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STATE OF COLORADO
AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

YEAR ENDED JUNE 30, 1979

Touche Ross & Co.



STATE OF COLORADO

AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1979

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September 28, 1979

Legislative Audit Committee
State Capitol
Denver, Colorado

We have examined the balance sheets of Auraria Higher Education Center, Student Facilities Refunding Revenue Bonds, Series 1977A, as of June 30, 1979, and the related statements of changes in fund balances and current unrestricted funds revenues, expenditures and other changes for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note A to the financial statements, the Center allocated personal services and other operating expenditures to the accounts of the Student Facilities Refunding Revenue Bonds, Series 1977A. The allocations of expenditures are prescribed by the Center and may not necessarily reflect allocations as they would be if the Center were not a related entity.

In our opinion, the financial statements referred to above present fairly the financial position of Auraria Higher Education Center, Student Facilities Refunding Revenue Bonds, Series 1977A, at June 30, 1979, and the changes in its fund balances and its current unrestricted funds revenues, expenditures and other changes for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.
Certified Public Accountants

STATE OF COLORADO

AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

BALANCE SHEETS

JUNE 30, 1979

	<u>COMBINED TOTAL</u>	<u>CURRENT UNRESTRICTED FUNDS</u>
ASSETS:		
Cash in bank and on deposit with State Treasurer	\$ 357,165	\$ 81,662
Certificates of deposit	565,000	--
Accounts receivable (net of allowance of \$5,600)	94,223	23,577
Due from other funds	24,611	970
Accrued interest receivable	14,137	--
Deferred bond issue costs	229,118	--
Property and equipment:		
Land improvements	189,430	--
Buildings	5,166,022	--
Furniture and equipment	386,981	--
 Total assets	 <u>\$7,026,687</u>	 <u>\$106,209</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts payable	\$ 11,239	\$ 11,239
Salaries and wages	5,129	5,129
Due to other funds	24,611	23,641
Due to State of Colorado	3,101	--
Accrued interest payable	201,994	--
Refunding bonds payable (Note C)	5,985,000	--
Total liabilities	<u>6,231,074</u>	<u>40,009</u>
Fund balances (deficit):		
Unrestricted	66,200	66,200
Restricted	729,413	--
Total fund balances	<u>795,613</u>	<u>66,200</u>
 Total liabilities and fund balances	 <u>\$7,026,687</u>	 <u>\$106,209</u>

See notes to financial statements.

PLANT FUNDS

TOTAL	UNEXPENDED PLANT	INVESTMENT IN PLANT	RETIREMENT OF INDEBTEDNESS		RENEWAL AND REPLACEMENT
			BONDS AND INTEREST	RESERVE	
\$ 275,503	\$ 1,466	\$ --	\$256,984	\$ --	\$ 17,053
565,000	--	--	215,149	349,851	--
70,646	21,058	--	49,588	--	--
23,641	--	--	23,641	--	--
14,137	--	--	8,661	5,476	--
229,118	--	229,118	--	--	--
189,430	--	189,430	--	--	--
5,166,022	--	5,166,022	--	--	--
386,981	--	386,981	--	--	--
<u>\$6,920,478</u>	<u>\$ 22,524</u>	<u>\$5,971,551</u>	<u>\$554,023</u>	<u>\$355,327</u>	<u>\$ 17,053</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
970	970	--	--	--	--
3,101	3,101	--	--	--	--
201,994	--	--	201,994	--	--
5,985,000	--	5,985,000	--	--	--
6,191,065	4,071	5,985,000	201,994	--	--
--	--	--	--	--	--
729,413	18,453	(13,449)	352,029	355,327	17,053
<u>729,413</u>	<u>18,453</u>	<u>(13,449)</u>	<u>352,029</u>	<u>355,327</u>	<u>17,053</u>
<u>\$6,920,478</u>	<u>\$ 22,524</u>	<u>\$5,971,551</u>	<u>\$554,023</u>	<u>\$355,327</u>	<u>\$ 17,053</u>

