

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Financial Statements

Years Ended June 30, 2011 and 2010
with Independent Auditors' Report

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

To the Board of Trustees
Kansas Wesleyan University:

We have audited the accompanying statements of financial position of Kansas Wesleyan University, Salina, Kansas (a not-for-profit organization) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, the financial statements referred to above present fairly, in all material respects, the financial position of Kansas Wesleyan University as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements of Kansas Wesleyan University referred to in the first paragraph taken as a whole. The supplemental information contained on pages 17 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,

Kennedy and Coe, LLC

Salina, Kansas
October 6, 2011

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Exhibit A

STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2011	2010
ASSETS		
Cash and cash equivalents	\$ 1,405,315	\$ 1,310,481
Short-term investments, at market value (Note 2)	1,160,085	1,955,266
Accounts receivable, less allowance for uncollectible accounts - 2011 - \$20,000; 2010 - \$20,000	136,220	52,352
Unconditional promises to give, less allowance for uncollectible pledges - 2011 - \$15,000; 2010 - \$15,000 (Note 3)	253,847	280,171
Notes receivable, less allowance for uncollectible notes - 2011 - \$170,000; 2010 - \$170,000	953,889	1,030,794
Bond issuance cost, less accumulated amortization - 2011 - \$23,490; 2010 - \$17,742 (Note 6)	62,872	68,620
Long-term investments, at market value (Note 2)	15,286,141	12,006,107
Beneficial interests in perpetual and charitable remainder trusts (Note 4)	7,602,488	6,835,753
Property, plant and equipment, less accumulated depreciation - 2011 - \$11,244,219; 2010 - \$10,482,547 (Note 5)	23,324,503	23,398,456
Other assets	185,558	232,221
Totals	\$ 50,370,918	\$ 47,170,221
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,181,883	\$ 1,210,843
Deposits, advance enrollments and deferred income	370,718	369,653
Deposits held in custody for others	145,877	146,405
Federal loan programs refundable	897,012	1,006,893
Bonds payable (Note 6)	4,790,163	5,167,769
Liability for future annuity payments	84,437	103,549
Total Liabilities	7,470,090	8,005,112
NET ASSETS		
Unrestricted		
Available for operations	3,045,313	3,339,516
Investment in property, plant and equipment	18,481,735	18,178,082
Student loan funds	125,720	144,298
Total Unrestricted Net Assets	21,652,768	21,661,896
Temporarily Restricted		
Endowed funds	3,303,945	595,877
Special projects and purposes	346,172	175,562
Total Temporarily Restricted Net Assets	3,650,117	771,439
Permanently Restricted		
Endowed funds	17,591,435	16,725,813
Special projects and purposes	6,508	5,961
Total Permanently Restricted Net Assets	17,597,943	16,731,774
Total Net Assets	42,900,828	39,165,109
Totals	\$ 50,370,918	\$ 47,170,221

The accompanying notes are an integral part of these financial statements.

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, Gains and Reclassifications				
Educational and General				
Gross tuition and fees	\$ 14,337,165	\$ -	\$ -	\$ 14,337,165
Less: Scholarships and other aid	(5,629,269)	-	-	(5,629,269)
Net tuition and fees	8,707,896	-	-	8,707,896
Gifts and bequests	374,171	191,408	98,887	664,466
Grant and student assistance income	191,039	-	-	191,039
Investment gains (losses), net	(39,023)	2,771,284	547	2,732,808
Change in value of split-interest agreements	19,111	-	766,735	785,846
Investment income	97,597	234,281	-	331,878
Investment income from split-interest agreements	18,697	316,906	-	335,603
Interest on loans receivable	20,542	-	-	20,542
Other sources	100,377	-	-	100,377
Total Educational and General	9,490,407	3,513,879	866,169	13,870,455
Auxiliary enterprises	3,198,896	-	-	3,198,896
Independent operations	121,319	28,513	-	149,832
Total Revenues and Gains	12,810,622	3,542,392	866,169	17,219,183
Net assets released from restrictions	663,714	(663,714)	-	-
Total Revenues, Gains and Reclassifications	13,474,336	2,878,678	866,169	17,219,183
Expenses				
Educational and General				
Instruction	3,357,022	-	-	3,357,022
Academic support	582,473	-	-	582,473
Student services	1,424,802	-	-	1,424,802
Athletics	1,542,591	-	-	1,542,591
Institutional support	2,406,809	-	-	2,406,809
Plant maintenance	1,217,617	-	-	1,217,617
Other expenses	342,801	-	-	342,801
Total Educational and General	10,874,115	-	-	10,874,115
Auxiliary enterprises	1,726,267	-	-	1,726,267
Independent operations	121,319	-	-	121,319
Total Expenses	12,721,701	-	-	12,721,701
Excess of Revenues over Expenses				
Before Depreciation	752,635	2,878,678	866,169	4,497,482
Depreciation Expense	761,763	-	-	761,763
Total Change in Net Assets	(9,128)	2,878,678	866,169	3,735,719
Net Assets, Beginning of Year	21,661,896	771,439	16,731,774	39,165,109
Net Assets, End of Year	<u>\$ 21,652,768</u>	<u>\$ 3,650,117</u>	<u>\$ 17,597,943</u>	<u>\$ 42,900,828</u>

The accompanying notes are an integral part of these financial statements.

