METROPOLITAN STATE COLLEGE *of* DENVER

FINANCIAL AND COMPLIANCE AUDITS

Year Ended June 30, 2005

ANDERSON & WHITNEY

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METROPOLITAN STATE COLLEGE OF DENVER

REPORT SUMMARY
Year Ended June 30, 2005

PURPOSE AND SCOPE OF AUDITS

The Office of the State Auditor, State of Colorado, engaged Anderson & Whitney, P.C. to conduct financial and compliance audits of the Metropolitan State College of Denver (the College) for its fiscal year ended June 30, 2005. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the state auditor to conduct audits of all departments, institutions, and agencies of state government. Anderson & Whitney, P.C. performed these audits in accordance with auditing standards generally accepted in the United States, and *Government Auditing Standards*, issued by the Comptroller General of the United States. We conducted the related field work from May through September 2005.

The purpose and scope of these audits were to:

- Express an opinion on the financial statements of the College as of and for the year ended June 30, 2005. This includes a review of internal control as required by auditing standards generally accepted in the United States and *Government Auditing Standards*.
- Evaluate compliance with laws, regulations, contracts, and grants governing the expenditures of federal and state funds.
- Report on the College's compliance and internal control over financial reporting based on our audit of the financial statements performed in accordance with *Government Auditing Standards*.
- Express an opinion on the Statement of Appropriations, Expenditures, Transfers, and Reversions of the State-Funded Student Financial Assistance Programs of the College for the year ended June 30, 2005.
- Evaluate progress in implementing prior audit findings and recommendations.

METROPOLITAN STATE COLLEGE OF DENVER

REPORT SUMMARY — Continued
Year Ended June 30, 2005

Audit Opinions and Reports

We expressed unqualified opinions on the College's financial statements and the Statement of Appropriations, Expenditures, Transfers and Reversions of the State-Funded Student Financial Assistance Programs as of and for the year ended June 30, 2005.

We issued a report on the College's compliance and internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. We did not note any material weaknesses or any material instances of noncompliance with legal or regulatory requirements based on our audit of the financial statements. However, we did note certain areas where the College could improve its internal control and other procedures, which are described in the Findings and Recommendations section of this report.

The College's Schedule of Expenditures of Federal Awards and applicable opinions thereon of the Office of the State Auditor, State of Colorado are included in the June 30, 2005, Statewide Single Audit Report issued under separate cover.

We also issued certain required communications related to the conduct of an audit including our responsibility under generally accepted auditing standards, significant accounting policies, audit adjustments, and accounting estimates. No delays, disagreements or audit adjustments are reported.

SUMMARY OF KEY FINDINGS AND RECOMMENDATIONS

This report contains two recommendations. The recommendations address matters regarding payroll and human resources processes, and return of federal financial assistance by students who withdraw from the College.

A summary of the recommendations are included in the Recommendation Locator on page 4 of this report. A detailed description of the findings and recommendations begins on page 6 of this report. The College has agreed to implement the recommendations.

SUMMARY OF PROGRESS IN IMPLEMENTING PRIOR AUDIT RECOMMENDATIONS

The audit report for the year ended June 30, 2004 included three recommendations. These recommendations were satisfactorily implemented.

METROPOLITAN STATE COLLEGE OF DENVER

RECOMMENDATION LOCATOR
Year Ended June 30, 2005

Record Number	Page Number	Recommendation Summary	Agency Response	Implementation Date
FINANCIAL STATEMENT RECOMMENDATION				
1.	6	The College should further segregate functions between the payroll and human resources departments and implement clear record retention and filing standards.	Agree	June 30, 2006
FEDERAL PROGRAM RECOMMENDATION				
2.	7	The College should ensure that federal requirements for return of funds are met by changing the approach to calculating the number of days per semester and improving the timeliness of returning funds to the respective programs and lenders when a student withdraws from the institution.	Agree	June 30, 2006

METROPOLITAN STATE COLLEGE OF DENVER

DESCRIPTION OF METROPOLITAN STATE COLLEGE OF DENVER
Year Ended June 30, 2005

Established in 1965 as Colorado's "College of Opportunity," Metropolitan State College of Denver is the third largest higher education institution in Colorado and one of the largest public four-year colleges in the United States. With a modified open-enrollment policy, students who are at least 20 years old need only have a high school diploma, a GED high school equivalency certificate, or the equivalent to gain admission.

The College is governed by the Board of Trustees, an 11-member board consisting of a faculty and student representative and nine members appointed by the Governor of Colorado and approved by the Senate.

The College offers 49 major fields of study and 76 minors through its School of Business, School of Letters, Arts and Sciences, and School of Professional Studies. Degrees include bachelor of science, bachelor of arts, and bachelor of fine arts. Academic programs range from the traditional, such as English, art, history, biology, and psychology, to business-related degrees in computer information systems, accounting and marketing, to professional directed programs in nursing, health care management, criminal justice, pre-medicine, pre-law, and pre-veterinary science.

Enrollment and faculty and staff information is provided below.

Full-time Equivalent (FTE) student's, faculty, and staff reported by the College for the last three fiscal years were as follows:

	Resident	Nonresident	Total
2003	13,770	468	14,238
2004	14,178	450	14,628
2005	14,627	426	15,053

Full-time employees were:

	Faculty	Staff	Total
2003	707	304	1,011
2004	717	254	971
2005	709	215	924

FINDINGS AND RECOMMENDATIONS RELATING TO THE FINANCIAL STATEMENTS

IMPROVE HUMAN RESOURCES AND PAYROLL PROCESSES

During audit testing of the human resources and payroll processes, which result in approximately $60 million paid to employees annually, we noted the following matters for additional analysis and review:

- Duties within the human resources and payroll departments are segregated to provide effective internal control. Employees in the human resources office are responsible for the input of pay rate changes. However, certain employees in the payroll office also have limited access to make these changes as well as the ability to direct payroll disbursements. Although other internal controls are in place, this creates a risk that unauthorized changes could go undetected. The College should further strengthen internal control by ensuring full separation of these functions by limiting access in the payroll department.

- There were five payroll-related documents out of 30 employees tested that could not readily be located within either the human resources or payroll departments for payroll disbursements being tested. These included IRS W-4 forms for tax withholding and retirement plan deduction forms. Having these documents readily available to support payroll deductions is an important internal control. It appears there is an inconsistent understanding regarding the filing of these documents under certain circumstances. We recommend making the pertinent payroll documents easily accessible which will also help ensure that employees' deductions are accurate.

Recommendation No. 1

The College should further segregate functions between the payroll and human resources departments and strengthen controls over the human resources and payroll processes by designing and implementing clear record retention standards that include timely filing of payroll-related documents.

Metropolitan State College of Denver Response

Agree. Metropolitan State College of Denver will review the current processes between Payroll and Human Resources departments to ensure that further segregation of duties and responsibilities are in place through a clear record retention and filing system of payroll related documents. (Implementation date: June 30, 2006)

FINDINGS AND RECOMMENDATIONS RELATING TO FEDERAL FINANCIAL ASSISTANCE

MONITOR THE RETURN OF FUNDS PROCESSES

Total Federal Student Assistance paid to students in 2005 was approximately $15.7 million. The College has approximately 2,000 student financial aid recipients officially or unofficially withdraw from the College each year. When a financial aid recipient withdraws in the first 60% of a semester, there is a calculation required to determine if the recipient or the College needs to return funds to the U.S. Department of Education Title IV programs. (Federal Pell Grants, CFDA 84.063, Federal Supplementary Educational Opportunity Grants, CFDA 84.007, and Federal Direct Student Loans, CFDA 84.268) Two issues were noted in the return of funds process:

- In the return of funds testing, the number of days the College calculated for the fall semester was 100 days. There was an error in this calculation of one day due to additional days added to the Thanksgiving break in November. Based on federal regulations, if a break is longer than three days, including weekends, these break days are omitted from the calculation. This resulted in the individuals not returning as much aid as they should have to the programs or lenders. Although the differences average only $10 each, we recommend the approach to how the number of days is calculated be changed to accurately reflect federal Title IV requirements.
- According to federal regulations, the College has 30 days to return funds from the date the student withdraws from the institution. Our testing indicated eight instances out of thirteen tested in which funds were not returned within this time frame. The delay in returning funds ranged from one to four months. The programs this delay primarily impacts are unsubsidized and subsidized Stafford loans and Pell grants. We recommend a more timely return of funds based on the Department of Education's regulations.

