
WASHBURN UNIVERSITY OF TOPEKA

FINANCIAL STATEMENTS

JUNE 30, 2024

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Regents
Washburn University of Topeka
Topeka, Kansas

Report On The Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Washburn University of Topeka (the University) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Washburn University of Topeka as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

We did not audit the financial statements of Washburn University Foundation, a discretely presented component unit of the University, which statements reflect total assets of \$246,450,373 and \$218,798,174 as of June 30, 2024 and 2023, respectively, and total revenues of \$44,086,713 and \$29,285,707, respectively, for the years then ended or the Washburn Law School Foundation, a discretely presented component unit of the University, which statements reflect total assets of \$9,473,051 and \$7,993,532 as of June 30, 2024 and 2023, respectively, and total revenues of \$1,900,079 and \$817,516, respectively, for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Washburn University Foundation and the Washburn Law School Foundation, are based solely on the reports of the other auditors.

Basis For Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the applicable provisions of the Kansas Municipal Audit Guide. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. The financial statements of Washburn University Foundation and Washburn Law School Foundation, which comprise the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards* and the applicable provisions of the Kansas Municipal Audit Guide. We are required to be independent of Washburn University of Topeka and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washburn University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* and the applicable provisions of the Kansas Municipal Audit Guide will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the applicable provisions of the Kansas Municipal Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Washburn University of Topeka's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washburn University of Topeka's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that the accompanying management's discussion and analysis on pages 5 through 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedules required for revenue bonds and revenue refunding bonds on pages 86 through 91, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on pages 74 through 76, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The schedules required for revenue bonds and revenue refunding bonds have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the University's 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 in considering the University's internal control over financial reporting and compliance.

RubinBrown LLP

December 11, 2024

WASHBURN UNIVERSITY OF TOPEKA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024 And 2023

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Washburn University (the University) during the fiscal year ended June 30, 2024, with comparative data for the fiscal years ended June 30, 2024 and 2023. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with them. Management is responsible for the objectivity and integrity of the accompanying financial statements and notes, and for this discussion and analysis.

Management is also responsible for maintaining the University's system of internal control, which includes careful selection and development of employees, proper division of duties, and written accounting and operating policies and procedures. Although there are inherent limitations to the effectiveness of any system of accounting controls, management believes the University's system provides reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and the accounting records are sufficiently reliable to permit the preparation of financial statements that conform in all material respects with generally accepted accounting principles.

The Reporting Entity

The financial statements of the University include the operations of the University and the following component units:

- Washburn Institute of Technology (Washburn Tech);
- Washburn University Foundation (the Foundation); and,
- Washburn Law School Foundation (the Law Foundation).

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*; GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, Washburn Tech is included in the University's financial statements as a blended component unit because the University's Board of Regents is also the governing body of Washburn Tech and the University's management has operational responsibility for Washburn Tech.

Throughout this MD&A, references to "the University" refer to the blended reporting entity unless the reference specifically or contextually relates only to Washburn University.

The Foundation and the Law Foundation are reported as discretely-presented component units of the University in compliance with GASB Statements No. 14, No. 39, No. 61, and No. 80. Neither of these component units is addressed in this MD&A.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

Using the Financial Statements

The University's financial statements are presented in a "business type activity" format, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities – an amendment of GASB Statement No. 34*. In addition to the MD&A, these pronouncements require the following in a financial report:

- Statement of Net Position;
- Statement of Revenues, Expenses and Changes in Net Position;
- Statement of Cash Flows; and,
- Notes to Financial Statements.

One of the most important questions asked about the University's finances is whether the University as a whole is better or worse off as a result of the year's activities. The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows provide information on the University as a whole and present a long-term view of the University's finances. These statements present financial information in a form similar to that used by private corporations.

Over time, increases or decreases in net position (the residual of assets, deferred outflows of resources, liabilities, and deferred inflows of resources) are one indicator of the improvement or erosion of the University's financial health, when considered with non-financial data such as enrollment levels and the condition of the University's facilities. In addition to the required information noted above, this report contains required supplementary information and other supplementary schedules.

Financial Highlights for The Fiscal Year Ended June 30, 2024

The discussion below addresses the University's financial highlights.

Washburn University

The University's financial position remained strong at June 30, 2024, with total assets of \$296.7 million and total liabilities of \$94.9 million. These amounts resulted in an increase in net position of \$6.1 million.

Financial operations were in accordance with the budget plan approved by the University's Board of Regents. Fiscal year 2024 operating revenues were \$39.8 million and operating expenses were \$115.6 million, resulting in a loss from operations of \$75.8 million. GASB Statement No. 35 requires state and local appropriations, gifts and investment income to be classified as nonoperating revenues. As a result, the University reports a net operating loss.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

To gain a complete picture of operations requires consideration of net nonoperating revenues. For the year ended June 30, 2024, net nonoperating revenues of \$81.6 million consist primarily of state and local appropriations, grants, and gifts. When combined with capital grants (\$251,478) and additions to permanent endowments (\$89,295), the University recognized an increase in net position of \$6.1 million compared to an increase of \$13.7 million for the year ended June 30, 2023.

Washburn Tech

Washburn Tech's financial position was also strong at June 30, 2024, with total assets of \$22.6 million exceeding total liabilities of \$2.6 million. These amounts resulted in an increase in net position of \$3.3 million.

Financial operations were in accordance with the budget plan approved by the University's Board of Regents. Fiscal year 2024 operating revenues were \$2.7 million and operating expenses were \$14.1 million, resulting in a loss from operations of \$11.4 million. Net nonoperating revenues of \$14.7 million consist primarily of state appropriations and grants, which resulted in an increase in net position of \$3.3 million. The increase was greater than the decrease of \$195,459 for the year ended June 30, 2023. The contributing factor of the increase in net position was primarily due to changes and timing in State funding from the Kansas Board of Regents.

Combined Statements of Net Position

The Statement of Net Position is the University's balance sheet, presenting the financial position of the University at the end of the fiscal year. It includes all assets, liabilities, deferred outflows and inflows, and net position of the University. Net position is one indicator of the current financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets, liabilities and deferred outflows and inflows are generally measured using current values. The primary exception is capital assets, which are stated at historical cost, net of accumulated depreciation.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

A condensed comparison of the University's assets, deferred outflows of resources, liabilities, and net position as of June 30, 2024, 2023 and 2022 is presented below.

Combined Statements of Net Position June 30, 2024, 2023, And 2022

	2024	2023	2022
Assets:			
Current assets	\$ 89,559,338	\$ 86,576,353	\$ 76,093,603
Capital and right-of-use assets, net	156,854,976	153,272,574	146,602,064
Noncurrent assets	72,898,509	40,182,713	41,195,783
Total Assets	319,312,823	280,031,640	263,891,450
Liabilities:			
Current liabilities	51,691,810	18,671,158	14,529,945
Noncurrent liabilities	45,883,763	48,969,358	50,316,932
Total Liabilities	97,575,573	67,640,516	64,846,877
Deferred Inflows Of Resources	753,620	857,932	992,176
Net Position:			
Net investment in capital assets	110,855,718	102,047,399	94,742,698
Restricted - nonexpendable	27,993,305	26,942,371	25,986,927
Restricted - expendable	15,255,680	15,386,541	16,918,584
Unrestricted	66,878,927	67,156,881	60,404,188
Total Net Position	\$ 220,983,630	\$ 211,533,192	\$ 198,052,397

Fiscal Year 2024 Compared to Fiscal Year 2023

Assets

Assets consist primarily of cash and cash equivalents, short-term investments, accounts and taxes receivable, amounts due from the Washburn University Foundation, and capital assets.

Current assets totaled \$89.6 million at June 30, 2024, and consisted primarily of cash, short-term investments, and receivables. This represents an increase of \$3.0 million due primarily to an increase in cash and cash equivalents. Total current assets at June 30, 2024 cover current liabilities 1.73 times, an indicator of good liquidity. This is a decrease from the 4.6 times reported at June 30, 2023 due to \$32.4 million in unearned revenue related to grant proceeds received during the year ended June 30, 2024.

Capital and right-to-use assets, which represent the assets' historical cost net of accumulated depreciation, totaled \$156.9 million at June 30, 2024. This represents an increase of \$3.6 million, which is attributable to capitalized items exceeding depreciation and disposals.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

Noncurrent assets totaled \$72.9 million and \$40.2 million at June 30, 2024 and 2023, respectively, and consisted primarily of restricted cash and amounts due from the Washburn University Foundation.

Deferred Outflows of Resources

GASB Statement No. 65 requires that the excess of the reacquisition price of new debt over the net carrying value of refunded debt be reported as a deferred outflow of resources. During the year ended June 30, 2014, the University issued \$9.655 million of bonds to refund the Series 2004 bonds. In connection with that transaction, the remaining deferred outflows relating to the Series 2004 bonds (\$589,000) were written off, while \$534,000 of deferred outflows was recorded relating to the Series 2014 bonds. The balance of \$256,000 as of June 30, 2020, was recognized in fiscal year 2021. There were no additions to deferred outflows of resources during the years ended June 30, 2024, 2023, and 2022.

Liabilities

Significant liabilities include accounts payable and accrued liabilities, long-term bonded debt, capital lease obligations, compensated absences, and unearned revenue.

Current liabilities totaled \$51.7 million at June 30, 2024, and consisted primarily of accounts payable and accrued liabilities, unearned revenue, and the current portion of long-term debt. This reflects an increase of \$33.0 million that is due to \$32 million in unearned grant revenue and \$362,978 in unearned interest income accrued on these grant proceeds. This unearned grant revenue and interest income are restricted in use to this grant. Their use is dependent on signing an additional agreement with a third party which has not been completed through the date of this report. If this grant project is not completed, all unearned grant revenue and accrued interest income will be returned to the grantor agency.

Noncurrent liabilities totaled \$45.9 million at June 30, 2024, and consisted primarily of long-term debt obligations and unearned revenue. This reflects a decrease of \$3.1 million due to the scheduled amortization of bond and capital leases obligations.

Net Position

Net position is divided into three major categories. The first category, net investment in capital assets, provides the University's equity in capital assets - the property, plant and equipment owned by the University, net of the indebtedness relating to capital assets.

The next category is restricted net position, which is further divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources (endowment funds) is only available for investment purposes.

Expendable restricted net position is subject to externally-imposed restrictions governing its use. This category of net position includes earnings from permanent endowment funds that can be reinvested to protect future purchasing power or spent, but only in accordance with restrictions imposed by donors and/or external parties that have placed time or purpose restrictions on the use of the assets.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

Although unrestricted net position is not subject to externally imposed stipulations, a portion of the University's unrestricted net position has been designated or reserved for specific purposes such as repairs and replacement of equipment, capital projects, and Regents' contingency.

Fiscal Year 2023 Compared to Fiscal Year 2022

Assets

Assets consist primarily of cash and cash equivalents, short-term investments, accounts and taxes receivable, amounts due from the Washburn University Foundation, and capital assets.

Current assets totaled \$86.6 million at June 30, 2023, and consisted primarily of cash, short-term investments, and receivables. This represents an increase of \$10.5 million due primarily to an increase in cash and cash equivalents. Total current assets at June 30, 2023 cover current liabilities 4.6 times, an indicator of good liquidity.

Capital and right-to-use assets, which represent the assets' historical cost net of accumulated depreciation, totaled \$153.3 million at June 30, 2023. This represents an increase of \$6.7 million, which is attributable to capitalized items exceeding depreciation and disposals.

Noncurrent assets totaled \$40.2 million and \$41.2 million at June 30, 2023 and 2022, respectively, and consisted primarily of restricted cash and amounts due from the Washburn University Foundation.

Statements of Revenues, Expenses and Changes in Net Position

Changes in total net position presented on the Statements of Net Position result from the activity presented in the Statements of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues earned and the expenses incurred by the University, both operating and nonoperating, and any other revenues, expenses, gains and losses earned or incurred by the University. Under the accrual basis of accounting, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Generally speaking, operating revenues are received for providing goods and services to the students and various constituencies of the University. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues earned for which goods and services are not provided. For example, the state operating grant and sales tax collections are nonoperating because they represent revenue provided to the University for which no goods or services are provided directly by the University to the state or Shawnee County.

One of the University's strengths is its diverse streams of revenue, which allow it greater flexibility to weather difficult economic times.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

A condensed comparison of the University's revenues, expenses, and changes in net position for the years ended June 30, 2024, 2023 and 2022 is presented below.

Combined Statements Of Revenues, Expenses, And Changes In Net Position For The Years Ended June 30, 2024, 2023, And 2022

	2024	2023	2022
Operating revenues	\$ 42,426,332	\$ 40,912,164	\$ 42,799,684
Operating expenses	129,592,483	117,787,699	117,801,275
Operating loss	(87,166,151)	(76,875,535)	(75,001,591)
Nonoperating revenues	99,632,088	92,988,653	88,337,094
Interest on capital asset-related debt	(1,422,433)	(1,402,670)	(1,471,280)
Other nonoperating expenses	(1,933,839)	(1,650,310)	(5,432,906)
Income before other revenues	9,109,665	13,060,138	6,431,317
Other revenues	340,773	420,657	501,695
Increase (decrease) in net position	9,450,438	13,480,795	6,933,012
Net Position - Beginning of Year	211,533,192	198,052,397	191,119,385
Net Position - End of Year	\$ 220,983,630	\$ 211,533,192	\$ 198,052,397

Fiscal Year 2024 Compared to Fiscal Year 2023

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase of \$9.5 million during the year ended June 30, 2024 compared to an increase of \$13.5 million during the year ended June 30, 2023. Highlights of the information provided in these statements is included below.

Revenues

Revenues, excluding capital grants and additions to permanent endowments, totaled \$142.1 million and \$133.9 million for the years ending June 30, 2024 and 2023, respectively. The \$8.2 million increase is attributable to an increase in state and local appropriations of \$6.2 million, an increase of \$2.1 in investment income and an increase in operating revenues of \$1.5 million.

State and local appropriations comprised 44.8 percent of the University's revenue for the year ended June 30, 2024 compared to 42.8 percent for the year ended June 30, 2023. The next largest revenue source was net tuition and fees, comprising 22.5 percent of revenue for the year ended June 30, 2024, compared to 25.5 percent for the year ended June 30, 2023.

Expenses

Expenses totaled \$133.9 million and \$120.8 million for the years ended June 30, 2024 and 2023.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

Instruction expenses accounted for 32.1 percent of total expenses by function for the year ended June 30, 2024 compared to 33.2 percent for the year ended June 30, 2023. The percentages for the remaining expenses by functional area range from 12.3 percent for Student Services to 0.1 percent for Research for the year ended June 30, 2024, compared to 11.7 percent and 0.1 percent for the year ended June 30, 2023.

Salaries and benefits comprised 66.2 percent of operating expenses by natural classification for the year ended June 30, 2024, compared to 66.4 percent for the year ended June 30, 2023. Other operating expenses represent 22.1 percent of total expenses for the year ended June 30, 2024, compared to 21.9 percent for the year ended June 30, 2023. Financial aid and depreciation accounted for the remaining 11.7 percent of expenses for the year ended June 30, 2024, compared to 11.7 percent for the year ended June 30, 2023.

