



WICHITA STATE
UNIVERSITY

ANNUAL FINANCIAL REPORT

For Fiscal Year 2025





**A COMPONENT UNIT OF THE STATE OF KANSAS
ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND JUNE 30, 2024

Prepared by: Division of Administration, Finance & Operations

INTRODUCTORY SECTION

WICHITA STATE UNIVERSITY
Annual Financial Report
For the Fiscal Years Ended
June 30, 2025 and 2024

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PRINCIPAL OFFICIALS

KANSAS BOARD OF REGENTS

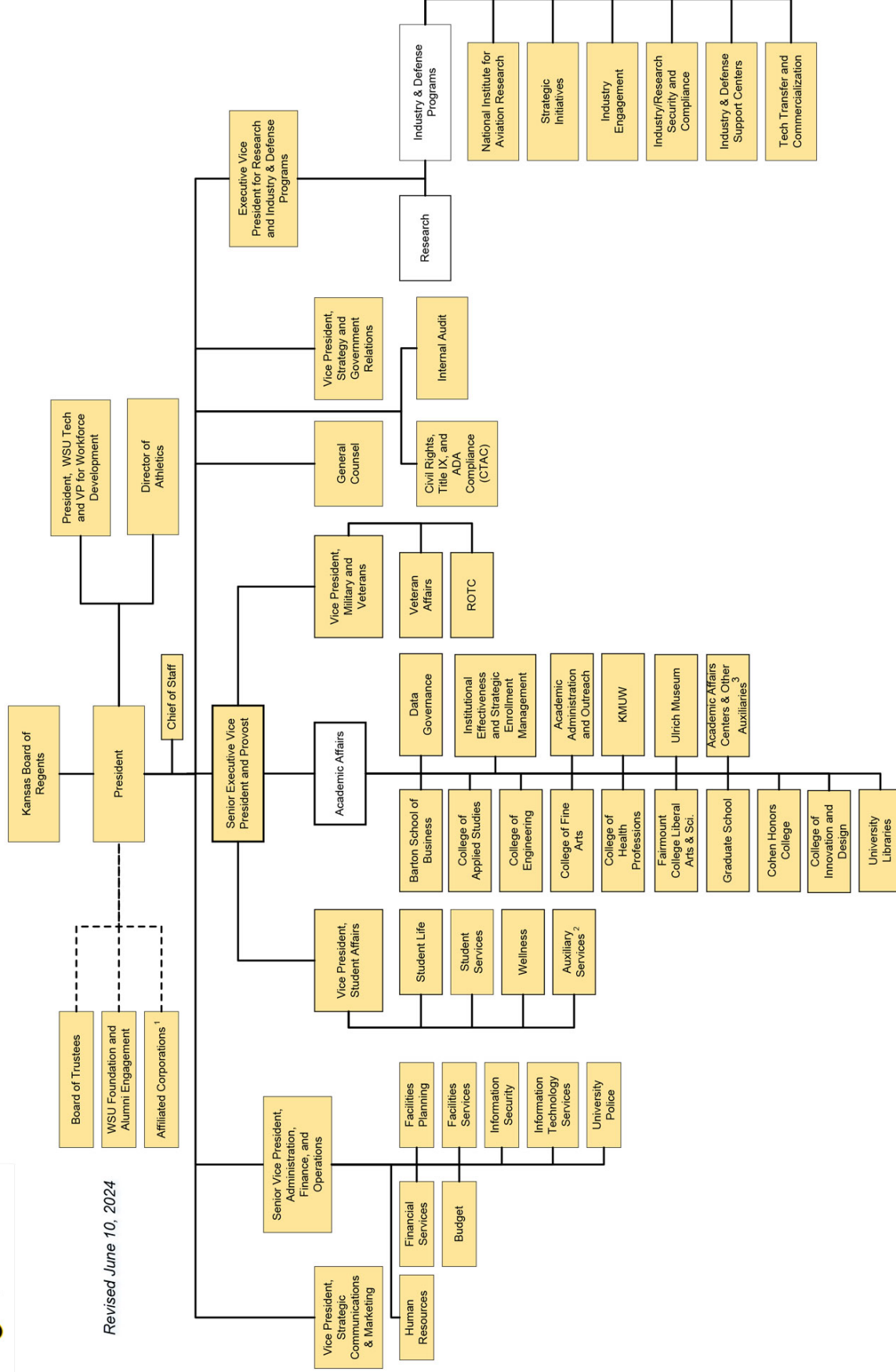
Blake Flanders, President and CEO
Blake Benson, Chair
Diana Mendoza, Vice Chair
John Dicus
Carl Ice
Alysia Johnston
Neelima Parasker
Wint Winter
Kathy Wolfe Moore
Pamela Clancy Ammar

UNIVERSITY OFFICIALS

Executive Administration

Richard Muma, President
Monica Lounsbery, Senior Executive Vice President and Provost
Sheree Utash, President of WSU Tech and Vice President of Workforce Development for WSU
John Tomblin, Executive Vice President for Research and Industry and Defense Programs, NIAR Executive Director; and Research Officer
Marché Fleming-Randle, Vice President, Director of Military and Veterans Programs
Teri Hall, Vice President for Student Affairs
Stacia Boden, General Counsel
David Miller, Senior Vice President for Administration, Finance and Operations
Shelly Coleman-Martins, Vice President for Strategic Communications and Marketing
Andrew Schlapp, Vice President of Strategy and Government Relations
Zach Gearhart, Chief of Staff and Executive Director of Government Relations
Telly McGaha, President and CEO, WSU Foundation
Kevin Saal, Director of Athletics
Vicki Whisenhant, Chief Human Resources Officer

Revised June 10, 2024



1 = Affiliated Corporations, as defined in WSU Policy 1.06, includes: Wichita State Intercollegiate Athletic Association, Inc., Wichita State Union Corporation, Wichita State University Innovation Alliance, WSIA Investments Corporation.

2 = Auxiliary Services includes oversight of operations of Wichita State University Union Corporation.

3 = See Academic Affairs Organizational Chart for list of Centers and Auxiliaries.



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WICHITA STATE
UNIVERSITY

FINANCE AND
ADMINISTRATION

December 17, 2025

Dear Shocker Nation:

It is with great pleasure that we present to you the annual financial report for Wichita State University (University or Wichita State) for the year ended June 30, 2025. The University is governed by the Kansas Board of Regents and is an agency of the State of Kansas. As such, the University's financial statements are consolidated into the State University System and included as a discretely presented component unit in the annual comprehensive financial report (ACFR) of the State of Kansas.

For the year ended June 30, 2025, the State of Kansas contracted with the independent public accounting firm of CliftonLarsonAllen LLP to perform the state's audit. Although the accompanying financial statements have not been audited, the University's financial information, which is incorporated into the State's financial report, is subject to audit procedures as part of the State's "other discretely presented component units" opinion unit. For additional information about the results of the State of Kansas audit for the year ended June 30, 2025, please refer to the separately issued ACFR for the State of Kansas available at: <https://admin.ks.gov/offices/oar/annual-comprehensive-financial-report---acfr>.

This report is prepared by the University's Division of Finance, Administration and Operations. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) is presented in the Financial Section of this report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this transmittal letter and should be read in conjunction with it.

Profile of the University

Wichita State University is Kansas' only urban public research university, enrolling more than 25,000 students between its main campus and the Wichita State University Campus of Applied Sciences and Technology (WSU Tech), including students from every state in the United States and more than 100 countries. Wichita State and WSU Tech are recognized for being student-centered and innovation-driven.

Wichita State provides distinctive and innovative pathways of applied learning, research and career opportunities for all our students. As the largest city in Kansas, Wichita has one of the highest concentrations in the United States of jobs in science, technology, engineering and math.

The Innovation Campus, which is a physical extension of the Wichita State University main campus, is one of the nation's largest and fastest-growing research/innovation parks, encompassing more than 120 acres and is home to a diverse array of global companies and organizations.

Highlights for 2025

The 2025 academic year has brought remarkable momentum to Wichita State University, with some of the most exciting developments reflected in our growing enrollment. For the fifth consecutive year, Wichita State is proud to report that we have increased our enrollment to historic heights. With headcounts of 18,458 at Wichita State and 6,689 at WSU Tech, our total enrollment comes in an impressive 25,147 students

With enrollment on the rise, Wichita State is evolving to meet the needs of a growing student body and a public that looks to universities as engines of innovation and economic prosperity. The infrastructure updates below reflect both our growth and our commitment to the future of our campus.

- The Wichita Biomedical Campus – a collaboration between Wichita State University and the University of Kansas Medical Center – marked a major milestone in August with a topping-off ceremony for Phase I, which is slated for completion in 2027. Momentum continues with a \$2.5 million gift from Blue Cross and Blue Shield of Kansas for the campus and nursing scholarships, \$1 million from the Economic Development Administration for audiology equipment and labs, and the launch of the Institute for Regenerative Medicine and Advanced Therapies. Planning is also underway for Phase II, with Wichita State's Board of Trustees funding a feasibility study for what could become Kansas' first dental school, aimed at expanding access to oral health care, especially in rural communities.
- We're putting the finishing touches on the 160,000-square-foot NIAR Hub for Advanced Manufacturing Research (HAMR) building, a state-of-the-art research and training facility for emerging technologies, advanced materials, digital twin, advanced machining, and automation. HAMR is partly funded by an EDA grant and will house advanced manufacturing research labs and associated offices.
- Development of the new Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Forensic Crime Gun Intelligence Laboratory is under way on the Wichita State Innovation Campus. This state-of-the-art facility will greatly expand the agency's ability to support ATF investigators and other federal and state law enforcement agencies combat violent crime across the nation. Wichita State will also have allocated space within the building, including laboratory spaces, classrooms, and collaborative training areas that can be used to educate students and professionals in forensics, law enforcement, and criminal justice. In response to conversations and our partnership with ATF, we've developed two graduate programs to meet the future needs of the agency: Master of Science in forensic firearms and the Master of Science in forensic biology.