Recommendation No. 2

The College should ensure that federal requirements for return of funds under Title IV are met by changing the approach to calculating the number of days per semester and improving the timeliness of returning funds to the respective programs and lenders when a student withdraws from the institution.

Metropolitan State College of Denver Response

Agree. Metropolitan State College of Denver will change its approach to the calculation of days per semester to ensure the federal requirements under Title IV are met and will work toward timely return of funds to the respective programs and lenders upon student's withdrawal. (Implementation date: June 30, 2006)

METROPOLITAN STATE COLLEGE OF DENVER

DISPOSITION OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2005

The following is a summary of the prior year audit recommendations and their disposition as of June 30, 2005:

Record No.	Finding	Disposition
1.	The College should improve controls over vault cash by: (a) Reviewing cash on hand requirements and establishing an appropriate maximum amount to be held as vault cash. (b) Replenishing vault cash on a regular basis. (c) Resolving differences between the cash log and the general ledger at least on a monthly basis and making timely adjustments as appropriate.	Implemented
2.	The College should review the methodology used to estimate the allowance for doubtful loans and determine the most appropriate basis for estimating these amounts. After establishing a new methodology, the College should make reclassification entries as necessary.	Implemented
3.	The College should retain the entire report electronically that is used to determine the scholarship allowances at year-end as support for the journal entry.	Implemented

INDEPENDENT AUDITORS' REPORTS, MANAGEMENT'S DISCUSSION AND ANALYSIS, AND FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

Members of the Legislative Audit Committee:

We have audited the accompanying basic financial statements of the Metropolitan State College of Denver (the College), a blended component unit of the State of Colorado, as of and for the years ended June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Metropolitan State College of Denver Foundation, Inc., the College's discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Metropolitan State College of Denver Foundation, Inc. is based on the report of the other auditors.

We conducted our audits in accordance 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Metropolitan State College of Denver Foundation, Inc. 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 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 audits provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Metropolitan State College of Denver at June 30, 2005 and 2004, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Management's Discussion and Analysis on pages 12 through 17 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 express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2005, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Anderson & Whitney P.C.

September 30, 2005

METROPOLITAN STATE COLLEGE OF DENVER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2005 AND 2004

This section of the Metropolitan State College of Denver (the College) financial report presents management's discussion and analysis of the financial performance of the College during the years ended June 30, 2005 and 2004. This discussion focuses on current activities and known facts and provides an overview of the College's financial activities in comparison with the prior year. It should, therefore, be read in conjunction with the accompanying comparative financial statements and notes.

Understanding the Comparative Financial Report

The financial statements adhere to GASB Statement Nos. 34 and 35. This annual report consists of a series of financial statements: the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows. The presentation of financial information is in a format more comparable to that used by for-profit colleges and universities. The statements are prepared under the accrual basis of accounting. Hence, revenues and assets are recognized when service is provided, and expenses and liabilities are recognized when others provide the goods or services, without regard to the actual date of collection or payment.

Beginning in fiscal year 2004, the College adopted GASB 39, *Determining Whether Certain Organizations are Component Units,* and therefore the Financial Statements of the Metropolitan State College Foundation are included with the College's Financial Statements.

Financial Highlights

- The College's financial position, as a whole, improved during the years ended June 30, 2005 and 2004. The combined net assets increased $2.3 million and $1.8 million, respectively over the previous year.

- State General Fund appropriation in 2005 remained the same amount as 2004 for a total of $34.0 million, while 2004 had a decrease of $4.2 million from 2003. Starting fiscal year 2006, following SB04-189, the college will not receive State Appropriations, but the State will support higher education through stipends paid directly to the students accounts.

- The College's June 30, 2005 current assets of $29.3 million were sufficient to cover current liabilities of $12.5 million. The current ratio of almost 2.35 (current assets/current liabilities) reflects the liquidity of the College's assets and the availability of funds for current operations.

- Gross Tuition & Fees in 2005 shows an increase of $2.6 million or 5.2 percent over the previous year and shows an increase in 2004 of $3.5 million or 7.5 percent over the previous year. In addition to small increases in tuition charges, enrollments increased for Summer 2004, Fall 2004, and Spring 2005 by approximately 2.9 percent in Student Full Time Equivalents.

Statement of Net Assets

The Statement of Net Assets reports on assets, liabilities, and net assets (net assets represent the excess of total assets over total liabilities) as of June 30, 2005 and 2004. Over time, increases or decreases in net assets are one indicator of the College's financial health when considered in conjunction with non-financial facts such as student enrollment.

Condensed Statement of Net Assets (in thousands)

	June 30		
	2005	2004	2003
ASSETS			
Current Assets	$29,304	$25,545	$22,982
Non-Current Assets	10,531	11,309	11,723
TOTAL ASSETS	39,835	36,854	34,705
LIABILITIES			
Current Liabilities	12,485	11,922	11,533
Non-Current Liabilities	1,839	1,718	1,716
TOTAL LIABILITIES	14,324	13,640	13,249
NET ASSETS			
Invested in Capital Assets	2,380	2,985	3,135
Restricted for Expendable Purposes	9,333	9,460	9,777
Unrestricted	13,798	10,769	8,544
TOTAL NET ASSETS	$25,511	$23,214	$21,456

At June 30, 2005 and 2004, the College's total assets were $39.8 million and $36.9 million, which shows an increase of $2.9 million and $2.1 million, respectively, when compared to the prior years. The largest asset category was Cash & Cash Equivalents of $22.7 million and $19.2 million. The primary reason for the increase in current assets in fiscal years 2004 and 2005 was the increase in enrollment and a slight tuition and fee increase, plus adherence to expenditure control.

The College's financial position improved during fiscal year 2005 as evidenced by the increase in net assets of $2.3 million to $25.5 million. Of this total, $2.4 million is invested in capital assets (equipment) net of accumulated depreciation of $ 6.4 million. Depreciation amortizes the cost of an asset over its expected useful life and represents the utilization of long-lived assets. At the end of fiscal year 2005, $9.3 million of net assets is externally restricted for student loans and $13.8 million is unrestricted and available for any lawful purpose of the College.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the results of operations during the fiscal year. Activities are reported as either Operating or Non-operating. Operating revenues and expenses generally result from providing services for Instruction, Public Service, Student Services, and Academic and Institutional Support to/from an individual or entity separate from the College. Non-operating revenues and expenses are those other than Operating and include but are not limited to State Appropriations, Investment and Interest Income, and Private Grants and Gifts.

Condensed Statement of Revenue, Expenses, & Changes in Net Assets (in thousands)

	Fiscal Year Ended June 30		
	2005	2004	2003
Operating Revenues			
Tuition & Fees, net	$ 37,263	$ 36,332	$ 34,091
Sales & Services	3,041	2,749	2,413
Grants & Contracts	28,934	26,774	26,438
Other Operating Revenues	3,236	3,095	3,128
Total Operating Revenues	72,474	68,950	66,070
Operating Expenses	107,177	104,057	107,334
Operating Income (Loss)	(34,703)	(35,107)	(41,264)
Non-operating Revenues (Expenses)			
State Appropriations	33,952	33,952	38,144
Interest Income	640	281	1,463
Other Non-operating	2,408	2,632	2,451
Net Non-operating Revenues (Expenses)	37,000	36,865	42,058
Income (Loss) Before Other Items	2,297	1,758	794
Transfers From Other Institutions			440
Net Increase (Decrease) in Net Assets	2,297	1,758	1,234
Net Assets at Beginning of Year	23,214	21,456	20,222
Net Assets at End of Year	$ 25,511	$ 23,214	$ 21,456

