

ASSETS AND LIABILITIES

The assets and liabilities of the University at May 31, 1926, are fully detailed in Exhibit "B", of which the following is a summary:

<u>Assets</u>	
Permanent Funds	\$ 570,745.53
Plant Investment Fund	437,054.74
Campaign Fund	98,564.96
General Fund	10,651.45
Total	<u>1,117,016.68</u>

<u>Liabilities</u>	
Permanent Funds	570,745.53
Physical Plant Fund	437,054.74
Campaign Fund	98,564.96
General Fund	\$ 88,274.94
Less: Deficit	<u>77,623.49</u>
Total	<u>\$ 1,117,016.68</u>

Permanent Funds

Assets:

Investments

Farm mortgage loans - Schedule "4"	\$ 495,470.63
Industrial Stocks	500.00
Real Estate, acquired by foreclosure, Schedule "5"	27,860.37
Real Estate acquired, subject to annuities or restricted fund, less mortgage thereon, Schedule "5"	36,300.00

Total Investments

Cash in Bank	4,827.63
Cost of foreclosures in process	1,016.66
Due from Current Fund	4,770.24

Total

\$ 570,745.53

Permanent Funds, Continued

Liabilities:

Endowment Funds

Unrestricted

\$ 387,936.17

Restricted - Schedule "6"

64,926.03

Subject to annuities - Schedule "7"

117,283.00

Net Profit arising from conversion,

\$ 2,500.00

sale or other disposition of

3,700.00

Endowment Fund Assets

600.33

Total

\$ 570,745.53

The farm mortgages and industrial stocks were produced for our inspection. A detailed list of the mortgages will be found in Schedule "4". The industrial stocks consist of 5 shares of first preferred stock of the Kansas City Light & Power Co., with a par and cost value of \$500.00. A description of the real estate acquired by foreclosure will be found in Schedule "5", also the real estate subject to annuities or restricted funds. The only changes in the investment of endowment funds during the year were the sale of the Andrews farm and the purchase of a first mortgage on the Ford property. There is a mortgage outstanding on the property known as the Professor D. L. Ward home, in the amount of \$5,000.00. This property is part of that on which the income is restricted. All deeds and evidence of title to the various properties were examined by us. We also verified the outstanding indebtedness against the properties.

The cash in bank amounting to \$4,827.63 was verified with a certificate obtained from the depository.

The cost of foreclosures in process, \$1,016.66, represents money advanced for the purpose of obtaining title to land on which the University holds first mortgage liens.

The Current Fund is indebted to the Endowment Funds in the amount of \$4,770.24, as set forth in the following statement:

Balance May 31, 1926

\$ 4,875.34

Add:

Amount due from Campaign Fund on

Hy Ott pledge

10.00

4,885.34

Less:

Amount due Current Fund on Sweet
foreclosure

115.10

Net Amount due from Current and Campaign Funds

\$ 4,770.24

We examined all the changes in the various Endowment Fund accounts for the period under review. The details of the Restricted Endowment Funds are contained in Schedule "6". The annuity bonds outstanding are listed in Schedule "7". The Endowment Funds increased \$5,843.91 during the year under review, the details of which are as follows:

Amount received from J. M. Collinwood	\$ 2,500.00
Annuity bonds acquired by purchase	1,700.00
Annuity bond cancelled by death of Alice A. Chandler	1,000.00
Loans repaid A. Willis Fund	625.91
Hy Ott subscription	10.00
1921 class pledge	8.00
Total	<u>\$ 5,843.91</u>

There has been no change in the Endowment Profit and Loss account.

Plant Investment

Assets:

Buildings - Schedule "8"	\$ 317,119.14
Grounds - " " "8"	45,632.41
Equipment and Fixtures	66,303.19
Total	<u>429,054.74</u>

Notes Receivable - Pledge	8,000.00
Total	<u>437,054.74</u>

Liabilities:

Gifts and Appropriations from General Funds	429,054.74
Purchase Obligation - President's Home	8,000.00
Total	<u>\$ 437,054.74</u>

The only additions to the plant investment from the general funds for the period under review were as follows:

New campus road	\$ 1,448.25
Piano purchased	120.00

Total	\$ 1,568.25
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Liabilities:

From Subscriptions, less

Campaign expenses

We verified the above additions and satisfied ourselves that they represented proper capital charges.