Year Ended June 30, 2010			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 13,752,193	\$ -	\$ -	\$ 13,752,193
(5,226,444)	-	-	(5,226,444)
8,525,749	-	-	8,525,749
336,146	31,022	188,451	555,619
192,931	-	-	192,931
335,001	796,552	355	1,131,908
17,008	-	359,648	376,656
41,868	226,192	-	268,060
-	299,261	-	299,261
30,745	-	-	30,745
60,569	-	-	60,569
9,540,017	1,353,027	548,454	11,441,498
3,127,732	-	-	3,127,732
126,650	(3,742)	-	122,908
12,794,399	1,349,285	548,454	14,692,138
738,993	(738,993)	-	-
<u>13,533,392</u>	<u>610,292</u>	<u>548,454</u>	<u>14,692,138</u>
3,336,856	-	-	3,336,856
414,424	-	-	414,424
1,381,195	-	-	1,381,195
1,431,326	-	-	1,431,326
2,271,988	-	-	2,271,988
1,026,151	-	-	1,026,151
422,224	-	-	422,224
10,284,164	-	-	10,284,164
1,809,249	-	-	1,809,249
126,650	-	-	126,650
12,220,063	-	-	12,220,063
1,313,329	610,292	548,454	2,472,075
808,917	-	-	808,917
504,412	610,292	548,454	1,663,158
21,157,484	161,147	16,183,320	37,501,951
<u>\$ 21,661,896</u>	<u>\$ 771,439</u>	<u>\$ 16,731,774</u>	<u>\$ 39,165,109</u>

KANSAS WESLEYAN UNIVERSITY

Salina, Kansas

Exhibit C

STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2011	2010
Cash Flows from Operating Activities		
Change in net assets (Exhibit B)	\$ 3,735,719	\$ 1,663,158
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation of property, plant and equipment	761,763	808,917
Adjustment to federal share of net revenue of federal loan programs	6,763	228
Net (gains) on investments	(2,732,808)	(1,131,908)
Net loss on sale of other assets	-	10,915
Contributions restricted for long-term investment and endowment	(184,660)	(188,452)
Net (gains) from beneficial interests in perpetual and charitable remainder trusts	(766,735)	(359,648)
Amortization of bond issuance cost and discount	13,142	13,141
(Increase) decrease in accounts receivable	(83,868)	6,683
Decrease in unconditional promises to give	26,324	230,392
(Increase) decrease in other assets	47,210	(137,288)
(Decrease) in accounts payable and accrued expenses	(101,440)	(447)
Increase in deposits, advance enrollments and deferred income	1,065	72,963
(Decrease) in annuity liability	(19,112)	(17,007)
Total Adjustments	<u>(3,032,356)</u>	<u>(691,511)</u>
Net Cash Provided by (Used in) Operating Activities	<u>703,363</u>	<u>971,647</u>
Cash Flows from Investing Activities		
Net changes in short-term investments	756,158	(1,849,495)
Proceeds from sale and maturities of long-term investments	310,556	143,655
Proceeds from sale of trust assets	-	126,489
Proceeds from sale of other assets	-	332,445
Purchase of long-term investments	(819,306)	(230,322)
Disbursements of loans to students	(85,025)	(83,200)
Repayments of loans from students	161,930	173,345
Decrease in restricted cash	-	834
Expenditures for property, plant and equipment	(615,330)	(47,541)
Net Cash Provided by (Used in) Investing Activities	<u>(291,017)</u>	<u>(1,433,790)</u>
Cash Flows from Financing Activities		
Contributions restricted for long-term investment and endowment	184,660	188,452
Payment on accounts payable for property and equipment	-	(10,000)
Repayment of federal loan program funds	(116,644)	(3,108)
Principal payments on debt	(385,000)	(370,000)
Increase in bond proceeds held in escrow	-	19
Increase (decrease) in deposits held in custody for others	(528)	26,040
Net Cash Provided by (Used in) Financing Activities	<u>(317,512)</u>	<u>(168,597)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	94,834	(630,740)
Cash and Cash Equivalents, Beginning of Year	<u>1,310,481</u>	<u>1,941,221</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,405,315</u>	<u>\$ 1,310,481</u>

The accompanying notes are an integral part of these financial statements.

KANSAS WESLEYAN UNIVERSITY

Salina, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

1. Summary of Significant Accounting Policies

Kansas Wesleyan University ("the University") (a not-for-profit organization) is a liberal arts college under the auspices of the United Methodist Church. Following is a summary of its significant accounting policies:

a. Financial Statement Presentation

The University reports 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.

b. Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the University, the accounts of the University are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, activities of the funds are reported in accordance with the three net asset classifications referred to in Note 1.a above.

c. Accounts Receivable

Accounts receivable are presented at face value, net of allowance for uncollectible accounts. The allowance for uncollectible accounts is established through provisions charged against revenue and is maintained at a level believed adequate by management to absorb estimated bad debts based on historical experience and current economic conditions. Accounts receivable are considered past due based upon payment terms set forth at the date of the related service provided.

d. Contributions and Other Financial Support

Contributions received and unconditional promises receivable are measured at their fair values and are reported as an increase in net assets in the year in which there is sufficient evidence in the form of verifiable documentation that a promise was made and received, and when the amount of the promise is ascertainable. The University reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

e. Notes Receivable

Notes receivable are presented at their outstanding unpaid principal balances less an allowance for uncollectible notes. The allowance for uncollectible notes is established through provisions for losses charged against revenue. The allowance for uncollectible notes is maintained at a level believed adequate by management to absorb estimated probable credit losses.

Interest income is accrued on the unpaid principal balance on a simple interest basis. The University has receivables of \$287,205 and \$260,677 at June 30, 2011 and 2010, respectively, which are past due ninety days or more and still accruing interest.

f. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Real estate investments are stated primarily at fair market value on the date of the gift. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the period in which the income and gains are recognized.

g. Split-Interest Agreements

Kansas Wesleyan University reports split-interest agreements as required by U.S. generally accepted accounting principles in the AICPA Audit and Accounting Guide for Not-For-Profit Organizations. Under this method of accounting for split-interest agreements, the assets of trusts that are irrevocable by the grantor are included in the statements of financial position. The assets are recorded at the present value of the expected future cash receipts from the trusts' assets.

