Federal grants and contracts	20.0	13.0	10.1	7.0	2.9
Real estate taxes and CPPRT	96.4	89.0	82.1	7.4	6.9
Investment income	2.0	7.8	10.5	(5.8)	(2.7)
Other income	2.7	2.1	3.3	0.6	(1.2)
Total non-operating revenues	155.1	142.7	135.1	12.4	7.6
Total Revenues	218.8	208.7	193.2	10.1	15.5
Operating Expenses					
Instruction	84.3	84.1	76.6	0.2	7.5
Academic support	10.1	9.9	9.5	0.2	0.4
Student services	13.8	13.7	12.5	0.1	1.2
Public services	2.1	2.5	2.6	(0.4)	(0.1)
Independent operations	0.5	0.4	0.2	0.1	0.2
Operation and maintenance of plant	16.0	15.1	15.3	0.9	(0.2)
General administration	13.1	11.6	10.7	1.5	0.9
General institutional	6.3	14.4	14.0	(8.1)	0.4
Scholarship expense	6.6	6.9	4.6	(0.3)	2.3
Auxiliary enterprises	11.9	13.1	14.3	(1.2)	(1.2)
Depreciation	6.4	5.7	5.4	0.7	0.3
Total operating expenses	171.1	177.4	165.7	($6.3)	11.7
Non-operating Expenses					
Interest expense	6.3	9.2	7.9	(2.9)	1.3
Loss on sale of capital assets	0.0	0.1	0.1	(0.1)	0.0
Total non-operating expenses	6.3	9.3	8.0	(3.0)	1.3
Total Expenses	177.4	186.7	173.7	(9.3)	13.0
Net income before capital contributions	41.4	22.0	19.5	19.4	2.5
Capital contributions					
Capital gifts and grants	0.0	0.3	0.1	(0.3)	0.2
Increase in net assets	41.4	22.3	19.6	19.1	2.7
Net Assets					
Beginning of year	250.7	228.4	208.8	22.3	19.6
End of year	**$292.1**	**$250.7**	**$228.4**	**$41.4**	**$22.3**

REVENUES:

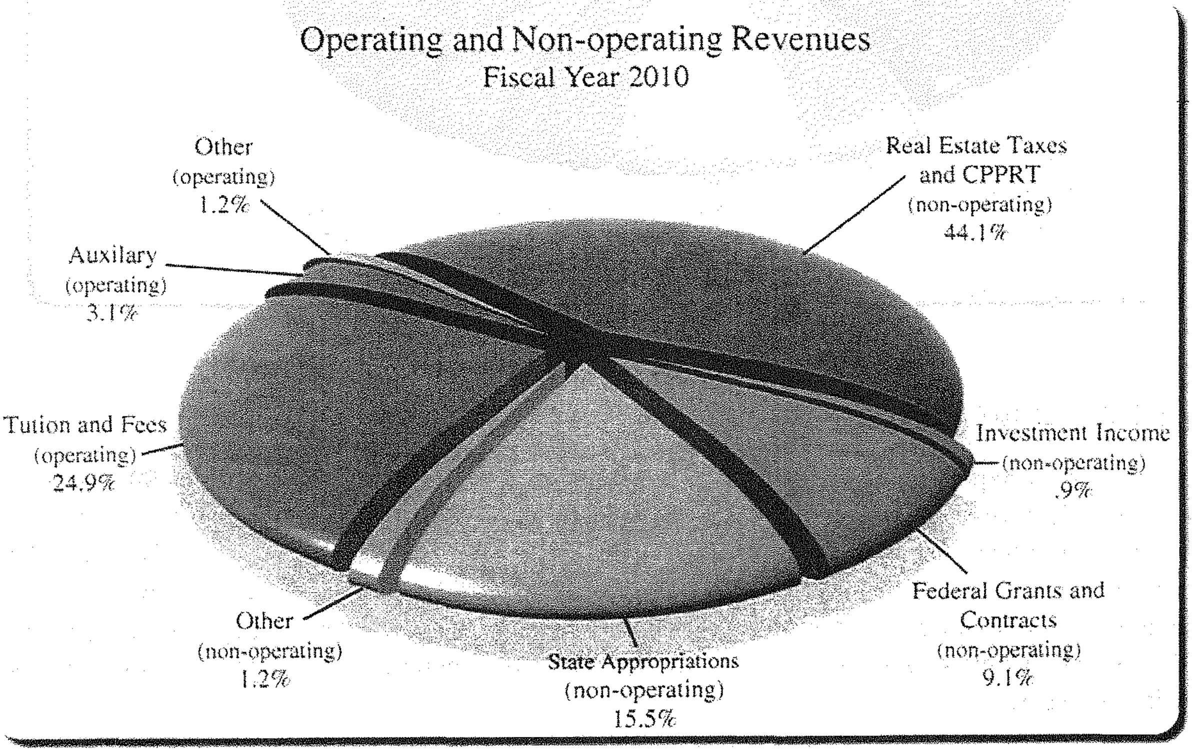
Fiscal Year 2010 Compared to 2009

Operating and non-operating revenues total $218.8 million for fiscal year 2010, an increase of $10.1 million over fiscal year 2009. The largest component of revenues is local property taxes comprising 44.1% of total revenues. Revenues from student tuition and fees were $54.4 million in fiscal year 2010 and represent the second largest revenue component at 24.9% of total revenues. Revenues from state and federal grants totaled $54.0 million in fiscal year 2010 and accounted for 24.6% of total fiscal year 2010 revenues.

Operating revenue decreased by $2.3 million as an increase in the allowance for bad debts more than offset higher tuition revenue from increased enrollment. Semester hours were 504,468 in fiscal year 2010, an increase of 31,641 hours, or 6.7% over fiscal year 2009.

Non-operating revenue increased by $12.4 million in fiscal year 2010. This increase is primarily due to higher revenue from property taxes and Federal and State grants, partially offset by lower investment earnings. The lower investment earnings reflect lower investment rates. Revenues from state and federal grants totaled $54.4 million in fiscal year 2010 and were $10.2 million more than fiscal year 2009 while property and corporate personal property tax revenues were $96.4 million, an increase of $7.4 million over the prior year.

During fiscal year 2010, the College realized an increase in its net assets of $41.4 million over the prior year due to higher non-operating revenues and lower operating and non-operating expenses.



Fiscal Year 2009 Compared to 2008

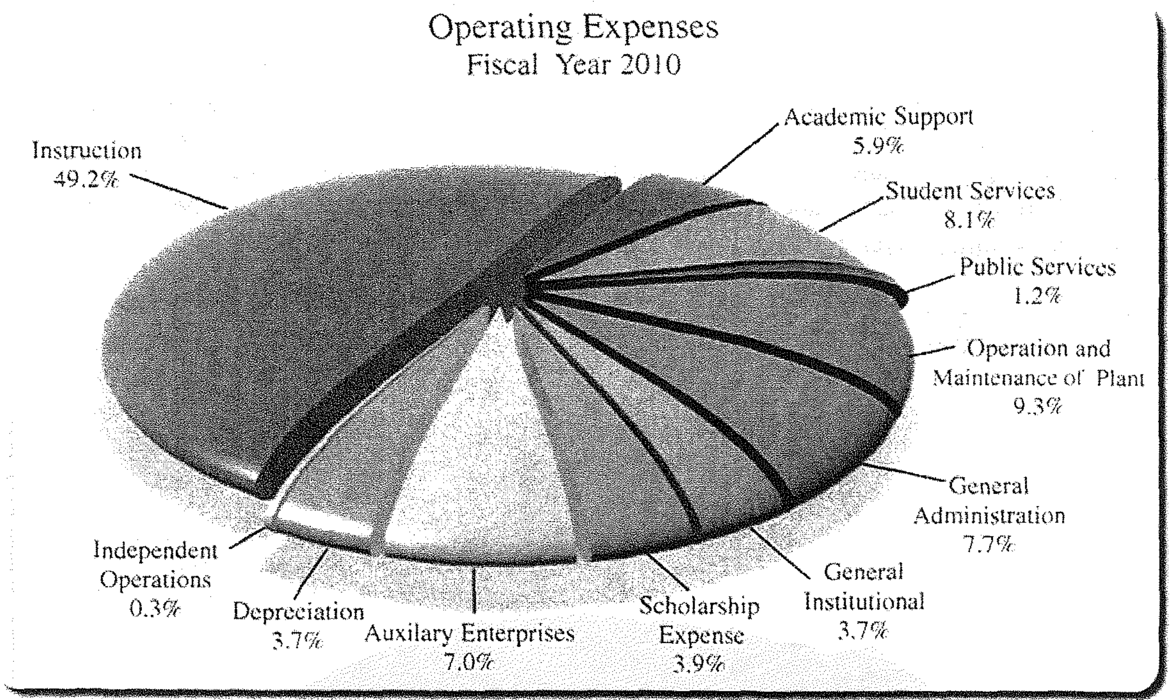
Operating revenue increased by $7.9 million which is reflective of tuition and fee increases.

Operating expenses increased by $11.7 million from the prior year.

Non-operating revenues increased by $7.6 million primarily driven by an increase of $5.1 million in property tax revenue that was generated by the current levy.

At June 30, 2009, the College is economically better off than at June 30, 2008 by $22.3 million.

