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STATE OF COLORADO  
METROPOLITAN STATE COLLEGE OF DENVER

Financial Statements for the  
Year Ended June 30, 1991 and  
Independent Auditors' Report

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## INDEPENDENT AUDITORS' REPORT

To the Members of the Legislative Audit Committee  
State of Colorado:

We have audited the accompanying balance sheet of Metropolitan State College of Denver (the College) as of June 30, 1991, and the related statements of changes in fund balances and current funds revenues, expenditures and other changes for the year then ended. These financial statements are the responsibility of the College. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the College as of June 30, 1991, and the changes in its fund balances and its current funds, revenues, expenditures and other changes for the year then ended, in conformity with generally accepted accounting principles.

We have previously audited the financial statements of the College as of and for the year ended June 30, 1990, comparative financial information from which, is presented herein. In our opinion, such comparative financial information has been properly extracted from the prior year's financial statements.

*Deloitte & Touche*

October 4, 1991







STATE OF COLORADO  
METROPOLITAN STATE COLLEGE OF DENVER

BALANCE SHEET, ALL FUNDS

JUNE 30, 1991

(With comparative totals as of June 30, 1990)

<u>ASSETS</u>	<u>1991</u>	<u>1990</u>
<b>CURRENT FUNDS:</b>		
Unrestricted:		
Cash and certificates of deposit (Note 2)	\$ 334,502	\$ 324,271
Cash on deposit with State Treasurer (Note 2)	4,684,843	5,396,671
Interest receivable	592	1,529
Accounts receivable (less allowance for doubtful accounts of \$244,958 and \$1,172,479, respectively) (Note 10)	636,913	522,502
Deferred charges	147,920	144,844
Due from loan fund	55,000	
Prepaid expenses	24,821	
Other assets	<u>267</u>	<u>267</u>
Total unrestricted funds	<u>5,884,858</u>	<u>6,390,084</u>
Restricted:		
Cash on deposit with State Treasurer (Note 2)	154,054	146,611
Cash in transit		59,865
Accounts receivable	404,915	206,972
Due from state agencies	2,161	
Deferred charges	<u>1,841</u>	<u>1,220</u>
Total restricted funds	<u>562,971</u>	<u>414,668</u>
<b>TOTAL CURRENT FUNDS</b>	<u>\$ 6,447,829</u>	<u>\$ 6,804,752</u>
<b>LOAN FUNDS:</b>		
Cash on deposit with State Treasurer (Note 2)	\$ 81,020	\$ 172,186
Loans receivable (less allowance for doubtful loans of \$1,249,647 and \$1,117,203, respectively)	<u>5,690,717</u>	<u>4,716,310</u>
<b>TOTAL LOAN FUNDS</b>	<u>\$ 5,771,737</u>	<u>\$ 4,888,496</u>
<b>PLANT FUNDS:</b>		
Investment in plant (Note 10):		
Equipment	<u>\$ 6,273,050</u>	<u>\$ 6,067,534</u>
<b>TOTAL PLANT FUNDS</b>	<u>\$ 6,273,050</u>	<u>\$ 6,067,534</u>
<b>AGENCY FUNDS:</b>		
Cash on deposit with State Treasurer (Note 2)	\$ 284,017	\$ 74,181
Accounts receivable - other	104	
Prepaid expense		<u>770</u>
<b>TOTAL AGENCY FUNDS</b>	<u>\$ 284,121</u>	<u>\$ 74,951</u>

See notes to financial statements.