Fiscal Year 2023 Compared to Fiscal Year 2022

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase of \$13.5 million during the year ended June 30, 2023, compared to an increase of \$6.9 million during the year ended June 30, 2022. Highlights of the information provided in these statements is included below.

Revenues

Revenues, excluding capital grants and additions to permanent endowments, totaled \$133.9 million and \$131.2 million for the years ending June 30, 2023 and 2022, respectively. The \$2.7 million increase is attributable primarily to an increase in investment income.

State and local appropriations comprised 42.9 percent of the University's revenue for the year ended June 30, 2023, compared to 42.8 percent for the year ended June 30, 2022. The next largest revenue source was net tuition and fees, comprising 23.4 percent of revenue for the year ended June 30, 2023, compared to 25.5 percent for the year ended June 30, 2022.

Expenses

Expenses totaled \$120.8 million and \$124.7 million for the years ended June 30, 2023 and 2022.

Instruction expenses accounted for 33.2 percent of total expenses by function for the year ended June 30, 2023 compared to 30.9 percent for the year ended June 30, 2022. The percentages for the remaining expenses by functional area range from 11.7 percent for Student Services to 0.1 percent for Research for the year ended June 30, 2023, compared to 11.3 percent and 0.1 percent for the year ended June 30, 2022.

Salaries and benefits comprised 66.4 percent of operating expenses by natural classification for the year ended June 30, 2023, compared to 61.3 percent for the year ended June 30, 2022. Other operating expenses represent 21.9 percent of total expenses for the year ended June 30, 2023, compared to 23.1 percent for the year ended June 30, 2022. Financial aid and depreciation accounted for the remaining 11.7 percent of expenses for the year ended June 30, 2023, compared to 15.6 percent for the year ended June 30, 2022.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis *(Continued)*

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also assists users in assessing the University's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

The Statement of Cash Flows is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section reports the cash used in the acquisition, construction and financing of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Even though GASB No. 35 treats the state operating grant, sales tax collections, gifts and investment income as nonoperating revenues, for higher education institutions, these cash inflows are critical to funding the operations of the University.

Condensed Combined Statements Of Cash Flows For The Years Ended June 30, 2024, 2023, And 2022

	2024	2023	2022
Cash provided (used) by:			
Operating activities	\$ (42,768,179)	\$ (64,214,572)	\$ (57,536,029)
Noncapital financing activities	91,953,550	89,422,845	94,766,248
Capital and related financing activities	(20,130,162)	(19,036,887)	(32,388,840)
Investing activities	4,162,646	2,333,119	52,846
Change in Cash	33,217,855	8,504,505	4,894,225
Cash - Beginning of Year	79,906,170	71,401,665	66,507,440
Cash - End of Year	\$ 113,124,025	\$ 79,906,170	\$ 71,401,665

Fiscal Year 2024 Compared to Fiscal Year 2023

Significant sources of cash included sales tax revenues, state appropriations, and tuition and fees. Significant uses of cash were for payments to suppliers and vendors, payments to employees (including benefits), payments for scholarships and fellowships, capital assets, and self-insurance claims paid.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

The unrestricted cash position of the University increased by approximately \$1.7 million during the year ended June 30, 2024, compared to an increase of approximately \$8.5 million during the year ended June 30, 2023. This smaller increase in cash for the year ended June 30, 2024 is due to a decrease in accounts payable and increase in accounts receivable, both due to timing. The restricted cash position of the University increased by approximately \$31.5 million due to restricted grant revenue that was not spent prior to June 30, 2024.

Fiscal Year 2023 Compared to Fiscal Year 2022

Significant sources of cash included sales tax revenues, state appropriations, and tuition and fees. Significant uses of cash were for payments to suppliers and vendors, payments to employees (including benefits), payments for scholarships and fellowships, capital assets, and self-insurance claims paid.

The cash position of the University increased by approximately \$8.5 million during the year ended June 30, 2023, compared to an increase of approximately \$4.9 million during the year ended June 30, 2022. These changes are largely attributable to less cash used in capital and related financing activities.

Capital and Right-To-Use Assets and Debt Administration

Major Maintenance Funding/Deferred Maintenance

The University identifies, prioritizes and funds maintenance through a combination of sources such as the sales tax capital improvement fund, the debt retirement and construction fund, donor contributions, and general fund allocations. As a result of this process, the University actively manages its deferred maintenance issues.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

Capital and Right-To-Use Assets

At June 30, 2024, the University reported \$156.9 million invested in capital and right-to-use assets, net of accumulated depreciation, compared to \$153.3 million and \$146.6 million at June 30, 2023 and 2022, respectively. Depreciation charges totaled \$12.4 million for the fiscal year ended June 30, 2024 compared to \$12.0 million and \$11.0 million for the years ended June 30, 2023 and 2022, respectively. Details of these assets are as follows:

Condensed Statements Of Capital Assets, Net Of Accumulated Depreciation As Of June 30, 2024, 2023, And 2022

	2024	2023	2022
Land	\$ 1,596,172	\$ 1,596,172	\$ 1,596,172
Buildings, improvements, and infrastructure	124,608,637	101,004,659	106,845,846
Furniture, fixtures, and equipment	6,319,382	5,867,801	5,682,095
Computers and electronic equipment	2,411,940	621,184	1,325,211
Books and collections	22,119	55,028	92,071
Broadcasting tower, antenna, and equipment	830,454	944,686	951,154
Vehicles	868,061	887,438	872,623
Works of art and historical treasures	5,465,294	5,465,294	5,148,794
Right-to-use asset - leases	168,875	249,935	330,995
Right-to-use asset - SBITA	2,931,379	2,964,790	
Construction in progress	11,632,663	33,615,587	23,757,103
Capital Assets, Net	<u>\$ 156,854,976</u>	<u>\$ 153,272,574</u>	<u>\$ 146,602,064</u>

Strategic additions during the fiscal year ended June 30, 2024, include the Recital Hall, Ross House, Mulvane Art Museum renovation, and the renovation to the Plass Building. These projects were still in process at June 30, 2024.

Strategic additions during the fiscal year ended June 30, 2023, include the completion of the new School of Law building and renovations to the Village Apartments, White Concert Hall, and the Stoffer Science Laboratories.

Strategic additions during the fiscal year ended June 30, 2022, included renovations to the Village Apartments, Mabee West Basement, and the Athletic Weight Room Flooring.

Debt

At June 30, 2024, the University had \$47.0 million in outstanding revenue bonds and lease and subscription liabilities compared to \$49.7 million and \$48.8 million at June 30, 2023 and 2022, respectively. The decrease from 2022 to 2024 resulted from the April 2021 issuance of Series 2021A-1, A-2, and B Revenue Bonds and decrease resulting from principal payments.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

The following table summarizes the University's outstanding debt amounts by type of debt instrument:

	2024	2023	2022
Bonds:			
Series 2015A	\$ 16,645,000	\$ 17,315,000	\$ 17,315,000
Series 2015B	4,440,000	4,795,000	4,795,000
Series 2018	7,725,000	8,150,000	8,555,000
Series 2021-A1	9,620,000	10,000,000	10,365,000
Series 2021-A2	3,640,000	3,675,000	3,675,000
Series 2021B	1,875,000	2,300,000	3,285,000
Total Bonds	43,945,000	46,235,000	47,990,000
Lease Liability	168,875	249,935	330,995
SBITA Liabilities	2,838,518	2,920,008	—
Direct Financing Leases	26,322	298,904	523,360
Total Outstanding Debt	\$ 46,978,715	\$ 49,703,847	\$ 48,844,355

On May 5, 2021, the University issued \$20,850,000 in Revenue Bonds, Series 2021A-1, A-2 and B ("Series 2021"), with interest rates of 2.00 percent to 4.00 percent. The Series 2021 bonds are due in annual principal payments ranging from \$35,000 to \$1,760,000, and mature between July 1, 2021 and July 1, 2042. Interest payments begin on July 1, 2021.

On July 19, 2019, the University entered into a capital lease agreement to fund computer equipment purchases. This will place the University on a five-year replacement/refresh cycle and keep desktop and laptop systems current, operational, and consistent across campus. The original amount of the four-year lease is \$1,292,460 with an interest rate of 2.60 percent. Annual principal and interest payments of \$271,929 are due July 19 each year, beginning in 2019 and ending in 2023. Title to the equipment is held by the University. This lease was paid off during the year ended June 30, 2024.

Economic Outlook

University management believes the University is well positioned to maintain its strong financial condition and to continue providing a quality education to its students and excellent service to its stakeholders. The University's financial position, as evidenced by its A1 stable rating from Moody's, provides a high degree of flexibility in obtaining funds on competitive terms. This flexibility, along with ongoing efforts toward revenue enhancements and cost containment, will enable the University to obtain the necessary resources to sustain excellence and to continue to execute its long-range plan to modernize and expand its complement of older facilities with a balance of new construction. This strategy addresses the University's growth and the expanding role of technology in teaching and research methodologies.

WASHBURN UNIVERSITY OF TOPEKA

Management's Discussion and Analysis (*Continued*)

State Appropriations

The University has experienced modest growth in state appropriations over time, but the growth has not kept pace with ever increasing operating costs. This experience has been shared by virtually every other public university in the nation. However, due to its diverse revenue streams the University has not been as severely impacted as most public institutions.

The University's fiscal 2025 budget anticipates modest growth when compared to fiscal year 2024. Due to ongoing uncertainty surrounding state funding, the University continues to explore and implement when appropriate strategic budget initiatives, investments, and program/revenue enhancements.

Local Appropriations

Sales and property tax (i.e., local appropriations) revenues are susceptible to fluctuations beyond the University's ability to control or, to some extent, anticipate. As a result, the University's practice has been to budget tax revenues conservatively. Over the last several years, tax revenues have remained relatively steady as a percentage of total revenues.

For fiscal year 2025, the University budgeted for sales tax revenue to be up \$197,000 or 0.7 percent.

Tuition

The University's Board of Regents approved a 3.85 percent tuition increase for fiscal year 2025 for Washburn University and 4.0% for Washburn Tech.

For Fall 2024, Washburn University experienced a 6.5 percent increase in total student headcount while Washburn Technical experienced a 13 percent increase in total student headcount. These increases were better than anticipated when developing the fiscal year 2025 budget.

Other than the foregoing, the University is not aware of any currently known facts, decisions, or conditions expected to have a significant effect on the financial position or results of operations during this fiscal year.

As management wrestles with today's uncertain economic and demographic factors, the University's prudent use of resources, strategic budgeting and investment initiatives, and enhancement of other revenue sources will strengthen the University and ensure it is well positioned to take advantage of future opportunities.

Requests for Information

This report is designed to provide the reader a general overview of the University's financial position. Questions or requests for more information concerning any of the information provided in it should be directed to Luther Lee, Vice President Administration and Treasurer, 1700 SW College Avenue, Topeka, Kansas 66621.

WASHBURN UNIVERSITY OF TOPEKA

STATEMENTS OF NET POSITION

Page 1 Of 2

Assets And Deferred Outflows Of Resources

	June 30,	
	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 72,862,673	\$ 71,185,035
Taxes receivable	5,313,681	5,158,546
Accounts receivable, net of allowance of \$3,793,905 and \$3,602,373 in 2024 and 2023, respectively	8,459,094	7,755,607
Receivable from Washburn University Foundation	216,281	228,544
Federal and grants receivable	338,970	—
Other current receivables	421,742	300,000
Lease receivable	111,328	129,831
Inventories	692,235	740,367
Other assets	1,143,334	1,078,423
Total Current Assets	89,559,338	86,576,353
Noncurrent Assets:		
Restricted cash and cash equivalents	40,261,352	8,721,135
Perkins loans receivable	67,975	139,404
Receivable from Washburn University Foundation	31,487,111	30,193,414
Lease receivable	668,739	750,731
Endowment investments	413,332	378,029
Capital assets and right-of-use assets, net	156,854,976	153,272,574
Total Noncurrent Assets	229,753,485	193,455,287
Total Assets	\$ 319,312,823	\$ 280,031,640

WASHBURN UNIVERSITY OF TOPEKA

STATEMENTS OF NET POSITION

Page 2 Of 2

Liabilities And Net Position

	June 30,	
	2024	2023
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 8,308,119	\$ 10,268,632
Accrued compensated absences, current portion	2,424,751	2,044,694
Unearned revenue	37,213,457	2,358,167
Financed purchase obligations, current portion	9,823	274,861
Lease liability, current portion	81,060	81,060
SBITA Liability obligation, current portion	1,122,673	1,142,505
Building revenue bonds, current portion	2,345,000	2,290,000
Deposits held in custody for others	186,927	211,239
Total Current Liabilities	51,691,810	18,671,158
Noncurrent Liabilities:		
Accrued compensated absences	277,143	366,840
Unearned revenue	1,257,386	1,508,864
Financed purchase obligations	16,499	24,043
Lease liability	87,815	168,875
SBITA Liability obligation	1,715,845	1,777,503
Building revenue bonds	42,529,075	45,123,233
Total Noncurrent Liabilities	45,883,763	48,969,358
Total Liabilities	97,575,573	67,640,516
Deferred Inflows Of Resources:		
Deferred inflows - leases	753,620	857,932
Total Deferred Inflows Of Resources	753,620	857,932
Net Position:		
Net investment in capital assets	110,855,718	102,047,399
Restricted		
Nonexpendable		
Endowments	27,993,305	26,942,371
Expendable		
Scholarships	2,549,683	2,275,140
Loans	374,693	458,862
Self-funded insurance	5,191,948	6,532,743
Capital projects	131,000	142,634
Other	7,008,356	5,977,162
Unrestricted	66,878,927	67,156,881
Total Net Position	\$ 220,983,630	\$ 211,533,192

WASHBURN UNIVERSITY OF TOPEKA

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION –
WASHBURN UNIVERSITY FOUNDATION**

Assets	June 30,	
	2024	2023
Cash and cash equivalents	\$ 3,246,386	\$ 4,570,704
Investments	199,471,120	178,749,966
Bequests receivable	93,792	45,790
Pledges receivable	31,616,325	23,601,081
Accrued investment income receivable	50,858	40,237
Beneficial interests in trusts	9,281,249	9,080,026
Real estate, net	2,572,892	2,639,572
Equipment, net	117,751	70,798
Total Assets	\$ 246,450,373	\$ 218,798,174
Liabilities And Net Assets		
Accounts payable and accrued liabilities	\$ 457,753	\$ 460,860
Due to Washburn University of Topeka	208,181	215,356
Charitable gift liabilities	284,765	323,139
Funds managed on behalf of Washburn University of Topeka	31,487,111	30,193,413
Funds managed on behalf of Washburn Law School Foundation	9,473,051	7,993,532
Total Liabilities	41,910,861	39,186,300
Net Assets:		
Without donor restrictions	15,994,736	14,966,888
With donor restrictions	188,544,776	164,644,986
Total Net Assets	204,539,512	179,611,874
Total Liabilities And Net Assets	\$ 246,450,373	\$ 218,798,174