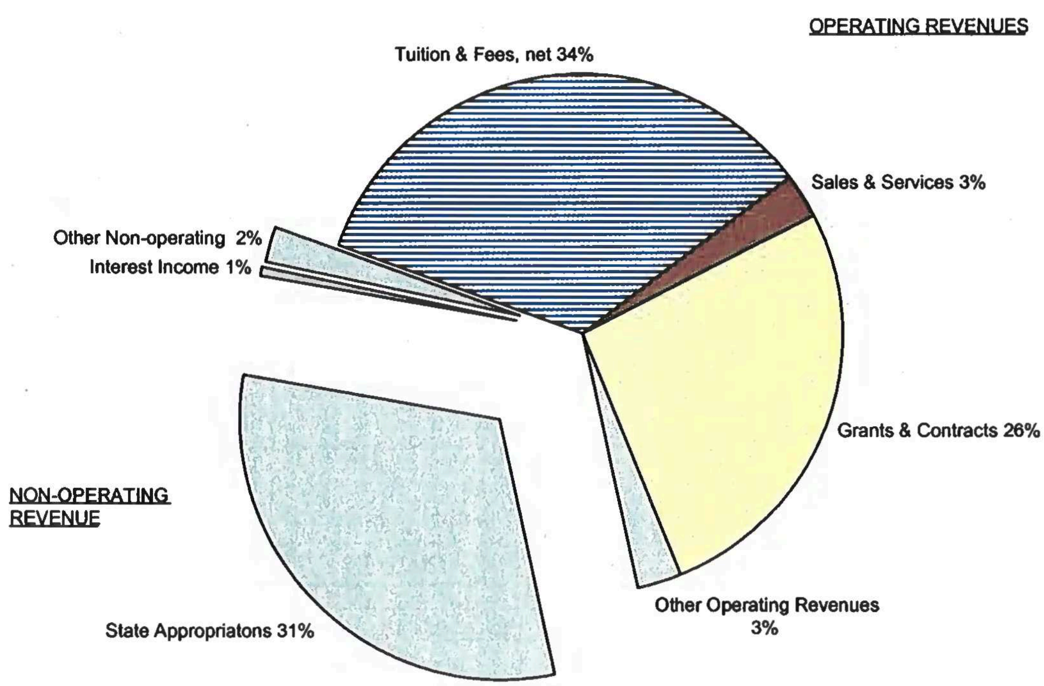
Tuition and Fee Revenue accounted for $37.3 million of $72.5 million in Operating Revenue in 2005. This Tuition and Fee amount is net of Scholarship Allowance of $15.5 million. Scholarship Allowances are defined as the financial aid awarded to students to pay tuition and fees. Scholarship Discounts and Allowances increased $1.7 million from the previous year due to an overall increase of almost $1.6 million in Financial Aid awards.

Operating expenses totaled $107.2 million in 2005. Of this total, $47.7 million was for Instruction, $8.3 million for Academic Support, $10.7 million for Student Services, $9.0 million for Institutional Support, $5.4 million for Operation of Plant, and $15.9 million for Auxiliary Enterprises. The remaining $10.2 million was for scholarships and other miscellaneous operating expenses.

Overall Operating Expenses show an increase of $3.1 million from 2004, primarily due to an increase of $2.1 million in labor expenditures, a $476 thousand increase related to the new Teachers Quality Enhancement grant, and increases under maintenance agreements, computer purchases, and contracted services.

The following is a graphic illustration of 2005 Total Revenue (Operating and Non-operating) by source for the College. Each major Revenue component is displayed relative to its proportionate share of total Revenue.

Revenue By Source - 2005



Statement of Cash Flows

The Statement of Cash Flows presents relevant information related to cash inflows and outflows summarized by Operating, Non-capital Financing, Capital and Related Financing, and Investing Activities. It also helps the users of financial statements gauge the College's ability to generate cash flows and meet financial obligations as they mature.

Condensed Statement of Cash Flows
(in thousands)

	Fiscal Year Ended June 30		
	2005	2004	2003
Net Cash Provided (Used) by:			
Operating Activities	$(31,303)	$(31,665)	$(38,116)
Non-capital Financing Activities	34,325	33,817	43,603
Capital and Related Financing Activities	(369)	(799)	(1,301)
Investing Activities	839	492	1,719
Net Increase in Cash	3,492	1,845	5,905
Cash & Cash Equivalents			
Beginning of Year	19,250	17,405	11,500
End of Year	$ 22,742	$ 19,250	$ 17,405

The College's overall liquidity shows improvement in fiscal years 2005 and 2004 with an increase in Cash and Cash Equivalents of $3.5 million and $1.8 million, respectively. This increase is due to an overall increase in our operating revenue. The net cash used by Operating Activities is $31.3 million for 2005. The major sources of cash inflows are $37.1 million from Tuition and Fees, and $31.0 million from Federal and State Grants and Contracts, and $34.0 million from state appropriations. The primary outflows are $68.7 million for payments to or for employees and $30.7 million for payments to suppliers.

Economic Outlook and Metropolitan State College of Denver's Future

The College's 18 month nation-wide presidential search ended on July 1, 2005 with the appointment of Dr. Stephen Jordan. Dr. Jordan brings new direction for the College with visions of becoming the "preeminent urban public baccalaureate college in the country." Dr. Jordan expressed an interest in creating partnerships with the community colleges and all communities in the metropolitan area.

The College was granted Enterprise status in August, 2005, which will reduce the effects of TABOR on the College, as all the College's revenues will no longer be considered part of the State's district.

Senate Bill 04-189, or the College Opportunity Fund (COF), has changed the way the College receives its State support. Beginning fiscal year 2006, the College will not receive state appropriations, but rather, get stipend dollars through eligible undergraduate students through the COF. These stipends are currently calculated to be $80.00 per semester hour for resident undergraduate students. This amount is set annually by the General Assembly and for fiscal year 2006 is set for $36,184,800, which is based on 15,077 student FTE and $2,400 per student. In addition to stipends, the College will be eligible to seek "fee for service" revenue for educational services provided under contract with the Department of Higher Education starting fiscal year 2007.

There is some economic uncertainty with the introduction of Referendum C and D on this year's November ballot. The passage of these referenda will further minimize the effects of TABOR by allowing the State to keep revenues it collects above the TABOR limits for the next five years.

In October 2004 the College was awarded a $9.5 million "Teachers Quality Enhancement" grant, from the Federal Department of Education. It is a joint venture with the Denver Public Schools and is scheduled to expire in September 2009.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the College at Campus Box 98, P.O. Box 173362 Denver, Colorado 80217.

Metropolitan State College of Denver
Statement of Net Assets

	June 30 2005	June 30 2004
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 22,741,439	$ 19,249,805
Accounts Receivable-Student (Net of $1,169,817 and $1,023,969 in Allowance for Doubtful Accounts)	3,822,025	3,668,922
Accounts Receivable-Other	1,635,276	1,503,828
Loans Receivable	1,017,640	1,037,764
Prepaid Expense	87,785	84,600
Total Current Assets	**29,304,165**	**25,544,919**
Non-Current Assets		
Investments	190,634	190,634
Loans Receivable (Net of $1,229,124 and $1,232,659 in Allowance for Doubtful Accounts)	7,960,050	8,133,253
Equipment (Net of $6,356,910 and $5,631,770 in Accumulated Depreciation)	2,379,721	2,985,282
Total Non-Current Assets	**10,530,405**	**11,309,169**
TOTAL ASSETS	**39,834,570**	**36,854,088**
LIABILITIES		
Current Liabilities		
Accounts Payable	252,521	111,331
Accrued Payroll	6,229,510	5,872,456
Deferred Revenue	2,867,547	2,959,997
Compensated Absences	248,367	222,429
Due to Students	463,342	456,348
Deposits Held in Custody for Others	2,423,305	2,299,752
Total Current Liabilities	**12,484,592**	**11,922,313**
Non-Current Liabilities		
Compensated Absences	1,838,301	1,717,448
Total Non-Current Liabilities	**1,838,301**	**1,717,448**
TOTAL LIABILITIES	**14,322,893**	**13,639,761**
NET ASSETS		
Invested in Capital Assets	2,379,721	2,985,281
Restricted for Expendable Purposes	9,333,564	9,459,758
Unrestricted	13,798,392	10,769,288
TOTAL NET ASSETS	**25,511,677**	**23,214,327**
TOTAL LIABILITIES AND NET ASSETS	**$ 39,834,570**	**$ 36,854,088**

See accompanying notes to financial statements.