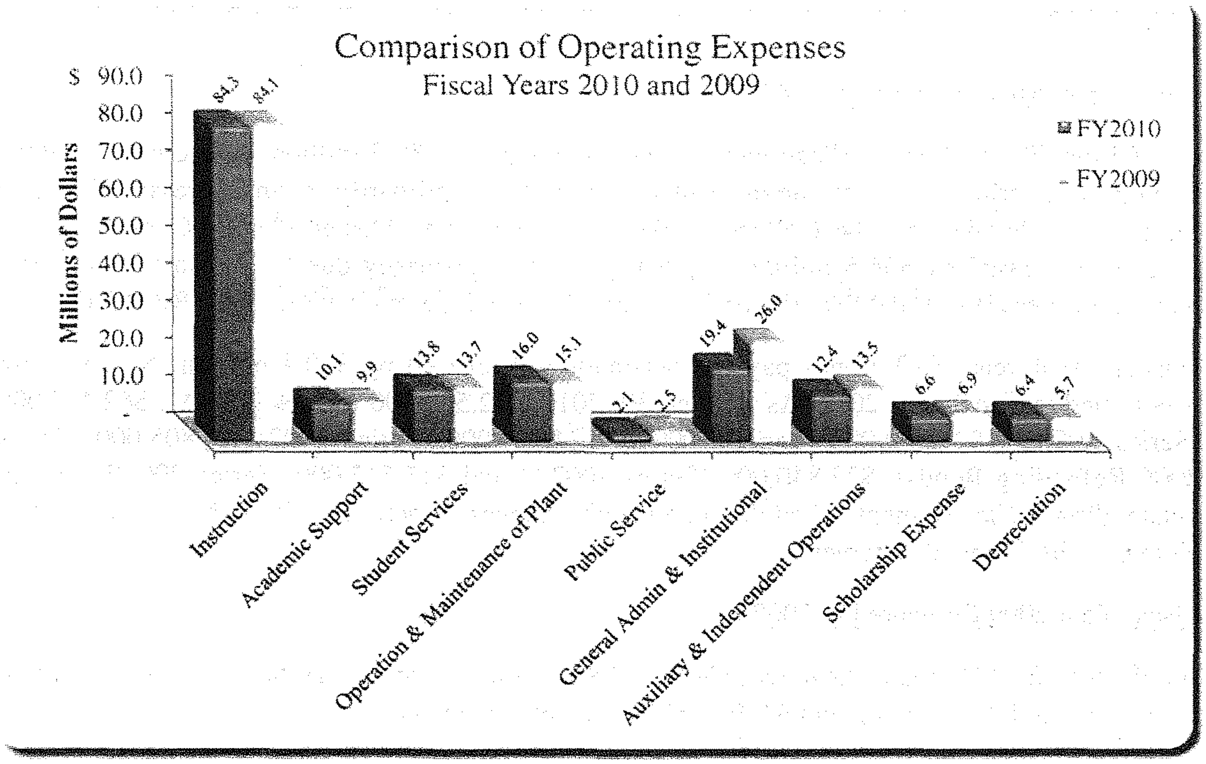
EXPENSES:



Fiscal Year 2010 Compared to 2009

The College's expenses totaled $177.4 million in fiscal year 2010, a reduction of $9.3 million from the prior year. Operating expenses for fiscal year 2010 equaled $171.2 million and were $6.3 million lower than prior year as management implemented stringent cost controls during the year to reduce costs in the event funding from the State did not come in as anticipated. Most categories of operating expenses approximated prior year levels as the inflationary increases in salaries and benefits were almost fully offset by implementation of budgetary cost controls during the year.

As shown in the operating expenses pie chart, fiscal year 2010 Instruction costs were $84.3 million. This category represents all of the direct costs associated with teaching of students and is the largest component of operating expenses, accounting for 49.2% of total operating expenses. Instruction costs were $0.2 million more than fiscal year 2009. Operation and maintenance of plant at $16.0 million is the second largest category of operating expense representing 9.3% of total operating expenses. This category of expense includes utilities, security, insurance and all costs necessary to keep the physical facilities open and ready for use. The costs associated with Student Services such as financial aid, admissions, records and counseling equaled $13.8 million in fiscal year 2010 and were $0.1 million more than fiscal year 2009. The General Institutional category at $6.3 million was $8.1 million lower than the prior year primarily due to capitalizing interest as part of construction project costs.



<u>Fiscal Year 2009 Compared to 2008</u>

Operating expenses for fiscal year 2009 increased by $11.7 million. Instruction and Student Services increased by $8.7 and the financial aid category increased by $2.3 million; therefore, $11.0 million is due to these three categories. The Instruction and Student Services increased by $8.7 million with approximately half of that increase attributed to a change in accounting policy in recording summer salary expenses in the year expended. The other portion is attributed to contractual salary and benefit increases. The financial aid category increased by $2.3 million due strictly to a 50% increase in financial aid recipients due primarily to the economic situation along with rising tuition costs

STATEMENT OF NET CAPITAL ASSETS

$ in millions	2010	2009	2008	Change 2010-09	Change 2009-08
Capital assets					
Land improvements	$11.2	$11.2	$0.0	$0.0	$11.2
Building and improvements	136.8	129.9	129.1	6.9	0.8
Equipment	39.3	37.0	34.1	2.3	2.9
Construction in progress	203.3	146.7	93.2	56.6	53.5
Total	390.6	324.8	266.1	65.8	58.7
Less accumulated depreciation	(101.1)	(95.3)	(90.6)	(5.8)	(4.7)
Net capital assets	$289.5	$229.5	$175.5	$60.0	$54.0

Fiscal Year 2010 Compared to 2009

As of June 30, 2010, the College had net capital assets of $289.5 million, an increase of $60.0 million from prior year. Net capital assets increased due primarily to an aggressive building campaign undertaken by the College as part of its Facilities Master Plan. Construction in progress increased by $56.6 million in fiscal year 2010 primarily due to the start of two new major facilities (Homeland Security and Culinary Arts) and the renovation of the BIC/SRC.

During fiscal year 2010, bonds payable outstanding decreased by $10.4 million. No new debt was issued in fiscal year 2010. As of June 30, 2010, $12,550,000 (Series 2009A), $62,450,000 (Series 2009B), $23,300,000 (Series 2009C), $74,890,000 (Series 2007), $7,805,000 (Series 2006 Refunding Bonds), $32,840,000 (Series 2003A) and $15,515,000 (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 2009 Compared to 2008

As of June 30, 2009, the College recorded $324.8 million invested in capital assets, $95.3 million in accumulated depreciation and $229.5 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 Education Center ($22.5 million), Health Careers and Natural Sciences Center ($18.2 million), BIC/SRC renovation ($4.1 million) and Parking Phase III at $3.0 million. Additional information on capital assets is provided in Note 3 to the financial statements.

On June 18, 2009, the College issued $23,720,000 in General Obligation Refunding Bonds Series 2009C with an interest rate of 3.00%. Proceeds were used to (1) advance refund a portion of the College's outstanding General Obligation Bonds Series 2003A dated February 1, 2003 and (2) pay costs associated with the issuance of the Bonds. The Series 2003A Bonds were originally issued for the purpose of building and equipping new buildings and renovating existing facilities of the College and paying certain issuance costs. Refunding proceeds of the

Bonds were used to purchase State and Local Government Securities (the "SLGs"), the principal of which together with interest to be earned will be sufficient to pay when due upon redemption. As a result, a portion of the Series 2003A is considered to be defeased and the liability for this bond has been removed from the statement of net asset. 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 2009, $0 principal was retired on the Series 2009C Bonds.

On May 4, 2009 the College issued General Obligation Bonds Series 2009A bonds in the amount of $12,550,000. The proceeds derived from the issuance of these bonds will be used by the College to finance certain capital projects, including additions and renovations and to pay the cost of issuing the bonds. Both Moody's Investors Service, Inc. and Standard and Poor's Ratings Group has assigned the highest municipal bond ratings of "Aaa" and "AAA", respectively, to the bonds. During fiscal year 2009, $0 principal was retired on the Series 2009A Bonds.

On May 4, 2009 the College issued General Obligation Bonds Series 2009B bonds in the amount of $62,450,000. The proceeds derived from these bonds will be used by the College to finance certain capital projects, including additions and renovations and to pay the cost of issuing the 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 2009, $0 principal was retired on the Series 2009B 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 2009, $1,630,000 principal was retired on the Series 2007 Bonds.

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 2009, $40,000 principal was retired on the Series 2006 Refunding 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 were 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 were used by the College to construct parking facilities and related site improvements. During fiscal year 2009, $26,985,000 principal was retired on the Series 2003A bonds; and $1,265,000 principal was retired during the year on the Series 2003B Bonds.

As of June 30, 2009, $12,550,000 (Series 2009A), $62,450,000 (Series 2009B), $23,720,000 (Series 2009C), $76,675,000 (Series 2007), $7,850,000 (Series 2006 Refunding Bonds), $39,655,000 (Series 2003A) and $16,820,000 (Series 2003B) remain outstanding. The payment schedule, along with changes in activities for debt, is provided in Note 6 to the financial statements.

OTHER

At a special board meeting held in August, 2010, the College's Board of Trustees approved a no-tax-rate-increase referendum proposition that will be placed on the November 2, 2010 ballot. Taxpayers would approve additional money for capital projects, but their tax rate to repay the bonds would remain the same during the ten year life of the referendum authorization. Voter approval of this referendum will provide $168.0 million of funding that will allow the College to renovate existing facilities, including the Library, McAninch Arts Center and Physical Education Center, and build centralized accessible parking for our visitors and students.

Management is not aware of any other 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).

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The College continues to be concerned with the budgetary deficits incurred by the State of Illinois and the impacts these deficits may have on future funding for Community Colleges and financial aid for students. The low interest rate environment provides the College a substantial opportunity to borrow at low costs to accelerate building construction and renovation under the approved Facilities Master Plan. However, the low interest rate environment has an adverse impact on the revenue the College generates from working cash and construction funds to finance operations and capital investment.

The high unemployment experienced throughout the State and community continue to add pressure on the College to maintain tuition costs and fees at their current levels to provide affordable education and training for members of the community.

The College continues to track residential and commercial property values and economic activity in the residential and office construction sector to forecast future funding impacts on the College. Revenues from property taxes represent nearly half of the revenues the College receives to fund operations. A slowdown in the growth of assessed valuations will have an adverse impact on College revenues and ultimately result in the College having to either raise tuition or reduce headcount or the product offering of services to contain costs.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, customers and other interested parties with a general overview of College of DuPage's finances and to demonstrate College of DuPage's accountability for the funds it receives.

If you have questions about this report or need additional information, contact Lynn Sapyta, Assistant Vice President, Financial Affairs and Controller, at 425 Fawell Blvd., Glen Ellyn, IL 60137-6599, (630) 942-2219, or sapytal@cod.edu.