The notes receivable included in this fund, amounting to \$8,000.00, represent the balance on an asset taken in exchange for a pledge to provide for the purchase of a home for the President. During the year under review there was paid on this note the sum of \$2,000.00, which was applied against the purchase obligation on the President's home.

The above were the only changes that occurred in the Plant Fund assets and liabilities.

Hewitt & Co., and Managers

Office salaries

Literature and stationery

Solicitors' expenses

Proportion of office expenses

Campaign Fund

During the past year a campaign was inaugurated for the purpose of obtaining \$800,000.00, which was to be allocated as follows:

Endowment Fund	\$ 500,000.00
New Buildings	60,000.00
Equipment	15,000.00
To be applied on Deficit as of June 1, 1925	110,000.00
Cost of campaign and uncollectible pledges	115,000.00

Total	\$ 800,000.00
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The results of the campaign to June 30, 1926, are condensed herewith:

Assets:

Subscriptions received	\$ 91,989.18
Trustees' notes for subscriptions	1,162.50
Endowment Fund pledges	40.00
Automobile	650.00
Due from Current Fund	4,000.00
Cash in bank	723.28

Total	98,564.96
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Campaign Fund, Continued

Liabilities:

From Subscriptions, less	
Campaign expense	\$ 98,554.96
Due Endowment Fund	10.00
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Total	\$ 98,564.96
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At the date of making the balance sheet there had been pledged \$111,320.50; the expenses incurred in making the campaign amounted to \$12,755.54, leaving net assets in the fund in the amount of \$98,564.96. A list of the expenses follows:

Hewitt & Co., and Managers	\$ 7,450.00
Office salaries	743.41
Literature and stationery	1,257.74
Solicitors' expenses	2,528.77
Proportion of office expense	
credited to other departments	597.47
Miscellaneous	178.15
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Total	\$ 12,755.54
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It will be observed that the cost of the campaign to date amounts to 11.4% of the subscriptions received. It will also be noted that the campaign fund has loaned to the general fund \$4,000.00, which was part of the proceeds of the campaign.

All pledges, notes and securities of this fund were examined by us and the cash in bank was verified with a certificate obtained from the depository.

We were advised by the treasurer that the campaign will be continued and we are holding the proceeds derived therefrom in a separate fund. Allotment, in accordance with the terms of the campaign, can be made to the different funds on completion of the drive.

General Fund

Assets:

Cash on hand and in bank	\$ 5,793.10
Notes Receivable - Students' Aid	
Loans	4,194.77
Book Store	250.00
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Total	10,237.87
Income Charges:	
Summer School	\$ 226.66
Placement Board	186.92
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Total	\$ 10,651.45
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Payable to General Fund, Continued

Liabilities:

Notes Payable	\$ 78,294.36
Students' Aid Fund	843.07
Due Endowment Fund	4,760.24
Due Campaign Fund	4,000.00
Total	<u>87,897.67</u>

Income Credits:

Reserve for Diplomas and Certificates	377.27
Total Liabilities	<u>88,274.94</u>

Less: **Deficit**

77,623.49

Total

\$ 10,651.45

The cash on hand was verified by count and the cash in bank was reconciled with a certificate obtained from the depository. The notes receivable amounting to \$4,194.77 represent loans made to students from funds provided from the income on endowments created for that purpose. The notes were produced for our inspection or otherwise accounted for. The book store inventory was estimated at \$250.00.

There were prepaid expense items, incurred in connection with summer school and placement board in the amounts of \$226.66 and \$186.92, respectively, applicable to the school year 1926-27.

The University is indebted for loans for current and general expenses on short term notes payable amounting to \$78,294.36, the details of which are submitted hereunder:

Payable to

Due

Amount

Banks:

First National Bank, Ottawa	Nov. 30 '26	\$ 2,500.00
do	Dec. 14 '26	1,500.00
do	Dec. 29 '26	4,500.00
Kansas State Bank, Ottawa	Dec. 16 '26	2,000.00
do	Jan. 3 '27	2,000.00
Peoples National Bank, Ottawa	Oct. 3 '26	800.00
do	Oct. 14 '26	5,000.00
do	Nov. 21 '26	4,000.00
do	Dec. 19 '26	2,000.00
Security State Bank, Ottawa	Oct. 30 '26	4,000.00
State Bank of Ottawa, Ottawa	Nov. 22 '26	650.00
do	Nov. 30 '26	1,500.00
do	June 1 '26	2,500.00