Metropolitan State College of Denver Foundation, Inc.
(discretely presented component unit)
Statement of Financial Position
June 30, 2005 and 2004

	2005	2004
Assets		
Cash and cash equivalents	$ 663,614	$ 369,524
Deposits	-	5,000
Contributions receivable, net	213,525	407,614
Investments	6,332,904	6,527,022
Note receivable – related party	200,000	-
Contributions receivable under split-interest agreements	173,700	192,279
Assets held for investment	93,175	93,175
Total assets	7,676,918	7,594,614
Liabilities and Net Assets		
Accounts payable and accrued expenses	352,931	179,127
Liabilities under annuity trusts	30,415	30,862
Total liabilities	383,346	209,989
Net assets		
Unrestricted	855,148	621,692
Temporarily restricted	3,449,286	4,009,349
Permanently restricted	2,989,138	2,753,584
Total net assets	7,293,572	7,384,625
Commitments		
Total liabilities and net assets	$ 7,676,918	$ 7,594,614

See accompanying notes to financial statements.

Metropolitan State College of Denver
Statement of Revenue, Expenses, & Changes in Net Assets

	For the Fiscal Years Ended June 30	
	2005	2004
Operating Revenues		
Tuition & Fees (Net of $15,536,160 and $13,862,155 in Scholarship Allowance)	$ 37,262,889	$ 36,331,727
Sales & Services of Educational Departments	355,762	293,148
Sales & Services of Auxiliary Enterprises	2,685,398	2,455,753
Federal Grants and Contracts	18,462,304	16,142,918
State Grants and Contracts	10,371,530	10,601,438
Local Grants and Contracts	-	30,125
Private Grants and Contracts	100,640	-
Operating Interest Income	199,385	211,847
Other Operating Revenues	3,036,427	2,883,506
Total Operating Revenues	72,474,335	68,950,462
Operating Expenses		
Instruction	47,651,613	45,878,482
Public Service	347,667	376,313
Academic Support	8,308,226	8,451,183
Student Services	10,717,278	10,768,161
Institutional Support	9,040,134	8,616,732
Operation of Plant	5,371,255	5,364,994
Scholarships and Fellowships	7,679,275	7,826,538
Auxiliary Enterprise Expenditures	15,899,645	14,932,304
Depreciation	931,385	926,444
Other Operating Expenses	1,230,501	915,791
Total Operating Expenses	107,176,979	104,056,942
Operating Income (Loss)	(34,702,644)	(35,106,480)
Non-operating Revenues (Expenses)		
State Appropriations, non-capital	33,951,845	33,951,845
Investment and Interest Income	640,000	280,542
Gain (Loss) on Disposal of Fixed Assets	(78,813)	(23,274)
Non-Operating Gifts & Donations	2,486,962	2,655,175
Net Non-operating Revenue(Expenses)	36,999,994	36,864,288
Net Increase in Net Assets	**2,297,350**	**1,757,808**
Net Assets at Beginning of Year	**23,214,327**	**21,456,519**
Net Assets at End of Year	**$ 25,511,677**	**$ 23,214,327**

See accompanying notes to financial statements

Metropolitan State College of Denver Foundation, Inc.
(discretely presented component unit)
Statement of Activities
Year Ended June 30, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	2005 Total
Revenue, Gains and Support:				
Contributions	$ 242,862	$ 1,525,157	$ 96,176	$ 1,864,195
In-kind contributions	387,503	72,327	-	459,830
College program fees	-	307,381	2,393	309,774
Investment income	129,113	-	226,815	355,928
Changes in net present values of split interest agreements	-	(12,984)	(5,595)	(18,579)
Other loss	-	(15,885)	-	(15,885)
Net assets released from restrictions- Satisfaction of program requirements	2,472,185	(2,472,185)	-	-
Other reclassifications of net assets	48,109	36,126	(84,235)	-
Total revenue, gains and support	3,279,772	(560,063)	235,554	2,955,263
Expenses:				
School support	2,382,441	-	-	2,382,441
General and administrative	276,372	-	-	276,372
Fundraising	387,503	-	-	387,503
Total expenses	3,046,316	-	-	3,046,316
Change in net assets	233,456	(560,063)	235,554	(91,053)
Net assets, beginning of year	621,692	4,009,349	2,753,584	7,384,625
Net assets, end of year	$ 855,148	$ 3,449,286	$ 2,989,138	$ 7,293,572

Continued on next page.

Metropolitan State College of Denver Foundation, Inc.
(discretely presented component unit)
Statement of Activities
Year Ended June 30, 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	2004 Total
Revenue, Gains and Support:				
Contributions	$ 69,377	$ 1,857,446	$ 96,640	$ 2,023,463
In-kind contributions	578,622	79,859	-	658,481
College program fees	-	403,207	8,871	412,078
Investment income	128,596	-	308,680	437,276
Changes in net present values of split interest agreements	-	15,501	41,853	57,354
Other loss	-	(119,040)	-	(119,040)
Net assets released from restrictions- Satisfaction of program requirements	2,925,185	(2,925,185)	-	-
Other reclassifications of net assets	45,499	48,336	(93,835)	-
Total revenue, gains and support	3,747,279	(639,876)	362,209	3,469,612
Expenses:				
School support	2,789,344	-	-	2,789,344
General and administrative	285,027	-	-	285,027
Fundraising	582,122	-	-	582,122
Total expenses	3,656,493	-	-	3,656,493
Change in net assets	90,786	(639,876)	362,209	(186,881)
Net assets, beginning of year	530,906	4,649,225	2,391,375	7,571,506
Net assets, end of year	$ 621,692	$ 4,009,349	$ 2,753,584	$ 7,384,625

See accompanying notes to financial statements.

Metropolitan State College of Denver
Statement of Cash Flows

	For the Fiscal Years Ended June 30	
	2005	2004
Cash Flows from Operating Activities:		
Cash Received:		
Tuition and Fees	$ 37,136,233	$ 36,373,915
Sales of Services	3,115,491	2,448,057
Grants and Contracts	31,094,335	29,241,115
Student Loans Collected	2,341,128	2,792,611
Other Operating Receipts	4,766,961	4,007,975
Cash Payments:		
Payments to or for Employees	(68,717,766)	(66,540,452)
Payments to Suppliers	(30,745,371)	(29,120,712)
Scholarships Disbursed	(7,754,507)	(7,920,960)
Student Loans Disbursed	(2,539,487)	(2,946,798)
Net Cash provided (used) by operating Activities	(31,302,983)	(31,665,249)
Cash Flows from Noncapital Financing Activities:		
State Appropriations, noncapital	33,951,845	33,951,845
Agency (Direct Lending Inflows)	48,167,219	43,658,590
Agency (Direct Lending Outflows)	(48,111,967)	(43,633,027)
Other Agency (Inflows)	4,964,002	4,759,659
Other Agency (Outflows)	(4,646,536)	(4,920,338)
Net Cash provided (used) by Noncapital Financing Activities	34,324,563	33,816,729
Cash Flows from Capital & Related Financing Activities:		
Acquisition of Capital Assets	(369,333)	(798,976)
Net cash provided (used) by Capital and Related Financing Activities	(369,333)	(798,976)
Cash Flows from Investing Activities:		
Investment Earnings	640,000	280,542
Investment and Interest Income on Loan Funds	199,387	211,847
Net Cash provided (used) by Investing Activities	839,387	492,389
Net Increase in cash	3,491,634	1,844,893
Beginning Cash Balance	19,249,805	17,404,912
Ending Cash Balance	$ 22,741,439	$ 19,249,805

Metropolitan State College of Denver
Statement of Cash Flows (Cont.)

	For the Fiscal Years Ended June 30	
	2005	**2004**
Reconciliation of net operating Income (Loss) to net cash provided (used) by operating activities		
Operating Income (Loss)	$ (34,702,644)	$ (35,106,480)
Adjustment to reconcile:		
Depreciation Expense	931,385	926,444
Addition to Plant Fund	334,029	798,976
Non-Cash Operating Revenue	1,980,712	1,484,295
Non-Cash Operating Expense	(2,350,045)	(2,283,049)
Non-Operating Revenue (Expense)	2,486,960	2,655,175
Operating Interest	(199,385)	(211,847)
Decrease (Increase) in Assets:		
Accounts Receivable	(224,316)	(786,420)
Prepaid Expense	3,921	(61,939)
Other Assets	139,753	431,223
Increase (Decrease) in Liabilities:		
Accounts Payable	140,735	(170,447)
Deferred Revenue	(92,450)	82,235
Accrued Payroll	83,967	337,545
Other Liabilities	164,395	239,040
Net cash provided (used) by Operating Activities	$ (31,302,983)	$ (31,665,249)

See accompanying notes to financial statements.