As we continue to build upon these foundational initiatives, it's clear that Wichita State's commitment to growth extends beyond our physical infrastructure. Each project we initiate is part of a larger vision to support our students, enhance academic excellence, and contribute to the region's prosperity. The development happening on our campus is not only transforming our physical environment but also shaping the opportunities available to our students, faculty, and the broader community.

Through innovative programs, cutting-edge curriculum, and strategic initiatives, we remain grounded in our core values, using our strategic priorities to guide our path forward.

- Make higher education affordable and accessible to Kansas families.
- Support Kansas businesses with a talent pipeline that meets employers' needs.
- Increase economic prosperity with higher education that benefits the Kansas economy.

Looking ahead, Wichita State University will continue to serve as a catalyst for growth, fostering educational, cultural, and economic development. Our commitment to enhancing the prosperity of the people we serve will remain unwavering as we build on our mission to positively impact both our state and the broader public good.

Acknowledgements

The preparation of this report would not have been possible without the skill, effort and dedication of the staff of the Division of Finance and Administration. We would also like to thank all University departments for their assistance in providing the data necessary to prepare this report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'R. Muma', with a long horizontal stroke extending to the right.

Dr. Richard D. Muma, President

A handwritten signature in blue ink, appearing to read 'David Miller', with a large, stylized 'D' and 'M'.

David Miller, Senior Vice President for Administration, Finance and Operations



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FINANCIAL SECTION

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Management of Wichita State University (University) offers readers of the University's financial statements this narrative overview and analysis of the financial activities of the University for the fiscal year ended June 30, 2025. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on Pages v-vii of this report.

FINANCIAL HIGHLIGHTS

- Net Position increased \$68.2 million (15.6%) compared to 2024.
- Total cash increased \$45.2 million (24.3%) which included a \$9.8 million (24.7%) increase in current unrestricted cash, a \$2.0 million (17.6%) reduction in current restricted cash, and a \$37.5 million (27.9%) increase in noncurrent restricted cash.
- Accounts receivable increased \$10.3 million (10.7%).
- Unearned revenue increased \$26.7 million (26.5%).
- Other liabilities increased \$21.2 million (128.7%).
- Operating revenue increased \$51.8 million (11.3%) driven by a \$80.9 million (39.7%) increase in federal grants, offset by a \$17.4 million (16.4%) reduction in tuition and fees and a \$15.8 million (14.9%) reduction in sales and services.
- Operating expenses increased \$53.2 million (8.6%). Student services and research expenses increased \$7.9 (20.0%) and \$48.2 million (17.6%), respectively, offset by a reduction in scholarships and fellowships of \$15.7 million (60.1%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the University as of and for the year ended June 30, 2025 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 (GASB 34), Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as amended by GASB Statement No. 35 (GASB 35), Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. For reporting purposes, the University is considered a special-purpose government engaged in business-type activities.

This discussion and analysis is intended to serve as an introduction to the University's basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements are designed to provide readers with a broad overview of the University's finances from all revenue sources, in a manner similar to the private sector. The University's discretely presented component units are presented in a separate column to enable the reader to distinguish between the University and these separate but related organizations. Combining statements for the University's discretely presented component units are presented immediately following the required supplementary information on Pages 80-92 of this report. Additional information about the University's discretely presented component units is available in Note 14 to the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the University's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on Pages 70-79.

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the University at a point in time (at the end of the fiscal year). Its purpose is to present a financial snapshot of the University. The Statement of Net Position includes all assets, liabilities, deferred outflows and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector enterprises.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Under the accrual basis of accounting, all the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Within the Statement of Net Position, assets and liabilities are further classified as current or non-current. The current classification distinguishes those assets that are highly liquid and available for immediate and unrestricted use by the University and those liabilities likely to be settled in the next twelve months.

Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the University. Net Position is divided into three categories:

1. Net Investment in Capital Assets indicates the University's equity in property, plant and equipment owned by the University.
2. Restricted Net Position is further divided into two subcategories, non-expendable and expendable. The corpus of non-expendable restricted resources is only available for investment purposes. Expendable Restricted Net Position is available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.
3. Unrestricted Net Position is available to the University for any lawful purpose of the institution.

The following is a summary of the University's assets, liabilities, and net position as of June 30:

	June 30, 2025	June 30, 2024	June 30, 2023
Current assets	\$ 169,980,304	\$ 152,261,809	\$ 153,330,110
Capital assets	651,419,997	548,077,375	532,463,200
Other noncurrent assets	179,138,654	142,073,996	36,904,618
Total assets	<u>1,000,538,995</u>	<u>842,413,180</u>	<u>722,697,928</u>
Deferred outflows of resources	<u>4,633,494</u>	<u>6,496,625</u>	<u>6,668,991</u>
Current liabilities	200,585,910	160,376,406	69,281,135
Noncurrent liabilities	289,666,373	239,996,917	237,332,826
Total liabilities	<u>490,252,283</u>	<u>400,373,323</u>	<u>306,613,961</u>
Deferred inflows of resources	<u>10,443,818</u>	<u>12,262,420</u>	<u>15,880,284</u>
Net position			
Net investment in capital assets	420,263,213	335,277,914	316,138,078
Restricted	30,265,478	60,650,057	20,113,187
Unrestricted	53,947,657	40,346,091	70,621,409
Total net position	<u>\$ 504,476,348</u>	<u>\$ 436,274,062</u>	<u>\$ 406,872,674</u>

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Assets

As of June 30, 2025, total assets were \$1.0 billion, an increase of \$158.1 million (18.8%) compared to 2024. Current assets increased \$17.7 million (11.6%) driven by a \$7.7 million (15.1%) increase in cash and cash equivalents from an operating surplus driven by strategic cost cutting measures and a \$10.3 million (10.7%) increase in accounts receivables related to research activity. Accounts receivable includes a \$16.3 million increase in federal receivable offset by a \$6 million decrease in non-federal receivables. Noncurrent restricted cash increased \$37.5 million (27.9%) due primarily to the receipt of funding for the construction of the Wichita Biomedical Campus (WBC) and unspent bond proceeds for Hub for Advanced Manufacturing and Research (HAMR) (\$20.3 million) and University Stadium (\$6.8 million). Capital assets increased \$103.3 million (18.9%) due primarily to construction in progress on the WBC and HAMR and an increase in leased buildings which included both new leases and the remeasurement of existing leases.

As of June 30, 2024, total assets were \$842.4 million, an increase of \$119.7 million (16.6%) compared to 2023. Current assets decreased \$1.1 million (0.7%) and consist primarily of cash and cash equivalents, and accounts receivable. Current cash and cash equivalents decreased \$11.2 million (18.0%) and accounts receivable increased \$8.1 million (9.2%). Noncurrent restricted cash increased \$108.1 million (410.0%). This increase is due primarily to funding received in advance for the construction of the WBC. Capital assets increased \$15.6 million (2.9%).

Deferred Outflows of Resources

Total deferred outflows as of June 30, 2025 were \$4.6 million, a decrease of \$1.9 million (28.7%) compared to 2024. The decrease in deferred outflows related to pensions is driven by changes of assumptions and investment earnings, offset by differences between actual and expected experience. The decrease in deferred outflows related to OPEB is driven primarily by a decrease in benefit payments after the measurement date. Total deferred outflows as of June 30, 2024 were \$6.5 million, a decrease of \$0.2 million (2.6%) compared to 2023 primarily due to changes of assumptions and investment earnings, offset by differences between actual and expected experience.

Liabilities

As of June 30, 2025, total liabilities were \$490.3 million, an increase of \$89.9 million (22.5%) compared to 2024. Current liabilities increased \$40.2 million (25.1%), driven by an increase in accounts payable and accrued liabilities of \$14.4 million (44.6%) and unearned revenue of \$26.7 million (26.5%). The increase in unearned revenue is primarily due to funding received in advance for the construction of the WBC. Non-current liabilities increased \$49.7 million (20.7%), driven by an increase in other liabilities of \$21.2 million (128.7%), lease liability of \$6.0 million (11.6%) and revenue bonds payable of \$22.5 million (14.9%). The increase in other liabilities is due to the University of Kansas Medical Center share of funding for the WBC. The increase in lease liability and revenue bonds payable is due to issuances exceeding current year principal payments.

As of June 30, 2024, total liabilities were \$400.4 million, an increase of \$93.8 million (30.6%) compared to 2023. Current liabilities increased \$91.1 million (131.5%), driven by an increase in unearned revenue of \$91.9 million (1,013.1%) and an increase in accrued compensated absences of \$1.5 million (14.1%). The increase in unearned revenue is primarily due to funding received in advance for the construction of the WBC. Non-current liabilities increased \$2.7 million (1.1%) compared to 2023.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Deferred Inflows of Resources

Total deferred inflows of resources as of June 30, 2025 were \$10.4 million, a decrease of \$1.8 million (14.8%) compared to 2024 due to a decrease in deferred inflows related to pension in the amount \$0.6 million (26.7%) as a result of changes in the University's proportionate share of the net pension liability. In addition, deferred inflows related to leases decreased \$1.3 million (13.0%) due to amortization of the deferred amount.