In addition to perpetual and charitable remainder trusts, the University records charitable gift annuities. Annuities are accounted for using the actuarial method. Actuarial gains and losses are included as changes in unrestricted net assets. Assets are recorded at the fair market value on the date of receipt. Liabilities for future annuity payments are recorded at present value, based upon IRS life expectancy tables.

h. Acquisition of Property, Plant and Equipment

Purchases of property, plant and equipment are capitalized at cost. Additions and betterments of \$2,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Donated assets are capitalized at fair market value when received.

i. Depreciation of Property, Plant and Equipment

Depreciation expense is determined using the straight-line method over the estimated useful life of each depreciable asset.

j. Bond Issuance Costs

Bond issuance costs are amortized over the term of the obligation using the straight-line method.

k. Income Tax

The University is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

l. 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.

m. Cash Equivalents

For purposes of the statements of cash flows, the University considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents excludes accounts restricted or segregated for specific purposes.

n. Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

2. Investments

Short-term investments consist of the following:

	<u>Market Value at June 30,</u>	
	<u>2011</u>	<u>2010</u>
<u>Current Unrestricted Fund</u>		
Mutual funds	\$ 9,638	\$ 9,254
Certificate of deposit	600,000	200,000
U.S. Government and Agency Securities	100,001	100,061
Corporate Bonds	<u>360,621</u>	<u>1,516,193</u>
Total	1,070,260	1,825,508
<u>Agency Fund</u>		
Certificate of deposit	<u>89,825</u>	<u>129,758</u>
 Total Short-Term Investments	 <u>\$ 1,160,085</u>	 <u>\$ 1,955,266</u>

Long-term investments consist of the following:

	<u>Market Value at June 30,</u>	
	<u>2011</u>	<u>2010</u>
<u>Current Unrestricted Fund</u>		
Corporate Bonds	<u>\$ 155,593</u>	<u>\$ -</u>
 <u>Agency Fund</u>		
Certificate of deposit	<u>42,820</u>	<u>-</u>
 <u>Restricted Fund - RSVP</u>		
Mutual funds	107,153	85,377
Greater Salina Community Foundation	<u>16,230</u>	<u>13,030</u>
Total Restricted Fund - RSVP	<u>123,383</u>	<u>98,407</u>

	<u>Market Value at June 30,</u>	
	<u>2011</u>	<u>2010</u>
<u>Kansas Wesleyan Foundation</u>		
Held and managed by financial institutions:		
Cash and cash equivalents	\$ 745,809	\$ 259,876
Certificate of deposit and time deposit	-	10,150
U.S. Government and agency securities	852,553	986,672
Corporate bonds	2,153,575	1,602,673
Corporate stocks	4,047,786	3,552,688
Mutual funds	7,032,220	5,336,852
Real estate	<u>70,287</u>	<u>112,016</u>
Total Held and Managed by Financial Institutions	<u>14,902,230</u>	<u>11,860,927</u>
Other		
Mutual funds	46,757	33,816
Greater Salina Community Foundation	<u>15,358</u>	<u>12,957</u>
Total Other	<u>62,115</u>	<u>46,773</u>
Total Long-Term Investments	<u>\$ 15,286,141</u>	<u>\$ 12,006,107</u>

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

3. Unconditional Promises to Give

Multi-year and other pledges received are recorded in the financial statements as unconditional promises to give. Unconditional promises to give consist of the following:

	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
Promises to Give Expected to Be Collected In:		
Less than one year	\$ 235,505	\$ 272,595
One to five years	<u>35,900</u>	<u>24,600</u>
	271,405	297,195
Less: Discounts to net present value	(2,558)	(2,024)
Less: Allowance for uncollectible promises to give	<u>(15,000)</u>	<u>(15,000)</u>
Net Unconditional Promises to Give	<u>\$ 253,847</u>	<u>\$ 280,171</u>

Unconditional promises to give with due dates extending beyond one year are discounted using the applicable federal mid-term rate. The applicable rates at June 30, 2011 and 2010 were 2.27% and 2.72%, respectively.

4. Fair Value Measurements

The University determines the fair value of investments and annuity liability using three broad levels of input as defined by related accounting standards. The accounting standards define a fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

- Level 1 - Observable inputs - unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 - Observable inputs - other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data; and
- Level 3 - Unobservable inputs - includes amounts derived from valuation models where one or more significant inputs are unobservable.

In accordance with the standard, the University has classified its investments and annuity liability into these levels depending on the inputs used to determine their fair values. The University's fair value hierarchy for these certain assets and liabilities measured at fair value is as follows at June 30, 2011 and 2010:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2011</u>			
Assets:			
Investments	\$ 14,936,185	\$ -	\$ -
Beneficial interest in perpetual trusts	-	-	7,361,067
Beneficial interest in charitable remainder trust	-	-	241,421
Assets held at Greater Salina Community Foundation	-	31,588	-
Liabilities:			
Annuity liabilities	-	-	84,437
<u>June 30, 2010</u>			
Assets:			
Investments	\$ 13,335,601	\$ -	\$ -
Beneficial interest in perpetual trusts	-	-	6,673,203
Beneficial interest in charitable remainder trust	-	-	162,550
Assets held at Greater Salina Community Foundation	-	25,987	-
Liabilities:			
Annuity liabilities	-	-	103,549

Beneficial Interest in Perpetual Trusts

The University has a beneficial income interest in perpetual trusts administered by third parties. The income earned from these trusts is available for institutional purposes as determined by donor restrictions. Beneficial interests are recognized in the financial statements at the fair value of net assets held in the trusts, which approximates the present value of the future cash flows of the trusts. Changes in market value could have a significant impact on the estimate in the financial statements. The fair value totaled \$7,361,067 and \$6,673,203 as of June 30, 2011 and 2010, respectively.

Beneficial Interest in Charitable Remainder Trust

The University has a beneficial interest in a charitable remainder trust administered by third party. Upon death of the beneficiary, the remainder of the trust is permanently restricted. The University's beneficial interest is recognized in the financial statements at the estimated present value of the projected remaining assets held in the trust at the end of the life expectancy of the primary beneficiary. Estimated present value was determined using a discount rate of 2.8% and 3.2% as of June 30, 2011 and 2010, respectively. The estimated value of these beneficial interests totaled \$241,421 and \$162,550 as of June 30, 2011 and 2010, respectively.

Assets Held at Greater Salina Community Foundation

The fair value of the fund is based upon the underlying assets within the fund.

Annuity Liabilities

The University has entered into annuity agreements with donors whereby in exchange for a gift from the donor, the University is obligated to make fixed annual payments to the donors or other designated beneficiaries during their lifetimes. A liability is recognized for the estimated present value of the annuity obligation and the assets are recorded at fair value. The discount rate and actuarial assumptions used in calculating the annuity obligation are those provided in the Internal Revenue Service guidelines and actuarial tables.