METROPOLITAN STATE COLLEGE OF DENVER
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governance

The accompanying financial statements reflect the financial activities of Metropolitan State College of Denver (the College) for the fiscal years ended June 30, 2005 and 2004. Effective July 1, 2002, Colorado Revised Statute 23-54-102 established a new independent governing board for Metropolitan State College of Denver. Following this statute, the powers, duties and functions formerly performed by the Trustees of the State Colleges in Colorado were transferred to the Board of Trustees of Metropolitan State College of Denver. The Trustees have full authority and responsibility for the control and governance of the College, including such areas as role and mission, academic programs, curriculum, admissions, finance, personnel policies, etc. To exercise their authority appropriately, the Trustees regularly establish policies designed to enable the College to perform its statutory functions in a rational and systematic manner. To assist them in meeting their responsibilities, the Trustees delegate to the President the authority to interpret and administer their policies in all areas of operations.

Reporting Entity

The State of Colorado is the primary reporting entity for state financial reporting purposes. The financial statements of the College and its discretely presented component unit are not intended to report financial information of the State in conformity with accounting principles generally accepted in the United States. The accounting policies of the College conform to accounting principles generally accepted in the United States, as applicable to government units.

The College is an institution of higher education of the State of Colorado. Thus, for financial reporting purposes, the College is a blended component unit of the State of Colorado.

Beginning in fiscal year 2004, the College adopted Statement No. 39 of the Governmental Accounting Standards Board (GASB 39), *Determining Whether Certain Organizations are Component Units*, and therefore the financial Statements of the Metropolitan State College Foundation, Inc. (the Foundation) are presented as a discretely presented component unit. In accordance with GASB 39, paragraph 47, the discrete presentation of the Foundation's financial statements appears on separate pages from the financial statements of the College. The Foundation warrants inclusion as part of the financial reporting entity because of the nature and significance of its relationship with the College including its ongoing financial support of the College.

Basis of Accounting

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 of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. All significant intra-agency transactions have been eliminated.

The College applies all applicable Governmental Accounting Standards Board (GASB) pronouncements, regardless of issue date, as well as the following pronouncements issued on or before November 30, 1989: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents: For purposes of reporting cash flows, cash and cash equivalents are defined as cash-on-hand, demand deposits, and certificates of deposit with financial institutions, pooled cash with the state treasurer and all highly liquid investments with an original maturity of three months or less, except those deposits and investments representing endowments.

Investments: Investments are stated at their fair value which is determined based on quoted market prices. Changes in fair value of investments are reported as a component of investment income.

Plant Assets: Physical plant and equipment are stated at cost at date of acquisition or fair market value at date of donation. A physical inventory of all plant assets is taken annually with appropriate adjustments made to the financial records. Annual revisions of statements of values for insurance purposes are performed. The College follows the policy of capitalizing only those plant assets with an initial cost or fair value equal to or greater than $5,000.

Depreciation: Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3-5 years for capitalized computers and software, 12-25 for musical and scientific equipment, and 5-15 for other equipment.

Classification of Revenue: The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

- Operating revenues – Operating revenues generally result from providing goods and services for instruction, public service or related support services to an individual or entity separate from the College.
- Non-operating revenues – Non-operating revenues are those revenues that do not meet the definition of operating revenues. Nonoperating revenues include state appropriations for operations, gifts, and investment income.

Scholarship Allowance: Scholarship discount and allowance is the difference between the stated charge for goods and services provided by the College and the amount that is paid by the students or by other third parties making payments on the student's behalf. In the accompanying financial statements, the gross student tuition and fee revenues are reported less the scholarship discounts and allowances. College resources provided to students as financial aid are recorded as scholarship allowance to the extent that they are used to satisfy tuition and fees and other student charges. Any excess resources are recorded as student aid operating expense.

Compensated Absences Policy: Employees' compensated absences are accrued when earned and are recognized based on vacation and sick leave balances due to employees at year end upon termination. Employees accrue and vest in vacation and sick leave based on their hire date and length of service. Vacation accruals are paid in full upon separation whereas only 25 percent of sick leave is paid upon specific types of separation, such as retirement. The current portion of compensated absences liability in the Statement of Net Assets is calculated based on an estimated average amount for the past three fiscal years.

Reclassifications: Certain reclassifications have been made to the 2004 financial statements to conform to the classifications used in 2005. These reclassifications had no effect on net assets.

NOTE 2: CASH WITH THE STATE TREASURER, CASH ON HAND AND IN BANK, AND INVESTMENTS

At June 30, 2005 and 2004, the College had $22,082,009 and $17,483,697 respectively, on deposit with the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office. At year-end 2005, cash on hand and in banks consisted of the following:

Cash on hand	$	37,352
Cash in checking and depository accounts at bank		1,587,342
Total cash	$	1,624,694

The carrying amount of the College's cash on deposit was $659,430. Of this balance $37,352 is vault cash, petty cash, and change funds, and the reconciled bank balance was $622,078. Of this bank balance, $100,000 was covered by federal depository insurance and the remainder by collateral held by the financial institution's agent in the College's name.

In fiscal year 2004-05, the college is required to follow the requirement of Governmental Accounting Standards Board Statements No. 40, *Deposit and Investment Risk Disclosure.* The standard primarily requires disclosure of credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk for any public entity's investments. The College has invested $190,634 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established by state statute for government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is a 2a7-like investment pool and the college's investment is rated as AAA by Standard and Poor's, Fitch and Moody's. COLOTRUST pooled investments are excluded from the concentration of credit risk and interest rate risk disclosure requirements. COLOTRUST operates similarly to a money market fund and each share is equal in value to $1.00. At June 30, 2005 and 2004 the fair value of the College's investment is $190,634.

NOTE 3: INVESTMENTS - UNREALIZED GAINS /LOSSES

The College deposits cash with the Colorado State Treasurer as required by Colorado Revised Statutes (CRS). The State Treasurer pools these deposits and invests them in securities approved by CRS 24-75-601.1. The College reports its share of the Treasurer's unrealized gains/losses based on its participation in the State Treasurer's pool. All of the Treasurer's investments are reported at fair value, which is determined based on quoted market prices at June 30, 2005 and 2004. The State Treasurer does not invest any of the pool resources in any external investment pool, and there is no assignment of income related to participation in the pool. Unrealized losses of $171,400 at June 30, 2005 and $427,192 at June 30, 2004 are included in investment earnings. Additional information on the Treasurer's pool may be obtained from the State of Colorado's Comprehensive Annual Financial Report.

NOTE 4: CAPITAL ASSETS

The following presents changes in capital assets and accumulated depreciation for the years ended June 30, 2005 and 2004.

	Balance June 30, 2003	Additions	Retirements	Balance June 30, 2004
Depreciable Equipment	$ 7,976,902	$ 798,976	$ 158,826	$ 8,617,052
Less: Accumulated Depreciation Equipment	4,840,657	926,444	135,331	5,631,770
Net Depreciable Capital Assets	$ 3,136,245	$(127,468)	$ 23,495	$ 2,985,282

	Balance June 30, 2004	Additions	Retirements	Balance June 30, 2005
Depreciable Equipment	$ 8,617,052	$ 404,637	$ 285,058	$ 8,736,631
Less: Accumulated Depreciation Equipment	5,631,770	931,385	206,245	6,356,910
Net Depreciable Capital Assets	$ 2,985,282	$(526,748)	$ 78,813	$ 2,379,721

NOTE 5: LEASE OBLIGATIONS

Operating Leases - The College leases building space and equipment under operating lease agreements. Total rental expense for the year ended June 30, 2005 and June 30, 2004 under these agreements was $620,216 and $674,872, respectively. As of June 30, 2005 minimum future rentals (excluding contingent rentals) required by the above agreements are as follows:

NOTE 5: LEASE OBLIGATIONS - Continued

Years ending June 30,

2006	$	626,167
2007		637,677
2008		642,480
2009		576,442
2010		350,307
2011		23,170
TOTAL	$	2,856,243

The College has a sub-lease rental agreement for one more year totaling $137,953 at June 30, 2005. Payments made in FY 2005 and 2004 totaled $161,658 and 154,775, respectively.