WASHBURN UNIVERSITY OF TOPEKA

STATEMENTS OF FINANCIAL POSITION – WASHBURN LAW SCHOOL FOUNDATION

	June 30,	
	2024	2023
Assets		
Investments held at Washburn University Foundation	\$ 9,473,051	\$ 7,993,532
Total Assets	\$ 9,473,051	\$ 7,993,532
Net Assets		
Net Assets:		
Without donor restrictions	\$ 2,658,676	\$ 2,929,738
With donor restrictions	6,814,375	5,063,794
Total Net Assets	\$ 9,473,051	\$ 7,993,532

WASHBURN UNIVERSITY OF TOPEKA

**STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

Page 1 Of 2

	For The Years Ended June 30,	
	2024	2023
Operating Revenues:		
Tuition and fees (net of scholarship allowances of \$28,011,755 and \$21,985,568 in 2024 and 2023, respectively)	\$ 31,952,922	\$ 31,272,146
Federal grants and contracts	100,451	34,991
Sales and services of educational departments	2,323,615	2,135,508
Auxiliary enterprises		
Residential Living (net of scholarship allowances of \$782,517 and \$569,263 in 2024 and 2023, respectively; revenues are used as security for revenue bonds Series 2015A, 2015B, 2021A2 and 2021B)	3,923,565	3,490,568
Memorial Union (revenues are used as security for revenue bonds Series 2021A2 and 2021B)	3,637,194	3,317,375
Other operating revenues	488,585	661,576
Total Operating Revenues	42,426,332	40,912,164
Operating Expenses:		
Educational and general		
Instruction	42,726,286	40,050,291
Research	166,093	142,139
Public service	3,328,187	3,166,314
Academic support	13,499,078	12,535,564
Student services	16,351,818	14,163,121
Institutional support	11,948,275	10,435,415
Operation and maintenance of plant	11,903,001	10,165,964
Depreciation and amortization	12,370,064	11,958,914
Financial aid	2,731,529	1,819,192
Auxiliary enterprises		
Residential Living	1,703,821	1,540,770
Memorial Union	3,248,641	2,921,838
Self-funded insurance claims, net of premiums	9,615,690	8,888,178
Total Operating Expenses	129,592,483	117,787,699
Operating Loss	(87,166,151)	(76,875,535)

WASHBURN UNIVERSITY OF TOPEKA

**STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

Page 2 Of 2

	For The Years	
	Ended June 30,	
	2024	2023
Nonoperating Revenues (Expenses):		
State appropriations	\$ 28,914,485	\$ 23,721,526
Local appropriations	34,681,489	33,714,159
Federal grants and contracts	13,846,701	11,535,043
State and local grants and contracts	1,491,956	637,298
Nongovernmental grants and contracts	34,959	25,500
Gifts	15,166,484	20,007,406
Investment income	5,496,014	3,347,721
Interest on indebtedness	(1,422,433)	(1,402,670)
Other nonoperating expenses	(1,933,839)	(1,650,310)
Net Nonoperating Revenues	96,275,816	89,935,673
Income Before Other Revenues	9,109,665	13,060,138
Capital Grants And Gifts	251,478	251,478
Additions To Permanent Endowments	89,295	169,179
Change In Net Position	9,450,438	13,480,795
Net Position - Beginning Of Year	211,533,192	198,052,397
Net Position - End Of Year	\$ 220,983,630	\$ 211,533,192

WASHBURN UNIVERSITY OF TOPEKA

**CONSOLIDATED STATEMENT OF ACTIVITIES –
WASHBURN UNIVERSITY FOUNDATION**
For The Year Ended June 30, 2024
Discretely Presented Component Unit

	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenue:			
Support:			
Contributions	\$ 4,101,270	\$ 22,598,687	\$ 26,699,957
Change in beneficial interest and other	—	992,714	992,714
Total support	4,101,270	23,591,401	27,692,671
Revenue:			
Investment return, net	2,628,398	12,618,541	15,246,939
Administration	697,641	—	697,641
Events	134,100	35,090	169,190
Other	183,200	97,072	280,272
Total revenue	3,643,339	12,750,703	16,394,042
Net assets released from restrictions	12,644,385	(12,644,385)	—
Total Support And Revenue	20,388,994	23,697,719	44,086,713
Expenses:			
Program services	14,527,080	—	14,527,080
Management and general	1,868,748	—	1,868,748
Fundraising	2,763,247	—	2,763,247
Total Expenses	19,159,075	—	19,159,075
(Deficit) Of Support And Revenue (Under) Expenses	1,229,919	23,697,719	24,927,638
Other Fund Transfers, Net	(202,071)	202,071	—
Change In Net Assets	1,027,848	23,899,790	24,927,638
Net Assets, Beginning Of Year	14,966,888	164,644,986	179,611,874
Net Assets, End Of Year	\$ 15,994,736	\$ 188,544,776	\$ 204,539,512

WASHBURN UNIVERSITY OF TOPEKA

STATEMENT OF ACTIVITIES – WASHBURN LAW SCHOOL FOUNDATION For The Year Ended June 30, 2024 Discretely Presented Component Unit

	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenues:			
Contributions	\$ 27,092	\$ 940,513	\$ 967,605
Investment return, net	289,674	632,800	922,474
Nongift and other income	—	10,000	10,000
Net assets released from restriction	335,732	(335,732)	—
Total Support And Revenues (Loss)	652,498	1,247,581	1,900,079
Expenses:			
Program services	258,915	—	258,915
Management and general	161,645	—	161,645
Total Expenses	420,560	—	420,560
(Deficit) Of Support And Revenue (Under) Expenses	231,938	1,247,581	1,479,519
Other Fund Transfers, Net	(503,000)	503,000	—
Change In Net Assets	(271,062)	1,750,581	1,479,519
Net Assets, Beginning Of Year	2,929,738	5,063,794	7,993,532
Net Assets, End Of Year	\$ 2,658,676	\$ 6,814,375	\$ 9,473,051

WASHBURN UNIVERSITY OF TOPEKA

CONSOLIDATED STATEMENT OF ACTIVITIES – WASHBURN UNIVERSITY FOUNDATION For The Year Ended June 30, 2023 Discretely Presented Component Unit

	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenue:			
Support:			
Contributions	\$ 3,222,017	\$ 12,041,465	\$ 15,263,482
Change in beneficial interest and other	—	830,012	830,012
Total support	3,222,017	12,871,477	16,093,494
Revenue:			
Investment return, net	1,491,455	10,339,885	11,831,340
Administration	709,916	—	709,916
Events	13,621	32,360	45,981
Other	377,857	227,119	604,976
Total revenue	2,592,849	10,599,364	13,192,213
Net assets released from restrictions	18,428,439	(18,428,439)	—
Total Support And Revenue	24,243,305	5,042,402	29,285,707
Expenses:			
Program services	19,569,626	—	19,569,626
Management and general	1,706,089	—	1,706,089
Fundraising	2,754,139	—	2,754,139
Total Expenses	24,029,854	—	24,029,854
(Deficit) Of Support And Revenue (Under) Expenses	213,451	5,042,402	5,255,853
Other Fund Transfers, Net	(46,779)	46,779	—
Change In Net Assets	166,672	5,089,181	5,255,853
Net Assets, Beginning Of Year	14,800,216	159,555,805	174,356,021
Net Assets, End Of Year	\$ 14,966,888	\$ 164,644,986	\$ 179,611,874

WASHBURN UNIVERSITY OF TOPEKA

STATEMENT OF ACTIVITIES – WASHBURN LAW SCHOOL FOUNDATION For The Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenues:			
Contributions	\$ 42,335	\$ 57,242	\$ 99,577
Investment return, net	244,153	498,786	742,939
Nongift and other income	—	(25,000)	(25,000)
Net assets released from restriction	296,870	(296,870)	—
Total Support And Revenues (Loss)	583,358	234,158	817,516
Expenses:			
Program services	158,108	—	158,108
Management and general	154,388	—	154,388
Total Expenses	312,496	—	312,496
Change In Net Assets	267,862	237,158	505,020
Net Assets, Beginning Of Year	2,661,876	4,826,636	7,488,512
Net Assets, End Of Year	\$ 2,929,738	\$ 5,063,794	\$ 7,993,532

WASHBURN UNIVERSITY OF TOPEKA

STATEMENTS OF CASH FLOWS

Page 1 Of 2

	For The Years Ended June 30,	
	2024	2023
Cash Flows From Operating Activities:		
Tuition and fees	\$ 33,209,995	\$ 30,077,176
Grants and contracts	35,104,978	34,991
Auxiliary enterprise charges		
Residential Living	3,894,585	3,490,568
Memorial Union	1,820,994	3,746,462
Sales and services of educational departments	2,368,456	2,131,595
Collection of loans issued to students	71,431	232,122
Other receipts and disbursements	(394,371)	291,404
Self-insurance premium	1,296,069	1,535,519
Payments to suppliers	(30,342,575)	(24,159,963)
Payments to employees	(76,154,453)	(69,351,558)
Payments for scholarships and fellowships	(2,731,529)	(1,819,192)
Payments for self-insurance claims and administrative fees	(10,911,759)	(10,423,697)
Net Cash Used In Operating Activities	(42,768,179)	(64,214,572)
Cash Flows Provided By Investing Activities:		
Investment income	4,162,646	2,333,119
Cash Flows From Noncapital Financing Activities:		
State appropriations	28,914,485	23,721,526
Local appropriations	34,681,489	33,714,159
Gifts and grants for other than capital purposes	30,291,415	33,637,470
Federal Family Education loan receipts	23,089,772	24,622,187
Federal Family Education loan disbursements	(23,089,772)	(24,622,187)
Other payments	(1,933,839)	(1,650,310)
Net Cash Provided By Noncapital Financing Activities	91,953,550	89,422,845
Cash Flows From Capital And Related Financing Activities		
Interest received from operating leases	16,631	19,000
Rents received from operating leases	100,495	127,653
Purchase of capital assets	(14,870,859)	(14,410,335)
Gifts and grants for capital purposes	251,478	251,478
Principal paid on leases and subscriptions	(1,666,316)	(1,608,110)
Principal paid on long-term debt	(2,539,158)	(2,013,903)
Interest paid on long-term debt	(1,422,433)	(1,402,670)
Net Cash Used In Capital And Related Financing Activities	(20,130,162)	(19,036,887)
Change In Cash And Cash Equivalents	33,217,855	8,504,505
Cash And Cash Equivalents - Beginning Of Year	79,906,170	71,401,665
Cash And Cash Equivalents - End Of Year	\$ 113,124,025	\$ 79,906,170

WASHBURN UNIVERSITY OF TOPEKA

STATEMENTS OF CASH FLOWS

Page 2 Of 2

	For The Years Ended June 30,	
	2024	2023
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Operating loss	\$ (87,166,151)	\$ (76,875,535)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	12,370,064	11,958,914
Loss on disposal of fixed assets	149,575	28,504
Changes in assets and liabilities:		
Receivables, net	(981,354)	(1,812,762)
Inventories	48,132	(38,487)
Other assets	(64,911)	233,864
Perkins loans receivable	71,431	232,122
Accounts payable	(1,960,513)	1,424,824
Unearned revenue	34,603,812	596,642
Deposits	(24,312)	(51,973)
Deferred inflow from operating lease	(104,312)	(134,244)
Compensated absences	290,360	223,559
Net Cash Used In Operating Activities	\$ (42,768,179)	\$ (64,214,572)
Noncash Investing And Financing Transactions		
Right-of-use-assets obtained through leases and subscriptions	\$ 1,231,183	\$ 704,750

WASHBURN UNIVERSITY OF TOPEKA

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 And 2023

1. **Organization And Summary Of Significant Accounting Policies**

The accounting policies of Washburn University of Topeka (the University) conform to U.S. generally accepted accounting principles applicable to public institutions engaged only in business-type activities, as adopted by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The University is a municipal university governed by an appointed nine-member Board of Regents. The Board of Regents is comprised of the mayor of Topeka, three members appointed by the mayor, one member appointed by the Shawnee County Commission, three members appointed by the governor of Kansas, and one member appointed by the Kansas Board of Regents. The mayor of Topeka and the regent appointed by the Kansas Board of Regents serve as long as they are in their respective positions. All other regents are appointed for four-year terms.

Washburn Institute of Technology (Washburn Tech) is a technical school providing vocational and technical education to both high school students and post-secondary students. Students may participate in programs ranging from single courses to certificate programs to associate degree programs. The associate degree programs allow students to take general education courses from the University to complete the non-technical requirements of the degree.

Component Units

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*; and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, the University has identified three component units to be included in the accompanying financial statements. Because the University's Board of Regents is also the governing body of Washburn Tech, and because the University's management has operational responsibility for Washburn Tech, the financial statements present the University and Washburn Tech as a blended entity. The University's discretely presented component units are reported in separate basic financial statements to emphasize that they are legally separate from the University. References in these financial statements and notes to "the University" refer to the blended entity unless otherwise noted.

Discretely-Presented Component Units

The University's discretely-presented component units, Washburn University Foundation (the Foundation) and Washburn Law School Foundation (the Law Foundation), receive funds primarily through donations and contribute funds to the University to support various programs. The economic resources received or held by the foundations are almost entirely for the direct benefit of the University. Further, the University is entitled to a majority of such economic resources, and such economic resources are significant to the University.

Washburn University Foundation is a Kansas not-for-profit organization created to assist in the promotion, development and enhancement of the financial resources for Washburn University of Topeka, as well as to receive and hold in trust any assets given for the benefit of the University. The Foundation manages primarily endowment or trust funds, the income from which is used for the benefit of the University. The Foundation is responsible for the fundraising activities of the University.

Washburn Law School Foundation is a Kansas not-for-profit organization created to promote, maintain, improve and support the School of Law of Washburn University of Topeka, as well as to provide scholarships to students attending the law school.

The financial statements of the Foundation and Law Foundation follow Financial Accounting Standards Board (FASB) standards. Certain FASB revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the foundations' financial information included in the University's financial statements for these differences. Complete audited financial statements for these component units may be obtained at their administrative offices at 1729 SW MacVicar Avenue, Topeka, KS 66604.

Measurement Focus, Basis Of Accounting, And Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred or a benefit has been received, regardless of the timing of related cash flows. All significant intra-University transactions have been eliminated.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

The University distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from exchange transactions, such as payments received for providing goods and services and payments made for goods and services received. The University's primary operating revenues include student tuition and fees, sales and services of auxiliary enterprises, and sales and services of educational departments. Almost all of the University's expenses result from exchange transactions. Operating expenses include the costs of providing education and auxiliary services, administrative expenses, and depreciation on capital assets.

Certain significant revenues relied upon for operations, such as sales and property taxes (included in local appropriations), state appropriations, most grants and other contributions, do not result from exchange transactions, and are recorded as nonoperating revenues. The primary nonoperating expense is interest on indebtedness. Other significant nonoperating expenses are uncapitalized capital asset expenditures and bond issuance costs.

On an accrual basis, sales tax revenue is recognized at the time of the underlying transaction. Revenue from property taxes is recognized in the period which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, where the University must provide local resources to be used for a specified purpose; and expenditure requirements, where the resources are provided to the University on a reimbursement basis.