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LIABILITIES AND FUND BALANCES

	<u>1991</u>	<u>1990</u>
CURRENT FUNDS:		
Unrestricted:		
Payable to banks	\$ 157,704	\$ 173,438
Accounts payable	1,079,165	468,352
Accrued payroll	100,827	75,207
Due to students	67,022	82,180
Due to State Treasurer	1,597	3,236
Due to other agencies	109,189	295,710
Deferred revenue	2,503,535	2,335,399
Compensated absence liability (Note 1)	919,473	851,869
Fund balances (deficits):		
Allocated for compensated absence liability	(919,473)	(851,869)
Unallocated	<u>1,865,819</u>	<u>2,956,562</u>
Total unrestricted funds	<u>5,884,858</u>	<u>6,390,084</u>
Restricted:		
Accounts payable	29,336	60,320
Accrued payroll	10,989	60,513
Due to State Treasurer	398,520	207,454
Due to other agencies		65
Fund balance	<u>124,126</u>	<u>86,316</u>
Total restricted funds	<u>562,971</u>	<u>414,668</u>
TOTAL CURRENT FUNDS	<u>\$6,447,829</u>	<u>\$6,804,752</u>
LOAN FUNDS:		
Accounts payable	\$ 3,383	\$ 405
Due to students	1,253	
Due to current unrestricted fund	55,000	
Fund balances:		
U.S. Government grants refundable	5,015,489	4,263,582
Other loan funds	<u>696,612</u>	<u>624,509</u>
TOTAL LOAN FUNDS	<u>\$5,771,737</u>	<u>\$4,888,496</u>
PLANT FUNDS:		
Investment in plant:		
Capital lease payable (Note 3)	\$ 293,699	\$ 5,383
Investment in plant	<u>5,979,351</u>	<u>6,062,151</u>
Total investment in plant	<u>6,273,050</u>	<u>6,067,534</u>
TOTAL PLANT FUNDS	<u>\$6,273,050</u>	<u>\$6,067,534</u>
AGENCY FUNDS:		
Accounts payable	\$ 200,018	\$ 8,484
Deposits held in custody for others	<u>84,103</u>	<u>66,467</u>
TOTAL AGENCY FUNDS	<u>\$ 284,121</u>	<u>\$ 74,951</u>





STATE OF COLORADO  
METROPOLITAN STATE COLLEGE OF DENVER

STATEMENT OF CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1991

(With comparative totals for the year ended June 30, 1990)

	Current Funds				Total	
	1991			Restricted	1991	1990
	State Appropriated Funding	Auxiliary and Self-Funded	Total Unrestricted			
REVENUES AND OTHER ADDITIONS:						
Unrestricted current fund revenues	\$ 46,526,831	\$ 4,497,179	\$51,024,010		\$51,024,010	\$46,749,510
Federal grants and contracts	75,888	159,751	235,639	\$7,724,512	7,960,151	7,532,282
State grants and contracts				2,650,542	2,650,542	2,215,347
Private gifts, grants and contracts				155,210	155,210	222,168
U.S. Government advances						
Investment income						
Interest income						
Donated property						
Expended for plant facilities						
Total revenues and other additions	46,602,719	4,656,930	51,259,649	10,530,264	61,789,913	56,719,307
EXPENDITURES AND OTHER DEDUCTIONS:						
Education and general	47,331,118	5,263,794	52,594,912	10,281,932	62,876,844	57,617,248
Indirect costs recovered				75,888	75,888	60,175
Cancellation of loan principal and interest						
Administrative costs reimbursed				90,928	90,928	84,336
Collection costs						
Disposal of equipment (Note 10)						
Refunded to grantors						
Provision for doubtful student loans						
Total expenditures and other deductions	47,331,118	5,263,794	52,594,912	10,448,748	63,043,660	57,761,759
TRANSFERS AMONG FUNDS AND OTHER ADDITIONS (DEDUCTIONS):						
Mandatory transfers:						
Current unrestricted fund matching	(40,170)		(40,170)	40,170		
Loan fund matching grant				(83,876)	(83,876)	(87,613)
Total mandatory transfers	(40,170)		(40,170)	(43,706)	(83,876)	(87,613)
Other transfers:						
Transfers (to) from current unrestricted fund						8,609
Transfers from Board of State Colleges	217,086		217,086		217,086	56,084
Total other transfers	217,086		217,086		217,086	64,693
NET INCREASE (DECREASE) FOR YEAR	(551,483)	(606,864)	(1,158,347)	37,810	(1,120,537)	(1,065,372)
FUND BALANCES, BEGINNING OF YEAR	47,498	2,057,195	2,104,693	86,316	2,191,009	3,256,381
FUND BALANCES (DEFICIT), END OF YEAR	\$ (503,985)	\$ 1,450,331	\$ 946,346	\$ 124,126	\$ 1,070,472	\$ 2,191,009

See notes to financial statements.