NOTE 6: COMPENSATED ABSENCES

GASB 34/35 requires that compensated absences be broken out into current and non-current liabilities. Employees may accrue annual and sick leave based on the length of service and subject to certain limitations regarding the amount, which will be paid upon termination. The estimated costs of current compensated absences for which employees are vested for the years ended June 30, 2005 and 2004, are $248,367 and $222,429, respectively.

The estimated costs of non-current compensated absences for which employees are vested for the years ended June 30, 2005, and 2004, are $1,838,301 and $1,717,448 respectively. Fiscal Year 2005 expenses include an increase of $146,791 for the estimated compensated absence liability.

NOTE 7: PENSION PLAN OBLIGATIONS

On September 10, 1993 the Board of Trustees of the State Colleges in Colorado adopted an Optional Retirement Plan (ORP) for faculty and exempt administrative staff under the authority of Senate Bill 92-127. The implementation date was May 1, 1994. Eligible employees were offered the choice of remaining in Public Employees' Retirement Association (PERA) or participating in the ORP. New faculty and administrative staff members are required to enroll in the ORP unless they have one year or more service credit with PERA at the date of hire.

The ORP is a defined contribution pension plan with three vendors, Fidelity Investments, TIAA-CREF, and AIG-VALIC, providing a range of investment accounts for participants. The College's contribution to the ORP is 11.4 percent of covered payroll and contributions by employees is 8 percent of covered payroll.

The College's contributions to the ORP for the fiscal years ending June 30, 2005, 2004, and 2003 were $2,380,984, $2,287,172, and $2,352,722 respectively. These contributions were equal to the required contributions for each year. All ORP contributions are immediately vested in the employee's account. Normal retirement for the ORP is age 65 with early retirement permitted at age 55. Benefits available to the employee at retirement are not guaranteed and are determined by contributions and investment decisions made by participants for their individual accounts.

A. PERA PLAN DESCRIPTION

Approximately half of the College's employees participate in a defined benefit pension plan. The PERA plan's purpose is to provide income to members and their families at retirement or in the case of death or disability. The plan is a cost sharing, multiple employer plan administered by the Public Employees' Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require legislation by the General Assembly. The state plan and other divisions' plans are included in PERA's financial statements, which may be obtained by writing PERA at 1300 Logan Street, Denver, Colorado 80203, by calling PERA at 303-832-9550 or 1-800-729-PERA (7372), or by visiting www.copera.org.

Plan members vest after five years of service and are eligible for retirement benefits at age 50 with 30 years of service, age 60 with 20 years of service, or at age 65 with 5 years of service. Members are also eligible for retirement benefits without a reduction for early retirement if they are at least 55 and have a minimum of 5 years of service credit, and their age plus years of service equals 80 or more. State troopers and judges comprise a small percentage of plan members but have higher contribution rates and are eligible for retirement benefits at different ages and years of service. Monthly benefits are calculated as a percentage of highest average salary (HAS). HAS is one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit.

Members disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If a member dies before retirement, their spouse or their eligible children under the age of 18 (23 if a full-time student) are entitled to monthly benefit payments. If there is no eligible spouse, financially dependent parents will receive a survivor's benefit.

B. FUNDING POLICY

Most employees contribute 8.0 percent of their annual gross covered wages to an individual account in the plan. During FY 04-05, the state contributed 10.15 percent of the employee's gross covered wages. Effective July 1, 2004, 1.02 percent of the total contribution was allocated to the Health Care Trust Fund.

The annual gross covered wages subject to PERA is the gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code. The contribution requirements of plan members and their employers are established and may be amended by the General Assembly.

The College's contributions to the three programs described above for the fiscal years ending June 30, 2005, 2004, and 2003 were $3,117,940, $3,057,410, and $3,151,927 respectively. These contributions met the contribution requirement for each year.

C. STUDENT RETIREMENT PLAN

Beginning in fiscal year 1993, in accordance with the provision of Section 24-54.6-101, Colorado Revised Statute (C.R.S.), and as provided in section 403 (b) of the Internal Revenue Code, the State of Colorado Department of Higher Education established the Colorado Student Employees Defined Contribution Plan. Student employees taking less than six hours each semester are required to participate. The plan requires a 7.5 percent contribution on the employee's part with no employer contribution. Total current year payroll covered by the plan for Metropolitan State College was $922,605. Employee contributions were 7.5 percent of covered payroll in the amount of $69,195.

NOTE 8: VOLUNTARY TAX-DEFERRED RETIREMENT PLANS

PERA offers a voluntary 401k plan entirely separate from the defined benefit pension plan. The state offers a 457 deferred compensation plan and certain agencies and institutions of the estate offer 403b or 401(a) plans. Members who contribute to any of these plans also receive the state match when available.

In January 2001, the Matchmaker Program established a state match for PERA members' voluntary contributions to tax-deferred retirement plans. The PERA Board sets the level of the match annually based on the actuarial funding of the defined benefit pension plan. The match is only available when the actuarial value of the defined benefit plan assets is 110 percent of actuarially accrued plan liabilities. This condition was not met during Fiscal Year 2004-05.

NOTE 9: POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Health Care Program

PERACare (formerly known as the PERA Health Care Program) began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Trust Fund. Under this program, PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from the monthly retirement benefit. During FY 04-05, the premium subsidy was $115.00 for those with 20 years of service credit ($230 for members under age 65 and not eligible for Medicare), and it was reduced by 5 percent for each year of service fewer than 20.

The Health Care Trust Fund is maintained by the institution's contribution as explained in Footnote 7B above.

Monthly premium costs for participants depend on the health care plan selected, the number of persons covered, Medicare eligibility, and the number of years of service credit. PERA contracts with a major medical indemnity carrier to administer claims for self-insured medical and prescription benefit plans, and with health maintenance organizations providing services within Colorado. As of December 31, 2004, there were approximately 39,668 enrollees in the plan.

NOTE 9: POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - Continued

Life Insurance Program

During Fiscal year 2004-05, PERA provided its members access to two group decreasing term life insurance plans offered by Prudential Insurance Company and Anthem Life. Effective April 1, 2005, PERA consolidated the two plans, and UnumProvident became the administrator. Members who transition to the new plan may continue coverage into retirement. Premiums are collected monthly by payroll deduction or from an automatic deduction from a retiree's annuity check.

NOTE 10: CONTINGENT LIABILITIES

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

The College, in the course of conducting business, is a party to various litigation and other claims. Although the final outcome of these legal actions can not be determined at this time, management does not believe the ultimate resolution of these matters will have a significant adverse affect on the financial position of the College.

The State of Colorado, including the College, is self-insured in regard to its general and automobile liability exposures. The College also participates in a State commercial insurance policy covering loss or damage to College property. Liability of State higher education institutions is limited by the Colorado Governmental Immunity Act.

NOTE 11: CAMPUS SHARED CONTROLLED COSTS

Legislation enacted in 1974 established the Auraria Higher Education Center (AHEC) and included the College as one of the constituent institutions, along with the Community College of Denver (CCD) and the University of Colorado at Denver (UCD). Each institution operates independently as an educational institution responsible to its own governing board while sharing common operations. For the purpose of total financial disclosure, Metro State's portion of campus shared costs for the Auraria Campus is as follows:

	Year Ended June 30	
	2005	2004
Administration of Auraria Higher Education Center and operation and maintenance of plant	$ 6,651,590	$ 6,651,587
Library and Media Center	3,052,449	2,974,772
Total	$ 9,704,039	$ 9,626,359

NOTE 12: RECONCILIATION OF APPROPRIATED REVENUES TO FINANCIAL STATEMENTS

	Year Ended June 30	
	2005	2004
General Fund	$ 33,951,845	$ 33,951,845
Transfers	0	0
Total General Fund	33,951,845	33,951,845
Cash Funds	30,606,976	29,771,440
Prior Year Roll-Forward	3,535,739	3,249,341
Total Revenue	68,094,560	66,972,626
Total Expenditures	62,272,248	63,436,887
Roll forward	$ $5,822,312	$ 3,535,739

NOTE 13: COMPONENT UNIT DISCLOSURES

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 is a separate legal entity, which is fully independent from the College, is not financially dependent upon the College, has a separately elected Board of Directors and, as such, has substantial autonomy and separate government entity characteristics. The financial statements of the Foundation are prepared on the accrual basis and follow SFAS No. 117.