Cash And Cash Equivalents

The University considers all highly liquid investment instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents which are restricted by external entities for capital expenditures, health insurance claims, or debt service are reported as restricted cash.

Accounts Receivable

Accounts receivable are recorded net of an allowance for estimated uncollectible amounts. Receivables are charged off against the allowance when deemed uncollectible. Recoveries of receivables previously charged off are recorded as revenue when received.

Inventories

Inventories are recorded at the lower of cost, using the first-in, first-out method, or market.

Investments

Investments, with the exception of certificates of deposit, are recorded at fair value based on quoted market prices and are Level 1 investments under the fair value hierarchy. Certificates of deposit are recorded at cost because they are not affected by market rate changes if held to maturity.

Bond Issuance Costs

Bond issuance costs are generally expensed when incurred, as they represent an outflow of resources.

Capital Assets

Capital assets, other than right-to-use intangible assets recorded through leases or subscription-based information technology arrangements (SBITAs), include land, buildings, furniture, equipment, vehicles, books and collections, works of art, and construction in progress. Capital assets are defined as assets with an initial individual cost of more than \$100,000 for buildings, improvements and infrastructure, and \$5,000 for all other assets, and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major additions and improvements are capitalized. When assets are sold, the gain or loss on the sale is recorded as nonoperating gains or losses.

The University's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. Certain works of art and historical treasures, which are deemed to be inexhaustible, are assets whose economic lives are used up so slowly their useful lives are extraordinarily long and are not depreciated. The estimated useful lives are:

Buildings, improvements and infrastructure	3 - 60 years
Furniture, fixtures and equipment	3 - 25 years
Computers and electronic equipment	3 - 7 years
Books and collections	5 - 7 years
Broadcasting tower, antenna and equipment	5 - 40 years
Vehicles	3 - 15 years

Equipment purchased with grant proceeds, for which the granting agency has a reversionary interest, is capitalized. These assets must be used for the purpose set forth in the grant agreement between the University and the granting agency.

The University's works of art and historical treasures that meet the following criteria have not been capitalized and, therefore, are not recorded:

- The collection is held for public exhibition, education or research in furtherance of public service, rather than financial gain.
- The collection is kept protected, kept unencumbered, cared for and preserved.
- The collection is subject to an organizational policy that requires the proceeds from the sales of collection items to be used to acquire other items for the collection.

Leasing Arrangements

For arrangement in which the University is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

For arrangements where the University is a lessee, a lease liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The University used the average interest rate from the most recent bond issuance to calculate the present value of lease payments when the rate implicit in the lease is not known. The University includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the University will exercise the option. The University has elected to combine lease and non-lease components for all lease contracts and also has not recognized RTU assets and lease liabilities for leases with terms for 12 months or less.

Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The University recognizes a RTU subscription asset, an intangible asset, and a corresponding subscription liability. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

The subscription is amortized over the term of the subscription contract. The subscription contracts do not contain variable lease costs that are material.

Unearned Revenue

Unearned revenue at June 30, 2024, consists of unearned grant revenue of \$35,036,792, unearned student fees of \$1,504,844, and deferred capital gifts of \$1,929,207. Unearned revenue at June 30, 2023, consists of unearned student fees of \$1,349,816 and deferred capital gifts of \$2,517,215.

Compensated Absences

The University provides paid vacation and sick leave to employees on an annual basis. The provision for and accumulation of vacation and sick leave is based upon employment classification. Employees are paid for accumulated vacation leave when employment is terminated. Employees are not paid for accumulated sick leave upon termination.

Net Position

The University's net position is classified as follows:

Net Investment in Capital Assets

This represents the University's total investment in capital, lease and subscription assets, net of accumulated depreciation and amortization, net of related liabilities.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Restricted Net Position - Nonexpendable

This represents gifts that have been received for endowment purposes, the corpus of which cannot be expended.

Restricted Net Position - Expendable

This includes resources the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the University's policy to use restricted first, and then unrestricted resources, as they are needed.

Unrestricted Net Position

This includes resources derived from student tuition and fees, state and local appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the Board of Regents to meet current expenses for any purpose.

Property Taxes

The lien date for property taxes is January 1. Property taxes are levied on November 1. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. Billing and collection is done by Shawnee County. Assessed values are established by the Shawnee County appraiser's office.

Tax Abatements

Tax abatement agreements entered into by Shawnee County have an immaterial impact on the University. There are no other tax abatements that impact the University.

Tuition Discounts And Allowances:

Student tuition and fee revenues, and certain other revenues from students, are reported net of discounts and allowances. Discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is payable by students. Certain grants, including federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues, while Pell grants are recorded as nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a discount and allowance. Financial aid expense represents payments made to students.

Income Taxes

The University is a municipal entity and is not subject to income taxes. However, income from certain activities not directly related to the University's tax-exempt purpose is subject to taxation as unrelated business income.

Fair Value Reporting

The University categorizes its fair value measurements applicable for reporting its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Budgetary Information

Kansas statutes require an annual operating budget be legally adopted for the general fund, certain restricted funds and debt service funds (unless specifically exempted by statute). The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

3. Cash And Investments

The University maintains a cash and investment pool that is available for use by all funds.

Cash

At June 30, 2024 and 2023, the University's cash and cash equivalents consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 72,862,673	\$ 71,185,035
Restricted cash and cash equivalents	40,261,352	8,721,135
	<u>\$ 113,124,025</u>	<u>\$ 79,906,170</u>

Restricted cash and cash equivalents represent amounts which are restricted by statute or contractually for use in capital projects, for payment of self-funded health insurance claims, for debt service.

Custodial credit risk is the risk that, in the event of a bank failure, an entity's deposits may not be returned to it. The University's deposit policy for custodial credit risk requires compliance with the provisions of state law.

During the year ended June 30, 2024, the University received funding for a grant, whose final agreements have not yet been signed as of the date of this report. The grant proceeds totaled \$32 million, and accrued interest income less account fees totaled \$364,158 for the year ended June 30, 2024. If the final agreement on this grant is not signed, this project will not move forward and all grant funding and accrued net interest income will be returned to the grantor.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities or the State of Kansas; bonds of any city, county, school district or special road district of the State of Kansas; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

At June 30, 2024 and 2023, the University's cash and cash equivalents were held in the following institutions:

	<u>2024</u>	<u>2023</u>
Deposits at financial institutions	\$ 60,060,007	\$ 30,357,319
Deposits in State of Kansas Municipal Investment Pool	<u>53,064,018</u>	<u>49,548,851</u>
	<u>\$ 113,124,025</u>	<u>\$ 79,906,170</u>

The University had no bank balances exposed to custodial credit risk at June 30, 2024 or 2023.

The University maintains deposits with the State of Kansas Municipal Investment Pool (KMIP) throughout the year. Deposits in the amount of \$53,064,018 and \$49,548,851 measured at net asset value, which approximates fair value, at June 30, 2024 and 2023, respectively, were held in the KMIP Overnight Municipal Investment Pool (OMIP). To take advantage of higher interest rates, during the year ended June 30, 2024, \$40 million of OMIP funds were transferred to four equal 30-day pool funds held at KMIP. The balance of principal and accrued interest income at June 30, 2024 was \$40,121,742. Deposits in the OMIP are invested nightly by the KMIP in a transaction similar to a repurchase agreement with a bank. Investments in the 30-day pool funds may be invested in cash and cash investments with terms of between 1 and 30 days.

The University does not have securities specifically listed in its name as part of its participation in the OMIP and 30-day pool funds. Money can be withdrawn without penalty daily from the OMIP, while investments in the 30-day pool can be withdrawn without penalty daily after the original 30-day term. Investments withdrawn before the 30-day maturity would be subject to a penalty of no more than 30-days interest in that specific pool and decreases as the maturity date nears. The OMIP is included within the Kansas Pooled Money Investment Portfolio. The pool is managed and overseen by the Pooled Money Investment Board of the State of Kansas.

Investments

The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements and in mutual funds. It may also invest to a limited extent in corporate bonds and equity securities.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Endowment investments reported by the University at June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Mutual funds, carried at fair value (cost of \$338,132 and \$338,532 for 2024 and 2023, respectively)	<u>\$ 413,332</u>	<u>\$ 378,029</u>

The University currently does not maintain a formal investment policy that addresses interest rate, concentration or credit risks. However, management believes the University has complied with the State of Kansas' statutes and regulations regarding investment activity.

Interest rate risk is the risk that the University's investments will decrease as a result of an increase in interest rates. The University's money market and mutual funds can be withdrawn without penalty, and the U.S. government issues mature in less than a year.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, the University had mutual funds that are unrated.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University is not exposed to concentration risk at June 30, 2024.

Custodial credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The University had no investments exposed to custodial credit risk at June 30, 2024.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

4. Receivables From And Assets Held By Washburn University Foundation

Receivables from the Foundation consist of the University's participation in the investments managed by the Foundation. As the University does not have title to these investments and their participation is not evidenced by a security agreement that can be exchanged or sold in an open market, its share of the Foundation's investments is recorded as a receivable from the Foundation. Receivables from the Foundation consisted of the following items held by the Foundation as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Contributions for scholarships and other activities	\$ 1,266,682	\$ 1,327,623
Held pledges receivable	1,273	1,263
Restricted endowment income	2,049,576	2,059,719
Unreimbursed costs due to the University - Current	216,281	228,544
University endowment funds managed by the Foundation (see activity below)	<u>28,169,580</u>	<u>26,804,809</u>
	<u>\$ 31,703,392</u>	<u>\$ 30,421,958</u>

Receivables from the Foundation are presented in the statements of net position as follows:

	<u>2024</u>	<u>2023</u>
Current receivable from Washburn University Foundation	\$ 216,281	\$ 228,544
Noncurrent receivable from Washburn University Foundation	<u>31,487,111</u>	<u>30,193,414</u>
	<u>\$ 31,703,392</u>	<u>\$ 30,421,958</u>

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

The University has transferred to the Washburn University Foundation certain assets of the endowment fund for management purposes only, under terms of an agreement executed by the University and the Foundation. The activity of these assets at June 30, 2024 and 2023 and for the years then ended is as follows:

	<u>2024</u>	<u>2023</u>
Beginning principal transferred	\$ 23,364,866	\$ 23,364,866
Post-transfer additions, net	5,982,782	5,970,186
Earnings added to corpus	120,530	129,693
Gifts received	245,138	159,276
End of year, at cost	29,713,316	29,624,021
Cumulative net unrealized (losses)	(1,543,736)	(2,819,212)
End of year, at fair value	<u>\$ 28,169,580</u>	<u>\$ 26,804,809</u>

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

5. Capital And Right-Of-Use Assets

The following is a summary of capital assets for the years ended June 30, 2024 and 2023:

	2024				
	Balance - July 1, 2023	Additions	Retirements	Construction In Progress Placed In Service	Balance - June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 1,596,172	\$ —	\$ —	\$ —	\$ 1,596,172
Works of art and historical treasures	5,465,294	—	—	—	5,465,294
Construction in progress	33,615,587	12,401,130	—	(34,384,054)	11,632,663
Total capital assets, not being depreciated	40,677,053	12,401,130	—	(34,384,054)	18,694,129
Capital assets, being depreciated:					
Buildings, improvements and infrastructure	232,456,847	32,181,104	—	—	264,637,951
Furniture, fixtures and equipment	38,359,699	1,907,776	(470,224)	—	39,797,251
Computers and electronic equipment	23,334,372	2,579,381	(60,984)	—	25,852,769
Books and collections	21,366,681	—	—	—	21,366,681
Broadcasting tower, antenna and equipment	8,475,446	—	(11,397)	—	8,464,049
Vehicles	2,538,476	185,522	(46,668)	—	2,677,330
Total capital assets, being depreciated	326,531,521	36,853,783	(589,273)	—	362,796,031
Less accumulated depreciation for:					
Buildings, improvements and infrastructure	(131,452,188)	(8,577,126)	—	—	(140,029,314)
Furniture, fixtures and equipment	(32,491,898)	(1,316,068)	330,097	—	(33,477,869)
Computers and electronic equipment	(22,713,188)	(788,625)	60,984	—	(23,440,829)
Books and collections	(21,311,653)	(32,909)	—	—	(21,344,562)
Broadcasting tower, antenna and equipment	(7,530,760)	(114,232)	11,397	—	(7,633,595)
Vehicles	(1,651,038)	(195,451)	37,220	—	(1,809,269)
Total accumulated depreciation	(217,150,725)	(11,024,411)	439,698	—	(227,735,438)
Total capital assets being depreciated, net	109,380,796	25,829,372	(149,575)	—	135,060,593
Right to use assets - leases					
Building and improvements	405,300	—	—	—	405,300
Less accumulated amortization					
Building and improvements	(155,365)	(81,060)	—	—	(236,425)
Total right to use assets - leases, net	249,935	(81,060)	—	—	168,875
RTU assets - SBITA	4,206,728	1,231,183	—	—	5,437,911
Less accumulated amortization	(1,241,938)	(1,264,594)	—	—	(2,506,532)
Total RTU assets - SBITA, net	2,964,790	(33,411)	—	—	2,931,379
Total capital assets	\$ 153,272,574	\$ 38,116,031	\$ (149,575)	\$ (34,384,054)	\$ 156,854,976

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

	2023				
	Balance - July 1, 2022	Additions	Retirements	Construction In Progress Placed In Service	Balance - June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 1,596,172	\$ —	\$ —	\$ —	\$ 1,596,172
Works of art and historical treasures	5,148,794	316,500	—	—	5,465,294
Construction in progress	23,757,103	11,206,311	—	(1,347,827)	33,615,587
Total capital assets, not being depreciated	30,502,069	11,522,811	—	(1,347,827)	40,677,053
Capital assets, being depreciated:					
Buildings, improvements and infrastructure	230,422,366	2,034,481	—	—	232,456,847
Furniture, fixtures and equipment	36,850,971	1,668,938	(160,210)	—	38,359,699
Computers and electronic equipment	23,171,476	247,492	(84,596)	—	23,334,372
Books and collections	21,366,681	—	—	—	21,366,681
Broadcasting tower, antenna and equipment	8,333,333	142,113	—	—	8,475,446
Vehicles	2,354,612	189,839	(5,975)	—	2,538,476
Total capital assets, being depreciated	322,499,439	4,282,863	(250,781)	—	326,531,521
Less accumulated depreciation for:					
Buildings, improvements and infrastructure	(123,576,520)	(7,875,668)	—	—	(131,452,188)
Furniture, fixtures and equipment	(31,168,876)	(1,448,081)	125,059	—	(32,491,898)
Computers and electronic equipment	(21,846,265)	(951,519)	84,596	—	(22,713,188)
Books and collections	(21,274,610)	(37,043)	—	—	(21,311,653)
Broadcasting tower, antenna and equipment	(7,382,179)	(148,581)	—	—	(7,530,760)
Vehicles	(1,481,989)	(175,024)	5,975	—	(1,651,038)
Total accumulated depreciation	(206,730,439)	(10,635,916)	215,630	—	(217,150,725)
Total capital assets being depreciated, net	115,769,000	(6,353,053)	(35,151)	—	109,380,796
RTU assets - leases					
Building and improvements	405,300	—	—	—	405,300
Less accumulated amortization					
Building and improvements	(74,305)	(81,060)	—	—	(155,365)
Total RTU assets - leases, net	330,995	(81,060)	—	—	249,935
RTU assets - SBITA					
RTU assets - SBITA	3,501,978	704,750	—	—	4,206,728
Less accumulated amortization	—	(1,241,938)	—	—	(1,241,938)
Total RTU assets - SBITA, net	3,501,978	(537,188)	—	—	2,964,790
Total capital assets	\$ 150,104,042	\$ 4,551,510	\$ (35,151)	\$ (1,347,827)	\$ 153,272,574