(This page left blank intentionally)

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

JUNE 30, 2010

Basic Financial Statements

(This page left blank intentionally)

STATEMENT 1
Page 1 of 2

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

ASSETS	2010	2009
Current Assets		
Cash and cash equivalents	$ 85,963,796	$ 27,579,427
Current investments	31,413,651	57,492,928
Property taxes receivable (net of allowances of $371,337 and $366,836, respectively)	38,623,282	39,114,827
Tuition and fees receivable (net of allowances of $8,254,598 and $2,737,258, respectively)	9,198,763	6,708,482
State government claims receivable	472,334	6,259,601
Interest receivable	67,970	346,457
Other accounts receivable	1,579,360	1,629,826
Inventory	140,799	254,457
Prepaid expenses	986,563	1,068,370
Restricted Assets		
Restricted cash and cash equivalents	35,726,662	15,368,200
Restricted investments	108,852,671	185,758,463
Property taxes receivable (net of allowances of $136,922 and $77,714 respectively)	14,666,836	8,214,231
Federal and state government claims receivable	2,927,739	3,448,602
Restricted interest receivable	1,822,966	2,654,516
Other accounts receivable	99,318	3,526
Prepaid expenses	-	2,184
Total Current Assets	332,542,710	355,904,096
Non Current Assets		
Capital assets not being depreciated	208,143,184	151,435,764
Capital assets being depreciated,	182,509,550	173,364,360
Less allowance for depreciation	(101,138,108)	(95,316,882)
Bond issuance costs	1,031,667	1,213,073
Total Non Current Assets	290,546,293	230,696,315
Total Assets	$623,089,003	$586,600,411

The accompanying notes are an integral part of this statement.

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

LIABILITIES	2010	2009
Current Liabilities		
Accounts payable	$ 1,501,956	$ 1,593,666
Accrued salaries and benefits	8,117,783	7,233,841
Accrued compensated absences	3,008,257	2,983,822
Unearned property tax revenues	37,133,779	36,683,607
Unearned tuition and fee revenues	16,023,063	14,185,823
Bonds payable - current	25,754,101	10,328,561
Bond interest payable	2,714,182	1,035,546
Termination benefits payable	916,489	980,039
Other current liabilities	249,640	57,563
Liabilities Payable from Restricted Assets		
Accounts payable	7,004,576	12,698,766
Accrued salaries and benefits	104,183	118,193
Unearned property tax revenues	13,692,185	7,771,350
Unearned tuition and fee revenues	1,056,111	1,348,768
Unearned grant revenues	-	14,898
Bond interest payable	-	508,748
Deposits held in custody for others	883,888	382,692
Other current liabilities	186,692	10,250
Total Current Liabilities	118,346,885	97,936,133
Non Current Liabilities		
Bonds payable - non current	210,112,358	235,868,256
Termination benefits payable	2,494,618	2,039,445
Other post employment benefits	52,796	55,610
Total Non Current Liabilities	212,659,772	237,963,311
Total Liabilities	331,006,657	335,899,444
NET ASSETS		
Invested in Capital Assets, net of related debt	162,345,893	152,771,172
Restricted for:		
Debt service	23,939,727	23,149,967
Working cash	8,123,977	8,034,976
Other purposes	461,414	554,107
Unrestricted	97,211,335	66,190,745
Total Net Assets	$ 292,082,346	$250,700,967

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, 2010 AND 2009

	2010	2009
REVENUES		
Operating Revenues:		
Student tuition and fees (net of scholarship allowances of $21,667,129 and $16,913,897 respectively and uncollectible of $5.6 million in FY2010)	$ 54,420,351	$ 59,160,813
Chargeback revenue	775,955	517,541
Auxiliary enterprises revenues	6,732,526	5,887,815
Other operating revenues	1,771,906	452,813
Total Operating Revenues	63,700,738	66,018,982
EXPENSES		
Operating Expenses:		
Instruction	84,295,911	84,091,655
Academic support	10,131,827	9,872,388
Student services	13,789,957	13,665,668
Public service	2,109,646	2,485,325
Independent operations	550,549	423,550
Operation and maintenance of plant	16,013,297	15,126,330
General administration	13,057,232	11,562,070
General institutional	6,283,201	14,420,488
Auxiliary enterprises	11,908,173	13,147,779
Scholarship expense	6,578,760	6,920,889
Depreciation expense	6,444,716	5,653,926
Total Operating Expenses	171,163,269	177,370,068
Operating Income (Loss)	(107,462,531)	(111,351,086)
NON-OPERATING REVENUES (EXPENSES)		
Real estate taxes	95,138,277	87,171,790
Corporate personal property replacement taxes	1,252,327	1,814,989
State appropriations	34,000,077	30,848,507
Federal grants and contracts	20,018,562	13,024,642
Non-governmental gifts and grants	1,318,726	1,329,712
Investment income	2,024,357	7,762,177
Other non-operating revenues (expenses)	1,187,737	711,228
Interest on capital asset-related debt	(6,272,077)	(9,217,940)
Gain (loss) on sale of capital assets	175,924	(109,040)
Net Non-Operating Revenues (Expenses)	148,843,910	133,336,065
Net Income Before Capital Contributions	41,381,379	21,984,979
CAPITAL CONTRIBUTIONS		
Capital gifts and grants	-	275,250
Total Capital Contributions	-	275,250
Increase in Net Assets	41,381,379	22,260,229
NET ASSETS		
Net Assets at Beginning of Year	250,700,967	228,440,738
Net Assets at End of Year	$ 292,082,346	$ 250,700,967

The accompanying notes are an integral part of this statement.

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

		2010		2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Tuition and fees	$	53,474,653	$	52,351,694
Payment to suppliers		(12,850,284)		(17,950,491)
Payment to employees		(132,893,331)		(135,671,752)
Auxiliary enterprise charges		6,732,526		5,887,815
Other revenues		2,988,831		(342,204)
Net Cash from Operating Activities		(82,547,605)		(95,724,938)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Real estate taxes & CPPRT		96,800,551		86,446,763
State appropriations		24,004,355		14,968,797
Grants & contracts		21,337,288		14,354,354
Other revenues		-		-
Net Cash from Non-Capital Financing Activities		142,142,194		115,769,914
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from bonds		-		75,143,699
Purchases of capital assets		(73,143,657)		(64,047,578)
Bond principal payments		(10,330,358)		(9,107,761)
Interest paid on capital debt		(3,733,046)		(8,668,037)
Proceeds from the Sales of Capital Assets		235,840		-
Other revenues		-		711,228
Net Cash from Capital and Related Financing Activities		(86,971,221)		(5,968,449)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments		253,501,945		395,338,782
Interest on investments		3,134,394		8,107,569
Purchase of investments		(150,516,876)		(507,995,001)
Net Cash from Investing Activities		106,119,463		(104,548,650)
Net Increase (Decrease) in Cash		78,742,831		(90,472,123)
Cash - Beginning of Year		42,947,627		133,419,750
Cash - End of the Year	$	121,690,458	$	42,947,627

The accompanying notes are an integral part of this statement.

COLLEGE OF DUPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	$ (107,462,531)	$ (111,351,086)
Adjustments to Reconcile Income (Loss) to Net Cash from Operating Activities:		
Depreciation and amortization expense	6,444,716	5,653,926
State Universities Retirement System on-behalf payments	16,303,851	11,073,938
Changes in Assets and Liabilities:		
Receivables (net)	(2,535,607)	(2,633,390)
Inventories	113,658	(23,412)
Prepaid expenses	83,991	4,008,743
Accounts payable	821,741	1,019,834
Accrued salaries and benefits	894,367	2,416,197
Arbitrage Liability	-	(698,711)
Other accrued liabilities	368,519	(187,140)
Unearned tuition and fees	1,544,583	(4,773,928)
Accrued post-employment benefits	388,809	(214,261)
Other unearned revenues - restricted	(14,898)	(128,105)
Deposits held in custody for others	501,196	112,457
Net Cash from Operating Activities	$ (82,547,605)	$ (95,724,938)
Schedule of Noncash Transactions		
Donated capital assets	$ -	$ 275,250
RECONCILIATION OF CASH		
Cash and cash equivalents	$ 85,963,796	$ 27,579,427
Restricted cash and cash equivalents	35,726,662	15,368,200
Total Cash	$ 121,690,458	$ 42,947,627

The accompanying notes are an integral part of this statement.

STATEMENT 4

COLLEGE OF DuPAGE FOUNDATION

STATEMENT OF FINANCIAL POSITION

June 30, 2010
(With Summarized Financial Information for June 30, 2009)

ASSETS	2010	2009
ASSETS		
Cash and cash equivalents		
Cash in bank	$ 262,053	$ 552,033
Money market	-	1,070
Total cash and cash equivalents	262,053	553,103
Investments	8,785,134	7,864,165
Pledges receivable	329,707	190,757
Cash surrender value of life insurance policies	9,267	9,267
Due from College of DuPage	24,749	-
Other assets	3,095	7,112
TOTAL ASSETS	$ 9,414,005	$ 8,624,404
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to College of DuPage	$ -	$ 497
Other liabilities	45,258	69,585
Total liabilities	45,258	70,082
NET ASSETS		
Unrestricted	2,733,781	2,204,479
Temporarily restricted	3,837,508	3,557,180
Permanently restricted	2,797,458	2,792,663
Total net assets	9,368,747	8,554,322
TOTAL LIABILITIES AND NET ASSETS	$ 9,414,005	$ 8,624,404

STATEMENT 5

COLLEGE OF DuPAGE FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010
(With Summarized Financial Information for the Year Ended June 30, 2009)

	2010						2009
	Unrestricted			Temporarily	Permanently		
	Undesignated	Designated	Total	Restricted	Restricted	Total	Total
REVENUES							
Gifts and contributions	$ 84,479	$ 173,229	$ 257,708	$ 649,370	$ 4,795	$ 911,873	$ 907,991
Net investment income	61,804	21,964	83,768	103,801	-	187,569	210,010
Net realized gain (loss) on sale of investments	-	-	-	(6,011)	-	(6,011)	81
Net unrealized gain (loss) on investments	320,184	80,500	400,684	339,819	-	740,503	(1,781,359)
Noncash contributions	642,837	12,717	655,554	98,050	-	753,604	819,395
Change in value of split-interest agreement	-	-	-	4,965	-	4,965	(10,752)
Change in cash surrender value of life insurance	-	-	-	-	-	-	259
Miscellaneous	-	68,724	68,724	942	-	69,666	74,364
Net assets released from restrictions	860,607	50,001	910,608	(910,608)	-	-	-
Total revenues	1,969,911	407,135	2,377,046	280,328	4,795	2,662,169	219,989
EXPENSES							
Program							
Scholarships granted	143,298	100,129	243,427	-	-	243,427	246,687
Awards granted	4,437	10,606	15,043	-	-	15,043	15,248
Cash gifts to College of DuPage	662,523	54,355	716,878	-	-	716,878	86,104
Noncash gifts to College of DuPage	187,115	-	187,115	-	-	187,115	162,877
Other	8,900	6,203	15,103	-	-	15,103	3,087
Management and general	602,294	19,558	621,852	-	-	621,852	456,739
Fundraising	500	47,826	48,326	-	-	48,326	153,477
Total expenses	1,609,067	238,677	1,847,744	-	-	1,847,744	1,124,219
CHANGE IN NET ASSETS	360,844	168,458	529,302	280,328	4,795	814,425	(904,230)
NET ASSETS, BEGINNING OF YEAR (AS RESTATED)	1,003,566	1,200,913	2,204,479	3,557,180	2,792,663	8,554,322	9,458,552
NET ASSETS, END OF YEAR	$ 1,364,410	$ 1,369,371	$ 2,733,781	$ 3,837,508	$ 2,797,458	$ 9,368,747	$ 8,554,322