The change in fair value of the University's Level 3 assets is as follows:

Balance, July 1, 2009	\$ 6,602,594
Sale of trust assets	(126,489)
Change in value of split-interest agreements	<u>359,648</u>
Balance, June 30, 2010	6,835,753
Change in value of split-interest agreements	<u>766,735</u>
Balance, June 30, 2011	<u>\$ 7,602,488</u>

The change in value of the split-interest agreements included in the change in permanently restricted net assets on the statements of activities is composed of \$766,735 and \$359,648 of unrealized and realized gains and losses for the years ended June 30, 2011 and 2010, respectively.

The change in the fair value of the University's Level 3 liability is as follows:

Balance, July 1, 2009	\$ 120,556
Payments to beneficiaries/annuitants, net new annuities	(22,920)
Actuarial gain (loss)	<u>5,913</u>
Balance, June 30, 2010	103,549
Payments to beneficiaries/annuitants, net new annuities	(17,891)
Actuarial gain (loss)	<u>(1,221)</u>
Balance, June 30, 2011	<u>\$ 84,437</u>

5. Property, Plant and Equipment

The following is a summary of the fixed assets held by the University:

	June 30,	
	<u>2011</u>	<u>2010</u>
Land	\$ 150,620	\$ 150,620
Land improvements	57,130	57,130
Buildings	32,068,965	31,738,515
Equipment	2,182,018	1,839,145
Vehicles	<u>99,445</u>	<u>95,503</u>
Total Property in Service	34,558,178	33,880,913
Accumulated depreciation	(11,244,219)	(10,482,457)
Construction in progress	<u>10,544</u>	<u>-</u>
Total Net Property, Plant and Equipment	<u>\$ 23,324,503</u>	<u>\$ 23,398,456</u>

6. Long-Term Obligations

The Kansas Independent College Finance Authority issued \$7,000,000 of Education Facilities Revenue Bonds, Series 2007, and made a loan of the same amount to the University for the purpose of financing the costs of acquiring, constructing, furnishing, and equipping a student activity center, enhancements to dormitories, and campus-wide landscaping.

The debt requires the University to make monthly deposits with the Trustee sufficient to service the principal maturities and interest requirements through May 2022. The debt agreement contains various restrictive covenants which include requirements for the maintenance of specified financial ratios. In management's opinion the University has complied with the covenants. The notes are collateralized by real estate and a security interest in unrestricted revenues. The interest rates range from 4.10% to 4.65%.

The University has prepaid bond issuance costs of \$86,362 that are amortized over the life of the loan. The amortization expense totaled \$5,747 and \$5,747 for 2011 and 2010, respectively.

Future debt service requirements on the Series 2007 bonds at June 30, 2011 are as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2012	4.10%	\$ 405,000	\$ 244,060	\$ 649,060
2013	4.15%	420,000	227,253	647,253
2014	4.20%	435,000	209,613	604,613
2015	4.25%	455,000	191,125	646,125
2016	4.30%	475,000	171,560	646,560
2016 and after	4.400% - 4.650%	<u>3,330,000</u>	<u>552,469</u>	<u>3,882,469</u>
Totals		<u>\$ 5,520,000</u>	<u>\$ 1,596,080</u>	7,116,080
Amount representing interest				(1,596,080)
Bond proceeds held in escrow				(649,117)
Original issue discount, less amortization				<u>(80,720)</u>
Bonds Payable				<u>\$ 4,790,163</u>

7. Commercial Guaranty

Associated Colleges of Central Kansas (ACCK) has borrowed monies from Bank of America, N.A. in the amount of \$1,680,000. The University has guaranteed a portion of ACCK's indebtedness, which is due in quarterly installments with final payment due during the University's fiscal year ending June 30, 2013. The University would be obligated to perform under the guarantee if ACCK failed to pay principal and interest payments to the lender when due. The maximum potential amount of future (undiscounted) payments under the guaranty would be \$441,289 at June 30, 2011, plus all interest thereon, plus the University's proportionate share of the lender's costs, expenses, and attorney fees incurred. As of June 30, 2011, ACCK is current with its debt payments.

8. Retirement Plan

The University has a contributory defined contribution pension plan covering substantially all full-time employees. Pension expense, which is funded currently, aggregated approximately \$504,421 and \$486,021 for the years ended June 30, 2011 and 2010, respectively.

9. The Kansas Wesleyan Foundation Donor-Designated Endowment

The University has established The Kansas Wesleyan Foundation to receive, invest and disburse amounts for the benefit of Kansas Wesleyan University and institutions related to, affiliated with and cooperating with Kansas Wesleyan University in accordance with the terms of its governing instrument. The Foundation is a not-for-profit corporation with a separate governing board. The Foundation's financial statements are included in the financial statements of the University. The Foundation is considered an endowment under accounting standards.

The University's endowment consists of individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The University's investment policy consists of investing in a diversified asset or assets in an attempt to maximize total return consistent with an acceptable level of risk. The University's endowment management strategy is that present and future generations of students will enjoy equivalent levels of purchasing power through a balanced endowment management approach which (a) generates income to provide for current needs and (b) maintains a base for generating income to meet future needs. Up to 4.5% of the total market value of investable assets as of July 1 each year will be budgeted for use in the University's current fiscal year according to restrictions of donors. The Board of Trustees determines an appropriate amount of expenditures each year based on the net asset value of the endowment fund.

The Board of Trustees of the University has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner

consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the University and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the University; and,
- (7) The investment policies of the University.