The University had approximately \$18,509,978 and \$12,882,481 at June 30, 2024 and 2023, respectively, in commitments for building construction and other contracts.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

6. Noncurrent Liabilities

The following is a summary of changes in noncurrent liabilities for the years ended June 30, 2024 and 2023:

	Balance July 1, 2023			Balance June 30, 2024		
	Restated	Additions	Reductions	Restated	Current Portion	Noncurrent Portion
Bonds, leases and subscription liabilities:						
Building revenue bonds	\$ 46,235,000	\$ —	\$ 2,290,000	\$ 43,945,000	\$ 2,345,000	\$ 41,600,000
Financed purchase obligations	298,904	2,279	274,861	26,322	9,823	16,499
Subscription liability	2,920,008	1,231,183	1,312,673	2,838,518	1,122,673	1,715,845
Lease liability	249,935	—	81,060	168,875	81,060	87,815
Total bonds, leases, and subscription liabilities	49,703,847	1,233,462	3,958,594	46,978,715	3,558,556	43,420,159
Other noncurrent liabilities:						
Unamortized bond premium	1,178,233	—	249,158	929,075	—	929,075
Compensated absences	2,411,534	290,360	—	2,701,894	2,424,751	277,143
Unearned revenue	3,867,031	36,961,979	2,358,167	38,470,843	37,213,457	1,257,386
Total other noncurrent liabilities	7,456,797	37,252,339	2,607,325	42,101,812	39,638,208	2,463,604
Total noncurrent liabilities	\$ 57,160,644	\$ 38,485,801	\$ 6,565,919	\$ 89,080,527	\$ 43,196,764	\$ 45,883,763

	Balance July 1, 2022			Balance June 30, 2023		
	Restated	Additions	Reductions	Restated	Current Portion	Noncurrent Portion
Bonds, leases and subscription liabilities:						
Building revenue bonds	\$ 47,990,000	\$ —	\$ 1,755,000	\$ 46,235,000	\$ 2,290,000	\$ 43,945,000
Financed purchase obligations	523,360	40,867	265,323	298,904	274,861	24,043
Subscription liability	3,476,985	704,750	1,261,727	2,920,008	1,142,505	1,777,503
Lease liability	330,995	—	81,060	249,935	81,060	168,875
Total bonds, leases, and subscription liabilities	52,321,340	745,617	3,363,110	49,703,847	3,788,426	45,915,421
Other noncurrent liabilities:						
Unamortized bond premium	1,437,137	—	258,904	1,178,233	—	1,178,233
Compensated absences	2,187,975	223,559	—	2,411,534	2,044,694	366,840
Unearned revenue	3,270,390	2,106,689	1,510,048	3,867,031	2,358,167	1,508,864
Total other noncurrent liabilities	6,895,502	2,330,248	1,768,952	7,456,798	4,402,861	3,053,937
Total noncurrent liabilities	\$ 59,216,842	\$ 3,075,865	\$ 5,132,062	\$ 57,160,645	\$ 8,191,287	\$ 48,969,358

Building Revenue Bonds

Revenue Bonds - Series 2015A

On June 25, 2015, the University issued \$20,105,000 in Revenue Bonds, Series 2015A (the 2015A Series), with interest rates of 3.00% to 5.00%. The remaining outstanding 2015A Series bonds are due in annual principal payments ranging from \$670,000 to \$1,340,000, and mature between July 1, 2024 and July 1, 2041. Interest is payable semi-annually.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

The 2015A Series bonds maturing in the years 2026 and thereafter are subject to optional redemption and payment prior to maturity on any date on or after July 1, 2025.

On May 5, 2021, the 2015A Series principal payments due July 1, 2021, July 1, 2023, and July 1, 2024, were defeased in full with proceeds of the Series 2021A-2 Refunding Revenue Bonds and Series 2021B Taxable Refunding Revenue Bonds.

Revenue Bonds - Series 2015B - Private Placement

On June 25, 2015, the University issued \$7,070,000 in Revenue Bonds, Series 2015B (the “2015B Series”), with a fixed interest rate of 2.1515% through June 30, 2025. The remaining outstanding 2015B Series bonds are due in annual principal payments ranging from \$355,000 to \$360,000 and mature between July 1, 2024 and July 1, 2025.

The University may prepay the 2015B Series at any time, subject under certain circumstances to a prepayment penalty not to exceed 2%, declining over time to 0% on and after July 1, 2024.

The interest rate will reset for an additional term to be negotiated on July 1, 2025. The reset rate will equal the sum of (a) 65% of the applicable term Constant Maturity Treasury rate, and (b) 1.00%. The remaining principal balance of \$4,080,000 as of that date will be paid in annual installments ranging from \$370,000 to \$450,000, with a final maturity date of July 1, 2035.

On May 5, 2021, the 2015B Series principal payments due July 1, 2021, July 1, 2022, and July 1, 2023, were defeased in full with proceeds of the Series 2021A-2 Refunding Revenue Bonds and Series 2021B Taxable Refunding Revenue Bonds.

Revenue Bonds - Series 2018

On October 17, 2018, the University issued \$10,155,000 in Revenue Bonds, Series 2018 (2018 Series), with interest rates of 3.00% to 4.00%. The 2018 Series bonds are due in annual principal payments ranging from \$390,000 to \$680,000, and mature between July 1, 2022 and July 1, 2038. Interest payments are payable semi-annually.

The 2018 Series bonds maturing in the years 2026 and thereafter are subject to optional redemption and payment prior to maturity on any date on or after July 1, 2027.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Revenue Bonds - Series 2021A-1

On May 5, 2021, the University issued \$10,365,000 in Revenue Bonds, Series 2021A-1 (2021A-1 Series), with interest rates of 2.00% to 4.00%. The 2021A-1 Series bonds are due in annual principal payments ranging from \$365,000 to \$665,000, and mature between July 1, 2024 and July 1, 2042. Interest payments are payable semi-annually.

The 2021A-1 Series bonds maturing in the years 2032 and thereafter are subject to optional redemption and payment prior to maturity on any date on or after July 1, 2032.

Refunding Revenue Bonds - Series 2021A-2

On May 5, 2021, the University issued \$3,675,000 in Refunding Revenue Bonds, Series 2021A-2 (2021A-2 Series), with interest rates of 2.00% to 4.00%. The 2021A-2 Series bonds are due in annual principal payments ranging from \$35,000 to \$555,000, and mature between July 1, 2024 and July 1, 2041. Interest payments are payable semi-annually.

The 2021A-2 Series bonds maturing in the years 2036 and thereafter are subject to optional redemption and payment prior to maturity on any date on or after July 1, 2031.

Taxable Refunding Revenue Bonds - Series 2021B

On May 5, 2021, the University issued \$6,810,000 in Taxable Refunding Revenue Bonds, Series 2021B (2021B Series), with interest rates of 0.25% to 3.25%. The 2021B Series bonds are due in annual principal payments ranging from \$290,000 to \$1,765,000, and mature between July 1, 2022 and July 1, 2041. Interest payments are payable semi-annually.

The 2021B Series bonds maturing in the years 2036 and thereafter are subject to optional redemption and payment prior to maturity on any date on or after July 1, 2031.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

The annual requirements to repay all bonds (excluding the 2015B Series, which were privately placed) outstanding at June 30, 2024, including interest payments, are as follows:

For The Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,985,000	\$ 1,519,471	\$ 3,504,471
2026	2,080,000	1,416,779	3,496,779
2027	2,165,000	1,316,816	3,481,816
2028	2,240,000	1,223,490	3,463,490
2029	2,320,000	1,126,136	3,446,136
2030-2034	9,875,000	4,458,152	14,333,152
2035-2039	13,215,000	2,249,412	15,464,412
2040-2042	5,625,000	279,274	5,904,274
	\$ 39,505,000	\$ 13,589,530	\$ 53,094,530

The annual requirements to repay the privately placed 2015B Series outstanding at June 30, 2024, including interest payments, are as follows:

For The Year Ending June 30,	Principal	Interest	Total
2025	\$ 360,000	\$ 95,527	\$ 455,527
2026	370,000	87,781	457,781
2027	380,000	79,821	459,821
2028	385,000	71,645	456,645
2029	395,000	63,362	458,362
2030-2034	2,100,000	186,104	2,286,104
2035	450,000	9,682	459,682
	\$ 4,440,000	\$ 593,921	\$ 5,033,921

Financed Purchase Obligations

On June 28, 2013, the University entered into a financed purchase obligation agreement to fund equipment purchases relating to a campus-wide energy efficiency project. The lease has an original amount of \$10,000,000 with a net interest cost of 2.236%. The lease term is 15 years, with annual principal and interest payments of \$793,418 due each year on June 28. Prior to the end of the term, the University may terminate the lease at any time by making a payment equal to 103% of the then-outstanding principal balance.

Equipment capitalized under this lease agreement totaled \$12,661,501. The related accumulated depreciation totaled \$5,608,919 and \$5,058,604 at June 30, 2024 and 2023, respectively. This lease was paid off early in December of 2021.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

On July 19, 2019, the University entered into a financed purchase obligation agreement to fund computer equipment purchases and to begin a five-year replacement/refresh cycle to keep desktop and laptop systems current, operational and consistent across campus. The original amount of the four-year lease was \$1,292,460 with an interest rate of 2.60%. Annual principal and interest payments of \$271,929 are due July 19 each year, beginning in 2019 and ending in 2023. Title to the equipment is held by the University.

On July 6, 2022, the University entered into a financed purchase obligation agreement to fund computer equipment purchases for the Tech campus for laptops. The original amount of the five-year lease was \$40,867 with an interest rate of 7.48%. Monthly principal and interest payments of \$819 are due each month beginning in 2023 and ending in 2028. Title to the equipment is held by the University.

Lease Arrangements

During the year ended June 30, 2022, the University entered into a lease arrangement for buildings and related improvements. The lease contract expires July 2026. Payments on the lease are \$6,755 a month at an implied interest rate of 2.6%. The right-to-use assets are intangible assets and are recorded in Note 5. During 2024 and 2023, the University paid \$81,060 and \$81,060, respectively, in lease payments.

The annual requirements to repay leases liabilities outstanding at June 30, 2024, including interest payments, are as follows:

For The Year Ending June 30,	Principal	Interest
2025	\$ 81,060	\$ 2,283
2026	81,060	175
2027	6,755	—
	\$ 168,875	\$ 2,458

Subscription Arrangements

The annual requirements to repay subscription liabilities outstanding at June 30, 2024, including interest payments, are as follows:

For The Year Ending June 30,	Principal	Interest
2025	\$ 1,122,673	\$ 39,310
2026	618,215	34,012
2027	441,538	22,052
2028	456,869	13,173
2029	199,223	3,986
	\$ 2,838,518	\$ 112,533

Lessor

The University has entered into arrangements to lease cell towers owned by the University to others. The lease contracts expire at various dates through 2032, assuming that all renewal options are exercised by the lessee. During 2024 and 2023, the University received \$117,127 and \$146,651, respectively, in lease revenue which represents the total amount of inflows of resources recognized in the reporting period from leases.

7. Pension Plan

The University provides retirement benefits for substantially all employees through individual annuities with TIAA-CREF (the Plan). Retirement benefits equal the amount accumulated to each employee's credit at the date of retirement. The costs of the Plan are shared by the University and the employee. The University contributes 10 percent of an employee's salary once the employee has one year of service at the University or any other institution that previously offered a TIAA-CREF plan. The employee's contribution into the Plan is at the discretion of the employee. Certain employees are required to contribute a fixed percentage to the Plan; the percentage is dependent on the employee's annual salary. The Plan cost to the University for the years ended June 30, 2024 and 2023 was approximately \$4,972,000 and \$4,650,000, respectively.

8. Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

Self-Funded Insurance

The University has established a fund for health insurance. The health insurance program began in October 2002 for all University employees. The health insurance fund is funded with contributions made during each payroll period from the University, its employees, and retirees. The rates are based on past historical costs for individual and family coverage and expected future claims. The plan is administered by a third party, which accumulates claims. During 2024 and 2023, the maximum amount the University was responsible for was a \$100,000 stop loss limit per individual. Any expenses incurred above the maximum were reimbursed by the insurance company. The claims liability reported at June 30, 2024 and 2023 is based on the requirements of GASB Statement No 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The cash balance in the health insurance fund as of June 30, 2024 and 2023 was approximately \$5,380,000 and \$6,697,000, respectively.

The changes in health care claims payable for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Claims payable - beginning of year	\$ 384,518	\$ 363,964
Incurred claims	9,093,505	8,896,265
Claim payments	(9,089,703)	(8,875,711)
Claims payable - end of year	<u>\$ 388,320</u>	<u>\$ 384,518</u>

Claims payable is included in accounts payable and accrued liabilities on the statements of net position.

9. Litigation And Contingencies

The University is a party to litigation matters and claims which are normal in the course of its operations. While the results of litigation and claims cannot be predicted with certainty, based on advice of counsel and considering insurance coverage, management believes the final outcome of such matters will not have a material adverse effect on the University's financial position.

Perkins Loan Program

The University participates in the Federal Perkins Loan Program, under which loans are provided to eligible students and repayments are made directly to the University to provide funding for future eligible participants in the program. Effective October 1, 2015, the Department of Education (ED) stipulated that new loans may not be disbursed under the program; however, the Perkins Loan Extension Act of 2015 was passed in December 2015 extending the date for which Perkins Loans may be disbursed to September 30, 2017. Therefore, effective October 1, 2017, new loans may not be awarded under the program and will ultimately result in the closure of the program.

Pursuant to GASB accounting standards, the University has recorded previous contributions from the federal government for the program as revenue (and related restricted net position) in the period that the funds were received. The closure of this program will result in the University recording an expense when returning previous federal contributions received under this program to the ED.

As a part of the program, each year a Distribution of Assets calculation is made by the ED to calculate any required amounts to be returned to the ED. Going forward, each year the ED will request the University to return the ED's interest in the cash restricted for the Perkins Loan program held by the University at each June 30. The request by the ED will be made subsequent to the submission of the FISAP, which is due by October 1 of each year following the most recent June 30 date. The University's cash restricted for the Perkins Loan Program for which all or a portion could be required to be returned in the 2024-2025 fiscal year totaled \$31,937 at June 30, 2024, and will change in future years based upon the activity of the program. Amounts expected to be returned in the fiscal year ending June 30, 2025, have not been accrued at June 30, 2024 and will be recognized in expense in the year ended June 30, 2025 when funds are returned.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

10. Condensed Combined Statements

Condensed combined statements for the University and its blended component unit, Washburn Tech, are presented on the following pages for the years ended June 30, 2024 and 2023.