Total Notes Payable to Banks

32,950.00

Carried forward

<u>Payable to</u>	<u>Due</u>	<u>Amount</u>
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Brought forward:

Total Notes Payable to Banks	\$ 32,950.00
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Individuals:

x Charles Bauchman, Newton, Kansas	Dec. 23'26	4,500.00
x Milton Cross, Treasurer, Class 1909, Preston, Illinois		
C. E. Daniels, Oklahoma City	Demand	494.36
do	Aug. 7'26	1,000.00
do	Aug. 28'26	1,500.00
do	Nov. 8'26	1,000.00
do	Nov. 18'26	2,000.00
do	Dec. 17'26	1,000.00
do	Jan. 5'27	800.00
do	Jan. 8'27	1,000.00
W. F. Fallis, Perry, Oklahoma	Nov. 19'26	6,000.00
J. A. Johnson, Ottawa	Nov. 19'26	2,500.00
S. Johnson, Ottawa	Sept. 15'26	3,000.00
do	Nov. 14'26	1,000.00
do	Nov. 18'26	3,500.00
S. H. Lucas Ottawa	July 25'26	1,500.00
do	Oct. 23'26	1,000.00
do	Nov. 28'26	1,000.00
x W. J. Newton, Mrs.	Nov. 28'26	50.00
x Mrs. D. A. Ross, Ottawa	Oct. 1'26	1,600.00
do	Nov. 1'26	400.00
Mrs. Emma Sheldon, Ottawa	Oct. 10'26	1,000.00
Smith Mortgage Co., Ottawa	Oct. 1'26	5,000.00
E. E. Wheeler, Ottawa	Sept. 22'26	1,000.00
Mary E. Wilkinson, Ottawa	July 15'26	3,500.00
Total		\$ 78,294.36

x Did not reply to our letter of verification.

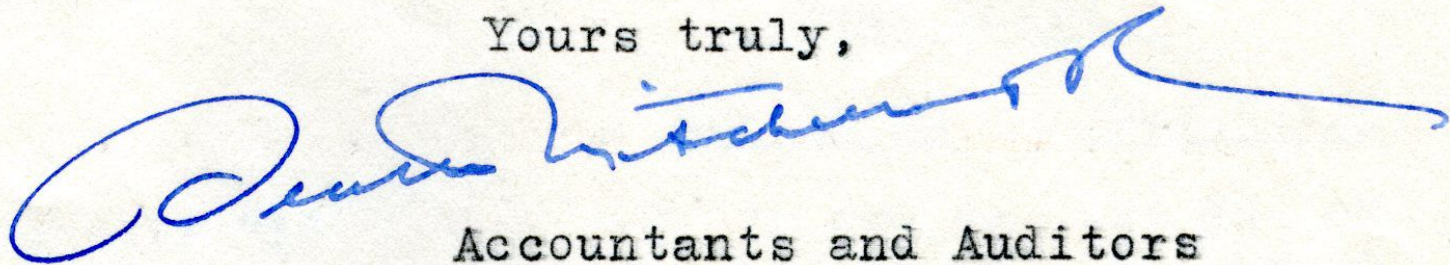
All of the above notes were verified by correspondence with the holders, with the exception of the four individuals who did not reply to our letter of verification.

Students' Aid Fund - \$843.07 - the details are as follows:

A. Willis Loan Fund	\$ 565.40
Young Women's Missionary Fund	245.17
Christianity Fund	32.50
Total	\$ 843.07

We shall be pleased to furnish any further information you may desire.