STATE OF COLORADO
AURARIA HIGHER EDUCATION CENTER
STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

STATEMENTS OF CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1979

	<u>COMBINED TOTAL</u>	<u>CURRENT UNRESTRICTED FUNDS</u>
REVENUES AND OTHER ADDITIONS:		
Current Unrestricted Funds revenues	\$ 459,145	\$459,145
General operating	2,213	--
Interest income	45,272	--
Bond fees (Note B)	514,052	--
Federal grants	168,440	--
Retirement of indebtedness (Note C)	<u>10,000</u>	<u>--</u>
Total revenues and other additions	1,199,122	459,145
EXPENDITURES AND OTHER DEDUCTIONS:		
General operating	637,216	637,216
Amortization of bond issue costs	7,391	--
Interest on indebtedness (Notes B and C)	404,987	--
Retirement of indebtedness (Note C)	<u>10,000</u>	<u>--</u>
Total expenditures and other deductions	1,059,594	637,216
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):		
Expended for Plant	--	(12,762)
Other	<u>--</u>	<u>211,852</u>
Total transfers	<u>--</u>	<u>199,090</u>
NET INCREASE FOR THE YEAR	139,528	21,019
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	<u>656,085</u>	<u>45,181</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ 795,613</u>	<u>\$ 66,200</u>

See notes to financial statements.

PLANT FUNDS

TOTAL	UNEXPENDED PLANT	INVESTMENT IN PLANT	RETIREMENT OF INDEBTEDNESS		RENEWAL AND REPLACEMENT
			BONDS AND INTEREST	RESERVE	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
2,213	2,213	--	--	--	--
45,272	1,908	--	15,942	26,469	953
514,052	--	--	514,052	--	--
168,440	--	--	168,440	--	--
<u>10,000</u>	<u>--</u>	<u>10,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
739,977	4,121	10,000	698,434	26,469	953
--	--	--	--	--	--
7,391	--	7,391	--	--	--
404,987	--	--	404,987	--	--
<u>10,000</u>	<u>--</u>	<u>--</u>	<u>10,000</u>	<u>--</u>	<u>--</u>
422,378	--	7,391	414,987	--	--
12,762	(970)	13,732	--	--	--
(211,852)	(247)	--	(211,555)	--	(50)
<u>(199,090)</u>	<u>(1,217)</u>	<u>13,732</u>	<u>(211,555)</u>	<u>--</u>	<u>(50)</u>
118,509	2,904	16,341	71,892	26,469	903
<u>610,904</u>	<u>15,549</u>	<u>(29,790)</u>	<u>280,137</u>	<u>328,858</u>	<u>16,150</u>
<u>\$ 729,413</u>	<u>\$ 18,453</u>	<u>\$ (13,449)</u>	<u>\$352,029</u>	<u>\$355,327</u>	<u>\$ 17,053</u>

STATE OF COLORADO

AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

STATEMENT OF CURRENT UNRESTRICTED FUNDS REVENUES,
EXPENDITURES AND OTHER CHANGES

YEAR ENDED JUNE 30, 1979

Revenues:	
Commissions on food sales, vending and other	\$456,977
Interest	2,168
Total revenues	<u>459,145</u>
Expenditures:	
Personal services	451,050
Operating	186,166
Total expenditures	<u>637,216</u>
Other transfers and additions (deductions):	
From Plant Fund	211,852
Expended for Plant	(12,762)
Total transfers	<u>199,090</u>
Net increase in fund balance	<u>\$ 21,019</u>

See notes to financial statements.

STATE OF COLORADO

AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1979

A. Summary of Significant Accounting Policies:

The financial statements of Auraria Higher Education Center, Student Facilities Refunding Revenue Bonds, Series 1977A, are presented in accordance with the fund accounting guidelines as prescribed in the American Institute of Certified Public Accountants' guide on Audits of Colleges and Universities, as modified in 1975 by the National Association of College and University Business Officers' publication on College and University Business Administration.

The financial statements reflect only those funds of the Auraria Higher Education Center (the Center) that relate to requirements of the bond resolution and do not include any State funded activities.

Plant Fund assets are recorded at cost or market value at date of gift. Depreciation on these assets is not recorded.

Transfers include expenditures made for capital additions from various funds and the transfer of excess bond fees for operations. Capital construction projects are transferred from construction in progress when projects are complete.

Bond issuance costs are being amortized on the straight-line basis over the term of the bond issue.

Personal services and other operating expenditures are allocated to the accounts of the bond issue based predominantly on a square footage formula. Small amounts of expenditures are allocated on time studies and other estimates. These amounts are not necessarily the same as would be reflected if detailed time sheets were kept by all employees and used for the allocation formula.