Condensed Combined Statements Of Net Position June 30, 2024

	Washburn University	Washburn Tech	Eliminations	Combined
Assets:				
Current assets	\$ 71,876,446	\$ 17,682,892	\$ —	\$ 89,559,338
Noncurrent assets	224,819,579	4,933,906	—	229,753,485
Total Assets	296,696,025	22,616,798	—	319,312,823
Liabilities:				
Current liabilities	49,216,271	2,475,539	—	51,691,810
Noncurrent liabilities	45,733,699	150,064	—	45,883,763
Total Liabilities	94,949,970	2,625,603	—	97,575,573
Deferred Inflows Of Resources	753,620	—	—	753,620
Net Position:				
Net investment in capital assets	103,744,510	7,111,208	—	110,855,718
Restricted - nonexpendable	27,993,305	—	—	27,993,305
Restricted - expendable	12,577,379	2,678,301	—	15,255,680
Unrestricted	56,677,241	10,201,686	—	66,878,927
Total Net Position	\$ 200,992,435	\$ 19,991,195	\$ —	\$ 220,983,630

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

Condensed Combined Statements Of Revenues, Expenses, And Changes In Net Position For The Year Ended June 30, 2024

	Washburn University	Washburn Tech	Eliminations	Combined
Operating Revenues:				
Tuition and fees	\$ 29,494,030	\$ 2,458,892	\$ —	\$ 31,952,922
Auxiliary enterprises	7,560,759	—	—	7,560,759
Other operating revenues	2,728,989	283,662	(100,000)	2,912,651
Total Operating Revenues	39,783,778	2,742,554	(100,000)	42,426,332
Operating Expenses:				
Education and general	88,187,400	12,833,320	(1,097,982)	99,922,738
Depreciation and amortization	11,208,145	1,161,919	—	12,370,064
Financial aid	2,632,593	98,936	—	2,731,529
Auxiliary enterprises	4,952,462	—	—	4,952,462
Self-insurance claims, net of premiums	8,617,708	—	997,982	9,615,690
Total Operating Expenses	115,598,308	14,094,175	(100,000)	129,592,483
Operating Loss	(75,814,530)	(11,351,621)	—	(87,166,151)
Nonoperating Revenues (Expenses):				
State and local appropriations	52,172,823	11,423,151	—	63,595,974
Grants and contracts	12,914,849	2,458,767	—	15,373,616
Gifts	15,071,493	94,991	—	15,166,484
Investment income	4,588,139	907,875	—	5,496,014
Interest on indebtedness	(1,422,433)	—	—	(1,422,433)
Other nonoperating expenses	(1,757,450)	(176,389)	—	(1,933,839)
Net Nonoperating Revenues	81,567,421	14,708,395	—	96,275,816
Income (Loss) Before Other Revenues	5,752,891	3,356,774	—	9,109,665
Capital Grant And Gifts	251,478	—	—	251,478
Transfers	49,065	(49,065)	—	—
Additions To Permanent Endowments	89,295	—	—	89,295
Change In Net Position	6,142,729	3,307,709	—	9,450,438
Net Position - Beginning Of Year	194,849,706	16,683,486	—	211,533,192
Net Position - End Of Year	\$ 200,992,435	\$ 19,991,195	\$ —	\$ 220,983,630

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Condensed Combined Statements Of Net Position June 30, 2023

	Washburn University	Washburn Tech	Eliminations	Combined
Assets:				
Current assets	\$ 73,988,814	\$ 12,587,539	\$ —	\$ 86,576,353
Noncurrent assets	188,084,716	5,370,571	—	193,455,287
Total Assets	262,073,530	17,958,110	—	280,031,640
Liabilities:				
Current liabilities	17,614,936	1,056,222	—	18,671,158
Noncurrent liabilities	48,750,954	218,404	—	48,969,358
Total Liabilities	66,365,890	1,274,626	—	67,640,516
Deferred Inflows Of Resources	857,932	—	—	857,932
Net Position:				
Net investment in capital assets	96,748,188	5,299,211	—	102,047,399
Restricted - nonexpendable	26,942,371	—	—	26,942,371
Restricted - expendable	12,955,785	2,430,756	—	15,386,541
Unrestricted	58,203,362	8,953,519	—	67,156,881
Total Net Position	\$ 194,849,706	\$ 16,683,486	\$ —	\$ 211,533,192

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Condensed Combined Statements Of Revenues, Expenses, And Changes In Net Position For The Year Ended June 30, 2023

	Washburn University	Washburn Tech	Eliminations	Combined
Operating Revenues:				
Tuition and fees	\$ 28,551,811	\$ 2,720,335	\$ —	\$ 31,272,146
Auxiliary enterprises	6,807,943	—	—	6,807,943
Other operating revenues	2,682,959	254,676	(105,560)	2,832,075
Total Operating Revenues	38,042,713	2,975,011	(105,560)	40,912,164
Operating Expenses:				
Education and general	79,932,091	11,765,073	(1,038,357)	90,658,808
Depreciation and amortization	10,585,721	1,373,193	—	11,958,914
Financial aid	1,564,209	254,983	—	1,819,192
Auxiliary enterprises	4,462,608	—	—	4,462,608
Self-insurance claims, net of premiums	7,955,381	—	932,797	8,888,178
Total Operating Expenses	104,500,010	13,393,249	(105,560)	117,787,699
Operating Loss	(66,457,297)	(10,418,238)	—	(76,875,535)
Nonoperating Revenues (Expenses):				
State and local appropriations	49,472,872	7,962,813	—	57,435,685
Grants and contracts	10,348,441	1,849,400	—	12,197,841
Gifts	19,730,484	276,922	—	20,007,406
Investment income	2,869,577	478,144	—	3,347,721
Interest on indebtedness	(1,402,670)	—	—	(1,402,670)
Other nonoperating expenses	(1,338,435)	(311,875)	—	(1,650,310)
Net Nonoperating Revenues	79,680,269	10,255,404	—	89,935,673
Income (Loss) Before Other Revenues	13,222,972	(162,834)	—	13,060,138
Capital Grant And Gifts	251,478	—	—	251,478
Transfers	32,625	(32,625)	—	—
Additions To Permanent Endowments	169,179	—	—	169,179
Change In Net Position	13,676,254	(195,459)	—	13,480,795
Net Position - Beginning Of Year	181,173,452	16,878,945	—	198,052,397
Net Position - End Of Year	\$ 194,849,706	\$ 16,683,486	\$ —	\$ 211,533,192

11. Washburn University Foundation - Accounting Policies And Disclosures

Basis Of Financial Presentation

The Foundation's consolidated financial statements include the accounts of the Foundation, the LLC, and the Fund in accordance with accounting principles generally accepted in the United States of America. All significant intercompany transactions have been eliminated in consolidation.

The Foundation uses the accrual method of accounting.

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Assets without donor restrictions represent amounts available for support of the operations of the Foundation, and that are not subject to donor stipulation.

Assets with donor restrictions are subject to donor and/or time restrictions. These funds either require that the principal be invested in perpetuity and the income only be used by the Foundation or are restricted by the donor's intent as to usage.

Fair Value Measurement

Assets recorded at fair value on the statement of financial position are categorized based upon the level of observability associated with the inputs used to measure their fair value. Fair value is defined as the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The availability of observable inputs is affected by a variety of factors, including the type of asset and the transparency of market transactions. To the extent that fair value is based on inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 - Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs are other than quoted prices in active markets that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs are unobservable and significant to the asset, and include situations where there is little, if any, market activity.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants used to make valuation decisions, including assumptions about risk. Inputs may include market price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. The classification of a financial asset within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by management. Management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of a fund within the hierarchy is based upon the pricing transparency of that fund and does not necessarily correspond to management’s perceived risk of that fund.

The fair value of the securities included in Level 1 include equity securities that are traded on an active exchange and are valued at the quoted market prices based on the last sale price on the measurement date. The fair value of the securities included in Level 2 include U.S. government obligations that are valued using pricing models maximizing the use of observable inputs for similar securities, as provided by the broker, a Federally Insured Cash Account that is valued using pricing models, as provided by the investment fund, and life insurance policies that are valued based on information provided by the life insurance companies.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets. For the years ended June 30, 2024 and 2023, there were no significant transfers in or out of Levels 1, 2 or 3.

Investments

Investments in equity securities with readily determinable values are reported at fair value. Investments in various hedge funds, commingled accounts, and limited partnerships are recorded at the net asset value (NAV) per share, as a practical expedient to fair value, of the investments. Private equity and private real estate investments are carried at cost, less any adjustments for impairment.

The Foundation has a policy of pooling assets for investment purposes, unless donor restrictions prohibit such pooling. The Foundation allocates a portion of investment income from pooled assets to support the Foundation's operations. The amount of investment income allocated for fiscal year 2024 and 2023 was approximately \$1,080,000 and \$1,139,000, respectively. The remaining investment return from pooled assets was generally allocated to each fund in the pool based on its relative market value.

Investment securities are exposed to various risks such as interest rate, market fluctuation, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect investments and the amounts reported in the consolidated statement of financial position and consolidated statement of activities.

All investment income and realized and unrealized gains and losses are reported on the consolidated statement of activities and classified as without donor restrictions unless restricted by the donor or applicable law.

Pledges Receivable – Promises To Give

Unconditional promises to give that are expected to be received within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured at the present value of the estimated future cash flows. The discounts on those amounts are determined using risk-free rates, adjusted for a risk premium rate if necessary.

Conditional promises to give are not recorded until such time as the conditions are substantially met.

Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The FASB also subsequently issued additional ASUs, which amended and clarified the standard. The most significant changes are the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position, as well as expanded disclosure requirements. The Foundation adopted the new lease standard on July 1, 2022, using the modified retrospective effective date transition method while utilizing certain practical expedients.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

Management has elected to apply the package of practical expedients during transition that allows the Foundation to not reassess expired or existing contracts and leases for decisions that were already properly made under Topic 840, *Leases*. Management has also elected to apply the risk-free discounted interest rate practical expedient, which allows the Foundation to make an accounting policy election to use a risk-free rate as the discount rate. The transition to these ASUs represents a change in accounting principle. Management has determined the adoption of this new standard did not have a material impact on the Foundation's consolidated financial statement. Accordingly, no adjustment is required at the time of adoption.

Investments

Investments are reflected in the financial statements at fair value or cost in accordance with applicable accounting standards. Investments are as follows at June 30:

	2024			
	Total	Level 1	Level 2	Level 3
Investments carried at fair value:				
U.S. equity	\$ 27,509	\$ 27,509	\$ —	\$ —
International equity	6,464,848	6,464,848	—	—
Fixed income	4,346,650	—	4,346,650	—
Cash management	6,509,928	—	6,509,928	—
Life insurance policies	1,844,426	—	1,844,426	—
Other	226,639	—	—	226,639
Total	19,420,000	\$ 6,492,357	\$ 12,701,004	\$ 226,639
Investments at NAV	146,681,519			
Private equity investments	26,356,701			
Private real estate investments	7,012,900			
Total at cost	33,369,601			
Total investments	\$ 199,471,120			

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

	2023			
	Total	Level 1	Level 2	Level 3
Investments carried at fair value:				
U.S. equity	\$ 7,100,609	\$ 7,100,609	\$ —	\$ —
International equity	4,871,665	4,871,665	—	—
Fixed income	4,336,355	—	4,336,355	—
Cash management	3,261,379	—	3,261,379	—
Life insurance policies	1,740,145	—	1,740,145	—
Other	223,945	—	—	223,945
Total	21,534,098	\$ 11,972,274	\$ 9,337,879	\$ 223,945
Investments at NAV	126,002,226			
Private equity investments	24,877,073			
Private real estate investments	6,336,569			
Total at cost	31,213,642			
Total investments	\$ 178,749,966			

The following table provides a summary of changes in the fair value of the Foundation's Level 3 investments:

	2024	2023
Beginning fair value	\$ 223,945	\$ 225,560
Net change in value	2,694	(1,615)
Ending fair value	\$ 226,639	\$ 223,945

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Investments at NAV

Investments that are measured using the NAV practical expedient, by type, are outlined in the table below.

Description	June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
U.S. equity (a)	\$ 36,822,685	None	Monthly, quarterly	7-60 days
International equity (b)	24,335,672	None	Semi-monthly, quarterly, monthly	7-45 days
Global equity (c)	25,417,484	None	Weekly, every three years	6-126 days
Alternatives (d)	27,865,022	None	Monthly, quarterly, annually, 36- month	10-65 days
Public real estate (e)	9,820,246	None	Monthly, quarterly	15-90 days
Fixed income (f)	22,420,410	None	Daily, semi-monthly	2-5 days
	<u>\$ 146,681,519</u>			

Description	June 30, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
U.S. equity (a)	\$ 25,564,270	None	Monthly, quarterly	10-60 days
International equity (b)	22,397,063	None	Semi-monthly, monthly	6-31 days
Global equity (c)	23,039,274	None	Weekly, every three years	6-126 days
Alternatives (d)	26,212,405	None	Monthly, quarterly, annually	10-90 days
Public real estate (e)	9,161,725	None	Monthly	15-30 days
Fixed income (f)	19,627,489	None	Daily	1-2 days
	<u>\$ 126,002,226</u>			

- (a) This category includes investments in an offshore fund, limited partnership with strategies, including ex Small Cap Growth, Opportunistic, and long/short funds (130/30).
- (b) This category includes investments in a commingled account, an investment trust, an offshore fund, and limited partnerships with strategies, including Global ex U.S. Diverse, Global ex U.S. Growth, Global ex U.S. Small Company Equity, Emerging Market Equity, and Chinese Equity.
- (c) This category includes an investment in an offshore fund and an open-ended investment company with strategies in Global Value and Concentrated Long Equity.

- (d) This category includes investments in offshore funds, limited partnerships and a commingled account with strategies including Long/Short Growth; Multi-Strategy, Event Driven; Fixed Income Arbitrage; Multi-Strategy, Credit; Global Macro, 130/30; Global Tactical Asset Allocation; and Diversified Multi-Strategy. Certain funds may have the ability to impose suspension or postponement of redemptions until further notice (a Gate). In addition, certain funds may delay payment of a portion of redemption proceeds (a Holdback) until the annual audited financial statements are distributed.
- (e) This category includes investments in a commingled account and limited partnerships with strategies, including Global REIT, MLP-Energy, and Carbon Allowances.
- (f) This category includes commingled accounts with an Intermediate-Term Fixed Income Strategy and a short-term fixed income strategy.

Private Placement Investments

Private placement investments include private equity and private real estate investments. These investments are recorded in the Foundation financial statements at cost, less any impairment adjustment, in the absence of readily determinable fair market values.