Total deferred inflows of resources as of June 30, 2024 were \$12.3 million, a decrease of \$3.6 million (22.8%) compared to 2023 due to a decrease in deferred inflows related to pension in the amount \$1.5 million (38.6%) as a result of changes in the University's proportionate share of the net pension liability. In addition, deferred inflows related to leases decreased \$1.8 million (16.0%) due to amortization of the deferred amount.

Net Position

As of June 30, 2025, total net position was \$504.5 million, an increase of \$68.2 million (15.6%) compared to 2024. \$420.3 million is invested in capital assets net of depreciation and related debt. \$26.9 million is restricted for capital projects and \$3.4 million is restricted for other purposes. The remaining \$53.9 million is unrestricted and may be used for any lawful purpose of the institution.

As of June 30, 2024, total net position was \$436.3 million, an increase of \$29.4 million (7.2%) compared to 2023. \$335.3 million is invested in capital assets net of depreciation and related debt. \$48.7 million is restricted for capital projects, \$0.07 million is restricted for loans, and \$11.9 million is restricted for other purposes. The remaining \$40.3 million is unrestricted and may be used for any lawful purpose of the institution.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position is the University's income statement. Revenues earned and expenses incurred during the fiscal year on an accrual basis are classified as either operating or nonoperating. This distinction results in operating deficits, as the GASB 35 reporting model requires classification of state appropriations, a significant revenue stream to fund current operations, as nonoperating revenue

	For the Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Operating revenue	\$ 511,771,427	\$ 459,954,765	\$ 433,961,286
Operating expenses	675,307,412	622,064,751	562,336,036
Operating loss	(163,535,985)	(162,109,986)	(128,374,750)
Non-operating revenue (expenses)	172,768,059	162,499,641	148,823,315
Capital contributions and operating transfers	58,970,212	29,011,733	27,991,259
Change in net position	68,202,286	29,401,388	48,439,824
Net position, beginning of year	436,274,062	406,872,674	366,512,487
Change in accounting principle	--	--	(8,079,637)
Net position, end of year	<u>\$ 504,476,348</u>	<u>\$ 436,274,062</u>	<u>\$ 406,872,674</u>

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Operating Revenues

The following breakout represents the composition of operating revenues for the years ended June 30:

	For the Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Tuition and fees	\$ 88,655,137	\$ 106,052,453	\$ 106,749,340
Grants and contracts	308,379,665	221,714,037	180,675,718
Sales and services	90,590,843	106,418,669	124,214,089
Auxiliary enterprises	15,297,688	18,490,400	17,471,739
Other operating revenues	8,848,094	7,279,206	4,850,400
Total operating revenues	<u>\$ 511,771,427</u>	<u>\$ 459,954,765</u>	<u>\$ 433,961,286</u>

Total operating revenues for the year ended June 30, 2025, increased \$51.8 million (11.3%) over 2024. The following is a brief summary of the significant changes:

- Revenue from federal grants and contracts increased \$80.9 million (39.7%) from 2024. This increase is driven primarily by the continued growth in federally sponsored research programs at the National Institute for Aviation Research (NIAR). This includes expanded Department of Defense initiatives, aircraft certification and modernization projects awarded to NIAR's CAD/CAM and Full-Scale Structural Testing labs and growth in FirePoint Innovations and environmental testing programs.
- Sales and services of educational activities decreased \$15.8 million (14.9%), due primarily to a continuing shift to managing sponsor relationships through the Office of Research versus directly by the University's service centers, which resulted in shifting these revenues to grants and contracts.
- Tuition and fees revenue decreased by \$17.4 million and housing auxiliary enterprises decreased by \$3 million, due to a change in discounting methodology in accordance with NACUBO guidelines, that increased the University's tuition discount by approximately \$20 million.

Total operating revenues for the year ended June 30, 2024, increased \$26.0 million (6.0%) over 2023. The following is a brief summary of the significant changes:

- Revenue from federal grants and contracts increased \$38.4 million (23.3%) from 2023. This increase is driven primarily by the continued growth of the Firepoint Innovations program with federal revenue increasing by \$24.5 million (91.2%) compared to 2023.
- Sales and services of educational activities decreased \$17.8 million (14.3%), due primarily to a shift to managing sponsor relationships through the Office of Research versus directly by the University's service centers, which resulted in shifting these revenues to grants and contracts.

Operating Expenses

The following breakout represents the composition of operating expenses for the years ended June 30:

	For the Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Instruction	\$ 99,564,156	\$ 94,220,784	\$ 91,065,039
Research	321,918,603	273,731,484	241,993,165
Public service	30,744,857	33,103,471	30,236,522
Academic support	41,520,325	39,484,218	36,696,542
Student service	47,061,979	39,205,178	38,749,145
Institutional support	28,834,904	27,238,881	26,077,710
Operations and maintenance of plant	38,156,618	35,610,162	31,308,132
Scholarships and fellowships	10,458,158	26,187,990	20,045,480
Auxiliary enterprises	13,126,212	12,510,065	10,403,789
COVID-19 expenses	--	--	292,769
Depreciation	43,921,600	40,772,518	35,467,743
Total operating expenses	<u>\$ 675,307,412</u>	<u>\$ 622,064,751</u>	<u>\$ 562,336,036</u>

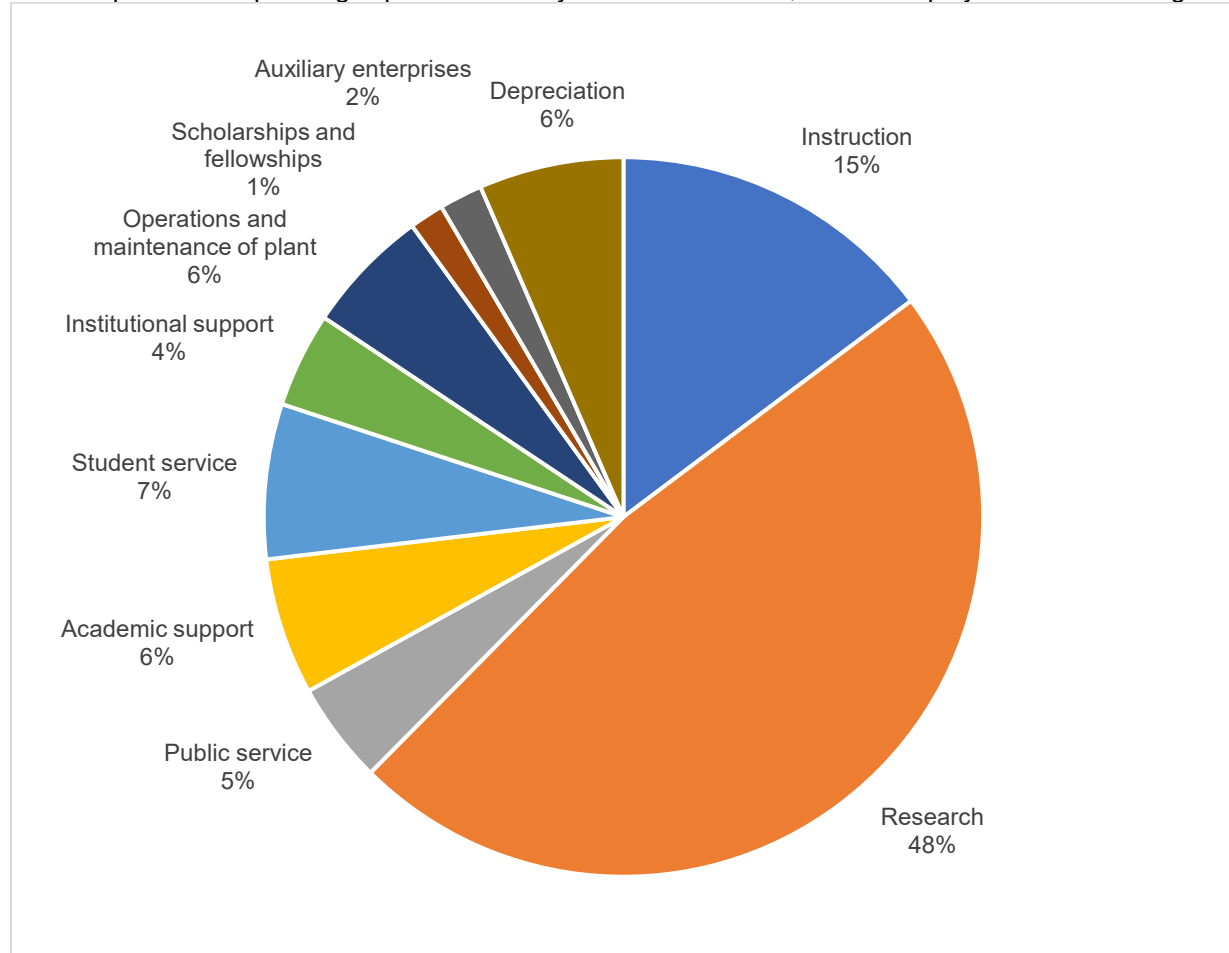
WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

For the year ended June 30, 2025, operating expenses were \$675.3 million, an increase of \$53.2 million (8.6%) compared to 2024. The increase in operating expenses is primarily a result of:

- Student service expenses increased \$7.9 million (20.0%) from 2024. The increase is driven by additional support payments to the University's affiliated corporation, Intercollegiate Athletics Association (ICAA).
- Research expenses increased \$48.2 million (17.6%) from 2024. The increase is driven primarily by an increase of \$42.6 million in federal subawards related to large-scale collaborative programs, including advanced manufacturing and digital transformation initiatives and an increase in salaries and benefits in NIAR labs of \$5.4 million.
- Scholarships and Fellowships decreased \$15.7 million (60.1%) from 2024. This was primarily due to a change in the discounting methodology in accordance with NACUBO guidelines which increased the University's tuition discount by approximately \$20 million. This change was offset by an increase in Pell grants of \$5.8 million.