(This page left blank intentionally)

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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 College has elected not to follow FASB after that date. 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. Governmental Accounting Standards Board (GASB) Statement No.14, *The Financial Reporting Entity* established standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body *and* either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

Pursuant to the standards established in GASB Statement No. 14, *The Financial Reporting Entity,* the College is considered a primary government since it is fiscally independent. 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,* because of the nature and significance of the Foundation's relationship with the District, 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, 2525 Cabot Drive, Suite 201, Lisle, Illinois 60532.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

C. Property Taxes

The College's property taxes are levied each calendar 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. Accordingly, 50% of property taxes extended for the 2009 tax year and collected in 2010 are recorded as revenue in fiscal year 2010. The remaining 50% of revenues related to 2009 has been deferred and will be recorded as revenue in fiscal year 2011.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Tax bills are levied in December by passage of a Tax Levy Ordinance. Public Act 89-1 placed limitations on the annual growth of most local government's property tax collections. Currently the limitation is the lesser of five percent or the rate of inflation, measured by the Consumer Price Index.

The statutory maximum tax rates and the respective final rates for the 2009 and 2008 tax levy payable in calendar year 2010 and 2009, respectively, per $100 of assessed valuation are as follows:

	Statutory Maximum Rate	2009 Final Rate	2008 Final Rate
Education	$.7500	$.1337	$.1339
Operations and Maintenance	.1000	.0217	.0214
Bond and Interest	none	.0573	.0329
TOTAL		$.2127	$.1882

The 2010 tax levy, which attached as an enforceable lien on property as of January 1, 2010, has not been recorded as a receivable as of June 30, 2010 as the tax has not yet been levied by the counties within the College's district and will not be levied until December 2010 and, therefore, the levy is not measurable at June 30, 2010.

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 the College dollar 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 for further detail.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets	Capitalization Threshold	Years
Buildings	$ 500,000	50
Building improvements	500,000	20
Temporary buildings	100,000	20
Original land improvements	0	20
Renovations of original land improvements	100,000	10
Original infrastructure	0	20
Renovations of original infrastructure	500,000	10
Equipment	2,500	6
Vehicles	2,500	4
Computers and related equipment	2,500	4

Capitalized Interest: Since 2003, the College has issued General Obligation Bonds to fund various projects on campus such as building, equipping, altering and repairing buildings of the College. A portion of the interest cost incurred on this borrowing can be capitalized as part of the historical cost of the assets and depreciated over the useful life of the assets.

During fiscal year 2010, the portion of interest cost recognized on the bonds and capitalized as construction in progress was $5,931,430.

E. Cash Equivalents

Cash includes deposits held at Financial Institutions 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. Cash Equivalents include amounts held in overnight Repurchase Agreements, Illinois Funds (ILFUNDS), ISDLAF Money Market, Federated Money Market, Illinois Institutional Investors Trust (IIIT), Citibank Savings and amounts held in banks as Trust Assets.

F. Investments

In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* nonnegotiable certificates of deposit and investments with a maturity of less than one year at date of purchase are stated at amortized cost, which approximates fair value. All other investments are stated at fair value.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

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

Unearned revenues include: tax levies passed that are legally restricted for the subsequent fiscal year; amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that are related to the subsequent fiscal year; and amounts received from grants and contract sponsors that have not been earned.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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. In fiscal years 2010 and 2009, the state made contributions of $15,932,474 and $10,696,716 respectively (see Note 4 for further detail).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

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 their principal office located in Illinois and securities issued by the Illinois Funds.

The College of DuPage Board of Trustees has adopted an investment policy (Policy 10-55) 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 investments which the College may purchase are limited by Illinois law to the following (1) securities which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time deposits of banks

2. CASH DEPOSITS AND INVESTMENTS (CONTINUED)

and savings and loan associations which are insured by a Federal corporation; (4) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (5) fully collateralized repurchase agreements; (6) the State Treasurer's Illinois and Prime Funds and (7) money market accounts and certain other instruments.

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 2a-7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' 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.

A. Deposits with Financial Institutions

Cash: The College's investment policy does not allow uninsured or uncollateralized deposits at any financial institution. Funds may be deposited in certificates of deposit, money market accounts, time deposits, or savings accounts and, only with banks, savings banks and savings and loan associations which are insured by the FDIC (Bank Insurance Fund or Savings Association Insurance Fund). The deposits must be collateralized or insured at levels acceptable to the College in excess of the current maximum limit provided by the FDIC. At June 30, 2010 and 2009, the College had no bank balances on deposit which were uninsured and uncollateralized out of total bank balances on deposit of $120,369,712 and $44,609,201, respectively.

B. Investments

The following table presents the investment in debt securities of the College as of June 30, 2010 and 2009 by type of investment.

June 30, 2010 Investment	Total Fair Value	Duration Less than 1 year	Duration 1 to3 years
Time deposits	$95,897,760	$ 75,999,539	$19,898,221
U.S. Treasury Bond / Notes	8,116,194	6,235,259	1,880,935
Commercial Paper	3,490,362	3,490,362	-
Federal Agency Bond / Notes	32,762,006	26,280,464	6,481,542
	$140,266,322	$112,005,624	$28,260,698

2. CASH DEPOSITS AND INVESTMENTS (CONTINUED)

June 30, 2009 Investment	Total Fair Value	Duration Less than 1 year	Duration 1 to 3 years
Time deposits	$232,225,798	$158,605,070	$73,620,728
U.S. Treasury Bond / Notes	498,575	-	498,575
U.S. Treasury Bills	4,741,972	4,741,972	-
Federal Agency Bond / Notes	5,785,046	-	5,785,046
	$243,251,391	$163,347,042	$79,904,349

Credit Risk: 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: Custodial credit risk 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 separate from where the investment was purchased. Additionally, financial institutions must collateralize all deposits in excess of the maximum limit provided by the FDIC to 102% of market value.

Acceptable collateral will include the following:

a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;

b. Bonds issued by College of DuPage;

c. Obligations of United States Government Agencies; and

d. Collateralized Mortgage Obligations (CMO's) issued by government agencies.

2. CASH DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2010 the Federal Agency Bond/Note investments held by the College were all rated AAA/Aaa by Standard and Poors (S&P) and Moody's respectively.

At June 30, 2010 and 2009, the College had investments of $3,490,362 and $13,308,334, respectively, which were uninsured and uncollateralized, out of total investment balances of $140,266,322 and $243,251,391 respectively. The $3,490,362 is invested in Commercial Paper which is short-term corporate debt and is allowed by both the state statutes (the Illinois Public Funds Investment Act) and the College's Investment Policy. The $13,308,334 amount in FY2009 resulted from two bank issues that were subsequently addressed during the audit with the College being at no fault.

3. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2010 is as follows:

	Beginning Balance July 1, 2009	Additions	Retirements	Transfers	Ending Balance June 30, 2010
Capital assets not being depreciated:					
Land	$ 4,786,881	$ -	$ -	$ -	$ 4,786,881
Construction in Progress	146,648,883	63,579,632	-	(6,872,212)	203,356,303
Total assets not being depreciated:	151,435,764	63,579,632	-	(6,872,212)	208,143,184
Total Assets being depreciated:					
Land Improvements	6,423,139	-	-	-	6,423,139
Buildings	91,148,218	-	-	6,872,212	98,020,430
Building Improvements	38,773,208	-	-	-	38,773,208
Equipment	37,019,795	2,910,852	(637,874)	-	39,292,773
Total assets being depreciated:	173,364,360	2,910,852	(637,874)	6,872,212	182,509,550
Total Cost:	324,800,124	66,490,484	(637,874)	-	390,652,734
Less accumulated depreciation:					
Land Improvements	(2,667,609)	(454,052)	-	-	(3,121,661)
Buildings	(43,306,091)	(1,855,906)	-	-	(45,161,997)
Building Improvements	(19,189,618)	(1,673,151)	-	-	(20,862,769)
Equipment	(30,153,564)	(2,453,313)	615,198	-	(31,991,679)
Total accumulated depreciation:	(95,316,882)	(6,436,422)	615,198	-	(101,138,108)
Net Capital Assets:	$229,483,242	$60,054,061	$ (22,676)	$ -	$289,514,626

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

3. CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets for the fiscal year ended June 30, 2009 is as follows:

	Beginning Balance July 1, 2008	Additions	Retirements	Transfers	Ending Balance June 30, 2009
Capital assets not being depreciated:					
Land	$ 4,786,881	$ -	$ -	$ -	$ 4,786,881
Construction in Progress	93,212,006	56,005,027	-	(2,568,150)	146,648,883
Total assets not being depreciated:	97,998,887	56,005,027	-	(2,568,150)	151,435,764
Total assets being depreciated					
Land Improvements	4,908,138	-	(249,416)	1,764,417	6,423,139
Buildings	91,148,218	-	-	-	91,148,218
Building Improvements	37,969,475	-	-	803,733	38,773,208
Equipment	34,128,075	3,730,010	(838,290)	-	37,019,795
Total assets being depreciated:	168,153,906	3,730,010	(1,087,706)	2,568,150	173,364,360
Total Cost:	266,152,793	59,735,037	(1,087,706)	-	324,800,124
Less accumulated depreciation:					
Land Improvements	(2,448,773)	(468,252)	249,416	-	(2,667,609)
Buildings	(41,643,844)	(1,662,247)	-	-	(43,306,091)
Building Improvements	(17,608,466)	(1,581,152)	-	-	(19,189,618)
Equipment	(28,940,539)	(1,967,593)	754,568	-	(30,153,564)
Total accumulated depreciation:	(90,641,622)	(5,679,244)	1,003,984	-	(95,316,882)
Net Capital Assets:	$ 175,511,171	$ 54,055,793	$ (83,722)	$ -	$229,483,242

4. RETIREMENT, TERMINATION AND POST EMPLOYMENT RELATED BENEFITS

Plan Description: 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 and for survivors, dependents and other beneficiaries of such employees of the state universities, certain affiliated organizations and certain other state educational and scientific agencies.

