

STATE OF COLORADO
METROPOLITAN STATE COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 1985

TOGETHER WITH

AUDITORS' REPORT

DATED

NOVEMBER 1, 1985

ASHBY, ARMSTRONG & Co.

CERTIFIED PUBLIC ACCOUNTANTS

Report Control No. 16405

STATE OF COLORADO
METROPOLITAN STATE COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 1985

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ASHBY, ARMSTRONG & Co.
CERTIFIED PUBLIC ACCOUNTANTS

600 GRANT STREET, SUITE 200
DENVER, COLORADO 80203
(303) 832-6700

November 1, 1985

Members of the Legislative Audit Committee,
State of Colorado and
Trustees of the Consortium of State Colleges in Colorado

We have examined the balance sheets of METROPOLITAN STATE COLLEGE as of June 30, 1985, and the related statements of changes in fund balances and current fund revenues, expenditures and other changes for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements for the year ended June 30, 1984, were examined by us and we expressed an unqualified opinion on them in our report dated November 21, 1984.

In our opinion, the aforementioned financial statements present fairly the financial position of Metropolitan State College as of June 30, 1985, and the changes in its fund balances and the current fund revenues, expenditures and other changes for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.


ASHBY, ARMSTRONG & CO.

STATE OF COLORADO
METROPOLITAN STATE COLLEGE

BALANCE SHEETS, ALL FUNDS

JUNE 30, 1985

WITH COMPARATIVE FIGURES AT JUNE 30, 1984

<u>ASSETS</u>	<u>1985</u>	<u>1984</u>	<u>LIABILITIES AND FUND BALANCES</u>	<u>1985</u>	<u>1984</u>
CURRENT FUNDS:			CURRENT FUNDS:		
Unrestricted:			Unrestricted:		
Cash and Certificates of Deposit	\$ 440,555	\$ 480,250	Accounts Payable	\$ 521,010	\$ 167,614
Cash on Deposit with State Treasurer	2,533,024	1,978,742	Payable to Banks	298,306	202,974
Amounts to be Provided			Accrued Expenses	33,050	16,286
by State General Fund	-	859,399	Due to Other State Agencies and Funds	4,934	2,147
Accounts Receivable (less allowance for			Due to Consortium of State Colleges	-	615,616
doubtful accounts of \$1,325,188			Deferred Revenue	1,670,561	1,546,208
and \$1,305,458, respectively)	18,886	54,954	Compensated Absence Liability	568,515	546,717
Prepaid Expense	176,000	-	Fund Balances (Deficits):		
Other Assets	3,994	4,484	Allocated for Compensated		
			Absence Liability	(568,515)	(546,717)
			Unallocated	644,598	826,984
Total Unrestricted Fund	<u>3,172,459</u>	<u>3,377,829</u>	Total Unrestricted Fund	<u>3,172,459</u>	<u>3,377,829</u>
Restricted:			Restricted:		
Cash on Deposit with State Treasurer	9,529	19,312	Accounts Payable	73,510	138,013
Amounts to be Provided			Accrued Expenses	23,627	20,996
by State General Fund	-	35,221	Due to State Treasurer	-	2,268
Accounts Receivable	102,124	141,176	Fund Balance	14,516	34,432
Total Restricted Fund	<u>111,653</u>	<u>195,709</u>	Total Restricted Fund	<u>111,653</u>	<u>195,709</u>
TOTAL CURRENT FUNDS	<u>\$3,284,112</u>	<u>\$3,573,538</u>	TOTAL CURRENT FUNDS	<u>\$3,284,112</u>	<u>\$3,573,538</u>

(continued)