Looking at operating expenses by natural classification, compensation and benefits increased \$15.9 million (5.3%), with salaries and wages increasing \$13.1 million and benefits increasing \$2.8 million. Compensation and benefits account for 46.8% of all operating expenses. Contractual and commodity expenses increased \$48.9 million (20.0%). This increase is primarily related to the increase in research contracts and the additional support payments to the University's affiliated corporation, ICAA.

The composition of operating expenses for the year ended June 30, 2025 is displayed in the following chart:



WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

For the year ended June 30, 2024, operating expenses were \$622.1 million, an increase of \$59.7 million (10.6%) compared to 2023. The increase in operating expenses is primarily a result of:

- Research expenses increased \$31.7 million (13.1%) from 2023. The increase is driven primarily by an increase of \$1.8 million (66.7%) in federal subawards related to the Firepoint Innovations program and an increase in salaries and benefits in NIAR labs of \$17.9 million (25.3%).
- Operations and maintenance of plant increased \$4.3 million (13.7%) from 2023. This was primarily due to an increase in spending on non-capital maintenance projects and an increase in salaries and benefits of \$1.3 million (10.2%) compared to 2024.
- Scholarships and Fellowships increased \$6.1 million (30.6%) from 2023. This was primarily due to a State General Fund allocation of \$4.2 million for need based aid received in 2024.

Looking at operating expenses by natural classification, compensation and benefits increased \$31.1 million (11.6%), with salaries and wages increasing \$23.8 million and benefits increasing \$7.3 million. Compensation and benefits account for 48.2% of all operating expenses. Contractual and commodity expenses increased \$17.9 million (7.9%). This increase is primarily related to the increase in research contracts, operations and maintenance of plant, and auxiliary expenses.

Non-Operating Revenues and Expenses

The following table represents the composition of non-operating revenues for the years ended June 30:

	For the Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
State appropriations	\$ 118,044,923	\$ 109,524,605	\$ 101,196,656
Non-operating grants and contracts	28,424,012	22,292,897	21,637,134
Gifts	29,201,658	29,799,544	28,918,435
Investment income	3,966,680	5,369,819	2,451,133
Interest expense	(5,342,524)	(4,548,254)	(4,808,446)
Loss on disposal of capital assets	(263,449)	61,030	(134,543)
Other non-operating revenue (expenses)	(1,263,241)	--	(437,054)
Total non-operating revenues	<u>\$ 172,768,059</u>	<u>\$ 162,499,641</u>	<u>\$ 148,823,315</u>

Non-operating revenues and expenses for the year ended June 30, 2025, increased \$10.3 million (6.3%) compared to 2024. The increase in non-operating activities is primarily the result of:

- State appropriations increased \$8.5 million (7.8%) compared to 2024. Special appropriations received in 2025 included a new Textron Aviation Advanced Research Partnership (TAARP) appropriation of \$4.6 million and a new Business Partnership appropriation of \$4.1 million.
- Non-operating grants and contracts increased \$6.1 million (27.5%) compared to 2024 due primarily to an increase in Pell grants of \$5.8 million.
- Investment income decreased \$1.4 million (26.1%) compared to 2024 due to less favorable market conditions and a lower rate of return on cash held in the state treasury.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Non-operating revenues and expenses for the year ended June 30, 2024, increased \$13.7 million (9.2%) compared to 2023. The increase in non-operating activities is primarily the result of:

- State appropriations increased \$8.3 million (8.2%) compared to 2023. Special appropriations received in 2024 included a new need-based aid appropriation of \$4.2 million. A detailed breakdown of state appropriations is included in the table in the following section of this analysis.
- Investment income increased \$2.9 million (119.1%) compared to 2023 due to improving market conditions and a higher rate of return on cash held in the state treasury.

The following table represents the composition of state appropriation revenues for the years ended June 30:

	For the Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
State appropriations			
General operations	\$ 81,074,439	\$ 78,865,988	\$ 75,127,579
Information technology infrastructure	--	--	3,033,986
Innovation Campus	2,000,000	2,000,000	2,000,000
National Center for Aviation Training (NCAT)	5,200,000	5,200,000	5,200,000
Kansas Aviation Research and Technology (KART)	5,001,361	4,998,638	5,464,521
Textron Aviation Advanced Research Partnership (TAARP)	4,686,691	--	--
National Aviation Research Plan (NARP)	4,092,801	6,968,214	2,870,570
Digital transformation	7,000,000	7,000,000	7,000,000
Need-based aid	4,733,657	4,246,340	--
Business Partnership	4,182,915	--	--
Building demolition	73,059	245,425	500,000
Total state appropriations	<u>\$ 118,044,923</u>	<u>\$ 109,524,605</u>	<u>\$ 101,196,656</u>

STATEMENT OF CASH FLOWS

The Statement of Cash Flows presents the changes in the University's cash and cash equivalents during the most recent fiscal year. This Statement is prepared using the direct method and does not include the cash flows of the discretely presented component units.

	For the Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Net cash provided by (used in)			
Operating activities	\$ (118,402,934)	\$ (123,010,277)	\$ (112,607,589)
Noncapital financing activities	175,026,055	160,567,201	148,263,860
Capital and related financing activities	(15,690,926)	54,294,295	(66,947,892)
Investing activities	4,273,619	5,067,874	3,726,104
Net change in cash and cash equivalents	<u>45,205,814</u>	<u>96,919,093</u>	<u>(27,565,517)</u>
Cash and cash equivalents, beginning of year	185,653,100	88,734,007	116,299,524
Cash and cash equivalents, end of year	<u>\$ 230,858,914</u>	<u>\$ 185,653,100</u>	<u>\$ 88,734,007</u>

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Cash provided by operating activities includes tuition and fees, certain grant and contract revenues, and sales and services of educational activities. Cash used for operating activities includes payments to employees and suppliers. Cash provided by non-capital financing activities includes State appropriations, Federal Pell Grants, gifts, and the receipt and disbursement of the Federal Family Education Loan Programs (Stafford, Perkins and Plus Loans). Cash provided by capital and related financing activities represents capital appropriations, gifts and grants. This cash is used for construction, remodeling and repair of University facilities, as well as purchases of capital assets and debt servicing. Detailed information regarding the University's capital assets is available in Note 5 to the financial statements. Cash provided by investing activities includes purchases and sales of investments, as well as investment income earnings and losses realized.

CAPITAL ASSETS

The University made significant investments in capital during the year ended June 30, 2025. Some of the most significant investments in the University's campus infrastructure include the following:

University Stadium Project

The University Stadium Project is a replacement for Cessna Stadium and at completion of a phased construction project, will seat approximately 12,500-14,000 spectators. Phasing has been developed around maintaining the spectator seating and other infrastructure required for the Wichita State Track and Field teams as well as the annual KSHS Track and Field Championship. Demolition of the east stands of Cessna Stadium was be handled outside the scope of this project as a separate small capital project. Construction for Phase 1A was completed in May 2025 and includes the improvements on the east side of the existing track (bleacher seating, new free-standing field lights, pavilion building with restrooms/ticketing area/concessions, and plaza). Phase 1B construction is underway which will widen the existing grass field to accommodate a regulation-sized soccer field and reconfigure the 9-lane track around the widened field. Phase 2A, the demolition of the existing west Cessna Stadium structure, can begin as early as June 2026. A new west stadium structure will be built as Phase 2B. The new west stadium would include a single level of press boxes and suites, offices/locker rooms/team room areas for a future soccer team, as well as restrooms, concessions, and storage rooms. Phase 2B also incorporates a pedestrian plaza between Koch Arena and the new stadium. The anticipated total project cost for all phases is approximately \$78 million. A construction management at risk alternative project delivery method is being used for Phase 1A/1B and is planned for Phase 2 (under a separate contract).

Wilkins Stadium Expansion Project – Phase 1

The Phase 1 Expansion Project is part of a larger master plan for the existing 5,500 square foot stadium that was built in 1998. Phase 1A, consisting of a new approx. 14,400 gsf indoor infield facility was completed in Summer 2025. The indoor facility includes a full indoor softball infield, nets for indoor batting cages, and storage areas. A 12,000 gsf team facility (Phase 1B) will be located on the west side of the stadium adjacent to the Heskett Center. The team facility will include a new locker room, coach's locker room, classroom, team room, athletic training room, staff offices, break room, work room, and team laundry room. Construction of Phase 1B can begin as early as winter 2026.

Funding for the project is through private gifts and from the Board of Trustees. A construction management at risk alternative project delivery method is being used. The project will be separated into two construction phases to maintain outdoor practice facilities while the indoor facility is being constructed.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

McKnight Printmaking Ventilation Project

Accreditation visits identified addressing the ventilation deficiencies in the printmaking classrooms in McKnight Art Center as a priority in the program review. A study was initiated in 2022 to identify options to improve the system. This project scope will improve the ventilation in the printmaking classrooms in the McKnight Art Center building. The project was needed to improve health and safety for students and faculty in the classrooms and to meet the accreditation requirements for the Printmaking Program. The existing layout of the second-floor printmaking classrooms was not conducive to an efficient exhaust and ventilation system configuration. The classrooms were reconfigured with new walls to provide a more efficient layout for equipment and printmaking processes. New ventilation (DOAS units and associated exhaust) were provided to remove the contaminants in the space associated with the printmaking processes. The existing HVAC system serving the second floor is at the end of the equipment service life. It was updated on the second floor to accommodate the remodeled configuration as well as addressing a deferred maintenance item for the building. Educational building funds (EBF) and Capital Renewal funds were used in combination with funds from Art, Design, and Creative Industries. Construction was complete in time for Fall 2025 classes.