Yours truly,

A handwritten signature in blue ink, appearing to read "Dennis W. Hatcher", is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Accountants and Auditors

INCOME FROM STUDENT AND LABORATORY FEES

FOR THE YEAR ENDED MAY 31, 1926

	<u>Year Ended</u>		
	<u>May 31'26</u>	<u>May 31'25</u>	<u>Increase</u> <u>Decrease</u>
Tuition - Regular Term	\$ 42,978.57	27,908.56	15,070.01
Tuition - Summer School	3,009.00	-	3,009.00
College of Music	1,616.95	439.90	1,177.05
Library Fees	-	2,652.00	2,652.00
Diploma Fees	423.50	314.00	109.50
Miscellaneous	-	22.00	22.00
Laboratory Fees:			
Astronomy	-	4.00	4.00
Biology	1,660.00	1,256.50	403.50
Chemistry	1,095.22	991.53	103.69
Home Economics	314.50	151.00	163.50
Physics	282.00	153.59	128.41
Total	\$ 51,379.74	33,893.08	17,486.66

STUDENT ENTERPRISES - INCOME AND EXPENSES

FOR THE YEAR ENDED MAY 31, 1926

	<u>Year Ended</u>		
	<u>May 31 '26</u>	<u>May 31 '25</u>	<u>Increase Decrease</u>
INCOME:			
Student Fees - Sundry Items	\$ 5,086.21	2,757.36	2,328.85
Football Receipts	2,671.49	2,475.77	195.72
Basketball Receipts	1,177.76	1,145.60	32.16
Tract	5.65	30.70	25.05
Swimming	247.45	-	247.45
Tennis	16.00	-	16.00
Towel and Locker Deposits	1,023.00	429.25	593.75
Total Income	<u>10,227.56</u>	<u>6,838.68</u>	<u>3,388.88</u>
EXPENSES:			
Football	3,331.33	3,522.31	190.98
Basketball	1,513.15	1,275.80	237.35
Track	372.01	545.43	173.42
Swimming	8.45	-	8.45
Tennis	80.84	-	80.84
Debates	629.95	472.25	157.70
Sweaters	102.20	-	102.20
Laundry	183.65	177.80	5.85
Miscellaneous	346.87	161.95	184.92
Total Expense	<u>6,568.45</u>	<u>6,155.54</u>	<u>412.91</u>
Net Income	\$ <u>3,659.11</u>	<u>683.14</u>	<u>2,975.97</u>

STRICTLY EDUCATIONAL EXPENSES

FOR THE YEAR ENDED MAY 31, 1926

	<u>Year Ended</u>		<u>Increase</u>
	<u>May 31'26</u>	<u>May 31'25</u>	<u>Decrease</u>
Administrative and General:			
Salaries - President, President Emeritus and Treasurer	\$ 7,299.96	7,133.30	166.66
Stenographer and Clerical Salaries	1,033.27	538.92	494.35
Stenographer and Miscellaneous Expense - Sundry offices	609.01	2,309.75	1,700.74
Stationery, Postage, Office Supplies and Expense	1,362.28	1,281.43	80.85
Traveling Expense	887.91	986.55	98.64
Catalogues and Bulletins	1,297.61	1,917.30	619.69
Audit Expense	948.08	-	948.08
Miscellaneous	647.04	1,677.32	1,030.28
Total Administrative and General	14,085.16	15,844.57	1,759.41
Operation and Maintenance of Physical Plant:			
Salaries, Engineers and Janitors - Supplies	4,706.11	4,663.42	42.69
Heat, Light, Water and Fuel	3,792.57	3,370.88	421.69
Supplies	-	394.19	394.19
Truck and Tractor Expense	-	119.09	119.09
Insurance	685.44	733.44	48.00
Taxes	1,291.36	1,065.07	226.29
Repairs to Buildings and Grounds	2,869.19	1,424.55	1,444.64
General Supplies and Replacements	917.53	-	917.53
Total Operation and Maintenance	14,262.20	11,770.64	2,491.56
Instructional:			
Salaries - Faculty	44,464.16	42,161.11	2,303.05
Salaries - Student Assistants	786.16	670.00	116.16
Departmental Supplies and Expenses:			
Biology	1,032.49	633.51	398.98
Chemistry	1,093.93	943.49	150.44
Home Economics	156.82	69.37	87.45
Physics	231.88	175.39	56.49
Physical Education	215.81	418.80	202.99
Library	2,017.22	819.04	1,198.18
Conservatory	200.00	185.72	14.28
Psychology	163.90	-	163.90
Other Departments	235.90	91.84	144.06
Professors Meetings	207.86	-	207.86
Summer School	2,258.83	-	2,258.83
Miscellaneous	113.89	-	113.89
Total Instructional	53,178.85	46,168.27	7,010.58
Total	\$ 81,526.21	73,783.48	7,742.73