STATE OF COLORADO
METROPOLITAN STATE COLLEGE

BALANCE SHEETS, ALL FUNDS

JUNE 30, 1985

WITH COMPARATIVE FIGURES AT JUNE 30, 1984

<u>ASSETS</u>	<u>1985</u>	<u>1984</u>	<u>LIABILITIES AND FUND BALANCES</u>	<u>1985</u>	<u>1984</u>
LOAN FUNDS:			LOAN FUNDS:		
Cash on Deposit with State Treasurer	\$ 24,656	\$ 38,240	Accounts Payable	\$ 160	\$ -
Loans Receivable (less allowance for doubtful loans of \$592,524 and \$610,277, respectively)	<u>3,560,685</u>	<u>3,320,363</u>	Fund Balances:		
			U.S. Government Grants Refundable	3,052,654	2,847,044
			Other Loan Funds	<u>532,527</u>	<u>511,559</u>
TOTAL LOAN FUNDS	<u>\$3,585,341</u>	<u>\$3,358,603</u>	TOTAL LOAN FUNDS	<u>\$3,585,341</u>	<u>\$3,358,603</u>
PLANT FUNDS:			PLANT FUNDS:		
Unexpended:			Unexpended:		
Cash	\$ 55,516	\$ -	Accounts Payable	\$ 54,540	\$ -
			Fund Balance	<u>976</u>	<u>-</u>
Total Unexpended	<u>55,516</u>	<u>-</u>	Total Unexpended	<u>55,516</u>	<u>-</u>
Investment in Plant:			Investment in Plant:		
Equipment	4,669,073	3,370,906	Leases Payable	578,351	-
Land and Buildings	<u>59,900</u>	<u>59,900</u>	Investment in Plant	<u>4,150,622</u>	<u>3,430,806</u>
Total Investment in Plant	<u>4,728,973</u>	<u>3,430,806</u>	Total Investment in Plant	<u>4,728,973</u>	<u>3,430,806</u>
TOTAL PLANT FUNDS	<u>\$4,784,489</u>	<u>\$3,430,806</u>	TOTAL PLANT FUNDS	<u>\$4,784,489</u>	<u>\$3,430,806</u>

AGENCY FUNDS:

AGENCY FUNDS:

STATE OF COLORADO
METROPOLITAN STATE COLLEGE
STATEMENTS OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1985
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 1984

	Current Funds			
	1985			
	State Appropriated Funding	Auxiliary and Self-Funded	Total Unrestricted	Restricted
Revenues and Other Additions:				
Unrestricted Current Fund Revenues	\$29,619,020	\$ 941,695	\$30,560,715	\$ -
Federal Grants and Contracts	89,681	94,699	184,380	3,890,267
State Grants and Contracts	-	21,267	21,267	1,667,691
Private Gifts, Grants and Contracts	-	173,454	173,454	81,918
U.S. Government Advances	-	-	-	-
Investment Income	-	-	-	-
Interest Income	-	-	-	-
Provisions for Doubtful Student Loans	-	-	-	-
Donated Property	-	-	-	-
Expended for Plant Facilities	-	-	-	-
Total Revenues and Other Additions	<u>29,708,701</u>	<u>1,231,115</u>	<u>30,939,816</u>	<u>5,639,876</u>
Expenditures and Other Deductions:				
Education and General Expenditures	29,746,692	1,411,001	31,157,693	5,514,766
Indirect Costs Recovered	-	-	-	89,694
Cancellation of Loan Principal and Interest	-	-	-	-
Administrative Costs Reimbursed	-	-	-	34,035
Collection Costs	-	-	-	-
Expended for Plant Facilities	-	-	-	-
Disposal of Equipment	-	-	-	-
Refunded to Grantors	-	-	-	-
Total Expenditures and Other Deductions	<u>29,746,692</u>	<u>1,411,001</u>	<u>31,157,693</u>	<u>5,638,495</u>

Current Funds		Loan Funds		Plant Funds		
1985	1984	1985	1984	1985	1984	
Total	Total	Total	Total	Unexpended	Investment in Plant	Investment in Plant
\$30,560,715	\$30,465,331	\$ -	\$ -	\$ -	\$ -	\$ -
4,074,647	3,278,051	-	-	-	-	-
1,688,958	1,732,016	-	-	-	-	-
255,372	333,636	105	4,230	55,516	-	-
-	-	209,608	153,515	-	-	-
-	-	22,986	-	-	-	-
-	-	72,784	50,966	-	-	-
-	-	12,389	118,692	-	-	-
-	-	-	-	-	29,900	8,262
-	-	-	-	-	786,798	584,949
<u>36,579,692</u>	<u>35,809,034</u>	<u>317,872</u>	<u>327,403</u>	<u>55,516</u>	<u>816,698</u>	<u>593,211</u>
36,672,459	35,161,326	-	-	-	-	-
89,694	70,789	-	-	-	-	-
-	-	46,065	25,446	-	-	-
34,035	33,957	7,185	25,041	-	-	-
-	-	34,105	15,034	-	-	-
-	-	-	-	54,540	-	-
-	-	-	-	-	96,882	41,676
-	-	8,299	6,490	-	-	-
<u>36,796,188</u>	<u>35,266,072</u>	<u>95,654</u>	<u>72,011</u>	<u>54,540</u>	<u>96,882</u>	<u>41,676</u>