Changes in endowment net assets for the years ended June 30, 2011 and 2010 are presented below:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, July 1, 2009	\$ (241,766)	\$ -	\$ 16,177,714	\$ 15,935,948
Revenues, Gains and Reclassifications				
Gifts and bequests	-	-	188,451	188,451
Interest and dividend income	-	226,192	-	226,192
Net gain on split-interest agreements	-	-	359,648	359,648
Investment income from split- interest agreements	-	299,261	-	299,261
Net realized and unrealized appreciation (depreciation)	356,627	796,552	-	1,153,179
Appropriation of endowment assets for expenditure	<u>(114,861)</u>	<u>(726,128)</u>	<u>-</u>	<u>(840,989)</u>
Endowment Net Assets, June 30, 2010	-	595,877	16,725,813	17,321,690
Revenues, Gains and Reclassifications				
Gifts and bequests	-	-	98,887	98,887
Interest and dividend income	-	234,281	-	234,281
Net gain on split-interest agreements	-	-	766,735	766,735
Investment income from split- interest agreements	-	316,906	-	316,906
Net realized and unrealized appreciation (depreciation)	-	2,771,284	-	2,771,284
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(614,403)</u>	<u>-</u>	<u>(614,403)</u>
Endowment Net Assets, June 30, 2011	<u>\$ -</u>	<u>\$ 3,303,945</u>	<u>\$ 17,591,435</u>	<u>\$ 20,895,380</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations and expenditures in excess of revenues.

10. Operating Leases

The University has entered into leases for certain office equipment and vehicles. All of these agreements are classified as operating leases and have terms expiring over the next five years. Rent expense on these equipment leases totaled \$108,981 and \$63,813 for the years ended June 30, 2011 and 2010, respectively.

The future minimum lease payments required under these operating leases with original terms in excess of one year are presented below.

Year Ending June 30,

2012	\$ 65,357
2013	50,976
2014	18,924
2015	<u>14,388</u>
Total	<u>\$ 149,645</u>

11. Advancement Expenses

The University incurred development and fund-raising expenses amounting to \$362,264 and \$372,500 for the years ended June 30, 2011 and 2010, respectively. Such amounts are included in institutional support expenses in the accompanying statements of activities.

12. Contingencies

During the year ended June 30, 2005, the University received a donation of property that included a building and land in Manhattan, Kansas. The donor reserves the exclusive and irrevocable right to occupy the building and land for the donor's life.

13. Concentrations of Credit Risk

The University grants credit to students. Notes receivable at June 30, 2011 and 2010, included \$1,123,889 and \$1,200,794, respectively, of Perkins loans to students. The University's equity is 12% of these revolving loan funds and, therefore, its risk of loss is limited to 12% of these amounts. The University has determined that no individual financially responsible party or group of such parties represent a material concentration of credit risk.

The University participates in the Student Financial Assistance Program through the U.S. Department of Education. Students, based on eligibility requirements, receive grants and loans for educational purposes including tuition, fees, books, and housing. The University received \$7,776,248 and \$7,757,397 from the U.S. Treasury for such grants, loans, and administrative fees for the years ended June 30, 2011 and 2010, respectively.

The Kansas Wesleyan Foundation has invested in mutual funds, securities issued by the U.S. Treasury and other federal agencies, corporate bonds, corporate stocks, and other investments. These investments are held and managed by five institutions. The Foundation Board of Trustees has established a policy whereby no more than 5% of the equity and debt portfolios should be invested in any one company.

The University has demand deposit accounts at various financial institutions. The balances with a certain institution were in excess of the Federal insurance limitation as of June 30, 2011 and 2010.

14. Related Party Transactions

Other assets includes an \$81,028 loan to a member of management. The note was issued in January 2010 and is due December 31, 2014. Principal and interest payments of \$21,612 are due in annual installments. The note bears an interest rate of 2.64%. The note is secured by a mortgage on real property.

15. Assets Transferred to a Recipient Organization

Kansas Wesleyan Foundation and Retired Senior Volunteer Program (RSVP) each transferred \$10,000 to the Greater Salina Community Foundation for the establishment of named funds. The Greater Salina Community Foundation may make annual distributions to Kansas Wesleyan Foundation and RSVP of an amount up to but not to exceed 5% of the respective fund's net fair market value. The Greater Salina Community Foundation has variance power over the funds as required by the Internal Revenue Service. At June 30, 2011 and 2010, the fair values of these assets were \$31,588 and \$25,987, respectively, and are included in investments in the accompanying statements of financial position.

16. Fair Value of Financial Instruments

The following methods and assumptions were used by the University in estimating the fair value of the financial instruments:

Cash, receivables, accounts payable and accrued expenses, and deposits approximate their fair value due to their short-term nature.

Investments are estimated based on quoted market prices for those similar investments, except for the assets held at Greater Salina Community Foundation which the value of the fund is based upon the underlying assets within the fund.

Unconditional promises to give is estimated by discounting the future cash flows using rates currently offered for deposits of similar remaining maturities.

Bonds payable is estimated based on quoted market prices. The carrying amount of the debt approximates its fair value.

Notes receivable and Federal loan programs refundable are carried at cost less an allowance for uncollectible notes receivable. It was not practical to estimate their fair value.

17. Noncash Investing and Financing Activities

Purchases of property and equipment financed through accounts payable totaled \$72,480 and \$-0- as of June 30, 2011 and 2010, respectively.

As of June 30, 2011 and 2010, \$649,117 and \$649,117, respectively, of bond proceeds held in escrow have reduced the bonds payable balance on the statements of financial position.

Cash paid for interest, net of capitalized interest, was \$257,207 and \$270,071 for 2011 and 2010, respectively.

18. Accounting for Uncertainty in Income Taxes

The University follows the provisions of an accounting standard for accounting for uncertainty in income taxes. The University believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The University files a Federal Exempt Organization Income Tax Return. Income tax returns of the University are subject to U.S. federal income tax examinations by tax authorities, generally for three years after they were filed.

19. Subsequent Events

The University has evaluated subsequent events through October 6, 2011, the date which the financial statements were issued. Subsequent to year-end, the University has entered into a contract for approximately \$450,000 for utility relocation related to future renovations of property.