NIAR Hub for Advanced Manufacturing and Research (NIAR HAMR)

This new 150,000 square foot, two-story research facility will be located on an undeveloped 4.77 acre parcel on the Innovation Campus. The forecast demand over the next two decades in the aviation industry supports an estimated 43,000 new aircraft deliveries and a services market value greater than \$9 trillion. This project seeks to assist the aviation industry in meeting this projected need by focusing on projects that create industry resiliency, address supply chain shortages, and increase production velocity. The American aerospace and defense industry is a vital component of the U.S. economy, not solely for the role that industry plays in national security, transportation, and technological innovation, but also because its influence spans many sectors and every state, country-wide. Comprised of six research labs (robotics and automation, emerging tech and digital manufacturing, composites, advanced machining and prototyping, and additive manufacturing) in combination with related student and faculty support spaces, this facility is organized with flexibly-designed high-bay research labs surrounding a central core of support spaces. This new NIAR building will provide an opportunity for students to engage in smart manufacturing, applied research, and training opportunities through a comprehensive center that promotes the safety, research, manufacturing, and design elements of today's aviation industry. Additionally, NIAR labs will work with certification agencies to prove compliance and help with design issues that directly benefit the safety of aircraft pilots, crewmembers, and passengers. A standard design-bid-build project delivery method being used proposed for this project with completion anticipated by the end of 2025.

Wichita Biomedical Campus (WBC)

The WBC Project, a joint project with the University of Kansas Medical Center, is being developed in two phases. Phase 1 will consist of an approximately 350,000 gsf building with a total project cost of \$223 million. This phase will house academic programs from Wichita State University College of Health Professions, University of Kansas Medical Center College of Medicine Wichita, WSU Tech Health Professions, and University of Kansas School of Pharmacy. The Phase 1 project is being designed to include the WSU Speech Language Hearing Clinic. Phase 1 is being funded with a combination of various grants and state funding. The Phase 1 WSU clinic space is being funded by a grant and private gifts (\$18.3 million total project cost). The buildings are to be constructed in downtown Wichita, KS. A construction management at risk alternative delivery method is being used with project completion of Phase 1 anticipated by the end of 2026.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Geology Building Renovation for Anthropology

This renovation project aims to repurpose the existing Geology Building to support the Anthropology program. The scope includes interior reconfiguration to accommodate classrooms, labs, and faculty offices tailored to anthropology instruction and research. The renovation will address deferred maintenance issues and improve accessibility and building systems. The project is part of a broader initiative to optimize space utilization and enhance academic infrastructure for the College of Liberal Arts and Sciences. The project is currently in design and is anticipated to be under construction starting the summer of 2026. Following construction and relocation of the Anthropology department, Neff Hall will be razed and replaced with a landscaped quad connecting the Rhatigan Student Center to Wallace Hall. A standard design-bid-build project delivery method will be utilized for this project.

Detailed information regarding capital asset additions, retirements and depreciation is available in Note 5 to the financial statements.

DEBT ADMINISTRATION

Generally, the University issues bonds through the Kansas Development Finance Authority (KDFA), an agency of the State of Kansas which promotes economic development for Kansas by facilitating long-term financing for capital projects and programs via the issuance of taxable and tax-exempt bonds or other securities. The 1987 Kansas Legislature created KDFA through its enabling statutes (K.S.A. 74-8901 et seq.) to access the capital markets on behalf of state agencies, the Regents Institutions, and to provide conduit finance services to other public and private entities.

As of June 30, 2025, the University had \$169.5 million in revenue bond debt outstanding and \$65.0 million of leases payable. During fiscal year 2025, the University retired \$19.4 million and issued \$48.4 million of long-term debt.

As of June 30, 2024, the University had \$146.6 million in revenue bond debt outstanding and \$58.9 million of leases payable. During fiscal year 2024 retired \$16.6 million of long-term debt.

ECONOMIC OUTLOOK

Wichita State University continues to strengthen its position as an economic and educational driver for Kansas. With historic enrollment, rising student retention and persistence rates, transformative investments in health care education, and record-setting research, the University is fueling growth that directly supports the state's workforce and prosperity.

Enrollment Growth

This fall, Wichita State University and Wichita State University Campus of Applied Sciences and Technology (WSU Tech) achieved record enrollment, reflecting a decade of steady expansion. Over the past 10 years, Wichita State's enrollment has increased 27.3%, while WSU Tech has more than doubled with a 101.5% gain. Together, the institutions enrolled 25,147 students – the highest total in their history. On Wichita State's main campus, enrollment grew to 18,458 students, a 4.3% increase from 2024, with student credit hours reaching a record 170,521. At WSU Tech, enrollment climbed to 6,690 students and 60,212 credit hours, increases of 9.6% and 9.2%, respectively.

WICHITA STATE UNIVERSITY

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Fiscal Years Ended June 30, 2025 and 2024

These results reflect the appeal of Wichita State's academic offerings and a shift in how students are pursuing education. Growth is particularly strong among professional learners – individuals seeking credentials, certificates and badges to advance their careers. At WSU Tech, enrollment gains have been fueled by new programs, expanded locations and the availability of state-funded initiatives such as Excel in CTE and the Kansas Promise Scholarship, which help reduce barriers and increase access.

Retention Initiatives

Wichita State's progress is not limited to new enrollment. The number of returning students increased 5% over Fall 2024, an outcome directly tied to investments in student success. Initiatives such as the Shocker Comeback Program, the Shocker Success Center and the Student Early Alert System provide resources and personalized support that improve persistence. Faculty and staff engagement has also played a central role, ensuring that students have the guidance they need to continue and complete their studies.

Wichita Biomedical Campus

One of the most transformative projects in Wichita State's history is underway with the development of the WBC in downtown Wichita. This \$223 million investment will bring together nearly 3,000 students, faculty and staff from Wichita State and the University of Kansas. An event in August commemorated the placement of the final steel beam on Phase I, which is expected to be completed in 2027.

In August 2025, the Wichita State Board of Trustees approved \$750,000 to fund a comprehensive feasibility study to explore the creation of Kansas' first dental school. This is inclusive of support from Fort Hays State University, a partner in the project, which aims to address the state's shortage of dentists, particularly in rural communities.

The study, to be completed by fall 2026, will evaluate the scope, scale and structure of a potential dental school based in Wichita, with a presence in rural Kansas through Fort Hays State. Key areas of focus include cohort size, faculty and staff needs, accreditation requirements, facility planning and potential partnerships with Federally Qualified Health Centers to expand clinical access.

Research

Wichita State continues to build its reputation as a national leader in applied research. In 2024, the University secured \$411 million in research awards, the highest among all Kansas universities. In 2024, the National Science Foundation recognized Wichita State as the No. 1 institution nationally for aerospace engineering R&D expenditures, No. 2 on the list in industry-funded engineering R&D expenditures, No. 6 in total industry-funded R&D expenditures, and No. 8 in total engineering and research and development expenditures.

These record-setting results demonstrate progress toward Wichita State's goal of achieving Carnegie R1 status, the highest designation for research activity in higher education. They also translate directly into opportunities for students, with nearly 9,000 participating in paid applied learning experiences each year, collectively earning close to \$36 million in wages while contributing to employer-driven projects.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2025 and 2024

Conclusion

Wichita State University is demonstrating the value of a student-centered, innovation-driven model that connects education, research and community impact. Enrollment growth, improved retention, investment in health care education, and rising research activity all point to a university that is delivering results for Kansas. The momentum of the past decade provides a strong foundation for continued growth and for Wichita State's expanding role in shaping the state's economic future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of WSU's finances for all those with an interest in Wichita State University. Questions concerning any of the information provided in this report or requests for additional information should be addressed to David Miller, Senior Vice President for Administration, Finance and Operations at (316) 978-3030.

BASIC FINANCIAL STATEMENTS

WICHITA STATE UNIVERSITY
STATEMENT OF NET POSITION
June 30, 2025 and 2024

	University		Discretely Presented Component Units	
	FY 2025	FY 2024	FY 2025	FY 2024
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 49,309,971	\$ 39,552,796	\$ 69,466,839	\$ 58,446,878
Restricted cash and cash equivalents	9,571,552	11,616,673	--	--
Accounts receivable, net	106,671,032	96,366,773	15,563,511	10,865,278
Investments	143,780	138,912	43,618,174	41,845,045
Lease receivable	1,867,389	1,821,193	--	--
Accrued interest receivable	6,789	5,608	--	--
Loans receivable	174,924	74,981	--	--
Inventories	2,165,154	2,527,663	726,753	904,438
Prepaid expenses	69,713	157,210	1,662,606	613,358
Total current assets	<u>169,980,304</u>	<u>152,261,809</u>	<u>131,037,883</u>	<u>112,674,997</u>
Noncurrent assets:				
Restricted cash and cash equivalents	171,977,391	134,483,631	4,552,079	13,386,537
Accounts receivable, net	--	--	8,955,410	9,976,961
Investments	--	--	336,843,957	331,189,927
Loans receivable	1,301,442	--	--	--
Equity interest in joint venture	383,286	695,093	--	--
Other noncurrent assets	--	--	6,961,383	6,397,775
Lease receivable	5,476,535	6,895,272	--	--
Nondepreciable capital assets	163,486,741	84,033,138	13,352,061	4,579,163
Depreciable capital assets, net	<u>487,933,256</u>	<u>464,044,237</u>	<u>78,195,044</u>	<u>73,555,210</u>
Total noncurrent assets	<u>830,558,651</u>	<u>690,151,371</u>	<u>448,859,934</u>	<u>439,085,573</u>
Total assets	<u>1,000,538,955</u>	<u>842,413,180</u>	<u>579,897,817</u>	<u>551,760,570</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	3,964,223	5,528,807	--	--
Deferred outflows related to OPEB	<u>669,271</u>	<u>967,818</u>	<u>--</u>	<u>--</u>
Total deferred outflows of resources	<u>4,633,494</u>	<u>6,496,625</u>	<u>--</u>	<u>--</u>