Loan Funds		Plant Funds	
1991	1990	Investment in Plant	
1991	1990	1991	1990
\$ 55	\$ 115		
761,192	797,118		
16,279	6,110		
261,491	211,451		
		\$ 33,271	
		<u>1,149,028</u>	
1,039,017	1,014,794	1,190,639	1,182,299
76,059	174,710		
28,770	26,160		
32,076	39,630		
3,165	4,823	1,273,439	1,966,226
<u>158,813</u>	<u>145,340</u>		
298,883	390,663	1,273,439	1,966,226
<u>83,876</u>	<u>87,613</u>		
83,876	87,613		
	(8,609)		
	<u>(8,609)</u>		
824,010	703,135	(82,800)	(783,927)
<u>4,888,091</u>	<u>4,184,956</u>	<u>6,062,151</u>	<u>6,846,078</u>
<u>\$5,712,101</u>	<u>\$4,888,091</u>	<u>\$ 5,979,351</u>	<u>\$6,062,151</u>







STATE OF COLORADO  
METROPOLITAN STATE COLLEGE OF DENVER

STATEMENT OF CURRENT FUNDS REVENUES,  
EXPENDITURES AND OTHER CHANGES  
YEAR ENDED JUNE 30, 1991

(With comparative totals for the year ended June 30, 1990)

	State Appropriated Funding	Auxiliary and Self-Funded	Unrestricted Total		Restricted	
			1991	1990	1991	1990
<b>REVENUES:</b>						
Tuition and fees	\$18,144,231	\$ 1,917,974	\$20,062,205	\$18,292,218		
State appropriations	27,878,475		27,878,475	25,851,899		
Federal grants and contracts	75,888	159,751	235,639	214,004	\$ 7,653,676	\$ 7,321,867
State grants and contracts					2,586,803	2,215,667
Private gifts, grants and contracts		113,548	113,548	7,078	176,087	222,998
Sales and services - education		1,250,364	1,250,364	1,235,675		
Sales and services - auxiliary		265,600	265,600	125,534		
Other sources	504,125	949,693	1,453,818	1,237,106		
Total revenues	46,602,719	4,656,930	51,259,649	46,963,514	10,416,566	9,760,532
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>						
<b>Expenditures:</b>						
Instruction	24,526,054	1,286,212	25,812,266	23,568,673	345,337	574,975
Public service		133,951	133,951	68,125	471,901	283,977
Academic support	6,638,255	47,257	6,685,512	6,111,082	453,408	181,434
Student services	4,097,174	3,192,984	7,290,158	5,935,999	804,071	683,312
Institutional support	8,303,091	603,390	8,906,481	7,052,785	134,954	98,923
Operation and maintenance of plant	3,524,314		3,524,314	5,096,417		
Scholarships and grants	242,230		242,230	195,584	8,163,189	7,850,298
Total expenditures	47,331,118	5,263,794	52,594,912	48,028,665	10,372,860	9,672,919
<b>Mandatory Transfers:</b>						
Current unrestricted fund matching	40,170		40,170		(40,170)	
Loan fund matching grant					83,876	87,613
Total mandatory transfers	40,170		40,170		43,706	87,613
Total expenditures and mandatory transfers	47,371,288	5,263,794	52,635,082	48,028,665	10,416,566	9,760,532
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>						
Transfer from Board of State Colleges	217,086		217,086	33,395		22,689
Transfer from loan fund				8,609		
Excess (deficiency) of restricted receipts over transfer to revenues					37,810	(64,914)
Total other additions (deductions)	217,086		217,086	42,004	37,810	(42,225)
NET INCREASE (DECREASE) IN FUND BALANCES	\$ (551,483)	\$ (606,864)	\$ (1,158,347)	\$ (1,023,147)	\$ 37,810	\$ (42,225)

See notes to financial statements.