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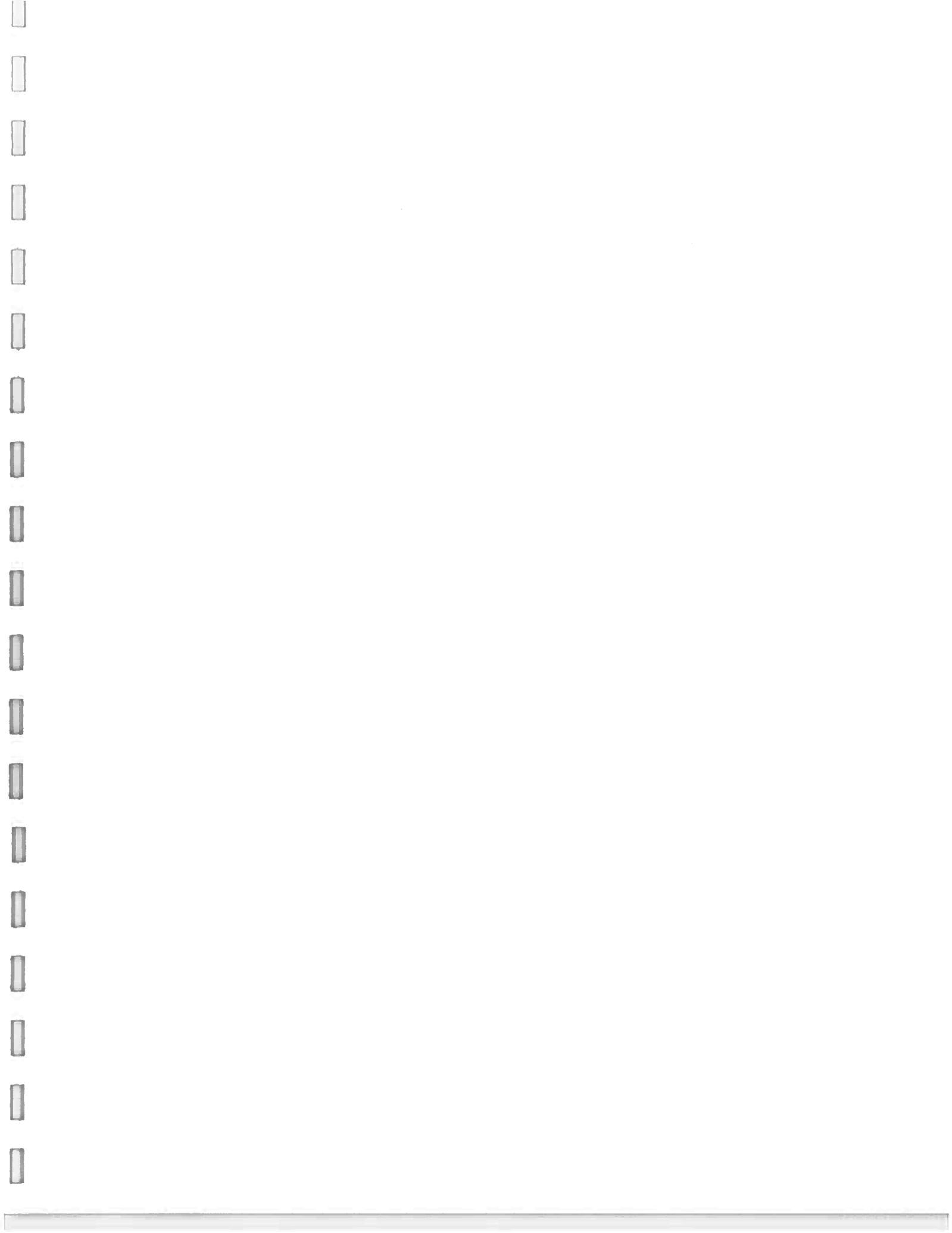
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Current Funds		Loan Funds		Plant Funds		
1985	1984	1985	1984	1985	1984	1984
Total	Total	Total	Total	Unexpended	Investment in Plant	Investment in Plant
(21,297)	(17,057)	21,297	17,057	-	-	-
(599,423)	(615,616)	-	-	-	-	-
(620,720)	(632,673)	21,297	17,057	-	-	-
(2,500)	-	2,500	-	-	-	-
-	-	(19,437)	-	-	-	-
615,616	-	-	-	-	-	-
613,116	-	(16,937)	-	-	-	-
(224,100)	(89,711)	226,578	272,449	976	719,816	551,535
314,699	404,410	3,358,603	3,086,154	-	3,430,806	2,879,271
<u>\$ 90,599</u>	<u>\$ 314,699</u>	<u>\$3,585,181</u>	<u>\$3,358,603</u>	<u>\$ 976</u>	<u>\$4,150,622</u>	<u>\$3,430,806</u>