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

	University		Discretely Presented Component Units	
	FY 2025	FY 2024	FY 2025	FY 2024
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	46,665,775	32,277,721	12,164,366	13,922,894
Unearned revenue	127,672,816	100,933,678	2,825,303	6,439,333
Accrued interest payable	858,510	387,734	738,843	757,657
Accrued compensated absences	10,381,882	11,938,535	516,769	217,791
Refundable advances from government grants	20,297	559,189	--	--
Loans payable	--	--	97,000	--
Lease liability	7,390,784	7,253,062	2,460,224	2,307,992
Subscription liability	189,094	184,089	297,931	157,794
Revenue bonds payable	5,220,000	4,550,000	365,000	345,000
Deposits held in custody for others	2,186,752	2,292,398	130,794	136,149
Total current liabilities	200,585,910	160,376,406	19,596,230	24,284,610
Noncurrent liabilities:				
Other postemployment benefit liability	1,370,849	1,086,741	--	--
Net pension liability	15,999,634	16,951,586	124,257	99,684
Accrued compensated absences	3,293,615	2,411,417	695,708	--
Refundable advances from government grants	--	--	--	--
Other liabilities	37,661,337	16,466,592	513,444	3,028,861
Loans payable	--	--	1,367,904	--
Lease liability	57,628,252	51,628,859	54,389,166	51,657,452
Subscription liability	582,200	786,280	799,234	426,964
Revenue bonds payable	173,130,486	150,665,442	10,531,377	10,940,897
Total noncurrent liabilities	289,666,373	239,996,917	68,421,090	66,153,858
Total liabilities	490,252,283	400,373,323	88,017,320	90,438,468
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,749,903	2,385,976	--	--
Deferred inflows related to OPEB	168,088	190,284	--	--
Deferred inflows related to leases	8,428,928	9,686,160	--	--
Deferred gain on refunding	96,899	--	--	--
Total deferred inflows of resources	10,443,818	12,262,420	--	--
NET POSITION				
Net investment in capital assets	420,263,213	335,277,914	23,816,156	21,553,962
Restricted for:				
Nonexpendable	--	--	230,547,839	222,520,467
Expendable:				
Loans	--	72,698	--	--
Capital projects	26,857,636	48,714,825	--	--
Other purposes	3,407,842	11,862,534	154,466,598	142,913,560
Unrestricted	53,947,657	40,346,091	83,049,904	74,334,113
Total net position	\$ 504,476,348	\$ 436,274,062	\$ 491,880,497	\$ 461,322,102

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



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WICHITA STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2025 and 2024

	University		Discretely Presented Component Units	
	FY 2025	FY 2024	FY 2025	FY 2024
Operating revenues:				
Tuition and fees, net of scholarship allowances	\$ 88,655,137	\$ 106,052,453	\$ 14,968,659	\$ 16,420,273
Federal grants and contracts	284,643,107	203,712,612	3,244,261	5,612,292
State, local and private grants and contracts	23,736,558	18,001,425	8,655,985	8,343,251
Sales and services of educational activities	90,590,843	106,418,669	19,767,224	20,860,431
Auxiliary enterprises:				
Housing revenues, net of scholarship allowances	13,509,044	16,420,166	--	--
Parking revenues	1,788,644	2,070,234	1,399,363	1,147,017
Interest earned on loans to students	176,883	61,725	--	--
Other operating revenues	8,671,211	7,217,481	5,175,629	4,840,933
Total operating revenues	<u>511,771,427</u>	<u>459,954,765</u>	<u>53,211,121</u>	<u>57,224,197</u>
Operating expenses:				
Instruction	99,564,156	94,220,784	19,223,077	17,697,293
Research	321,918,603	273,731,484	--	--
Public service	30,744,857	33,103,471	553,256	556,950
Academic support	41,520,325	39,484,218	5,863,349	5,997,938
Student service	47,061,979	39,205,178	38,362,255	35,784,287
Institutional support	28,834,904	27,238,881	33,078,944	34,368,088
Operations and maintenance of plant	38,156,618	35,610,162	9,438,530	9,494,852
Scholarships and fellowships	10,458,158	26,187,990	18,319,728	17,341,829
Auxiliary enterprises	13,126,212	12,510,065	2,213,073	1,938,955
Other expenses	--	--	2,794,487	2,762,111
Depreciation and amortization	43,921,600	40,772,518	7,915,529	6,632,329
Total operating expenses	<u>675,307,412</u>	<u>622,064,751</u>	<u>137,762,228</u>	<u>132,574,632</u>
Total operating loss	<u>(163,535,985)</u>	<u>(162,109,986)</u>	<u>(84,551,107)</u>	<u>(75,350,435)</u>
Non-operating revenue (expenses):				
State appropriations	118,044,923	109,524,605	17,662,442	17,347,824
Grants and contracts	28,424,012	22,292,897	16,081,791	13,451,593
Gifts	29,201,658	29,799,544	45,461,560	35,049,887
Investment income	3,966,680	5,369,819	29,438,652	32,871,305
Direct finance lease income	--	--	--	--
Interest expense	(5,342,524)	(4,548,254)	(2,640,686)	(2,369,323)
County tax subsidy	--	--	10,888,402	10,360,867
Gain (loss) on disposal of capital assets	(263,449)	61,030	3,627	18,627
Other non-operating revenue (expenses)	(1,263,241)	--	(1,238,098)	(1,210,080)
Total non-operating revenue (expenses)	<u>172,768,059</u>	<u>162,499,641</u>	<u>115,657,690</u>	<u>105,520,700</u>
Excess (deficiency) of revenues over (under) expenses before capital contributions and transfers	<u>9,232,074</u>	<u>389,655</u>	<u>31,106,583</u>	<u>30,170,265</u>
Capital contributions and transfers:				
Capital appropriations	8,326,992	10,825,563	4,906,034	3,629,550
Capital contributions	50,615,627	16,169,742	--	--
Capital assets transferred from(to) other entities	--	--	(5,454,222)	--
Student fees for capital projects	27,593	2,016,428	--	--
Total capital contributions and transfers	<u>58,970,212</u>	<u>29,011,733</u>	<u>(548,188)</u>	<u>3,629,550</u>
Change in net position	<u>68,202,286</u>	<u>29,401,388</u>	<u>30,558,395</u>	<u>33,799,815</u>
Net position, beginning of year	<u>436,274,062</u>	<u>406,872,674</u>	<u>461,322,102</u>	<u>427,522,287</u>
Net position, end of year	<u>\$ 504,476,348</u>	<u>\$ 436,274,062</u>	<u>\$ 491,880,497</u>	<u>\$ 461,322,102</u>

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

WICHITA STATE UNIVERSITY
STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30, 2025 and 2024

	University	
	FY 2025	FY 2024
Cash flows from operating activities:		
Tuition and fees	\$ 87,506,859	\$ 105,790,459
Sales and services of educational activities	91,089,983	107,099,010
Auxiliary enterprises:		
Housing	12,957,666	14,939,734
Parking	1,788,644	2,070,234
Research grants and contracts	297,492,394	222,290,463
Payments to suppliers	(279,292,731)	(247,560,128)
Payments for utilities	(10,794,471)	(9,802,533)
Payments for scholarships and benefits	(10,458,158)	(26,187,990)
Compensation and benefits	(316,139,829)	(300,609,591)
Collections on loans issued to students	(1,401,385)	1,680,859
Other receipts	8,848,094	7,279,206
Net cash flows from operating activities	<u>(118,402,934)</u>	<u>(123,010,277)</u>
Cash flows from noncapital financing activities:		
State appropriations	118,044,923	109,524,605
Federal grants	28,424,012	22,292,897
Gifts	29,201,658	29,799,544
Net increase (decrease) in funds held for others	(644,538)	(1,049,845)
Net cash flows from noncapital financing activities	<u>175,026,055</u>	<u>160,567,201</u>
Cash flows from capital and related financing activities:		
Capital appropriations	8,326,992	10,825,563
Capital grants	100,447,166	116,953,150
Student fees for capital projects	27,593	2,016,428
Purchase or construction of capital assets	(132,778,711)	(54,045,819)
Proceeds from issuance of long-term debt	33,677,252	--
Cost of issuance	(1,263,241)	--
Principal payments	(18,635,920)	(15,961,783)
Interest payments	(5,492,057)	(5,493,244)
Net cash flows from noncapital financing activities	<u>(15,690,926)</u>	<u>54,294,295</u>
Cash flows from investing activities:		
Acquisition of investment in joint venture	--	(750,000)
Investment income	4,273,619	5,817,874
Net cash flows from investing activities	<u>4,273,619</u>	<u>5,067,874</u>
Net change in cash and cash equivalents	45,205,814	96,919,093
Cash and cash equivalents, beginning of year	185,653,100	88,734,007
Cash and cash equivalents, end of year	<u>\$ 230,858,914</u>	<u>\$ 185,653,100</u>
Cash and cash equivalents	\$ 49,309,971	\$ 39,552,796
Restricted cash and cash equivalents, current	9,571,552	11,616,673
Restricted cash and cash equivalents, noncurrent	171,977,391	134,483,631
	<u>\$ 230,858,914</u>	<u>\$ 185,653,100</u>