The Foundation's private placement investments are susceptible to changes in the U.S. and foreign economies. Management evaluates each investment, considering the near-term prospects of the investee, the age of the investment, and the Foundation's estimated future cash inflows from the investments. As a result of this evaluation, in 2024 it was determined that there was no impairment and, accordingly, the carrying value of these investments was not reduced. However, in 2023 it was determined that the value of five private investments were impaired and, accordingly, the carrying value of these investments was reduced in the amount of \$273,373. The impairment adjustment resulted in a reduction of Foundation investment income of \$210,497 in 2023, and a reduction of investment income on agency funds held for the University and Law School Foundation of \$62,876 in 2023. The cumulative impairment adjustments on private placement investments still held since inception total \$4,815,111, none of which occurred during 2024.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

The private placement investees provide the Foundation with capital account information based on the estimated value of the underlying investments. The cumulative value as reported by the investees totaled approximately \$48,870,943 as of June 30, 2024, which indicates a net unrealized gain of \$15,501,342. The net unrealized gain is composed of gross unrealized gains of \$15,927,347 and gross unrealized losses of \$(426,005).

The Foundation has unfunded commitments on private placement investment funds of approximately \$21,100,000 at June 30, 2024.

These private placement investments do not provide for withdrawals or redemptions at the initiative of the partners; rather, distributions will be paid as investments are liquidated or from distributable cash as determined by the partnership agreements.

Investment Return

Amounts included in investment return, net of income (loss) allocated to agency funds are as follows:

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 2,205,253	\$ 2,001,784
Net realized gain	5,112,498	1,780,527
Change in net unrealized (loss) gain	8,716,115	8,984,289
Investment expense	(786,927)	(724,763)
Permanent impairment on private placement investments	—	(210,497)
	<u>\$ 15,246,939</u>	<u>\$ 11,831,340</u>

Pledges Receivable

The Foundation estimates pledges receivable will be collected as follows:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 4,908,086	\$ 5,263,070
Receivable in one to five years	22,971,949	10,895,567
Thereafter	13,681,078	15,301,584
	<u>41,561,113</u>	<u>31,460,221</u>
Less allowance for uncollectible pledges	(70,753)	(86,644)
Less unamortized discount	(9,874,035)	(7,772,496)
	<u>\$ 31,616,325</u>	<u>\$ 23,601,081</u>

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Pledges receivable (after discount) from two single donors total approximately \$20,400,000 at June 30, 2024 and \$16,700,000 at June 30, 2023. Pledges receivables are discounted at 5.6% and 4.2% in 2024 and 2023, respectively, except for one long-term pledge (16 years) in the amount of approximately \$3,852,000, which is discounted at a rate of 6% in 2024 and 5.5% in 2023.

The Foundation considers pledges receivable to be classified as Level 3 within the fair value hierarchy. The following table provides a summary of changes in the fair value of the Foundation's pledges receivable.

	<u>2024</u>	<u>2023</u>
Pledges receivable, beginning	\$ 23,601,081	\$ 18,618,566
New pledges	17,830,435	10,600,219
Pledge payments received	(7,605,437)	(3,492,729)
Pledges written off	(14,977)	(556,069)
Reclassifications and change in discount	(2,194,777)	(1,568,906)
<u>Pledges receivable, ending</u>	<u>\$ 31,616,325</u>	<u>\$ 23,601,081</u>

The Foundation has been notified of additional intentions to give that are expected to be collected in future periods, principally through wills and revocable trusts. As such, these intentions to give are considered conditional and have not been recorded in the financial statements.

The Foundation is the residual beneficiary of an estate gift from the trust of an individual donor with a current value of approximately \$6,250,000 (unaudited). This deferred gift has not been included in the accompanying financial statements in accordance with current accounting guidance.

Beneficial Interests In Trusts

The following is a summary of beneficial interests in trusts. The Foundation considers all of these trusts to be classified as Level 3 within the fair value hierarchy.

	<u>2024</u>	<u>2023</u>
Perpetual trusts	\$ 9,103,615	\$ 8,607,680
Charitable remainder trusts	159,541	149,751
Charitable lead trust	18,093	322,595
	<u>\$ 9,281,249</u>	<u>\$ 9,080,026</u>

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements (Continued)

The following table provides a summary of changes in the fair value of the Foundation's beneficial interests in trusts:

	2024	2023
Beginning fair value	\$ 9,080,026	\$ 8,924,689
Distributions to Foundation	(570,692)	(574,553)
Change in value in beneficial interest	771,915	729,890
Ending fair value	\$ 9,281,249	\$ 9,080,026

Net Assets And Agency Funds

Net assets and agency funds by purpose and type are as follows at June 30:

	With Donor Restrictions			Without Donor Restrictions	Foundation Total Net Assets	Agency Funds (Related Parties)	Total	%
	2024	Perpetual	Spendable					
Scholarship	\$ 83,955,442	\$ 4,350,625	\$ 7,530,915	\$ —	\$ 95,836,982	\$ 26,549,586	\$ 122,386,568	50.4
Student support	967,900	265,996	72,640	—	1,306,536	93,402	1,399,938	0.8
Program support	22,311,773	6,445,364	2,818,732	—	31,575,869	4,480,963	36,056,832	13.8
Faculty support	4,434,576	169,210	—	—	4,603,786	222,150	4,825,936	2.3
Professorship/Chairs	14,300,105	—	233,171	—	14,533,276	3,550,932	18,084,208	8.2
Capital	1,950,818	8,685,781	20,613,744	—	31,250,343	70,333	31,320,676	10.1
Restricted for time purposes	—	—	9,417	—	9,417	275,859	285,276	0.1
Area of greatest need:								
Undesignated	—	—	—	15,994,736	15,994,736	3,746,540	19,741,276	9.4
Other	—	536,587	—	—	536,587	—	536,587	0.2
Perpetual endowment	5,540,047	—	—	—	5,540,047	2,261,462	7,801,509	3.3
Undistributed income subject to spending policy	3,351,933	—	—	—	3,351,933	(291,065)	3,060,868	1.4
	\$ 136,812,594	\$ 20,453,563	\$ 31,278,619	\$ 15,994,736	\$ 204,539,512	\$ 40,960,162	\$ 245,499,674	100.0

	With Donor Restrictions			Without Donor Restrictions	Foundation Total Net Assets	Agency Funds (Related Parties)	Total	%
	2023	Perpetual	Spendable					
Scholarship	\$ 78,132,119	\$ 3,335,424	\$ 3,939,488	\$ —	\$ 85,407,031	\$ 25,112,717	\$ 110,519,748	50.4
Student support	1,025,670	524,027	107,028	—	1,656,725	89,292	1,746,017	0.8
Program support	21,022,881	5,312,641	1,628,769	—	27,964,291	3,271,385	31,235,676	13.8
Faculty support	4,319,588	171,333	—	—	4,490,921	212,013	4,702,934	2.3
Professorship/Chairs	13,058,064	—	281,075	—	13,339,139	3,581,644	16,920,783	8.2
Capital	1,786,833	3,743,114	17,628,655	—	23,158,602	67,410	23,226,012	10.1
Restricted for time purposes	—	—	7,524	—	7,524	4,084	11,608	0.1
Area of greatest need:								
Undesignated	—	—	—	14,966,888	14,966,888	3,961,947	18,928,835	9.4
Other	—	156,730	—	—	156,730	—	156,730	0.2
Perpetual endowment	5,534,300	—	—	—	5,534,300	2,250,580	7,784,880	3.3
Undistributed income subject to spending policy	2,929,723	—	—	—	2,929,723	(364,127)	2,565,596	1.4
	\$ 127,809,178	\$ 13,243,269	\$ 23,592,539	\$ 14,966,888	\$ 179,611,874	\$ 38,186,945	\$ 217,798,819	100.0

Endowment Funds

The Foundation's endowment consists of approximately 800 funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds that the Foundation must hold in perpetuity. 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 State of Kansas has enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which provides guidance and authority for the management of endowment funds.

The Board of Directors of the Foundation has interpreted UPMIFA 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 Foundation classifies as net assets with donor restrictions (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. Investment earnings on the endowment fund remain classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds including the ability to spend from underwater funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation 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 Foundation
- (7) The investment policies of the Foundation

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Directors, the Foundation feels that distributions to be made in the future are as important as distributions made today. This is consistent with the philosophy that the Foundation is to exist in perpetuity, and therefore, should provide for distributions

in perpetuity. The Foundation expects its endowment funds, over time, to provide an annualized total return (net of fees and expenses), through appreciation and investment income, equal to or greater than the rate of inflation, plus the Board approved distribution to Washburn University and budgeted operating expenses.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy of appropriating for distribution an amount which normally makes available a percentage (4.35% in 2024 and 4.45% in 2023) of the twenty-one quarter moving average of the market value of the endowment pool. These computations are completed quarterly and commence with the September quarter-end prior to the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the Foundation's primary objective of providing Washburn University with stable and predictable support for students and programs. To attain this goal, the Foundation seeks to grow the aggregate portfolio funds in perpetuity through investment earnings and growth through new gifts.

In February 2024, the Foundation's Board of Directors reviewed and approved the distribution of earnings from all funds including underwater endowments.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration (underwater endowments). These deficiencies result from unfavorable market fluctuations and continued appropriation for certain programs as deemed prudent by the Board of Directors.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

At June 30, funds with deficiencies were reported in net asset with donor restrictions as detailed below:

	<u>2024</u>	<u>2023</u>
Fair value of underwater endowment funds	\$ 40,092,044	\$ 56,415,795
Original endowment gift amount	50,186,965	68,849,475
<u>Deficiencies of underwater endowment funds</u>	<u>\$ 10,094,921</u>	<u>\$ 12,433,680</u>

Composition and changes in endowment net assets for the year ended June 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>June 30, 2024 Total</u>
Endowment net assets, beginning of year	\$ 725,386	\$ 103,224,999	\$ 103,950,385
Investment return, net	75,098	10,663,436	10,738,534
Contributions	—	2,871,770	2,871,770
Appropriation of endowment assets for expenditure	(394,685)	(5,253,882)	(5,648,567)
Other changes: Release from time restriction	342,392	(342,392)	—
<u>Endowment net assets, end of year</u>	<u>\$ 748,191</u>	<u>\$ 111,163,931</u>	<u>\$ 111,912,122</u>

Composition and changes in endowment net assets for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>June 30, 2023 Total</u>
Endowment net assets, beginning of year	\$ 710,675	\$ 94,888,879	\$ 95,599,554
Investment return, net	70,744	8,797,505	8,868,249
Contributions	—	4,360,827	4,360,827
Appropriation of endowment assets for expenditure	(397,333)	(4,480,912)	(4,878,245)
Other changes: Release from time restriction	341,300	(341,300)	—
<u>Endowment net assets, end of year</u>	<u>\$ 725,386</u>	<u>\$ 103,224,999</u>	<u>\$ 103,950,385</u>

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Related Parties

The Foundation and the University have an agreement designating the Foundation as the fundraising organization that solicits, receives, manages and disburses charitable contributions on behalf of the University. Distribution of amounts held in the funds of the Foundation is subject to the approval of the Foundation and the availability of monies and are in accordance with the terms of donor-gifting agreements. Accordingly, the accompanying financial statements generally reflect expenditures for which appropriate documentation has been submitted to and approved by the Foundation as of the financial reporting date.

As of June 30, 2024 and 2023, the Foundation owes the University \$208,181 and \$215,356, respectively, for amounts related to outstanding billings on private gift funds and reimbursement of operating expenses.

During 2024 and 2023, the Foundation provided direct support in the amount of \$13,506,871 and \$18,691,420, respectively, and made distributions from agency accounts as reflected below.

The University provides free use of certain facilities and services to the Foundation. The Foundation recorded in-kind contribution revenue and expense of \$345,000 for 2024 and 2023. The contributed facilities and services are used for both program and support services and the fair value is estimated using the average price per square foot of similar rental listings.

The Foundation holds and manages certain assets of the University and Law School Foundation. Combined agency transactions were as follows:

	<u>2024</u>	<u>2023</u>
Fair market value of agency accounts, beginning of year	\$ 38,186,945	\$ 36,685,785
Contributions	1,343,915	406,130
Non-gift income	140,144	117,907
Investment return, net	4,025,293	3,432,788
Distributions	(2,038,494)	(1,745,749)
Expense allocation for administration and fundraising	(697,641)	(709,916)
	<u>\$ 40,960,162</u>	<u>\$ 38,186,945</u>

12. Washburn Law School Foundation - Accounting Policies And Disclosures

Basis Of Accounting And Presentation

The Law Foundation uses the accrual method of accounting.

The Law Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Assets without donor restrictions represent amounts available for support of the operations of the Law Foundation, and that are not subject to donor stipulation.

Assets with donor restrictions are subject to donor and/or time restrictions. These funds require either that the principal be invested in perpetuity and the income only be used by the Law Foundation or are restricted by the donor's intent as to usage.

Accounting Pronouncements Adopted

Effective July 1, 2021, the Foundation adopted ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This accounting standard requires new presentation and disclosure standards for gifts-in-kind. Adoption of the new standard did not have a material impact on the Foundation's financial statements.

Investments Held At Washburn University Foundation

The Law Foundation has an agreement with Washburn University Foundation (the University Foundation) whereby the University Foundation provides administration, fundraising, accounting, and investment services to the Law Foundation. Investments held at Washburn University Foundation consist of investments and earnings held at the University Foundation for the benefit of the Law Foundation. These amounts are pooled with other funds held by the University Foundation for investment purposes, unless donor restrictions prohibit such pooling. Income received from pooled assets is allocated to various funds calculated on the value of the entire pool.

WASHBURN UNIVERSITY OF TOPEKA

Notes to Financial Statements *(Continued)*

Investments held at Washburn University Foundation are reported at fair value, except for private placements, which are reported at cost.

Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect investments and the amounts reported in the statement of financial position and the statement of activities.

All investment income and realized and unrealized gains and losses are reported on the statement of activities and classified as without donor restriction unless restricted by the donor or applicable law.

Amounts included in investment return, net in the statement of activities are:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 30,955	\$ 37,276
Net realized gain	359,165	138,141
Change in unrealized gain	584,531	624,854
Permanent impairment on private placement investments	—	(10,935)
Investment expense	(52,177)	(46,397)
	<u>\$ 922,474</u>	<u>\$ 742,939</u>

Supplementary Information

WASHBURN UNIVERSITY OF TOPEKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Page 1 Of 3

For The Year Ended June 30, 2024

Cluster/Program	Federal Agency/ Pass-Through Entity	Pass-Through Entity Identifying Number/ Grant Number	AL Number	Amount	Passed Through To Subrecipients
Student Financial Aid Cluster					
Washburn University					
Federal Direct Student Loans	U.S. Department of Education		84,268	\$ 22,221,554	\$ —
Federal Supplemental Educational Opportunity Grant Program	U.S. Department of Education		84,007	115,770	—
Federal Work-Study Program	U.S. Department of Education	WU FY24 CWS payroll thru 6/30/24	84,033	204,773	—
		WU FY24 Community Service payroll	84,033	44,318	—
Total of 84.033				249,091	—
Federal Perkins Loan Program	U.S. Department of Education		84,038	139,406	—
Federal Pell Grant Program	U.S. Department of Education		84,063	8,968,988	—
IASG Grant Program	U.S. Department of Education		84,408	13,113	—
Washburn Institute Of Technology					
Federal Direct Student Loans	U.S. Department of Education		84,268	503,357	—
Federal Pell Grant Program	U.S. Department of Education		84,063	1,041,900	—
Total Student Financial Aid Cluster				38,253,179	—

See the accompanying notes to schedule of expenditures of federal awards.