Supplemental Information

KANSAS WESLEYAN UNIVERSITY

Salina, Kansas

Schedule 1

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS AVAILABLE FOR OPERATIONS

	Year Ended June 30,			
	2011		2010	
	Amount	Amount as a Percentage of Operations Funding	Amount	Amount as a Percentage of Operations Funding
Revenues and Gains				
Educational and General				
Tuition and Fees				
Full time				
Fall	\$ 6,852,876	51.5	\$ 6,400,506	49.1
Spring	6,259,185	47.0	6,114,597	46.9
Part time				
Fall	138,797	1.0	149,041	1.1
Spring	172,180	1.3	120,213	0.9
Summer	202,610	1.5	231,602	1.8
Adult Professional Studies	65,264	0.5	76,234	0.5
Subtotal	13,690,912	102.8	13,092,193	100.3
Graduate Fees	485,156	3.6	490,642	3.8
Fees	161,097	1.2	169,358	1.3
Gross Tuition and Fees	14,337,165	107.6	13,752,193	105.4
Less: Scholarships and Other Aid				
Scholarships	(3,521,602)	(26.4)	(3,138,971)	(24.1)
Grants	(109,068)	(0.8)	(109,068)	(0.8)
Awards	(1,570,727)	(11.8)	(1,547,953)	(11.9)
Discounts	(427,872)	(3.2)	(430,452)	(3.3)
Total Scholarships and Other Aid	(5,629,269)	(42.2)	(5,226,444)	(40.1)
Net Tuition and Fees	8,707,896	65.4	8,525,749	65.3
Gift Revenues				
Scholarship gifts	83,779	0.6	81,800	0.6
Unrestricted gifts	290,392	2.2	254,346	2.0
Total Gift Revenues	374,171	2.8	336,146	2.6
Grant Revenues				
Student Assistance - Federal Supplemental Educational Opportunity Grants	109,068	0.8	109,068	0.8
Student Assistance - Federal Work-Study Program	79,653	0.6	79,653	0.7
Miscellaneous	2,318	-	4,210	-
Total Grant Revenues	191,039	1.4	192,931	1.5
Other Revenues				
Gains (losses) on investments	(39,023)	(0.3)	(21,271)	(0.2)
Change in value of split-interest agreements	19,111	0.2	17,008	0.2
Investment income	97,526	0.7	40,270	0.3
Miscellaneous	107,181	0.8	38,534	0.3
Total Other Revenues	184,795	1.4	74,541	0.6
Total Educational and General	9,457,901	71.0	9,129,367	70.0

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Schedule 1 (Contd.)

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS AVAILABLE FOR OPERATIONS

	Year Ended June 30,			
	2011		2010	
	Amount	Amount as a Percentage of Operations Funding	Amount	Amount as a Percentage of Operations Funding
Auxiliary Enterprises				
Housing System				
Apartments	\$ 187,553	1.4	\$ 177,415	1.4
Resident Halls	1,070,307	8.1	1,134,530	8.7
Other Facilities	45,757	0.3	-	-
Shriwise Dining Hall	1,850,448	13.9	1,776,539	13.6
Total Housing System	<u>3,154,065</u>	<u>23.7</u>	<u>3,088,484</u>	<u>23.7</u>
Other Auxiliary Enterprises				
Bookstore	15,923	0.1	15,694	0.1
Ticket sales	19,265	0.2	15,479	0.1
Vending operations	5,968	-	8,075	0.1
Other sales	3,675	-	-	-
Total Other Auxiliary Enterprises	<u>44,831</u>	<u>0.3</u>	<u>39,248</u>	<u>0.3</u>
Total Auxiliary Enterprises	<u>3,198,896</u>	<u>24.0</u>	<u>3,127,732</u>	<u>24.0</u>
Total Revenues and Gains	<u>12,656,797</u>	<u>95.0</u>	<u>12,257,099</u>	<u>94.0</u>
Reclassifications and Transfers				
Net Assets Released from Restrictions Excluding Capital Expenditure Releases				
Pledges received	7,120	0.1	7,420	0.1
Kansas Wesleyan Foundation scholarship and restricted distributions	537,624	4.0	557,319	4.3
Special projects	42,193	0.3	5,444	-
Total Net Assets Released from Restrictions Excluding Capital Expenditure Releases	<u>586,937</u>	<u>4.4</u>	<u>570,183</u>	<u>4.4</u>
Transfers Excluding Capital Expenditures				
Kansas Wesleyan Foundation distributions	76,778	0.6	226,358	1.7
Refund of Federal Loan Program funds	-	-	(5,185)	(0.1)
Total Transfers Excluding Capital Expenditures	<u>76,778</u>	<u>0.6</u>	<u>221,173</u>	<u>1.6</u>
Total Reclassifications and Transfers	<u>663,715</u>	<u>5.0</u>	<u>791,356</u>	<u>6.0</u>
Total Revenues, Gains, Reclassifications and Selected Transfers from Other Unrestricted Funds	<u>13,320,512</u>	<u>100.0</u>	<u>13,048,455</u>	<u>100.0</u>

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Schedule 1 (Contd.)

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS AVAILABLE FOR OPERATIONS

	Year Ended June 30,			
	2011		2010	
	Amount	Amount as a Percentage of Operations Funding	Amount	Amount as a Percentage of Operations Funding
Expenses				
Educational and General				
Instructional				
Art	\$ 118,894	0.9	\$ 117,800	0.9
English	125,509	0.9	167,684	1.3
Language	17,704	0.1	70,181	0.5
Music				
Instrumental	127,174	1.0	128,177	1.0
Vocal	174,327	1.3	184,468	1.4
Speech and Theatre	168,439	1.3	172,103	1.3
Communications	110,776	0.8	96,864	0.7
Religion and Philosophy	113,760	0.9	110,770	0.8
Accounting	79,245	0.6	79,832	0.6
Education	238,918	1.8	252,791	1.9
Health, Physical Education and Recreation	155,402	1.2	157,913	1.2
Biology	157,467	1.2	173,026	1.3
Chemistry	134,570	1.0	110,218	0.8
Mathematics	74,090	0.6	71,143	0.5
Computer Science	174,397	1.3	163,720	1.3
Physics	109,979	0.8	79,007	0.6
Sociology and Criminal Justice	120,099	0.9	131,957	1.0
Psychology and Addictions	125,318	0.9	113,590	0.9
History	121,262	0.9	119,550	0.9
Business Administration	379,280	2.8	382,714	2.9
Nursing	530,412	4.0	453,348	3.5
Total Instructional	<u>3,357,022</u>	<u>25.2</u>	<u>3,336,856</u>	<u>25.3</u>
Academic Support				
Academic Dean's Office	355,106	2.6	191,395	1.5
Library	227,367	1.7	223,029	1.7
Total Academic Support	<u>582,473</u>	<u>4.3</u>	<u>414,424</u>	<u>3.2</u>
Student Services				
Admissions	545,539	4.1	547,092	4.2
Enrollment Services	306,168	2.3	296,155	2.3
Student Life	573,095	4.3	537,948	4.1
Total Student Services	<u>1,424,802</u>	<u>10.7</u>	<u>1,381,195</u>	<u>10.6</u>

KANSAS WESLEYAN UNIVERSITY

Salina, Kansas

Schedule 1 (Contd.)