<u>Total</u>	
<u>1991</u>	<u>1990</u>
\$20,062,205	\$18,292,218
27,878,475	25,851,899
7,889,315	7,535,871
2,586,803	2,215,667
289,635	230,076
1,250,364	1,235,675
265,600	125,534
<u>1,453,818</u>	<u>1,237,106</u>
61,676,215	56,724,046
26,157,603	24,143,648
605,852	352,102
7,138,920	6,292,516
8,094,229	6,619,311
9,041,435	7,151,708
3,524,314	5,096,417
<u>8,405,419</u>	<u>8,045,882</u>
62,967,772	57,701,584
<u>83,876</u>	<u>87,613</u>
<u>83,876</u>	<u>87,613</u>
63,051,648	57,789,197
217,086	56,084
	8,609
<u>37,810</u>	<u>(64,914)</u>
<u>254,896</u>	<u>(221)</u>
<u>\$(1,120,537)</u>	<u>\$(1,065,372)</u>



STATE OF COLORADO  
METROPOLITAN STATE COLLEGE OF DENVER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1991

(With comparative numbers for the year ended June 30, 1990)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Metropolitan State College of Denver (the College) are presented in accordance with fund accounting guidelines set forth in the American Institute of Certified Public Accountants' industry audit guide, Audits of Colleges and Universities, and the National Association of College and University Business Officers' publication, College and University Business Administration.

The financial statements of the College have been prepared on the accrual basis. The Statement of Current Funds 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.

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 a group of funds.

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 Revenues" in the Statement of Current Funds Revenues, Expenditures and Other Changes.

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.

Summer session tuition and expenditures are deferred to the subsequent year's operations.

Interest on loans to students is recognized as income when received.



The College is an agency of the State of Colorado. A significant portion of the College's operations and activities is funded through state appropriations. Earned revenue in excess of augmenting revenue allocations is transferred to the Board of State Colleges.

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.

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, 1991	\$879,632	\$39,841	\$919,473
June 30, 1990	\$813,811	\$38,058	\$851,869

Certain June 30, 1990 revenue, expenditures and liabilities have been reclassified for consistent presentation with June 30, 1991 account balances.

## 2. DEPOSITS WITH FINANCIAL INSTITUTIONS

At year ended June 30, 1991, the College had \$4,803,817 on deposit with the State Treasurer, which consists of \$5,203,934 carried on the College's books as cash on deposit with State Treasurer less \$400,117 due to the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

At year end, the carrying amount of the College's deposits with financial institutions was \$334,502 and the bank balance was \$2,189,272, of which \$495,877 were federally insured deposits or deposits fully collateralized with securities held by the State or its agent in the State's name and \$1,693,395 were uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the State's name, as required by the Public Deposit Protection Act.



3. CAPITAL LEASE PAYABLE

The following is a schedule, by year, of future minimum lease payments for equipment acquired under capital leases, together with the present value of the net minimum lease payments as of June 30, 1991. The book value of the equipment capitalized under this agreement is \$496,596.

Years ending June 30.

1992	\$ 90,237
1993	87,829
1994	86,323
1995	<u>86,323</u>
Total minimum lease payments	350,712
Less amount representing interest	<u>57,013</u>

Present value of net minimum lease payments \$293,699

Subsequent to year end, the College received and placed into service additional equipment with a cost of \$388,000, under the capital lease discussed previously. The net minimum lease payments on the additional equipment at the date of acquisition was \$463,576 including interest of \$75,576.