The accompanying notes are an integral part of these statements.

STATE OF COLORADO
METROPOLITAN STATE COLLEGE
STATEMENTS OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1985
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 1984

	Current Funds			
	1985			
	State Appropriated Funding	Auxiliary and Self-Funded	Total Unrestricted	Restricted
Transfers Among Funds and Other Additions (Deductions):				
Mandatory Transfers:				
Loan Fund Matching Grant	-	-	-	(21,297)
Transfer to Consortium of State Colleges	(599,423)	-	(599,423)	-
Total Mandatory Transfers	(599,423)	-	(599,423)	(21,297)
Non-mandatory Transfers:				
Transfers from Current Unrestricted Fund	-	(2,500)	(2,500)	-
Transfer to CCHE of Excess Loan Matching	-	-	-	-
Transfers from Consortium of State Colleges	615,616	-	615,616	-
Total Non-mandatory Transfers	615,616	(2,500)	613,116	-
Net Increase (Decrease) for Year	(21,798)	(182,386)	(204,184)	(19,916)
Fund Balances (Deficit) at Beginning of Year	(546,717)	826,984	280,267	34,432
Fund Balances (Deficit) at End of Year	<u>\$ (568,515)</u>	<u>\$ 644,598</u>	<u>\$ 76,083</u>	<u>\$ 14,516</u>



STATE OF COLORADO
METROPOLITAN STATE COLLEGE
STATEMENTS OF CURRENT FUND REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED JUNE 30, 1985
WITH COMPARATIVE FIGURES FOR THE YEAR ENDED JUNE 30, 1984