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

	University	
	FY 2025	FY 2024
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss:	\$ (163,535,985)	\$ (162,109,986)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	43,921,600	40,772,518
Advance payments for capital grants	(28,636,794)	(84,316,816)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable, net	(10,304,259)	(8,123,674)
Lease receivable	1,372,541	1,925,831
Accrued interest receivable	(1,181)	2,769
Loans receivable	(1,401,385)	1,680,859
Inventories	362,509	(2,309,436)
Prepaid expenses	87,497	(56,388)
Deferred outflows related to pensions	1,564,584	609,407
Deferred outflows related to OPEB	298,547	(437,041)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	14,388,054	(1,807)
Unearned revenue	26,739,138	91,865,508
Accrued compensated absences	(674,455)	988,418
Other postemployment benefit liability	284,108	(59,063)
Net pension liability	(951,952)	(72,924)
Deferred inflows related to pensions	(636,073)	(1,498,763)
Deferred inflows related to OPEB	(22,196)	(30,412)
Deferred inflows related to leases	(1,257,232)	(1,839,277)
Net cash flows from operating activities	<u>\$ (118,402,934)</u>	<u>\$ (123,010,277)</u>
Non-cash investing and financing activities:		
Capital contributions	\$ 4,587,360	\$ 3,248,266
Lease issuance	\$ 14,748,960	\$ 1,204,511
SBITA issuance	\$ --	\$ 1,075,033
Net income (loss) from joint venture	\$ (311,807)	\$ (453,366)

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



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WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Wichita State University (the University) have been prepared in conformity with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The financial statements for the University have not been audited.

Organization

The University is an urban research institution providing undergraduate, graduate and professional education in a variety of academic programs. The University serves both traditional and nontraditional student bodies. The University is accredited by the Higher Learning Commission, formerly the North Central Association of Colleges and Schools.

Undergraduate and graduate degrees are available from seven colleges: College of Applied Studies; College of Engineering; College of Fine Arts; College of Health Professions; College of Innovation and Design; Fairmount College of Liberal Arts and Sciences; and W. Frank Barton School of Business.

The University conducts classes at six locations. The main campus is located at 1845 Fairmount, Wichita, Kansas. There are four satellite campuses: WSU Haysville is located at 106 Stewart Avenue, Haysville, Kansas the West Campus is located at 3801 N. Walker Avenue, Wichita, Kansas, the South Campus is located at 3805 E. Harry, Suite B105 Wichita, Kansas, the Old Town Campus is located at 121 N. Mead, 213 N. Mead and 238 N. Mead, Wichita, Kansas, and the McConnell Campus is located at 53474 Lawrence Ct. Bldg. 412, Ste. 123 at McConnell Airforce Base, Kansas.

Financial Reporting Entity

The University is an agency of the State of Kansas and is governed by the Kansas Board of Regents. As such, the University's financial statements are consolidated into the State University System and included as a discretely presented component unit in the annual comprehensive financial report (ACFR) of the State of Kansas.

The University has examined its relationship to other legally separate organizations (potential component units) to determine if their inclusion in the University's basic financial statements is necessary to fairly present the financial position of the University. The criteria used in this determination included an examination of the nature and significance of the organization's relationship with the University, financial benefit or burden to the University, the ability of the University to appoint members of the entity's governing board, and the level of influence the University has over the activities of the organization. Based on these criteria, the Wichita State Innovation Alliance, Inc. (WSIA) has been included in the accompanying basic financial statements as a blended component unit. In addition, the following organizations are reported as discretely presented component units:

- Wichita State University Foundation and Alumni Engagement (WSUFAE)
- Wichita State University Intercollegiate Athletic Association (ICAA)
- Wichita State University Union Corporation (Union Corp)
- Wichita State University Board of Trustees (Board of Trustees)
- Wichita State University Campus of Applied Sciences and Technology (WSU Tech)

Each of these component units is separately audited and received unmodified opinions for the years ended June 30, 2025 and June 30, 2024. Additional information about the component units is included in Note 14 to the financial statements and in the combining schedules included as supplementary information.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-entity transactions have been eliminated.

Cash Equivalents

For purposes of the Statement of Cash Flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Statement of Cash Flows does not include the cash flows of the discretely presented component units.

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets are classified as non-current in the Statement of Net Position.

Investments

Investments in equity securities, fixed income securities and mutual funds are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in non-negotiable certificates of deposits, external investment pools and joint ventures are carried at cost.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts (see Note 4).

Lease Receivable

Lease receivables are reported for arrangements under which the University provides the right to use its nonfinancial assets as specified in a contract for a period of time in an exchange or exchange-like transaction. Management determines the allowance for uncollectible leases by identifying specific leases that may not be collected. As of June 30, 2025 and 2024, management estimates that all lease receivables are collectible.

Inventories

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

Prepaid Expenses

Prepaid expenses primarily consist of lease payments made before the commencement of the lease term.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if the related project cost exceeds \$100,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation and amortization are computed using the straight-line, modified half-year convention method over the estimated useful lives of the assets. Useful life is 40 years for buildings, 25 years for infrastructure and land improvements, 8 years for non-information technology equipment, 5 years for vehicles and 3 years for information technology equipment. Useful lives for right-to-use lease assets are based on the shorter of the lease term or the useful life of the respective category of capital asset. Useful lives for right-to-use assets associated with Subscription Based Information Technology Arrangements (SBITAs) are based on the subscription term. The University reserves the discretion to modify the useful life of an asset in an unusual circumstance. Costs incurred during construction of long-lived assets are recorded as construction-in-progress and are not depreciated until placed in service (see Note 5).

Unearned Revenue

Unearned revenues consist primarily of summer school tuition not earned during the current year and advance payments from grant and contract sponsors in excess of expenditures incurred to date (see Note 7).

Compensated Absences

Employee vacation is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded as accrued compensated absences in the Statement of Net Position, and as a component of operating expenses by University function in the Statement of Revenues, Expenses, and Changes in Net Position. The expenses are included as a component of compensation and benefit expense (see Note 13).

Deposits Held in Custody for Others

Deposits held in custody for others consist primarily of funds for student organizations that are administered by the University.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of revenue bonds, notes payable, lease liabilities and subscription liabilities with contractual maturities greater than one year, certain liabilities associated with employee benefits, amounts due to the federal government related to the Federal Perkins Loan Program and other liabilities (see Notes 6, 8, 9, 10 and 11).

Bond premiums are capitalized and amortized over the term of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense) until then. The University has two items that qualify for reporting in this category: deferred outflows related to pensions and deferred outflows related to OPEB (see Notes 10 and 11).

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The University has four items that qualify for reporting in this category: deferred inflows related to pensions, deferred inflows related to OPEB, deferred inflows related to leases and deferred gain on refunding (see Notes 8, 9, 10 and 11). A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions and Other Postemployment Benefits

In accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the University has reported its proportionate share of the Kansas Public Employees Retirement System (KPERS) pension liability. The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's net fiduciary position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expense, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The total other post-employment benefit (OPEB) liability is the portion of the actuarial present value of projected benefit payments that is attributable to past periods of member service using acceptable methods in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Total OPEB liability is recognized on the Statement of Net Position while changes in the total OPEB liability are immediately recognized as OPEB expense on the Statement of Activities or reported as deferred inflows or deferred outflows of resources depending on the nature of the change. The total OPEB expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total OPEB liability, current year benefit changes, and other changes in plan fiduciary net position. Additionally, the total OPEB expense includes the annual recognition of outflows and inflows of resources due to other postemployment benefits.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advances from Government Grants

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the University has recognized a liability for the federal portion of its Perkins Loan portfolio that is expected to be repaid to the Department of Education. Given that the Perkins Loan Program was not renewed and the wind-down procedures for the program require that the federal funds be returned on an annual basis for the Department of Education's portion of the cash received each year, a liability has been recognized and an allocation is made between current and noncurrent based on expected repayment requirements in accordance with the current Department of Education guidelines.

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 assets, net of depreciation, less outstanding debt obligations used to acquire those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- **Restricted Net Position - Nonexpendable:** Restricted nonexpendable net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.
- **Restricted Net Position - Expendable:** Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.
- **Unrestricted Net Position:** Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of management to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff. The auxiliary enterprises included here are student housing and parking operations.

When both restricted and unrestricted resources are available for use, generally it is the University's policy to use restricted resources first, then unrestricted resources as they are needed.

Tax Status

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code; however, income generated from activities unrelated to the University's exempt purpose is subject to income taxes under Internal Revenue Code Section 511(a)(2)(b).

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenue and Expense

The University has classified the activity on the Statement of Revenues, Expenses, and Changes in Net Position as either operating or non-operating revenues according to the following criteria:

- **Operating Revenues and Operating Expenses:** Operating revenues and expenses include activities that have the characteristics of exchange transactions, including nearly all of the University's expenses and certain revenues such as (1) student tuition and fees, (2) sales and services of educational activities, (3) certain federal, State, local and private grants and contracts, (4) interest on institutional student loans and (5) auxiliary enterprises.
- **Non-Operating Revenues (Expenses):** Non-operating revenues or expenses are those in which the University receives or gives value without directly giving or receiving equal value, such as state and local appropriations, certain federal grants and contracts, private gifts, and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on behalf of the students. Certain governmental grants, such as Pell Grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating 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 scholarship discount and allowance. Tuition discounts for the years ended June 30, 2025 and 2024 were \$59,157,998 and \$35,033,914, respectively.