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 accessing the website at www.surs.org or by calling 1-800-275-7877.

Funding Policy: 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 actuarially determined. The employer contributions funded by the College are for employees paid from restricted grant funds. The current actuarially funded rate for 2011 is 21.27% and the prior year rate for 2010 was 18.61% 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:

Years Ending June 30,	College	State of Illinois
2010	$229,315	$15,932,474
2009	156,619	10,696,716
2008	131,637	8,185,317
2007	107,783	6,235,640
2006	123,691	4,268,294

Retiree Health Plan: Health coverage is currently available to eligible retirees through a state program – The College Insurance Plan.

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

Plan Description: In addition to the pension plan described previously, the College contributes to the State of Illinois Community College Health Insurance Security Fund (CIP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of Illinois. CIP provides health, vision and dental benefits to retired staff and dependent beneficiaries of participating Community Colleges. The benefits, employer, employee, retiree and state contributions are dictated by Illinois Compiled Statues (ILCS) through the State Group Insurance Act of 1971 (Act) and can only be changed by the Illinois General Assembly.

Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retires. The result is pay as you go financing of the plan.

Employer contributions for the current and preceding two years are as follows:

Year Ended June 30,	College's Contribution*	College	State
2008	100%	$ 364,261	$ 364,261
2009	100%	380,265	380,265
2010	100%	371,377	371,377

*As a percentage of required contribution.

As disclosed in Note 4, the State contribution to the CIP plan is reported as an "on-behalf-payment" in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.*

Termination Benefit

The College provides compensation payments to its eligible benefited employees to encourage early retirement. Termination benefit 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 in the fiscal year of election for retirement.

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

The expected future payments for faculty, administrators and classified at June 30, 2010 and 2009 are as follows:

Fiscal year 2011 payments	$ 916,489
Value of payments beyond fiscal year 2011	2,494,618
Fiscal year 2010 payments	$ 980,039
Value of payments beyond fiscal year 2010	2,039,445

At June 30, 2010 and 2009, respectively, there were 75 and 67 participants in the early retirement program. The College began fiscal year 2009 with 68 participants. Nineteen new participants joined the program in Fiscal 2010 and sixteen new participants joined the program in Fiscal 2009. Eleven and seventeen participants received their final payments during Fiscal 2010 and 2009, respectively.

Other Post-Employment Benefits (OPEB)

The College provides eligible faculty, administrators and classified retirees with a health benefit program. This post-employment benefit plan is a single-employer plan. There are a variety of health care arrangements depending on when an individual retired from the College.

The College also provides fixed health care coverage reimbursements capped at a fixed dollar amount to retirees. The College is not required to and currently does not advance funds to the cost of benefits that will become due and payable in the future. The College had an actuarial valuation performed for the plan as of June 30, 2010 and June 30, 2009 to determine the employer's annual required contribution (ARC).

Schedule of Funding Progress

Fiscal Year Ended June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
2010	$0	$12,013,103	$12,013,103	0.0%	$74,656,269	16.1%
2009	0	11,357,994	11,357,994	0.0%	76,769,160	14.8%

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

Annual OPEB Cost and Net OPEB Obligation

	June 30, 2010	June 30, 2009
Annual Required Contribution	$505,665	$598,641
Interest on net OPEB obligation	2,781	0
Adjustment to annual required obligation	(1,854)	0
Annual OPEB cost	506,592	598,641
Contributions made	509,406	543,031
Increase (decrease) in net OPEB obligation	(2,814)	55,610
Net OPEB obligation beginning of year	55,610	0
Net OPEB obligation end of year	$52,796	$55,610

Three-Year Trend Information

Fiscal Year Ending June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$506,592	100.6%	$52,796
2009	598,641	92.6%	55,610
2008*	N/A	N/A	N/A

*The first actuarial evaluation for the plan was performed as of June 30, 2009. Data for preceding years is not available.

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

Funding Policy and Actuarial Assumptions

	June 30, 2010	June 30, 2009
Contribution rates		
College	0.68%	0.91%
Plan Members	0.00%	0.00%
Actuarial cost method	Entry Age	Entry Age
Amortization period	Level % of pay, open	Level % of pay, open
Remaining amortization period	30 years	30 years
Asset valuation method	Market	Market
Actuarial assumptions		
Investment rate of return*	5.00%	5.00%
Projected salary increases	5.00%	5.00%
Healthcare inflation rate**	0.00% initial; 0.00% ultimate	8.00% initial; 6.00% ultimate
Mortality, turnover, disability, retirement ages	Same rates utilized for IMRF	Same rates utilized for IMRF
Percentage of active employees assumed to elect benefit	100.00%	100.00%
Employer provided benefit	Explicit: varies by employee, $1,400/yr to $2,200/yr to age 65 $900/yr to $1600/yr after age 65 (with a few exceptions)	Explicit: varies by employee, $1,400/yr to $2,200/yr to age 65 $900/yr to $1600/yr after age 65 (with a few exceptions)

*Includes inflation rate at 3.00%.
**Healthcare benefit is capped at a fixed specified dollar amount and not subject to annual increases.

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective.

5. 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. As of June 30, 2010 and 2009, employees had earned but not taken annual vacation leave which, at salary rates then in effect, aggregated approximately $3,008,257 and $2,983,822, respectively.

COMPENSATED BALANCES LIABILITY

Fiscal Year	Beginning Balance July 1	Issuances	Retirements	Ending Balance June 30
2010	$ 2,983,822	$ 24,435	$ -	$ 3,008,257
2009	2,266,555	717,267	-	2,983,822
2008	2,112,771	153,784	-	2,266,555

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.

6. LONG-TERM DEBT

A. A summary of long-term debt transactions for the years ended June 30, 2010 and 2009 is as follows:

June 30, 2010

	Balance July 1, 2009	Issuances	Retirements/ Refunding	Total Debt Balance June 30, 2010	Current Portion
General Obligation Bonds - Series 2003A	$ 39,655,000	-	$ 6,815,000	$ 32,840,000	$ 7,760,000
General Obligation Bonds - Series 2003B (Alternative Revenue Source)	16,820,000	-	1,305,000	15,515,000	1,355,000
General Obligation Refunding Bonds - Series 2006 (Alternative Revenue Source)	7,850,000	-	45,000	7,805,000	45,000
General Obligation Bonds - Series 2007	76,675,000	-	1,785,000	74,890,000	1,945,000
General Obligation Bonds - Series 2009A (Alternative Revenue Source)	12,550,000	-	-	12,550,000	3,045,000
General Obligation Bonds - Series 2009B (Alternative Revenue Source)	62,450,000	-	-	62,450,000	-
General Obligation Bonds - Series 2009C	23,720,000	-	420,000	23,300,000	11,585,000
General Obligation Bonds - Series 2003A - Bond Premium	4,705,366	-	700,914	4,004,452	736,335
General Obligation Bonds - Series 2003B - Bond Premium (Alternative Revenue Source)	209,232	-	12,046	197,186	12,519

6. LONG-TERM DEBT (CONTINUED)

June 30, 2010

	Balance July 1, 2009	Issuances	Retirements/ Refunding	Total Debt Balance June 30, 2010	Current Portion
General Obligation Bonds - Series 2006 - Bond Premium Refunding (Alternate Revenue Source)	$ 18,833	-	$ 1,477	$ 17,356	$ 1,536
General Obligation Bonds - Series 2007 - Bond Premium	3,961,369	-	204,888	3,756,481	214,493
General Obligation Bonds - Series 2009A - Bond Premium (Alternative Revenue Source)	472,360	-	99,612	372,748	102,131
General Obligation Bonds - Series 2009B - Bond Premium (Alternative Revenue Source)	22,604	-	721	21,883	756
General Obligation Bonds - Series 2009C - Bond Premium Refunding	879,097	-	349,484	529,613	360,114
Loss on Bond Refunding 2006	(471,974)	-	(34,961)	(437,013)	(34,961)
Loss on Bond Refunding 2009C	(3,320,070)		(1,373,822)	(1,946,248)	(1,373,822)
Termination Benefits*	2,039,445	1,698,048	1,242,875	2,494,618	916,489
Other Post-Employment Benefits	55,610	-	2,814	52,796	-
Total	$ 248,291,872	$ 1,698,048	$ 11,576,048	$ 238,413,873	$ 26,670,590

*Termination Benefits Balance at June 30, 2010 excludes current portion.

6. LONG-TERM DEBT (CONTINUED)

June 30, 2009

	Balance July 1, 2008	Issuances	Retirements/ Refunding	Total Debt Balance June 30, 2009	Current Portion
General Obligation Bonds - Series 2003A	$66,640,000	$ -	$26,985,000	$39,655,000	$6,815,000
General Obligation Bonds - Series 2003B (Alternative Revenue Source)	18,085,000	-	1,265,000	16,820,000	1,305,000
General Obligation Refunding Bonds - Series 2006 (Alternative Revenue Source)	7,890,000	-	40,000	7,850,000	45,000
General Obligation Bonds - Series 2007	78,305,000	-	1,630,000	76,675,000	1,785,000
General Obligation Bonds - Series 2009A (Alternative Revenue Source)	-	12,550,000	-	12,550,000	-
General Obligation Bonds - Series 2009B (Alternative Revenue Source)	-	62,450,000	-	62,450,000	-
General Obligation Bonds - Series 2009C	-	23,720,000	-	23,720,000	420,000
General Obligation Bonds - Series 2003A - Bond Premium	5,349,658	-	644,292	4,705,366	699,724
General Obligation Bonds - Series 2003B - Bond Premium (Alternative Revenue Source)	220,822	-	11,590	209,232	12,046

6. LONG-TERM DEBT (CONTINUED)

June 30, 2009

	Balance July 1, 2008	Issuances	Retirements/ Refunding	Total Debt Balance June 30, 2009	Current Portion
General Obligation Bonds - Series 2006 - Bond Premium Refunding (Alternate Revenue Source)	$ 20,252	$ -	$ 1,419	$ 18,833	$ 1,477
General Obligation Bonds - Series 2007 - Bond Premium	4,157,083	-	195,714	3,961,369	204,888
General Obligation Bonds - Series 2009A - Bond Premium (Alternative Revenue Source)	-	488,544	16,184	472,360	99,004
General Obligation Bonds - Series 2009B - Bond Premium (Alternative Revenue Source)	-	22,723	119	22,604	721
General Obligation Bonds - Series 2009C - Bond Premium Refunding	-	891,514	12,417	879,097	349,483
Loss on Bond Refunding 2006	(506,936)	-	(34,962)	(471,974)	(34,960)
Loss on Bond Refunding 2009C	-	(3,377,313)	(57,243)	(3,320,070)	(1,373,822)
Arbitrage Liability	698,711	-	(698,711)	-	-
Termination Benefits*	2,127,500	1,059,374	1,147,429	2,039,445	980,039
Other Post-Employment Benefits	-	55,610	-	55,610	-
Total	$182,987,090	$97,860,452	$31,158,248	$248,291,872	$11,308,600

*Termination Benefits Balance at June 30, 2009 excludes current portion.