Effective for the fiscal year ended June 30, 2004, GASB 39 requires the inclusion of Metropolitan State College Foundation as a discretely presented component unit based on the nature and significance of its relationship with the College. The Foundation uses a different GAAP reporting model (SFAS No. 117) and following the GASB 39 recommendation, its financial information is not presented on the same page as the College but is reported on separate pages after the College's financial statements. The Foundation's separate financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

NOTE 14: RELATED PARTY TRANSACTIONS

The College leased office space to the Foundation for $10,694 for fiscal year 2005. During the years ended June 30, 2005 and 2004, the Foundation provided $2,278,345 and $2,789,344 respectively, of funding to the College for various purposes, such as scholarships, departmental funding, and other programs. In addition to this $2,278,345 that was paid through the College's system there was $104,096 paid through the Foundation directly. At June 30, 2005 the College had a receivable of $321,673 due from the Foundation. The College provides four employees to the Foundation and the Foundation reimburses the College for these expenses. During 2005 these expenses amounted to $140,261.

(1) Summary of Significant Accounting Policies

(a) General

The Metropolitan State College of Denver Foundation, Inc. (the Foundation) is a nonprofit corporation organized and operated to promote the general welfare and development of the Metropolitan State College of Denver (the College).

(b) Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

(c) Financial Statement Presentation

Financial statement presentation follows the requirements of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(d) Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support, including pledges, is recorded as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

(e) Contributions Receivable

Unconditional pledges are recognized as revenues in the period the pledge is received. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional pledges are recognized when the conditions on which they depend are substantially met.

(f) Allowance for Uncollectible Pledges

The Foundation uses the allowance method to record uncollectible pledges. The allowance is based on prior years' experience and management's analysis of specific pledges made.

(g) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities. Restricted gains and investment income are generally reported as increases to temporarily or permanently restricted investment income and upon expiration of the restrictions are reclassified to unrestricted investment income.

(h) Cash and Cash Equivalents

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(i) Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments in mutual funds and debt and equity securities and contributions receivable.

The Foundation places its temporary cash and money market accounts with creditworthy, high-quality financial institutions. A significant portion of the funds are not insured by the FDIC or related entity.

The Foundation has significant investments in mutual funds, bonds, and other investments and is therefore subject to concentrations of credit risk. Investments are made by investment managers engaged by the Foundation and the investments are monitored by the management of the Foundation. Though the market values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Foundation.

Concentrations of credit risk with respect to contributions receivable are limited due to the large number and creditworthiness of contributors comprising the Foundation's contributor base and the historical high-collectibility experience.

(j) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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, but the difference is not expected to be material.

k) Contributed Equipment, Supplies and Services

Contributed equipment and supplies are recorded at fair value at the date of donation. If donors stipulate how the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of equipment and supplies are recorded as unrestricted support. Donated services are recognized as contributions in accordance with SFAS No. 116 if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

(l) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(m) Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the charitable contribution deduction. Income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

(2) Contributions Receivable

Contributions receivable consist of the following at June 30:

	2005	2004
Receivables restricted for:		
Scholarships, department funding, and other	$ 217,296	$ 412,112
Endowments	2,586	10,010
Less discount to net present value	(6,357)	(14,508)
Net contributions receivable	$ 213,525	$ 407,614
Amouts due:		
Within one year	$ 141,725	$ 234,132
Over one through five years	44,935	144,847
Over five years	26,865	28,635
Total	$ 213,525	$ 407,614

Management believes that all contributions receivable are fully collectible. Accordingly, there is no allowance for uncollectible contributions receivable.

(3) Investments

Investments, stated at their fair values, are comprised of the following at June 30:

	2005	2004
Cash and short-term cash funds	$ 3,027,729	$ 2,924,777
Fixed-income mutual funds	1,121,148	1,043,450
Stock mutual funds and equities	2,172,526	1,990,870
Other	11,501	567,925
	$ 6,332,904	$ 6,527,022

Investment income is summarized below:

	2005	2004
Interest and dividend income	$ 198,629	$ 193,804
Net realized and unrealized gains	175,262	256,718
	373,891	450,522
Less: Investment management and bank fees	(17,963)	(13,246)
Net investment return	$ 355,928	$ 437,276

(4) Charitable Trust Arrangements

Charitable Remainder Unitrusts

The Foundation is the beneficiary of certain charitable remainder trusts administered by banks that provide for the payment of distributions to the grantor or other designated beneficiaries over the designated beneficiaries' lifetimes. At the end of the trusts' terms, the remaining assets will be available for the Foundation's use or for the establishment of an endowment. At June 30 the net present values of the contributions receivable under remainder trust agreements are included in the statement of financial position as contributions receivable under split-interest agreements, as follows:

	2005	2004
Gross amounts receivable	$ 312,523	$ 249,633
Less: Unamortized discount	(138,823)	(57,354)
Net contributions receivable	$ 173,700	$ 192,279

Charitable Gift Annuities

The Foundation is both the trustee and remainder beneficiary of four annuity trusts whereby the Foundation pays a specified amount of earnings to named beneficiaries. The assets received under three of these arrangements consist of investments which are part of the pooled investments of the Foundation. The assets received under the fourth arrangement are not part of the pooled investments since the assets will be available for unrestricted use.

At June 30, 2005 and 2004 the fair market value of these trusts' assets totaled $44,825 and $42,004, respectively, and the corresponding liabilities related to estimated future distributions to the beneficiaries totaled $30,415 and $30,852, respectively.

(5) Note Receivable – Related Party:

During May 2005, the Foundation made a $200,000 loan to the newly hired College president. The loan is secured by real estate and bears interest of 3.54% per year. The principal plus accrued interest is due on or before June 30, 2008. The loan will be forgiven if the president fulfills the terms of his employment agreement with the College, which expires on June 30, 2008. The loan will also be forgiven if the president is terminated without "cause", as defined in the employment agreement, or if the president dies, or becomes disabled for a period of three months or more.

While the note agreement remains outstanding, thirty-six monthly interest payments of $590 are due to the Foundation on the first day of each month beginning June 1, 2005.

(6) Assets Held for Investment

Assets held for investment consist of the following at June 30:

	2005	2004
Art	$ 93,175	$ 93,175
Furnishings	4,969	4,969
	98,144	98,144
Less: Accumulated depreciation	(4,969)	(4,969)
	$ 93,175	$ 93,175

(7) Net Assets

Temporarily Restricted Net Assets

At June 30, temporarily restricted net assets consist of pledges, contributions and related investment earnings restricted by donors for particular purposes as follows:

	2005	2004
Scholarships	$ 1,046,368	$ 1,216,387
Departmental funding	969,801	1,314,851
Other	1,433,117	1,478,111
	$ 3,449,286	$ 4,009,349

Permanently Restricted Net Assets

Permanently restricted net assets are comprised of original contributions, plus accumulated earnings and appreciation in excess of amounts distributed to the College under the Foundation's spending policy. The spending policy, expressed as a percentage of fair market value of the endowments, is anticipated to be 3% for the upcoming year. The calculation is based on the lesser of the rolling three-year average market value as determined each December 31st or the fair market value of the principal plus undistributed net accumulated earnings, as defined. The distribution from the various endowment

(7) Net Assets, Continued

accounts shall be allocated based on their portion of the fair market value to the total endowment fund as of the preceding distribution date.

At June 30, permanently restricted net assets consist of the following:

	2005	2004
Original contributions plus accumulated earnings	$ 2,911,951	$ 2,663,472
Permanently restricted pledges/split-interest agreements	106,365	119,385
Less liabilities under permanently restricted annuity trust assets	(29,178)	(29,273)
	$ 2,989,138	$ 2,753,584

Net Asset Reclassification

In accordance with its spending policy, the Foundation reduced permanently restricted net assets in 2005 by $50,096 in order to make available investment earnings for scholarship distributions. In addition, permanently restricted net assets were also reduced by $48,203 in accordance to the Foundation's policy to assess an annual administrative fee of 2% to the total endowment fund. These reclassifications were based upon an interpretation of Colorado law made by the Foundation's outside counsel. Additionally, permanently restricted net assets were increased by $14,064 for a change in donor restrictions.

In accordance with its spending policy, the Foundation reduced permanently restricted net assets in 2004 by $48,336 in order to make available investment earnings for scholarship distributions. In addition, permanently restricted net assets were also reduced by $45,499 in accordance to the Foundation's policy to assess an annual administrative fee of 2% to the total endowment fund. These reclassifications were based upon an interpretation of Colorado law made by the Foundation's outside counsel.