WASHBURN UNIVERSITY OF TOPEKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

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For The Year Ended June 30, 2024

Cluster/Program	Federal Agency/ Pass-Through Entity	Pass-Through Entity Identifying Number/ Grant Number	AL Number	Amount	Passed Through To Subrecipients
TRIO Cluster					
Washburn University					
TRIO Upward Bound	U.S. Department of Education	P047A221537	84.047A	\$ 262,805	\$ —
Total TRIO Cluster				<u>262,805</u>	<u>—</u>
Career & Technical Education 84.048A					
Washburn University					
Career and Technical Education -- Basic Grants to States	U.S. Department of Education/ Kansas Board of Regents	V048A230016 & V048A220016	84.048A	93,129	—
Washburn Institute Of Technology					
Career and Technical Education -- Basic Grants to States	U.S. Department of Education/ Kansas Board of Regents	V048A230016 & V048A220016	84.048A	154,094	—
Total of 84.048A - Career and Technical Education				<u>247,223</u>	<u>—</u>
Washburn University					
Higher Education Institutional Aid					
Title III Strengthening Institutions	U.S. Department of Education	P031F180097	84.031F	61,301	—
PEAK: Mulvane Art Museum	U.S. Department of Education/ KU Center for Research	S351A210022	84.351	2,610	—
Washburn Institute Of Technology					
Adult Education - Basic Grants to States	U.S. Department of Education / Kansas Board of Regents	V002A230016	84.002A	198,679	—
Total Other U.S. Department Of Education				<u>772,618</u>	<u>—</u>
Total U.S. Department Of Education				<u>34,025,797</u>	<u>—</u>

See the accompanying notes to schedule of expenditures of federal awards.

WASHBURN UNIVERSITY OF TOPEKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Page 3 Of 3

For The Year Ended June 30, 2024

Cluster/Program	Federal Agency/ Pass-Through Entity	Pass-Through Entity Identifying Number/ Grant Number	AL Number	Amount	Passed Through To Subrecipients
U.S. Department Of Health And Human Services					
Washburn University	U.S. Department of Health and Human Services	T94HP30883	93,247	\$ 341,496	\$ —
Advanced Nursing Education Grant Program				341,496	—
Total U.S. Department Of Health And Human Services					
U.S. Department Of Treasury					
Washburn University	U.S. Department of Treasury / Kansas Department of Commerce	SLFRP0140	21,027	58,877	—
WU - Coronavirus State and Local Fiscal Recovery Funds COVID 19					
KTWU - Coronavirus State and Local Fiscal Recovery Funds COVID 19	U.S. Department of Treasury / Kansas Department of Commerce	SLFRP0140	21,027	69,295	—
Demolition - Coronavirus State and Local Fiscal Recovery Funds COVID 19	U.S. Department of Treasury / Kansas Board of Regents	SLFRP0140	21,027	35,297	—
Total U.S. Department of Treasury				163,469	—
Other Agencies					
Washburn University	Federal Highway Administration / Kansas Department of Transportation	106 KA-4549-23 and 106KA-4549-24	20,205	50,000	—
NSTI KDOT STEM Camp					
Small Business Development Center	Small Business Administration / Fort Hays State University	SBAHQ-15-B-0001/0001	59,037	112,858	—
Biomedical Research and Research Training	National Institutes of Health / University of Kansas Medical Center	2P20GM103418-23 and 2P20GM103418-24	93,859	36,961	—
Sex Estimation in Forensic Anthropology	National Science Foundation / University of North Texas Health Center	2214747	47,075	14,560	—
Volunteers in Service to America	Corporation for National and Community Service	17VSWKS004	94,013	45,865	—
Total Expenditures Of Federal Awards				\$ 34,791,006	\$ —

See the accompanying notes to schedule of expenditures of federal awards.

WASHBURN UNIVERSITY OF TOPEKA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2024

1. This schedule includes the federal awards activity of Washburn University of Topeka and of Washburn Institute of Technology and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. The federal Family Education Loan Program-Lenders and federal Perkins Loan Program listed in the schedule of expenditures of federal awards is administered directly by Washburn University of Topeka or Washburn Institute of Technology, and balances and transactions relating to these programs are included in the Washburn University of Topeka's basic financial statements (which include Washburn Institute of Technology as a blended component unit). Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding related to the Perkins Loan Program was \$67,975 as no new loans were issued during the year ended June 30, 2024.

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program and, accordingly, it is not practical to determine the balance of loans outstanding to students and former students of the University under this program at June 30, 2024.

3. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

4. Of the federal expenditures presented in this schedule, the University provided no federal awards to subrecipients.

**Independent Auditors' Report On Internal
Control Over Financial Reporting
And On Compliance And Other Matters
Based On An Audit Of The Financial
Statements Performed In Accordance
With *Government Auditing Standards***

Board of Regents
Washburn University of Topeka
Topeka, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of Washburn University of Topeka (the University) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 11, 2024.

Our report includes a reference to other auditors who audited the financial statements of Washburn University Foundation and Washburn Law School Foundation, discretely presented component units of the University, as described in our report on the University's financial statements. The financial statements of Washburn University Foundation and Washburn Law School Foundation were not audited in accordance with *Governmental Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Washburn University Foundation or Washburn Law School Foundation.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report On Compliance And Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

December 11, 2024

**Independent Auditors' Report On
Compliance For Each Major Federal
Program And A Report On Internal
Control Over Compliance Required By
The Uniform Guidance**

Board of Regents
Washburn University of Topeka
Topeka, Kansas

Report On Compliance For Each Major Federal Program

Opinion On Each Major Federal Program

We have audited Washburn University of Topeka's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2024. The University's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis For Opinion On Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Auditors' Responsibilities For The Audit Of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtaining an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RubinBrown LLP

December 11, 2024

WASHBURN UNIVERSITY OF TOPEKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2024

Section I – Summary Of Auditors’ Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
 Unmodified Qualified Adverse Disclaimed

2. Internal control over financial reporting:
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None Reported

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal programs:
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None Reported

5. Type of auditors’ report issued on compliance for major federal programs was:
Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

7. Washburn University of Topeka’s major programs were:

Cluster/Program	Assistance Listing Number
Student Financial Aid Cluster	
Federal Supplemental Education Opportunity Grants	84.007
Federal Direct Loans	84.268
Federal Work Study Program	84.033
Federal Perkins Loan	84.038
Federal Pell Grant	84.063
IASG Grant	84.408
Career and Technical Education	84.048A

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. Washburn University of Topeka qualified as a low-risk auditee? Yes

WASHBURN UNIVERSITY OF TOPEKA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For The Year Ended June 30, 2024**

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

None



Vice President for Administration and Treasurer
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended June 30, 2024

Finding No.	CFDA No.	Program	Condition	Current Year Status
			None	

**Supplementary Information Required
For Revenue And Revenue Refunding
Bonds**

WASHBURN UNIVERSITY OF TOPEKA

**SCHEDULE 1 - REVENUES, EXPENDITURES, AND
COMPARISON WITH BUDGET**

General Fund

For The Years Ended June 30, 2024 And 2023

	FY 2024 Budget	FY 2024 Actual	FY 2023 Actual
Revenues:			
Tuition and fees	\$ 48,135,012	\$ 50,369,002	\$ 45,754,322
Income from endowment fund	419,381	1,075,020	1,058,354
Sales tax and other taxes	26,600,000	26,600,000	22,241,356
State appropriations	14,000,000	14,000,000	14,000,000
Other income	4,924,793	6,080,571	4,567,711
Use of reserves	2,633,497	—	—
Total Revenues	96,712,683	98,124,593	87,621,743
Expenditures:			
Instruction	42,346,882	35,895,738	34,244,845
Public service, academic support and research	14,790,460	16,789,369	15,478,489
Student services	12,957,526	13,591,904	12,129,989
Institutional support	8,814,110	11,935,605	9,431,449
Maintenance of plant	8,122,800	10,121,595	8,535,030
Scholarships and fellowships	6,839,605	9,598,199	6,797,627
Other expenses and transfers	8,841,301	4,456,700	385,592
Total Expenditures	102,712,684	102,389,110	87,003,021
Change In Net Position	\$ (6,000,001)	(4,264,517)	618,722
Net Position - Beginning Of Year		20,301,132	19,682,410
Net Position - End Of Year		\$ 16,036,616	\$ 20,301,132

WASHBURN UNIVERSITY OF TOPEKA

**SCHEDULE 2 - REVENUES, EXPENDITURES, AND
COMPARISON WITH BUDGET**

**Debt Retirement And Construction Fund
For The Years Ended June 30, 2024 And 2023**

	<u>FY 2024 Budget</u>	<u>FY 2024 Actual</u>	<u>FY 2023 Actual</u>
Revenues:			
Ad valorem property and other taxes	\$ 4,971,970	\$ 6,474,759	\$ 5,719,284
Transfer from other funds - debt service	3,640,154	2,252,197	2,685,674
Total Revenues	<u>8,612,124</u>	<u>8,726,956</u>	<u>8,404,958</u>
Expenditures:			
Bond principal	2,290,000	2,290,000	1,755,000
Lease principal	—	265,038	258,322
Interest and commissions on bonds	1,607,551	1,614,442	1,646,920
Transfers for construction, repairs or equipping of new or existing buildings	4,050,000	4,349,904	4,798,863
ESCO principal payoff	—	—	—
Other expense	1,000,000	—	—
Total Expenditures	<u>8,947,551</u>	<u>8,519,384</u>	<u>8,459,105</u>
Change In Net Position	<u>\$ (335,427)</u>	207,572	(54,147)
Net Position - Beginning Of Year		<u>1,242,875</u>	<u>1,297,022</u>
Net Position - End Of Year		<u>\$ 1,450,447</u>	<u>\$ 1,242,875</u>

WASHBURN UNIVERSITY OF TOPEKA

**SCHEDULE 3 - REVENUES, EXPENDITURES, AND
COMPARISON WITH BUDGET**

Tort Claim Liability Fund

For The Year Ended June 30, 2024 And 2023

	<u>FY 2024 Budget</u>	<u>FY 2024 Actual</u>	<u>FY 2023 Actual</u>
Revenues:			
Ad valorem property and other taxes	\$ 707,637	\$ 632,495	\$ 632,495
Total Revenues	<u>707,637</u>	<u>632,495</u>	<u>632,495</u>
Expenditures:			
Insurance premium	365,000	250,364	250,364
Litigation expense	340,000	80,950	80,950
Other expense	240,000	64,590	64,590
Total Expenditures	<u>945,000</u>	<u>395,904</u>	<u>395,904</u>
Change In Net Position	<u>\$ (237,363)</u>	236,591	236,591
Net Position - Beginning Of Year		<u>780,333</u>	<u>543,742</u>
Net Position - End Of Year		<u>\$ 1,016,925</u>	<u>\$ 780,333</u>

WASHBURN UNIVERSITY OF TOPEKA

**SCHEDULE 4 - REVENUES, EXPENDITURES, AND
COMPARISON WITH BUDGET**

Sales Tax Smoothing Fund

For The Year Ended June 30, 2024 And 2023

	<u>FY 2024 Budget</u>	<u>FY 2024 Actual</u>	<u>FY 2023 Actual</u>
Revenues:			
Sales tax and other taxes	\$ 2,600,000	\$ 912,317	\$ 4,232,433
Expenditures:			
Transfer to building construction fund	10,000,000	8,813,002	—
Transfer to capital improvement fund	500,000	—	—
Other expense	2,000,000	—	—
Total Expenditures	<u>12,500,000</u>	<u>8,813,002</u>	<u>—</u>
Change In Net Position	<u>\$ (9,900,000)</u>	(7,900,685)	4,232,433
Net Position - Beginning Of Year		<u>28,256,767</u>	<u>24,024,334</u>
Net Position - End Of Year		<u>\$ 20,356,082</u>	<u>\$ 28,256,767</u>

WASHBURN UNIVERSITY OF TOPEKA

**SCHEDULE 5 - REVENUES, EXPENDITURES AND
COMPARISON WITH BUDGET**

Washburn Institute Of Technology

General Fund

For The Year Ended June 30, 2024 And 2023

	<u>FY 2024</u> <u>Budget</u>	<u>FY 2024</u> <u>Actual</u>	<u>FY 2023</u> <u>Actual</u>
Revenues:			
Tuition and fees	\$ 4,295,514	\$ 3,773,830	\$ 3,610,349
Vocational state aid	9,062,872	10,967,786	7,496,502
Vocational capital outlay	455,365	455,365	446,311
Interest on investments	332,000	907,875	478,144
Other sales and services	189,455	266,258	264,597
Use of reserves	750,000	—	—
Total Revenues	<u>15,085,206</u>	<u>16,371,113</u>	<u>12,295,903</u>
Expenditures:			
Instruction	8,098,376	7,131,627	6,267,935
Academic support	1,127,411	1,050,175	1,096,426
Student services	1,405,153	1,196,875	1,139,024
Institutional support	693,394	987,582	851,933
Maintenance of plant	1,869,066	1,824,257	1,694,269
Scholarships and fellowships	340,500	176,155	—
Other expenses and transfers	2,551,306	2,756,434	537,839
Total Expenditures	<u>16,085,206</u>	<u>15,123,105</u>	<u>11,587,426</u>
Change In Net Position	<u>\$ (1,000,000)</u>	1,248,008	708,477
Net Position - Beginning Of Year		<u>8,981,006</u>	<u>8,272,529</u>
Net Position - End Of Year		<u>\$ 10,229,015</u>	<u>\$ 8,981,006</u>

WASHBURN UNIVERSITY OF TOPEKA

**SCHEDULE 6 - REVENUES, EXPENDITURES AND
COMPARISON WITH BUDGET**

Auxiliary Enterprises

For The Year Ended June 30, 2024 And 2023

	FY 2024 Budget	FY 2024 Actual	FY 2023 Actual
Revenues:			
Room rental income	\$ 4,583,259	\$ 4,807,066	\$ 4,118,781
Ichabod Shop	2,763,500	2,362,757	2,182,246
Dining	—	541,188	483,855
Other Income	950,000	950,000	760,000
Total Revenues	8,296,759	8,661,011	7,544,882
Expenditures:			
Debt Service	2,252,197	2,252,197	1,523,745
Salaries, wages and benefits	1,654,030	1,686,415	1,445,025
Cost of goods sold	1,548,285	1,760,194	1,624,404
Utilities, telephone and cable	908,638	757,289	705,860
Repairs and maintenance	249,157	375,864	345,294
Scholarships	312,069	331,966	310,969
Supplies and materials	170,940	164,065	81,440
Insurance	98,647	145,393	130,000
Other expense	2,502,796	928,551	808,230
Total Expenditures	9,696,759	8,401,934	6,974,967
Change In Net Position	\$ (1,400,000)	259,077	569,915
Net Position - Beginning Of Year		3,391,239	2,821,324
Net Position - End Of Year		\$ 3,650,316	\$ 3,391,239