6. LONG-TERM DEBT (CONTINUED)

B. The long-term debt of the College outstanding at June 30, 2010 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. On June 18, 2009 the College refunded $21,030,000 of the Series 2003A bonds. Refunding proceeds of the bonds will be used to purchase State and Local Government Securities.

Bond issue date	February 20, 2003
Current portion	$7,760,000
Long – term portion	$25,080,000
Interest rates	5.0% to 5.25%
Final payment date	June 1, 2015
Payment dates	June 1 and December 1

GENERAL OBLIGATION BONDS – SERIES 2003A

Year ended June 30	Principal	Interest	Total
2011	$7,760,000	$1,662,738	$9,422,738
2012	8,775,000	1,274,737	10,049,737
2013	5,710,000	835,988	6,545,988
2014	5,885,000	556,238	6,441,238
2015	4,710,000	247,275	4,957,275
Total	$32,840,000	$4,576,976	$37,416,976

6. LONG-TERM DEBT (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 $7,375,000 of the Series 2003B bonds.

Bond issue date	February 20, 2003
Current portion	$1,355,000
Long-term portion	$14,160,000
Interest rates	3.25% 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 June 30	Principal	Interest	Total
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	1,515,000	503,050	2,018,050
2015	1,580,000	442,450	2,022,450
2016 - 2020	1,640,000	1,625,650	3,265,650
2021 - 2023	6,560,000	632,936	7,192,936
Total	$15,515,000	$5,045,192	$20,560,192

6. LONG-TERM DEBT (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	$45,000
Long-term portion	$7,760,000
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 June 30	Principal	Interest	Total
2011	$45,000	$299,810	$344,810
2012	45,000	298,010	343,010
2013	50,000	296,210	346,210
2014	50,000	294,210	344,210
2015	55,000	292,210	347,210
2016 – 2020	7,560,000	1,018,270	8,578,270
Total	$7,805,000	$2,498,720	$10,303,720

6. LONG-TERM DEBT (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	$1,945,000
Long-term portion	$72,945,000
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 June 30	Principal	Interest	Total
2011	$1,945,000	$3,595,825	$5,540,825
2012	2,115,000	3,518,025	5,633,025
2013	2,290,000	3,433,425	5,723,425
2014	2,510,000	3,318,925	5,828,925
2015	4,120,000	3,193,425	7,313,425
2016 - 2020	39,210,000	10,825,875	50,035,875
2021 - 2023	22,700,000	1,882,025	24,582,025
Total	$74,890,000	$29,767,525	$104,657,525

6. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Alternative Revenue Source) – Series 2009A

On May 4, 2009 the College issued the Series 2009A bonds in the amount of $12,550,000. The proceeds derived from the issuance of these bonds will be used by the College to finance certain capital projects, including additions and renovations and to pay the cost of issuing the bonds.

Bond issue date	May 4, 2009
Current portion	$3,045,000
Long – term portion	$9,505,000
Interest rates	2.00% to 4.00%
Final payment date	June 1, 2014
Payment dates	July 1 and January 1

GENERAL OBLIGATION BONDS – SERIES 2009A
(ALTERNATIVE REVENUE SOURCE)

Year Ended June 30	Principal	Interest	Total
2011	$3,045,000	$315,600	$3,360,600
2012	3,105,000	254,700	3,359,700
2013	3,170,000	192,600	3,362,600
2014	3,230,000	129,200	3,359,200
Total	$12,550,000	$892,100	$13,442,100

6. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Alternative Revenue Source) – Series 2009B

On May 4, 2009 the College issued the Series 2009B bonds in the amount of $62,450,000. The proceeds derived from the issuance of these bonds will be used by the College to finance certain capital projects, including additions and renovations and to pay the cost of issuing the bonds.

Bond issue date	May 4, 2009
Current portion	$ -
Long – term portion	$62,450,000
Interest rates	3.75% to 5.75%
Final payment date	January 1, 2029
Payment dates	July 1 and January 1

GENERAL OBLIGATION BONDS – SERIES 2009B
(ALTERNATIVE REVENUE SOURCE)

Year Ended June 30	Principal	Interest	Total
2011	$ -	$3,153,640	$3,153,640
2012	-	3,153,640	3,153,640
2013	-	3,153,640	3,153,640
2014	-	3,153,640	3,153,640
2015	3,350,000	3,153,640	6,503,640
2016 – 2020	18,165,000	13,610,669	31,775,669
2021 – 2025	21,185,000	8,946,720	30,131,720
2026 – 2029	19,750,000	2,815,800	22,565,800
Total	$62,450,000	$41,141,389	$103,591,389

6. LONG-TERM DEBT (CONTINUED)

General Obligation Refunding Bond – Series 2009C

On June 18, 2009, the College issued $23,720,000 in General Obligation Refunding Bonds with an interest rate of 3.00%. Proceeds will be used to (1) advance refund a portion of the College's outstanding General Obligation Bonds Series 2003A dated February 1, 2003 and (2) pay costs associated with the issuance of the Bonds. The Series 2003A Bonds were originally issued for the purpose of building and equipping new buildings and renovating existing facilities of the college and paying certain issuance costs. 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 will be sufficient to pay when due upon redemption. As a result, a portion of the Series 2003A is considered to be defeased and the liability for this bond has been removed from the statement of net assets.

The advance refunding resulted in the recognition of an economic gain of $1,259,220.

Bond issue date	June 18, 2009
Current portion	$11,585,000
Long – term portion	$11,715,000
Interest rates	3.00%
Final payment date	December 1, 2011
Payment dates	June 1 and December 1

GENERAL OBLIGATION BONDS – SERIES 2009C

Year Ended June 30	Principal	Interest	Total
2011	$11,585,000	$525,225	$12,110,225
2012	11,715,000	175,725	11,890,725
Total	$23,300,000	$700,950	$24,000,950

6. LONG-TERM DEBT (CONTINUED)

Total General Obligation Bonds – Series 2003A, Series 2007, and Series 2009C
General Obligation Bonds (Alternate Revenue Source) – Series 2003B, Series 2006, Series 2009A, and Series 2009B

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 June 30	Principal	Interest	Total
2011	$ 25,735,000	$10,219,224	$35,954,224
2012	27,160,000	9,290,297	36,450,297
2013	12,680,000	8,471,123	21,151,123
2014	13,190,000	7,955,263	21,145,263
2015	13,815,000	7,329,000	21,144,000
2016 – 2020	66,575,000	27,080,464	93,655,464
2021 – 2025	50,445,000	11,461,681	61,906,681
2026 – 2029	19,750,000	2,815,800	22,565,800
Total	$229,350,000	$84,622,852	$313,972,852

Termination Benefits

A long-term liability is recorded in the amount of $2,494,618 and $2,039,445 at June 30, 2010 and 2009 respectively, for expected future retirement benefit payments to administrators, classified, and faculty.

	Administrators		Full-Time Faculty		Classified		Total	
Year Ended June 30	No. of Participants	Long-Term Liability	No. of Participants	Long-Term Liability	No. of Participants	Long-Term Liability	No. of Participants	Long-Term Liability
2010	9	$346,452	56	$1,996,129	10	$152,037	75	$2,494,618
2009	10	$208,160	47	$1,648,466	10	$182,819	67	$2,039,445

6. LONG-TERM DEBT (CONTINUED)

Other Post Employment Benefits

Based on the actuarial valuation, a long-term liability is recorded at present value in the amount of $52,796 and $55,610 at June 30, 2010 and 2009, respectively, for expected future retirement healthcare 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 and $12,550,000 and $62,450,000 in General Obligation Bonds (Alternate Revenue Source) issued February 20, 2003, October 31, 2006, May 4, 2009, and May 4, 2009 respectively. Proceeds from the bonds are providing financing for the construction of parking facilities, building and equipping new buildings and renovating existing facilities and related site improvements. The bonds are payable solely from tuition and fees revenues and are payable through years ended June 30, 2023, 2020, 2014, and 2029 respectively. Annual principal and interest payments on the bonds are expected to require less than 44.6% of tuition and fees revenues. The total principal and interest remaining to be paid on the bonds is $147,897,401. Principal and interest paid for the current year and total tuition and fees revenues were $4,651,412 and $5,143,233 respectively.

7. BOOKSTORE LEASE

In March 2009, a five-year lease for bookstore management services was awarded to Follett Higher Education Group of Oak Brook, Illinois with the current contract expiring on March 13, 2014. Under the terms of this agreement, the service provider agrees to operate the bookstore facility with a total minimum rental guarantee of $5,500,000 or an annual minimum of $1,100,000. For the years ended June 30, 2010 and 2009, the College recognized income under this agreement of $1,584,230 and $1,006,692 respectively.

8. DINING SERVICES LEASE AND VENDING

The College's Dining Services program consists of manual operations and vending throughout the campus. 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 rental guarantee of $276,282 or an annual minimum of $50,000 with a 5% escalation each year. For the years ended June 30, 2010 and 2009, the College recognized income under this agreement of $52,500 and $51,208, respectively.