(8) Related Party Transactions

The Foundation leases office space from the College at an annual rate of $13.04 per square foot under an agreement that automatically renews for one-year terms at the beginning of each fiscal year. Rent expense totaled $10,694 for fiscal 2005. In addition, the College subleases office space from the Foundation as discussed in Note 9.

During 2005, funding provided by the Foundation directly to the College for various purposes such as scholarships, departmental funding and for other programs totaled $2,278,345. In addition, the Foundation paid other costs totaling $104,096 on behalf of the College to various vendors.

During 2005, the Foundation reimbursed the College a total of $140,261 for administrative and other support provided to the Foundation by College employees. Furthermore, the College provides development and other personnel to the Foundation at no cost. The Foundation has recorded in-kind contribution revenue totaling $387,503 for such donated services. The corresponding expenses are included as part of fundraising expenses.

(8) Related Party Transactions, Continued

As discussed in Note 5, during May 2005, the Foundation made a $200,000 loan to the newly hired College president.

In the normal course of the Foundation's operations, transactions arise with companies whose officers and/or directors are also directors of the Foundation. During 2005, the Foundation hired contract services from a company owed by a director. Payments totaled $19,590.

At June 30, 2005, the Foundation has a payable of $321,673 to the College.

(9) Leases

During 1998, the Foundation entered into an agreement to lease space for the Center for Visual Arts. During 2005, the lease was extended to April 14, 2006. The lease agreement provides that the Foundation can purchase the premises. The College subleases this space from the Foundation under the same terms as the Foundation's agreement with the exception that the College can terminate the sublease, but the Foundation cannot terminate its lease agreement with the landlord.

Future minimum lease payments under the lease through April 15, 2006 total $73,093.

ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the Legislative Audit Committee:

We have audited the financial statements of the Metropolitan State College of Denver, a blended component unit of the State of Colorado as of and for the year ended June 30, 2005, and have issued our report thereon dated September 30, 2005. We conducted our audit in accordance 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Metropolitan State College of Denver's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

This report is intended for the information of the Legislative Audit Committee, the Board of Trustees and management of the Metropolitan State College of Denver, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Anderson + Whitney P. C.

September 30, 2005

ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

Required Auditor Communications

Members of the Legislative Audit Committee:

We have audited the financial statements of Metropolitan State College of Denver for the year ended June 30, 2005, and have issued our report thereon dated September 30, 2005. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control of the Metropolitan State College of Denver. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Metropolitan State College of Denver's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective or our tests was not to provide an opinion on compliance with such provisions.

SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility for selection and use of appropriate accounting policies. The significant policies used by Metropolitan State College of Denver are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the institution during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the allowance for doubtful accounts and loan receivables and the accrual for compensated absences.

The process used by management in formulating the allowance for doubtful receivables is based on estimated loss percentages applied to aged accounts and loans receivable. The process used to formulate compensated absences is based on an estimate of employees that will be eligible in the future to receive payment for accumulated sick leave multiplied by current average pay rates. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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This information is intended solely for the use of the Legislative Audit Committee and is not intended and should not be used by any others than these specified parties.

Anderson & Whitney P.C.

September 30, 2005

STATE-FUNDED STUDENT ASSISTANCE PROGRAMS

Anderson & Whitney

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

Members of the Legislative Audit Committee:

We have audited the accompanying statement of appropriations, expenditures, transfers, and reversions of the State-Funded Student Assistance Programs of the Metropolitan State College of Denver, an institution of higher education of the State of Colorado for the year ended June 30, 2005. This financial statement is the responsibility of the College's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

As described in Note 1, this financial statement was prepared in conformity with the accounting practices prescribed or permitted by the Colorado Commission on Higher Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the appropriations, expenditures, transfers, and reversions of the State-Funded Student Assistance Programs of the Metropolitan State College of Denver for the year ended June 30, 2005 on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the Legislative Audit Committee, the Board of Trustees and management of the Metropolitan State College of Denver, and for filing with the Colorado Commission on Higher Education and is not intended and should not be used by anyone other than these specified parties.

Anderson + Whitney P.C.

September 30, 2005

5801 West 11th Street - Suite 300 (970) 352-7990

STATE OF COLORADO
METROPOLITAN STATE COLLEGE OF DENVER
STATE-FUNDED STUDENT FINANCIAL ASSISTANCE PROGRAMS
STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS AND REVERSIONS
YEAR ENDED JUNE 30, 2005

	Total Financial Aid	CLEAP	SLEAP	Colorado Need-based Grants	Colorado Work-Study	Colorado Diversity Grants	Colorado Merit Scholarshps	Perkins Loan Match	Governor's Opportunity Scholarship
priations:									
ginal Official Allocation	$ 6,831,658	$ 122,088	$ 101,197	$ 3,772,741	$ 1,777,789		$ 527,225	$ 58,293	$ 472,325
ditional Allocation	49,512	(574)	35,622	(17,732)	(8,356)		2,610		37,942
nsfers				(306,755)		306,755			
Appropriations	6,881,170	121,514	136,819	3,448,254	1,769,433	306,755	529,835	58,293	510,267
Expenditures	6,881,170	121,514	136,819	3,448,254	1,769,433	306,755	529,835	58,293	510,267
sions to State neral Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

ccompanying notes to financial statement.

NOTE 1 – Summary of Significant Accounting Policies:

Basis of Presentation:

The accompanying statement of appropriations, expenditures, transfers, and reversions of state-funded student financial assistance programs (the Statement) has been prepared in accordance with the format as prescribed by the Colorado Commission on Higher Education (CCHE). The purpose of the Statement is to present, in summary form, the state-funded student financial assistance activities of the Colleges for the year ended June 30, 2005.

Because the statement presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position or changes in net assets of the College in conformity with generally accepted accounting principles in the United States.

Basis of Accounting:

The College's accounting systems are structured and administered in accordance with the accounting principles promulgated by the National Association of College and University Business Officers in the revised publication *Financial Accounting and Reporting Manual for Higher Education*. Financial statement presentation and other accounting criteria are included in the *Colorado Handbook for State-Funded Student Assistance Programs*, fiscal year 2004-05.

All state-funded student financial assistance is expensed on a cash basis, except for the Perkins Loan Program and the Colorado Work-Study program. Perkins student loans are recorded as loans receivable when the funds are disbursed. Colorado Work-Study wages are recorded on the accrual basis, recognizing expenses when the services are performed.

The Perkins Loan Program matching requirement from general funds, as approved by the Colorado Commission on Higher Education, is recorded as a transfer from the general fund to the loan fund and not as general fund expense and loan fund revenue.

The Colorado Leveraging Educational Assistance Partnership (CLEAP) and Supplemental Leveraging Educational Assistance Partnership (SLEAP) consist of state and federal funds. The amounts shown in the accompanying statement are the combined totals.

METROPOLITAN STATE COLLEGE OF DENVER

NOTES TO THE STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS, AND REVERSIONS

Year Ended June 30, 2005

NOTE 2 – State Funded Student Financial Assistance Programs:

The College's various state-funded student financial assistance programs include the following:

- Colorado Need-based Grants awards, consisting of:
  - Colorado Student Grant
  - Colorado Leveraging Educational Assistance Partnership (CLEAP)
  - Supplemental Leveraging Educational Assistance Partnership (SLEAP)
- Colorado Undergraduate Merit Scholarships
- Colorado Work-Study
- Governor's Opportunity Scholarships
- Loan Matching for the Perkins Loans

The total state-funded financial assistance expenditures made by the College were $6,881,170 during the year ended June 30, 2005. Of this amount, state-funded matching funds of $58,293 were transferred to the Perkins Loan program.

The director of financial aid is responsible for administration of these programs. This responsibility includes application processing, eligibility determination, and financial aid packaging, as well as ensuring compliance with regulations governing the participation of the College in federal and state student financial aid programs. The College's controller's office is responsible for the programs' financial management, general ledger accounting, and payments.

During the year ended June 30, 2005, the College obtained authorization to award federal student financial aid funds of $14,251,245 in Pell Grant, $502,184 in Supplemental Educational Opportunity Grant, $674,554 in Federal Work-Study, and $174,878 of new capital contributions in the Perkins Student Loan Program.

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303-869-2800

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