4. OPERATING LEASES

The College leases building space and equipment under operating lease agreements. Total rental expense for the year ended June 30, 1991 under these agreements was \$519,542.

Minimum future rentals (excluding contingent rentals) required by the above agreements are as follows:

Years ending June 30.

1992	\$ 475,612
1993	142,109
1994	71,698
1995	72,851
1996	<u>6,071</u>
Total	<u>\$ 768,341</u>

5. METROPOLITAN STATE COLLEGE FOUNDATION, INCORPORATED - A RELATED PARTY

Metropolitan State College Foundation, Incorporated (the Foundation) is a not-for-profit corporation formed to promote the welfare, development, growth and well-being of the College. The Foundation engages in activities that may be beyond the scope of the Trustees of the Board of State Colleges in Colorado. The Foundation's financial records are maintained separately from the College's financial accounting system.





The condensed financial statements of the Foundation for the year ended June 30, 1991 with comparative totals for the year ended June 30, 1990 are summarized on the following pages. These financial statements are not combined with the financial statements of the College.

Balance Sheets

	<u>June 30,</u>	
	<u>1991</u>	<u>1990</u>
<u>Assets</u>		
Cash and temporary cash investments	\$854,933	\$ 740,019
Receivables and deposits	11,588	6,441
Fixed assets	<u>37,516</u>	<u>24,728</u>
Total Assets	<u>\$904,037</u>	<u>\$ 771,188</u>

Liabilities and Fund Balance

Liabilities	\$426,009	\$ 454,045
Fund balance	<u>478,028</u>	<u>317,143</u>
Total Liabilities and Fund Balance	<u>\$904,037</u>	<u>\$ 771,188</u>

Statements of Support, Revenue, Expenses, and Changes in Fund Balance

	<u>June 30,</u>	
	<u>1991</u>	<u>1990</u>
Support and revenue:		
Support - contributions	\$283,496	\$ 136,173
Revenue	<u>198,037</u>	<u>153,741</u>
Total support and revenue	<u>481,533</u>	<u>289,914</u>
Expenses:		
Payment to or for the benefit of Metropolitan State College of Denver	304,378	209,588
Other expenses	<u>92,619</u>	<u>56,219</u>
Total expenses	<u>396,997</u>	<u>265,807</u>
Excess of support and revenue over expenses before capital additions	84,536	24,107
Capital additions	<u>76,349</u>	<u>25,830</u>
Excess of support and revenue over expenses after capital additions	160,885	49,937
Fund balance, beginning of year	<u>317,143</u>	<u>267,206</u>
Fund balance, end of year	<u>\$478,028</u>	<u>\$ 317,143</u>



6. CONTINGENT LIABILITIES

Amounts expended under the terms of certain grants and contracts are subject to audit and possible adjustment by governmental agencies. In the opinion of College management, any adjustments will not have a material adverse effect on the accompanying financial statements.

7. PENSION PLAN

The College's principal employee pension plan is the Public Employees' Retirement Association of Colorado (PERA). PERA is a cost-sharing multiple-employer public employee retirement system.

Substantially all full-time employees of the College are covered by PERA. The College's total payroll for the fiscal year ended June 30, 1991 was \$32,009,424; the total payroll of College employees covered by PERA was \$27,181,105. Employer and employee obligations to contribute to PERA are established under Colorado State Law; specifically, Title 24, Article 51 of Colorado Revised Statutes (C.R.S.). For the current fiscal year, the College's contribution to PERA was \$3,315,753, which is 12.2% of covered payrolls and \$2,968,371 for June 30, 1990. Contributions by employees were \$2,174,108, which is 8% of covered payrolls.

The College's contribution to PERA for the calendar year ended December 31, 1990 was approximately .92% of all employer contributions to PERA for the year ended December 31, 1990.

An employee is eligible for full retirement benefits at age 55 with at least 30 years service with the College and other entities covered by PERA, at age 60 with at least 20 years service or at age 65 with at least 5 years service, or by earning 35 or more years of credited service. Reduced retirement benefits are available at age 55 with at least 20 years service or at age 60 with at least 5 years service.