8. DINING SERVICES LEASE AND VENDING (CONTINUED)

The College also has agreements with outside firms to provide vending program services. The agreement for food vending with Aramark Corporation of Lansing, Illinois ended December 31, 2009. Under the terms of this agreement, Aramark agreed to pay commissions at an average rate of 23.3%, payable monthly. The agreement for food vending with Ace Coffee Bar of Streamwood, Illinois went into effect on January 1, 2010 and is in effect until December 31, 2014. Under the terms of this agreement, Ace Coffee Bar agrees to pay commissions at an average rate of 25.6%, payable monthly, for the term of the agreement. For the years ended June 30, 2010 and 2009, the College recognized income under these agreements of $54,508 and $65,761, respectively.

The agreement for beverage vending with Pepsi Americas of Chicago, Illinois, ended December 31, 2009. Under the terms of this agreement, the service provider agreed 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. A new agreement with Pepsi Beverages Company was entered into on January 1, 2010 ending December 31, 2014. Under the terms of this agreement, the service provider agrees to pay commissions at an average rate of 30%, payable monthly. For the years ended June 30, 2010 and 2009, the College recognized income of $120,848 and $155,000 in both respectively. In accordance with the beverage vending agreements, for the contract ended December 31, 2010 Pepsi Americas also paid 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. Under the terms of the new agreement Pepsi Beverages Company agrees to pay an annual sponsorship fee of $50,000 payable on January 1 of each year from 2010 through 2014.

9. FACILITIES LEASE

The College has entered into nine operating leases for on and off-campus facilities. The leases are for various terms with the longest term expiring April 30, 2018. Rental cost on these nine facilities approximated $1,032,155 for fiscal year 2010 and $1,015,921 for fiscal year 2009, exclusive of assessed common area maintenance charges and real estate taxes. The future minimum rental payments on these leases are as follows:

Fiscal Year	Minimum Rental Payments
2011	$1,061,765
2012	981,065
2013	1,003,176
2014	960,167
2015	824,081
2016	797,071
2017	183,283
2018	187,211
Total	$5,997,819

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.

The College participates in the Consortium, which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. Coverages include all property, excess liability ($20,000,000), and workers' compensation. No settlement has exceeded coverage since establishment of the Consortium. The College joined the consortium in fiscal year 1982. Since the Consortium requests initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no future liabilities for incurred losses. The policy is annual and renewable on July 1. The College's level of coverage has not changed for the past three years.

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.

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

Estimated claims incurred but not reported June 30, 2010	$834,654
Estimated FY2010 claims incurred	(9,696,557)
FY2010 claims paid	9,609,359
Estimated claims incurred but not reported June 30, 2009	$747,456
Estimated claims incurred but not reported June 30, 2009	$747,456
Estimated FY2009 claims incurred	(10,539,418)
FY2009 claims paid	10,772,962
Estimated claims incurred but not reported June 30, 2008	$981,000

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

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned and unassigned. Statement 54 is effective for financial statements for periods beginning after June 15, 2010. The College is currently evaluating the impact of adopting Statement No. 54.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.* The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plans. The provisions related to the use and reporting of the alternative method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plans financial statements for financial periods beginning after June 15, 2011. The College is currently evaluating the impact of adopting Statement No. 57.

In June 2010 the GASB issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged. The College is currently evaluating the impact of adopting Statement No. 59.

13. 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 (the College).

13. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

B. Summary of Significant Accounting Policies

Reporting Entity

The Foundation operates and maintains the Foundation within the College. The Foundation is a legally separate entity whose Board is elected by the Foundation Trustees. As required by accounting principles generally accepted in the United States of America, these financial statements present the Foundation and any existing component units. Currently, the Foundation does not have any component units. However, pursuant to Statement No. 39 of the Governmental Accounting Standards Board, *Determining Whether Certain Organizations are Component Units*, the College has determined that the Foundation should be considered a discreetly presented component unit of the College.

Basis of Presentation

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. 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.

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 Asset 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

13. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

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.

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 fundraising 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, 2009, from which the summarized information was derived.

Income from Permanently Restricted Net Assets

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

13. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

- 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; and
- 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.

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.

Fair Value Measurements

During the year ended June 30, 2009, the Foundation adopted the authoritative guidance issued by FASB which defines fair value, establishes a framework for measuring fair value by providing a hierarchy used to classify the source of the information measuring fair value, and expands disclosures about fair value measurements. The guidance does not require any new fair value measurements. In February 2008, FASB issued supplemental guidance which delayed the effective date of the initial standard for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. The Foundation adopted this Supplemental guidance on July 1, 2009 with no material effect on its financial position, results of operations and cash flows from either the initial or supplemental guidance. Assets and liabilities carried at fair value are classified and disclosed in one of the following categories:

13. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

Level 1:	Quoted market prices in active markets for identical assets or liabilities.
Level 2:	Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3:	Unobservable inputs that are not corroborated by market data.

C. Charitable Remainder Trust

The Foundation administers a charitable remainder trust (the Trust). A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the Trust's term. Obligations to the beneficiaries are limited to the Trust's assets. At the end of the Trust's term, the remaining assets are available for the Foundation's use. Assets are recorded at fair value when received and a liability is recorded for the net present value of the estimated future payments to the beneficiaries. The portion of the Trust attributable to the net present value of the future benefits to be received by the Foundation was recorded in the statement of activities as temporarily restricted contribution in the period the Trust was established. Assets held in the Trust totaled $56,641 at June 30, 2010 and are reported at fair value in the Foundation's statement of financial position. The net present value of the estimated future payments to beneficiaries of $39,754 as June 30, 2010 is calculated using a discount rate of 4% and is reflected in other liabilities in the accompanying statement of financial position.

D. Income Taxes

The Foundation has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to a determination letter issued in September 1969. Accordingly, no provision for income tax is included in the financial statements.

During the fiscal year ended June 30, 2010, the Foundation adopted the authoritative guidance issued by the Financial Accounting Standards Board (FASB) that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has not been met. This guidance also addresses de-recognition, classification, interest and penalties, disclosure, and transition.

13. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

The Foundation conducts business solely in the U.S. and, as a result, files informational returns for U.S. and Illinois. In the normal course of business, the Foundation is subject to examination by taxing authorities. The Foundation's informational returns for years subsequent to fiscal 2006 are open, by statute, for review by authorities. However, at present, there are no ongoing income tax audits or unresolved disputes with the various tax authorities that the Foundation currently files or has filed with. The adoption of this guidance did not have any material effect on the Foundation's financial position, changes in net assets, or cash flows as of June 30, 2010 or for subsequent periods.

Prior to the adoption of the guidance, the Foundation's policy was to recognize a liability for uncertain tax positions based on management's estimate of whether it was probable that a liability was incurred and that amount could be reasonably estimated.

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

JUNE 30, 2010

Required Supplementary Information

(This page left blank intentionally)

COLLEGE OF DuPAGE
COMMUNITY COLLEGE DISTRICT NUMBER 502

REQUIRED SUPPLEMENTARY INFORMATION
Other Post Employment Benefit (OPEB)

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
June 30, 2010	$0	$12,013,103	$12,013,103	0.0%	$74,656,269	16.1%
June 30,2009*	0	11,357,994	11,357,994	0.0%	76,769,160	14.8%

*The first actuarial evaluation for the plan was performed as of June 30, 2009. Data for preceding years is not available.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

SOCIOECONOMIC AND DEMOGRAPHIC INFORMATION

Employment

Following are the unemployment rates in DuPage County, the State of Illinois and the United States for the past five years.

Historical Unemployment Rates

	2010	2009	2008	2007	2006
DuPage County	8.3%	8.4%	5.0%	3.8%	3.4%
State of Illinois	10.3	10.0	6.4	5.1	4.6
United States	9.6	9.3	5.8	4.6	4.6

Source: Illinois Department of Employment Security.

The chart below shows the ten largest employers in DuPage County in 2009.

DuPage County, Illinois
Ten Largest Employers

Employer	Business Product	Employees
Edward Hospital	Health Care	4,100
BP America, Inc.	Oil and Gas Producer	3,800
Elmhurst Memorial Hospital	General Hospital	3,600
DuPage County	Government Services	3,085
Argonne National Laboratory	Research	2,900
College of DuPage	Higher Education	2,700
Good Samaritan Hospital	General Hospital	2,500
Navistar, Inc.	Transportation	1,800
Alcatel-Lucent	Telecommunications	1,500
McDonald's Corporation	Restaurants	1,500

Source: DuPage County Economic Profile — Major Employers 2009.

The following chart classifies DuPage County and State employment figures by occupation.

Employment by Occupation

Classification	DuPage County Number	DuPage County Percent	State of Illinois Number	State of Illinois Percent
Management, professional, and related	207,353	43.2%	2,138,597	35.1%
Sales and office	136,456	28.4	1,591,409	26.1
Service	56,428	11.8	992,030	16.3
Production, transportation, and material moving	47,016	9.8	865,790	14.2
Construction, extraction, maintenance and repair	32,331	6.7	490,145	8.0
Farming, fishing, and forestry	599	0.1	19,064	0.3
Total	480,183	100.0%	6,097,035	100.0%

Source: U.S. Census Bureau, 2010.

The following chart presents DuPage County and State employment figures by industry.

Employment by Industry

Classification	DuPage County Number	DuPage County Percent	State of Illinois Number	State of Illinois Percent
Educational services, and health care and social assistance	92,017	19.2%	1,287,693	21.1%
Professional, scientific, management, administrative, and waste management services	63,771	13.3	651,535	10.7
Manufacturing	61,998	12.9	806,499	13.2
Retail trade	52,003	10.8	662,515	10.9
Finance, insurance, real estate, and rental and leasing services	47,293	9.8	485,533	8.0
Arts, entertainment, recreation, accommodation and food services	35,906	7.5	515,791	8.5
Construction	28,585	6.0	376,949	6.2
Transportation and warehousing, and utilities	25,388	5.3	358,754	5.9
Wholesale trade	24,386	5.1	217,944	3.6
Other services (except public administration)	23,631	4.9	292,634	4.8
Information	13,575	2.8	145,038	2.4
Public administration	10,667	2.2	230,710	3.8
Agriculture, forestry, fishing and hunting, and mining	963	0.2	65,440	1.1
Total	480,183	100.0%	6,097,035	100.0%

Source: U.S. Census Bureau, 2010.