STATE OF COLORADO

AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1979

B. Special Funds:

The bond resolution requires that all collections of student bond fees be deposited into the Retirement of Indebtedness Fund. All other legally available monies to make the payment and accumulations required by this resolution shall be deposited into the Current Unrestricted Funds. Expenditures for operations shall be made from this fund, and the following transfers shall be made from this fund:

Bond Fund - On or before 15 days prior to the maturity date of installments of principal and/or interest on the bonds, there shall be deposited into the Bond Fund an amount sufficient to pay the next maturing installments of principal and/or interest.

Renewal and Replacement - Commencing on the last day of June, 1979 and thereafter on or before the last day of each bond year there shall be deposited the sum of \$15,000 to the Renewal and Replacement Fund until a minimum aggregate of \$150,000 is established.

The Reserve Fund shall be maintained at an amount equal to the average annual debt service.

C. Refunding Bonds Payable:

Refunding bonds are due in annual installments varying from \$10,000 to \$430,000 with interest at 6.75%. The final installment is due on July 1, 2010. The bonds are collateralized by revenues from the Student Center and Child Care Center. The bonds maturing July 1, 1988 through July 1, 2010, are callable for redemption at the option of the Center's Board on July 1, 1987 or any date thereafter. A 1.5% premium is due on principal paid through June 30, 2000. Bonds will be redeemed at par thereafter.

STATE OF COLORADO
AURARIA HIGHER EDUCATION CENTER
STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1979

C. Refunding Bonds Payable (Continued):

Debt service to maturity of the bonds is as follows:

<u>FISCAL YEAR ENDING JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1980	\$ 55,000	\$ 402,131	\$ 457,131
1981	60,000	398,250	458,250
1982	65,000	394,031	459,031
1983	70,000	389,475	459,475
1984	75,000	384,581	459,581
1985	80,000	379,350	459,350
1986	85,000	373,781	458,781
1987	90,000	367,875	457,875
1988	95,000	361,631	456,631
1989	105,000	354,881	459,881
1990	110,000	347,625	457,625
1991	115,000	340,031	455,031
1992	125,000	331,931	456,931
1993	135,000	323,156	458,156
1994	140,000	313,875	453,875
1995	150,000	304,088	454,088
1996	160,000	293,625	453,625
1997	175,000	282,319	457,319
1998	185,000	270,169	455,169
1999	200,000	257,175	457,175
2000	210,000	243,338	453,338
2001	225,000	228,656	453,656
2002	240,000	212,962	452,962
2003	255,000	196,256	451,256
2004	275,000	178,369	453,369
2005	290,000	159,300	449,300
2006	310,000	139,050	449,050
2007	335,000	117,282	452,282
2008	355,000	93,994	448,994
2009	380,000	69,187	449,187
2010	405,000	42,694	447,694
2011	430,000	14,513	444,513
Total	<u>\$5,985,000</u>	<u>\$8,565,581</u>	<u>\$14,550,581</u>

STATE OF COLORADO

AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1979

D. Student Center Operations:

The Center has direct management responsibilities over all operations of the Student Center except for the operations of the bookstore.

A management agreement effective July 1, 1978 gives Metropolitan State College (MSC) direct responsibilities to operate and manage the bookstore as an independent contractor. The contract specifies rentals to the Center as follows:

1979-80	\$52,000
1980-81	60,000
1981-82	67,000
1982-83	75,000

The profits of the bookstore after payment of rentals is applied first to eliminating the deficit carried on MSC's financial statements. Any remaining profits are divided equally between the College and the Center. Amounts scheduled to be applied to the elimination of the June 30, 1979 deficit of \$223,000 are as follows:

1979-80	\$26,000
1980-81	30,000
1981-82	33,500
1982-83	37,500

Amounts required to eliminate the remaining amount of the deficit will be obtained from the College's share of profits. It is anticipated that the deficit will be eliminated by June 30, 1983.

The rental of \$46,000 and the Center's share of profits of \$3,200 are reflected in the financial statements of the Center. Profits were adequate to meet requirements of the contract for scheduled elimination of deficits during 1979.

STATE OF COLORADO

AURARIA HIGHER EDUCATION CENTER

STUDENT FACILITIES REFUNDING REVENUE BONDS,
SERIES 1977A

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1979

D. Student Center Operations (Continued):

The term of the contract extends through June 30, 1980, with three automatic one-year renewals unless termination notice is given. Any deficits still existing at the termination of the contract will be considered liabilities of the Center.