	Unrestricted			Restricted		Total	
	1985		1984	1985	1984	1985	1984
	State Appropriated Funding	Auxiliary and Self-Funded	Total	Total			
REVENUES							
Tuition and Fees	\$10,858,141	\$ 755,652	\$11,613,793	\$11,563,754	\$ -	\$ -	\$11,613,793
State Appropriations	18,687,701	-	18,687,701	18,661,996	-	-	18,687,701
Federal Grants and Contracts	89,681	94,699	184,380	147,777	3,808,566	3,064,752	3,992,946
State Grants and Contracts	-	21,267	21,267	16,254	1,677,457	1,702,721	1,698,724
Private Gifts, Grants and Contracts	-	173,454	173,454	246,797	84,075	75,800	257,529
Other Sources	73,178	186,043	259,221	239,581	-	-	259,221
Total Revenues	<u>29,708,701</u>	<u>1,231,115</u>	<u>30,939,816</u>	<u>30,876,159</u>	<u>5,570,098</u>	<u>4,843,273</u>	<u>36,509,914</u>
EXPENDITURES AND MANDATORY TRANSFERS							
Expenditures:							
Instruction	17,876,308	71,288	17,947,596	16,031,146	1,265,080	1,091,910	19,212,676
Research	-	-	-	-	11,424	7,031	11,424
Public Service	109,110	91,758	200,868	246,344	327,836	285,591	528,704
Academic Support	2,561,524	24,848	2,586,372	4,010,561	13,724	5,226	2,600,096
Student Services	2,023,400	1,105,748	3,129,148	2,784,074	446,013	417,137	3,575,161
Institutional Support	3,737,641	117,359	3,855,000	4,054,178	658,233	382,624	4,513,233
Operation and Maintenance of Plant	3,438,709	-	3,438,709	3,242,764	-	-	3,438,709
Scholarships and Grants	-	-	-	-	2,826,491	2,636,697	2,826,491
Total Expenditures	<u>29,746,692</u>	<u>1,411,001</u>	<u>31,157,693</u>	<u>30,369,067</u>	<u>5,548,801</u>	<u>4,826,216</u>	<u>36,706,494</u>
Mandatory Transfers:							
Loan Fund Matching Grant	-	-	-	-	21,297	17,057	21,297
Transfer to the Consortium of State Colleges	599,423	-	599,423	615,616	-	-	599,423
Total Mandatory Transfers	<u>599,423</u>	<u>-</u>	<u>599,423</u>	<u>615,616</u>	<u>21,297</u>	<u>17,057</u>	<u>620,720</u>
Total Expenditures and Mandatory Transfers	<u>30,346,115</u>	<u>1,411,001</u>	<u>31,757,116</u>	<u>30,984,683</u>	<u>5,570,098</u>	<u>4,843,273</u>	<u>37,327,214</u>
OTHER ADDITIONS (DEDUCTIONS)							
Transfer from Consortium of State Colleges	615.616	-	615.616	-	-	-	615.616

STATE OF COLORADO
METROPOLITAN STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1985

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. The financial statements of the College are presented in accordance with fund accounting guidelines set forth in the American Institute of Certified Public Accountants' (AICPA) industry audit guide, Audits of Colleges and Universities, and the National Association of Colleges and University Business Officers' publication, College and University Business Administration.
2. The financial statements of the College have been prepared on the accrual basis. The statement of current fund revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period, as would a statement of income or a statement of revenues and expenses.
3. Accounting and reporting activities for resources are performed within funds established based upon the activities and purposes for which the resources are to be used. A separate group of self-balancing accounts is used for each fund; however, in the accompanying financial statements, funds having similar characteristics and purposes have been combined and reported upon as groups of funds.
4. Within each group of funds, fund balances restricted by outside sources have been identified. Externally restricted funds may only be utilized in accordance with the restrictions placed upon the resources by the external source. Within the restricted group of funds, revenue is recognized only to the extent that expenditures are made. Resources received in excess or deficiency of expenditures made are recorded as "Excess (Deficiency) of Restricted Receipts Over Transfer to Revenue" in the Statement of Current Fund Revenues, Expenditures and Other Changes.
5. Plant Fund assets are recorded at acquisition cost or fair value at date of acquisition. Depreciation on these assets is not recorded. When Current Funds are used to finance additions and normal replacement of movable equipment in Plant Fund assets, the acquisition costs are accounted for as expenditures in Current Funds.
6. Summer session tuition and expenditures are deferred to the subsequent year's operations.
7. Interest on loans to students is recognized as income when received.
8. The College is an agency of the State of Colorado. Its operations and activities are funded primarily through state appropriations. Earned revenues in excess of augmenting revenue earning requirements are transferred to the Consortium of State Colleges.