Sales Tax. The following table shows amounts of the municipal share of sales tax receipts reported by retailers in DuPage County for calendar years 2006-2010. Such sales tax receipt amounts provide an indication of consumer spending by individuals and companies only.

DuPage County, Illinois
Sales Tax Receipts

Calendar Year*	Taxable Sales	Percent Change
2010	$16,223,262,315	4.49%
2009	15,526,742,089	-9.96
2008	17,244,954,156	-4.64
2007	18,083,293,450	-0.68
2006	18,207,772,649	

* Calendar year reports ending December 31.
Source: State of Illinois, Department of Revenue

Household Income. According to the 2010 census, DuPage County had a median household income of $76,355. This compares to $55,222 for the State. The following table shows the distribution of household incomes for the County and the State at the time of the 2010 census.

Median Household Income

	DuPage County		State of Illinois	
Income	Number	Percent	Number	Percent
Under $10,000	10,215	3.00%	383,299	8.35%
$10,000 to $14,999	8,154	2.40	252,485	5.50
$15,000 to $24,999	20,981	6.20	517,812	11.27
$25,000 to $34,999	22,628	6.70	545,962	11.89
$35,000 to $49,999	38,596	11.50	745,180	16.23
$50,000 to $74,999	64,873	19.20	952,940	20.75
$75,000 to $99,999	51,149	15.20	531,760	11.58
$100,000 to $149,999	63,726	18.90	415,348	9.04
$150,000 to $199,999	27,790	8.20	119,056	2.59
$200,000 or more	28,943	8.60	128,898	2.81
Total	337,055	100.00%	4,749,388	100.00%
Median Household Income	$ 76,355		$55,222	
Mean Household Income	101,154		74,436	

Population Trends. Since the 1970's, DuPage County has experienced significant growth, becoming the second most populous county in the State. As ninety percent (90%) of the District lies in DuPage County, the District has also grown rapidly in recent decades. In 2006, the population of the District was approximately 946,000.

Population Trends

	1990	2000	2010	% Change 1990-2010
DuPage County	781,666	904,161	916,924	17.30%
State of Illinois	11,430,602	12,419,293	12,830,632	12.25

Source: U.S. Census Bureau, 2010.

Housing. The following chart shows the value of owner-occupied homes in DuPage County and the State as of 2010.

Owner-Occupied Units

	DuPage County		State of Illinois	
Value	Number	Percent	Number	Percent
Under $50,000	2,065	0.8%	218,908	6.6%
$50,000 to $99,999	3,426	1.3	467,086	14.2
$100,000 to $149,999	13,313	5.1	465,161	14.1
$150,000 to $199,999	27,103	10.5	492,170	14.9
$200,000 to $299,999	73,467	28.4	701,719	21.3
$300,000 to $499,999	95,091	36.8	640,636	19.5
$500,000 to $999,999	37,036	14.3	253,512	7.7
$1,000,000 or more	7,240	2.8	53,493	1.6
Total	258,741	100.0%	3,292,685	100.0%
Median Value	$315,700		$200,400	

Source: U.S. Census Bureau, 2010.

The chart below shows building permit and construction data for the County for the past five years.

DuPage County, Illinois
Residential Building Permits
(Excludes the Value of Land)

Calendar Year	Number of Permits	Single Family Number of Buildings	Single Family Number of Units	Multi-Family Number of Buildings	Multi-Family Number of Units	Total Construction Value
2010	432	430	430	2	188	$241,685,691
2009	423	416	416	7	32	165,154,395
2008	576	572	572	4	22	253,384,725
2007	1,243	1,231	1,231	12	201	511,087,011
2006	1,887	1,858	1,858	29	787	798,035,579

Source: U.S. Census Bureau, 2010.

Largest Taxpayers. The following chart lists the largest taxpayers in DuPage County for the 2010 tax levy year.

DuPage County, Illinois
Largest Taxpayers

Taxpayer	Type of Business	Equalized Assessed Valuation	Percentage of District's Total Equalized Assessed Valuation
AMB Property RE Tax Co.	Industrial properties	$123,173,530	0.27%
Oakbrook Shopping Center	Shopping center property	117,867,696	0.26
Hamilton Partners Inc.	Commercial and industrial properties	91,306,450	0.20
Wells Real Estate Funds, Wells Reits and Wells Mgmt Co.	Commercial properties	74,378,910	0.16
Arden Realty, Inc.	Commercial property	66,202,750	0.15
AMLI	Multi-family properties	62,925,020	0.14
UBS Realty Investors, LLC	Commercial, industrial and multi-family properties	62,400,670	0.14
Real Estate Advisors	Commercial and industrial properties	48,730,460	0.11
NS MPG Inc.	Commercial properties	52,109,580	0.11
Crane and Norcross	Commercial property	43,847,630	0.10
Total		$742,942,696	1.64%

Source: Offices of the DuPage County Clerk and DuPage County Assessor

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL

[ON LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined a certified copy of the proceedings (the *"Proceedings"*) of the Board of Trustees of Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the *"District"*), passed preliminary to the issuance by the District of its fully registered General Obligation Refunding Bonds (Alternate Revenue Source), Series 2011B (the *"Bonds"*) to the amount of $9,460,000, dated the date hereof (the *"Dated Date"*), of the denomination of $5,000 or authorized integral multiples thereof, and due serially on January 1 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT ($)	RATE OF INTEREST (%)
2015	1,530,000	4.00
2016	1,585,000	4.00
****	****	****
2021	2,025,000	4.00
2022	2,110,000	4.75
2023	2,210,000	4.75

Each Bond bears interest from the later of the Dated Date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of each such Bond, respectively, is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2012.

The Bonds due on January 1, 2023, are subject to optional redemption prior to maturity, as a whole or in part, and if in part in such principal amounts and from such maturities as determined by the District (less than all of the Bonds of a single maturity to be selected by lot), on January 1, 2022, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and is payable (i) together with the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2003B, General Obligation

Refunding Bonds (Alternate Revenue Source), Series 2006, General Obligation Bonds (Alternate Revenue Source), Series 2009A, and General Obligation Taxable Bonds (Alternate Revenue Source), Series 2009B (collectively, the *"Prior Alternate Bonds"*) from (i) student tuition and fees (the *"Pledged Revenues"*) and (ii) ad valorem property taxes levied upon all taxable property in the District without limitation as to rate or amount, except that 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. Additional Bonds secured by the Pledged Revenues ratably and equally with the Bonds and the Prior Alternate Bonds may be issued as provided in the Proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable 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 alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Robert Thomas CPA, LLC, Certified Public Accountants.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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 the Community College District No. 502, Counties of DuPage, Cook and Will and State of Illinois (the "*District*"), in connection with the issuance of $9,460,000 principal amount of its General Obligation Refunding Bonds (Alternate Revenue Source), Series 2011B (the "*Bonds*").

The Bonds are being issued under and pursuant to (i) the provisions of the Public Community College Act of the State of Illinois, as supplemented and amended, and particularly as supplemented by the Omnibus Bond Acts and the Local Government Debt Reform Act of the State of Illinois, as amended (collectively, the *"Acts"*) and (ii) a resolution adopted by the Board of Trustees of the District on June 23, 2011 (the *"Bond Resolution"*), as supplemented by a Bond Order, Notification of Sale and Direction to Extend Taxes of the District confirming the terms of the Bonds (the *"Bond Resolution"*). Except as expressly provided otherwise defined herein or expressly provided elsewhere, capitalized terms used herein shall have the same meanings as defined in the Bond 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 of the Bonds and in order to assist the Participating Underwriters 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 Participating Underwriters 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 clearly 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 financial statements of the District prepared pursuant to the standards and as described in *Exhibit I*.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"MSRB" means the Municipal Securities Rulemaking Board.

"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 Commission under the Exchange Act, as the same may be amended from time to time.

"Significant Event" means the occurrence of any of the events with respect to the Bonds set forth in *Exhibit II*.

"Significant Event Disclosure" means dissemination of a notice of a Significant Event as set forth in Section 5.

"State" means the State of Illinois.

"Undertaking" means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBER/OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are as set forth in *Exhibit III*. The Official Statement relating to the Bonds is dated July 27, 2011 (the *"Official Statement"*).

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 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 EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

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 will 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 or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. SIGNIFICANT EVENT DISCLOSURE; DISCLOSURE OF FINAL EXPENDITURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Significant Event) Significant Event Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all

EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

Notwithstanding the foregoing, notice of optional or 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 Bond Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA 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, the beneficial owner of any Bond 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 Bond 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.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) 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

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Significant Event Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. 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 Bond Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

9. 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 Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. 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 notice of occurrence of a Significant Event, in addition to that which

is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Significant Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Significant Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Significant Event Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The District shall not transfer its obligations under the Ordinance 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: ____________________________

Address: 425 Fawell Boulevard
Glen Ellyn, Illinois 60137

Date: _________, 2011

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means the financial information and operating data of the type contained in the Official Statement as follows:

Historical information generally consistent with information of the type set forth in the Official Statement, to the extent such information is not contained in the Audited Financial Statements

(i) under the caption "DISTRICT DEBT"; and

(ii) in the following tables under the caption "THE DISTRICT": "Historical Enrollments", "District Revenues", "Total Operating Funds Revenue of District", History of Assessed Valuation of District", "District Funds and Levy Limits", "District Property Tax Levies and Collections", "District Tuition Rates and Tuition and Fee Revenues", "Tuition and Fee Breakdown" and "Direct General Obligation Bonded Indebtedness of the District".

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 EMMA or filed with the Commission. If the information included by reference is contained in an Official Statement, the Official Statement must be available on EMMA; the Official Statement need not be available from 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 submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30). 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 means the basic financial statements of the District which are in conformity with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audited by independent auditors. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS FOR WHICH SIGNIFICANT EVENT DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to the rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the District*

13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

Note: Some of the foregoing events may not be applicable to the Bonds.

---

*This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

EXHIBIT III
CUSIP NUMBERS

COMMUNITY COLLEGE DISTRICT NO. 502,
COUNTIES OF DUPAGE, COOK AND WILL
AND STATE OF ILLINOIS

$9,460,000
GENERAL OBLIGATION REFUNDING BONDS
(ALTERNATE REVENUE SOURCE), SERIES 2011B

Year of Maturity	CUSIP Number
2015	262615 HG5
2016	262615 HH3
2021	262615 HJ9
2022	262615 HK6
2023	262615 HL4

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]