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS AVAILABLE FOR OPERATIONS

	Year Ended June 30,			
	2011		2010	
	Amount	Amount as a Percentage of Operations Funding	Amount	Amount as a Percentage of Operations Funding
Expenses (Contd.)				
Educational and General (Contd.)				
Athletics				
Athletic Director	\$ 132,077	1.0	\$ 128,662	1.0
Athletic Training	146,082	1.1	132,534	1.0
Athletics - Men	751,071	5.6	730,645	5.6
Athletics - Women	513,361	3.9	439,485	3.4
Total Athletics	<u>1,542,591</u>	<u>11.6</u>	<u>1,431,326</u>	<u>11.0</u>
Institutional Support				
President's Office	429,464	3.2	374,443	2.9
Advancement and Alumni Office	362,200	2.7	372,500	2.9
Publicity Office	286,837	2.1	263,658	2.0
Business Office	227,116	1.7	219,445	1.7
Post Office	23,250	0.2	30,648	0.2
Information Systems	336,585	2.5	295,642	2.3
Insurance	383,033	2.9	303,948	2.3
Tuition Remission	104,968	0.8	106,185	0.8
ACCK Administration	93,360	0.7	126,521	1.0
General	159,996	1.2	178,998	1.4
Total Institutional Support	<u>2,406,809</u>	<u>18.0</u>	<u>2,271,988</u>	<u>17.5</u>
Maintenance and Utilities				
Maintenance Department	927,490	7.0	746,936	5.7
Depreciation	761,763	5.7	808,917	6.2
Utilities	290,127	2.2	279,215	2.1
Total Maintenance and Utilities	<u>1,979,380</u>	<u>14.9</u>	<u>1,835,068</u>	<u>14.0</u>
Other Expenses				
Annuity Interest	21,369	0.2	22,920	0.2
Bond Interest	270,349	2.0	283,223	2.2
Total Other Expenses	<u>291,718</u>	<u>2.2</u>	<u>306,143</u>	<u>2.4</u>
Total Educational and General	<u>11,584,795</u>	<u>86.9</u>	<u>10,977,000</u>	<u>84.0</u>
Auxiliary Enterprises				
Housing System				
Apartments	137,225	1.0	135,220	1.0
Dormitories and Related Facilities	523,481	4.0	605,396	4.6
Shriwise Dining Hall	1,065,561	8.0	1,068,633	8.2
Total Auxiliary Enterprises	<u>1,726,267</u>	<u>13.0</u>	<u>1,809,249</u>	<u>13.8</u>
Total Expenses	<u>13,311,062</u>	<u>99.9</u>	<u>12,786,249</u>	<u>97.8</u>

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Schedule 1 (Contd.)

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS AVAILABLE FOR OPERATIONS

	Year Ended June 30,			
	2011		2010	
	Amount	Amount as a Percentage of Operations Funding	Amount	Amount as a Percentage of Operations Funding
Total Change in Unrestricted Net Assets Available for Operations Excluding Capital Projects	\$ 9,450	0.1	\$ 262,206	2.2
Capital Project Transactions				
Transfers				
Property, plant and equipment	81,347	0.6	758,788	5.8
Bond principal payment	(385,000)	(2.9)	(370,000)	(2.8)
Net Capital Project Transactions	(303,653)	(2.3)	388,788	3.0
Total Change in Unrestricted Net Assets (Deficit) Available for Operations Including Capital Projects	(294,203)	<u>(2.2)</u>	650,994	<u>5.2</u>
Unrestricted Net Assets Available for Operations, Beginning of Year	3,339,516		2,688,522	
Unrestricted Net Assets Available for Operations, End of Year	\$ 3,045,313		\$ 3,339,516	

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Schedule 2

SCHEDULE OF AGENCY FUNDS

<u>Fund</u>	Balance June 30, 2010	Receipts	Disbursements	Balance June 30, 2011
Accounting Club	\$ -	\$ 380	\$ (130)	\$ 510
Addictions Grant #2	16,583	495	99	16,979
Addictions Seminar	8,111	242	75	8,278
Alpha Chi	958	2,353	1,553	1,758
Alumni Association	23,036	10,578	14,236	19,378
Ambassadors	992	30	-	1,022
Art Club	614	18	(1)	633
Art Department	298	9	-	307
Athletic Training Club	-	1,202	298	904
Athletic Training Department	3,338	1,849	4,338	849
Athletic Hall of Fame	-	2,020	-	2,020
Band	237	1,498	2,048	(313)
Beta Beta Beta	243	185	405	23
Biology Club	103	395	309	189
Booster Club - Athletic	2,967	121,728	118,962	5,733
Business Club	2,128	54	500	1,682
Center for Church Leadership	(2,053)	17,842	23,851	(8,062)
Chi Alpha	2	-	-	2
Class 2011 - Flags	1,400	1,401	2,801	-
College Music Educators	21	2	-	23
College Society for Gamers	82	2	-	84
Computer Club	206	259	79	386
Corpus Juris Club	63	934	545	452
CMENC	-	5,545	5,143	402
Crusade for Christ	24	1	-	25
Drama Club	137	575	622	90
Dudley Emergency	2,443	73	-	2,516
Fellowship of Christian Athletes	24	174	246	(48)
Flower Fund	(105)	333	54	174
Geology Club	5,417	163	-	5,580
Golf Tour - Coyotes	1,038	646	128	1,556
HPER Club	1,889	2,189	-	4,078
International Club	549	516	499	566
KWU Academic Dean	2,549	78	-	2,627
KWU Chemistry Club	423	188	41	570
KWU Choir	(561)	7,303	3,666	3,076
KWU Ham Radio Club	104	149	-	253
KWU Psychology Club	170	1,383	1,567	(14)
KWU Symphony Opera	3,782	8,770	14,469	(1,917)
Language	2,178	65	-	2,243
Math Department	857	25	63	819
Medical Health Association	926	28	-	954
Microburst Club	122	2	126	(2)
Minority Student Union	(56)	56	-	-

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Schedule 2 (Contd.)