Disability and survivors benefits are also available. There was no change in PERA benefits during the year. PERA benefits vest after five years service with covered employers. Benefit provisions are established under Colorado State Law; specifically, Title 24, Article 51, C.R.S.

During the current fiscal year, there were no changes in benefit provisions or in the actuarial funding method. The amortization period for unfunded actuarial accrued liabilities was increased from 25 years to 28 years.

The pension benefit obligation, which is the actuarial measure of the present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users of the College's financial statements assess PERA's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay



benefits when due, and make comparisons among PERA and other pension programs and among employers. As of December 31, 1990, the total pension benefit obligation of the State Division within PERA was \$3,842,272,000. Net assets of the division available for benefits, at fair market value, were \$3,672,442,000.

The annual report of PERA for the calendar year 1990 provides three-year historical trend information under the heading "Schedule of Funding Progress." This historical trend information shows the progress being made in accumulating sufficient assets to pay benefits when due.

PERA's assets do not include any loans or securities of the College.

#### 8. CAMPUS SHARED COSTS

The College's portion of campus shared costs for the Auraria Campus, where the College is located, is as follows:

	<u>Year Ended June 30,</u>	
	<u>1991</u>	<u>1990</u>
Administration of Auraria Higher Education Center and operation and maintenance of plant	\$4,783,185	\$4,500,013
Library and media center	<u>2,659,092</u>	<u>2,616,075</u>
Total	<u>\$7,442,277</u>	<u>\$7,116,088</u>

These campus shared costs have been included in the functional expenditure categories of the statements of current funds revenues, expenditures and other changes as follows:

	<u>Year Ended June 30,</u>	
	<u>1991</u>	<u>1990</u>
Institutional support	\$1,569,263	
Student services	342,705	
Operation and maintenance of plant	2,871,217	\$4,500,013
Academic support	<u>2,659,092</u>	<u>2,616,075</u>
Total	<u>\$7,442,277</u>	<u>\$7,116,088</u>

9. RECONCILIATION OF ALLOCATED APPROPRIATION FUNDING SOURCES TO FINANCIAL STATEMENT REVENUES FOR THE YEAR ENDED JUNE 30, 1991

	General <u>Fund</u>	Cash <u>Funds</u>	Total Un- Restricted <u>Funds</u>	Sponsored Programs and Other Restricted <u>Funds</u>	<u>Total</u>
Allocated appropriation funding	\$27,878,000	\$18,725,000	\$46,603,000		\$46,603,000
State grants and contracts				\$2,587,000	2,587,000
Federal grants and contracts		160,000	160,000	7,653,000	7,813,000
Student fees		1,918,000	1,918,000		1,918,000
Other student activity sources		950,000	950,000		950,000
Private gifts, grants and contracts		113,000	113,000	176,000	289,000
Sales and services - education		1,250,000	1,250,000		1,250,000
Sales and services - auxiliary		<u>266,000</u>	<u>266,000</u>		<u>266,000</u>
Financial statement revenues	<u>\$27,878,000</u>	<u>\$23,382,000</u>	<u>\$51,260,000</u>	<u>\$10,416,000</u>	<u>\$61,676,000</u>

10. OTHER MATTERS

Disposal of Equipment - In accordance with the state fiscal rules and the State of Colorado Higher Education Accounting Standard No. 5, all equipment at the College with a book value less than \$1,000 previously recorded through the period ended June 30, 1990 has been removed from the College's Plant Fund. Included in disposal of equipment is \$848,544 of equipment with a book value of less than \$1,000, which were removed from the College's Plant Fund.

Write-off of Accounts Receivables - During 1991, the College instituted a formal procedure whereby student accounts receivable which are greater than one year old are written-off against the allowance for doubtful accounts. Due to this procedural change \$771,461 of students receivables were written-off in 1991.