STATE OF COLORADO
METROPOLITAN STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1985

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Certain reclassifications have been made within the expenditure categories of the state appropriated fund within the statement of current fund revenues, expenditures and other changes for the year ended June 30, 1985, to conform with the reporting requirements of College and University Business Administration. These reclassifications represent a change in expenditure classification for Vice Presidents, Deans and their staffs. The amounts and effects of the reclassifications are as follows:

<u>Expenditure Category</u>	<u>1984 Amounts</u>	<u>1985 Before the Change in Expenditure Classification</u>	<u>Effect of Change</u>	<u>1985 Amounts as Reported</u>
Instruction	\$15,928,158	\$15,918,432	\$ 1,957,876	\$17,876,308
Public Service	109,719	109,110	-	109,110
Academic Support	3,986,416	4,168,366	(1,606,842)	2,561,524
Student Services	1,760,877	1,847,532	175,868	2,023,400
Institutional Support	3,930,401	4,264,543	(526,902)	3,737,641
Operation and Maintenance of Plant	3,242,764	3,438,709	-	3,438,709
TOTAL	<u>\$28,958,335</u>	<u>\$29,746,692</u>	<u>\$ -</u>	<u>\$29,746,692</u>

10. Recording the liability for compensated absences results in fund balance deficits which will be funded by state appropriations, Federal funds or other funding sources available in future years when the liability is to be paid. Expenditures for the year ended June 30, 1985, include \$21,798 representing the increase in the estimated compensated absence liability.

College employees may accrue annual and sick leave based on length of service, but subject to certain limitations on the amount which will be paid upon termination. The estimated cost of compensated absences for which employees are vested is as follows:

	<u>Annual Leave</u>	<u>Sick Leave</u>	<u>Combined</u>
June 30, 1985	\$553,643	\$14,872	\$568,515
June 30, 1984	535,302	11,415	546,717



STATE OF COLORADO
METROPOLITAN STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1985

B. CAMPUS SHARED COSTS

The College's portion of Campus Shared Costs for the Auraria Campus where the College is located are as follows:

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Administration of Auraria Higher Education Center and Operation and Maintenance of Plant	\$3,260,250	\$3,215,647
Library and Media Center	1,846,087	1,798,205
Computer Services	451,093	461,816
	<u>\$5,557,430</u>	<u>\$5,475,668</u>

These Campus Shared Costs have been included in the functional expenditure categories of the statements of current fund revenues, expenditures and other changes as follows:

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Operation and Maintenance of Plant	\$3,260,250	\$3,215,647
Academic Support	1,846,087	1,798,205
Institutional Support	451,093	461,816
	<u>\$5,557,430</u>	<u>\$5,475,668</u>

C. RETIREMENT PROGRAM COSTS

All qualifying employees of the College are enrolled in the Colorado Public Employees Retirement Association (PERA) as a condition of employment. Costs of this program were \$2,237,281 and \$2,149,242 for the years ended June 30, 1985 and 1984, respectively.

D. METROPOLITAN STATE COLLEGE FOUNDATION, INCORPORATED

Metropolitan State College Foundation, Incorporated (the "Foundation") is a not-for-profit corporation formed to promote the welfare, development, growth and well-being of Metropolitan State College. The Foundation engages in activities that may be beyond the scope of the Trustees of the Consortium of State Colleges in Colorado.

The Foundation is a separate entity from Metropolitan State College and no public funds are allocated directly for budgetary support. Affairs and management of the Foundation are controlled by its Board of Directors and an executive committee. Accounting records of the Foundation are maintained by the College's accounting personnel.



STATE OF COLORADO
METROPOLITAN STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1985

D. METROPOLITAN STATE COLLEGE FOUNDATION, INCORPORATED (continued)

The accompanying financial statements do not include the accounts of the Foundation, whose accumulated total assets were approximately \$210,100 and \$175,500 at June 30, 1985 and 1984, respectively.

No significant transactions have occurred between the Foundation and the College during the years ended June 30, 1985 and 1984.

E. CONTINGENT LIABILITIES

Amounts expended under the terms of certain Federal grants are subject to audit and possible adjustment by agencies of the Federal government.

F. LEASES PAYABLE (PLANT FUND)

The following is a schedule by year of future minimum lease payments for equipment being acquired under capital leases, together with the present value of the net minimum lease payments as of June 30, 1985:

<u>Year Ending</u> <u>June 30,</u>	
1986	\$176,000
1987	176,000
1988	176,000
1989	<u>175,903</u>
Total Minimum Lease Payments	703,903
Less: Amount Representing Interest	<u>125,552</u>
Present Value of Net Minimum Lease Payments	<u><u>\$578,351</u></u>