SCHEDULE OF AGENCY FUNDS

<u>Fund</u>	Balance June 30, 2010	Receipts	Disbursements	Balance June 30, 2011
Miscellaneous	\$ 12,228	\$ (935)	\$ 3,057	\$ 8,236
Music Booster Club	331	10	-	341
Music Internship	7,128	204	990	6,342
Newman Club	70	2	-	72
Night with the Yotes	-	27,105	27,105	-
Nursing Program Fund	9,927	999	7,768	3,158
Outdoor Adventure Club	434	13	-	447
Phi Alpha Theta	350	3,095	3,337	108
Pi Kappa Delta	5,813	17,566	15,977	7,402
Poker Club	-	477	325	152
Republican Students	228	7	-	235
Richards Lecture Series	6,758	1,926	-	8,684
Salina Municipal Band	1,431	-	1,431	-
SNEA	1,101	266	852	515
Society of Physics	668	969	1,320	317
Solid Waste Venture Grant	1	693	694	-
Staff Flower Fund	44	317	93	268
Strings Program	1,850	4,643	6,262	231
Student Nursing Organization	3,175	1,642	1,650	3,167
Student Technology Association	1,890	300	-	2,190
Theophils Club	395	1,707	2,562	(460)
U.S. Treasury Fund	1,835	7,817,267	7,817,267	1,835
UMHMF Nurse	(1,327)	23,125	15,484	6,314
UUMC Concert Series	644	2,155	3,439	(640)
Women's Auxiliary	2,103	2,204	2,095	2,212
Woodworth Fellowship	7,899	28,626	18,156	18,369
Writers' Guild	190	2	124	68
Volunteer Connection Grant	-	8,582	8,653	(71)
Totals	<u><u>\$ 146,405</u></u>	<u><u>\$ 8,134,705</u></u>	<u><u>\$ 8,135,233</u></u>	<u><u>\$ 145,877</u></u>

KANSAS WESLEYAN UNIVERSITY
Salina, Kansas

Schedule 3

**SCHEDULE OF RETIRED SENIOR VOLUNTEER
PROGRAM REVENUES AND EXPENSES**

	Year Ended June 30,	
	2011	2010
Revenues		
United Way	\$ 51,683	\$ 50,900
ACTION Grant	62,166	50,128
Other grants	5,711	7,067
Miscellaneous	30,272	15,676
Total Revenues	149,832	123,771
Expenses		
Salaries	76,241	75,201
Benefits	21,290	21,543
Supplies	1,051	1,653
Postage	413	464
Telephone	2,172	2,395
Dues	88	825
Repairs and maintenance	160	50
Printing	585	1,377
Advertising	151	76
Travel and vehicle	3,599	5,311
Meals and lodging	1,757	2,813
Education	55	225
Rent	8,767	8,767
Contract services	490	296
Computer service	988	988
Special events	1,398	2,064
Insurance	2,115	2,103
Miscellaneous	-	1,362
Total Expenses	121,320	127,513
Excess (Deficit) of Revenues over Expenses	28,512	(3,742)
Beginning Net Assets	84,286	88,028
Ending Net Assets	\$ 112,798	\$ 84,286

KANSAS WESLEYAN UNIVERSITY
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Schedule 4

**SCHEDULE OF KANSAS WESLEYAN FOUNDATION ASSETS
AND DISTRIBUTIONS**

	Year Ended June 30,	
	2011	2010
Assets Managed Under Agency Agreements		
Greater Salina Community Foundation	\$ 15,358	\$ 12,957
Waddell & Reed	46,757	33,816
Advantage Trust Company	3,071,230	2,476,543
UMB Bank, N.A.	4,414,284	3,487,376
Bank of America, N.A.	3,660,427	2,875,575
Sunflower Bank, N.A.	3,756,288	3,021,434
Total Assets Managed Under Agency Agreements	14,964,344	11,907,701
Less: Amounts due Kansas Wesleyan University	(1,724,059)	(1,474,370)
Net Assets Managed Under Agency Agreements	13,240,285	10,433,331
Assets Held Under Beneficial Interest in Perpetual Trusts		
Hupfer, Warren and Irene	240,582	204,679
Litowich, Helen	469,582	398,200
Mall, William	167,580	162,199
Muir, John B.	694,822	638,741
Remiatte, Kittie	400,086	349,654
Rice, A.J.	2,003,155	2,019,818
Spurrier, Edna	306,010	270,294
Tinkler, W.O. and Julie Ann	530,910	446,953
Vanier, John J.	604,839	504,136
Ward, Ruth E.	343,940	289,732
Woodworth, G. Walter	1,179,944	1,010,295
Young, W. Harold	419,617	378,502
Total Assets Held Under Beneficial Interest in Perpetual Trusts	7,361,067	6,673,203
Assets Held in Charitable Remainder Trust		
Olson, Dale C. and Marceline L.	241,421	162,550
Other Assets		
Gillispie Land and Building	52,606	52,606
Total Net Assets	\$ 20,895,379	\$ 17,321,690
Net Assets Released from Restrictions		
Distributions for operations	\$ 76,778	\$ 226,358
Distributions for scholarships	387,146	366,456
Distributions for restricted purpose expenses	150,478	190,863
Total Net Assets Released from Restrictions	614,402	783,677
Total Distributions	\$ 614,402	\$ 783,677