Effective fiscal year 2025, the University shifted its method of calculating scholarship allowances from an estimated approach to an actual identification method. Previously, the University used an alternative method that allocated institutional aid proportionally between scholarship discounts and student aid expenses. The University is now leveraging its information systems that can match student aid with student charges. The system uses ordering rules for applying aid which provide the actual scholarship allowance versus an estimate. In accordance with GASB statement No. 100, *Accounting Changes and Error Corrections*, this change is being made on a prospective basis, meaning this change was not made for the scholarship allowance reported for the year ended June 30, 2024.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Governmental Accounting Standards

The effect on the University's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The relevant changes for the University are highlighted below:

- 1) Management Discussion and Analysis (MD&A): This statement requires that information presented in MD&A be limited to related topics discussed in five sections: 1) Overview of Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity and 5) Currently Known Facts, Decisions, or Conditions. MD&A should also explain why balances and results of operations changed and avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections. MD&A should continue to distinguish between the primary government and its discretely presented component units.
- 2) Unusual or Infrequent Items are described as transactions and other events that are either unusual in nature or infrequent in occurrence. These items are required to be displayed separately as the last presented flow of resources prior to the net change in resource flows in the Statement of Revenues, Expenses and Changes in Net Position.
- 3) Presentation of the Statement of Revenues, Expenses and Changes in Fund Net position should continue to distinguish between operating and nonoperating revenues and expenses and provides additional guidance on determining nonoperating revenues and expenses. Additional subtotals are required to be presented to show a subtotal for "operating income (loss) and noncapital subsidies" prior to reporting other nonoperating revenues and expenses. Subsidies are defined within the statement.

The provisions of this statement are effective for financial statements for the University's fiscal year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, improves financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This statement requires certain capital assets to be disclosed separately in the capital assets note disclosures including lease assets, intangible right-to-use assets recognized in accordance with Public-Private and Public-Public Partnerships and Availability Payment Arrangements and subscription assets. In addition, intangible assets other than those three types must be disclosed separately by major class. This statement also requires additional disclosures on capital assets held for sale. The provisions of this statement are effective for financial statements for the University's fiscal year ending June 30, 2026.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The carrying values of deposits and investments shown below are included in the Statement of Net Position as follows:

Carrying value	June 30, 2025	June 30, 2024
Cash deposits with State Treasury	\$ 212,601,096	\$ 173,917,086
Cash deposits with financial institutions	17,657,783	11,155,775
Certificates of deposit	143,780	138,912
Funds held at Pooled Money Investment Board	600,035	580,239
	<u>\$ 231,002,694</u>	<u>\$ 185,792,012</u>

A reconciliation of deposits and investments to the Statement of Net Position as of June 30 is as follows:

	June 30, 2025	June 30, 2024
Cash and cash equivalents	\$ 49,309,971	\$ 39,552,796
Restricted cash and cash equivalents, current	9,571,552	11,616,673
Restricted cash and cash equivalents, noncurrent	171,977,391	134,483,631
Current investments	143,780	138,912
	<u>\$ 231,002,694</u>	<u>\$ 185,792,012</u>

Deposits

In accordance with K.S.A 72-4215, the University is required to remit substantially all cash balances to the State Treasurer, who holds and invests the funds. The investments are managed by the Pooled Money Investment Board (PMIB), which maintains a published Investment Policy. The exception to this requirement is any funds held by the University as permitted by K.S.A. 75-4214 including the University's imprest fund and organizational safekeeping fund, as well as any funds held by external entities on behalf of the University, including bond proceeds.

Cash balances maintained by the State Treasurer are pooled and are held in a general checking account and other special purpose bank accounts. The available cash balances beyond immediate needs are pooled for short-term investment purposes by the PMIB and are reported at fair value, based on quoted market prices. In the University's financial statements, all deposits with the State Treasurer are reported as cash and cash equivalents.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For cash deposits with financial institutions, the State Treasurer requires that its depository banks pledge collateral that has a market value equal to or greater than the deposits. As of June 30, 2025 and 2024, the University has deposits with financial institutions totaling \$13,821,824 and \$5,512,538, respectively, with assets pledged as collateral with a fair value of \$25,841,093 and \$17,200,332, respectively. As of June 30, 2025 and 2024, respectively, \$0 and \$5,036,812 of WSIA's deposit balances were exposed to custodial credit risk.

Investments

Investments held directly by the University totaled \$143,780 and \$138,912, as of June 30, 2025, and 2024, respectively. This amount included only certificates of deposit. Investments held by University component units totaled \$380,462,131 and \$373,034,972 as of June 30, 2025 and June 30, 2024, respectively (see Note 14).

Pooled Money Investment Board (PMIB)

The investment policy of the PMIB is governed by state statutes. The primary objectives are to attain safety, liquidity, and yield. Allowable investments for state pooled moneys not held in Kansas financial institutions are as follows:

- Direct obligations of, or obligations that are insured as to principal and interest by the U.S. Government, or any agency thereof
- Obligations and securities of United States sponsored enterprises that under federal law may be accepted as security for public funds, excluding mortgaged backed securities of such enterprises
- Repurchase and reverse repurchase agreements with banks or with primary government securities dealers that report to the Market Reports Division of the Federal Reserve Bank
- Interfund loans to various state agencies as mandated by the Kansas Legislature limited to not more than the greater 10% or \$140,000,000 of state monies
- Certain Kansas agency and SKILL Act projects and bonds
- High grade commercial paper not to exceed 270 days to maturity
- High grade corporate bonds not to exceed 2 years to maturity

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The State Treasurer and PMIB minimize interest rate risk by structuring its investment portfolio so that securities mature to meet cash requirement for scheduled disbursement and ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2025 and June 30, 2024, the certificates of deposit held by the University were fully insured.

The University indirectly holds a position in the Kansas Municipal Investment Pool (KMIP), which restricts its investments to those rated A1/P1 or better. The KMIP is no longer rated by S&P based on a cost-benefit decision by the PMIB.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of the investments that are in the possession of an outside party. The University's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the University's name, and are held by either the counterparty or the counterparty's trust department or agent. The University does not have a formal investment policy that addresses custodial credit risk. However, the University's custodial credit risk is estimated to be minimal based on the expressed investment policies of the State Treasurer and PMIB.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss resulting from an over concentration of assets in a specific maturity, specific user, or specific class of securities. The financial statements of the State of Kansas provide additional information about the risk associated with the State Treasurer's and PMIB's investment portfolio.

Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

The guidance requires three levels of fair value measurement based on the respective inputs.

- **Level 1:** Quoted prices in active markets for identical assets or liabilities
- **Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- **Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include equity stocks, mutual funds, and actively traded debt securities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

As of June 30, 2025 and June 30, 2024, the University does not have any investments reported at fair value. For additional information about investments reported at fair value held by the University's discretely presented component units, see Note 14

NOTE 3 – EQUITY INTEREST IN JOINT VENTURE

During 2022, the University invested in two joint venture arrangements for the ownership and leasing of aircraft. During 2024, the University invested in a third joint venture under a similar arrangement with an initial investment of \$750,000. The University has an equity interest in the joint ventures based on its initial capital contributions, is entitled to allocations of profit or loss, and may be responsible for additional contributions to cover operating deficits, to make capital expenditures or for any other purpose incidental to the conduct of the business of the companies. As of June 30, 2025 and June 30, 2024, the University's equity interest in these companies was \$383,286 and \$695,093, respectively. For the years ended, June 30, 2025 and 2024, net gain/(loss) from joint ventures totaled \$13,193 and \$(453,366), respectively. The companies associated with these joint venture arrangements do not issue separate financial statements.

NOTE 4 – ACCOUNTS RECEIVABLE

As of June 30, 2025 and 2024 accounts receivable net of allowance for doubtful accounts consisted of the following:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Student tuition and fees	\$ 15,877,524	\$ 14,147,014
Student housing contracts	4,110,192	3,558,814
Service clearing and other operating activities	339,332	724,344
Federal, state and private grants and contracts	101,093,129	91,922,642
Less: allowance for doubtful accounts	<u>(14,749,145)</u>	<u>(13,986,041)</u>
Total accounts receivable, net	<u>\$ 106,671,032</u>	<u>\$ 96,366,773</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the University for the years ended June 30, 2025 and 2024 are summarized as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Nondepreciable capital assets				
Land	\$ 6,252,353	\$ --	\$ --	\$ 6,252,353
Construction in progress	77,780,785	125,193,928	45,740,325	157,234,388
Total nondepreciable capital assets	<u>84,033,138</u>	<u>125,193,928</u>	<u>45,740,325</u>	<u>163,486,741</u>
Depreciable capital assets				
Leasehold improvements	17,239,669	9,259,873	--	26,499,542
Infrastructure	25,551,274	--	--	25,551,274
Land improvements	16,659,825	--	--	16,659,825
Buildings	296,252,861	15,824	--	296,268,685
Building improvements	184,276,714	25,925,742	--	210,202,456
Equipment and furnishings	197,660,427	17,436,365	5,959,166	209,137,626
Intangible software	3,920,124	--	2,344,296	1,575,828
Vehicles	6,044,793	549,856	832,418	5,762,231
Right-to-use buildings	83,155,894	14,520,978	20,834	97,656,038
Right-to-use equipment	5,098,805	59,343	--	5,158,148
Right-to-use vehicles	20,654	--	8,321	12,333
Right-to-use SBITAs	1,413,614	--	--	1,413,614
Total depreciable capital assets	<u>837,294,654</u>	<u>67,767,981</u>	<u>9,165,035</u>	<u>895,897,600</u>
Accumulated depreciation				
Leasehold improvements	11,368,646	2,426,702	--	13,795,348
Infrastructure	15,000,222	977,290	--	15,977,512
Land improvements	9,323,169	589,554	--	9,912,723
Buildings	105,189,510	6,629,686	--	111,819,196
Building improvements	71,796,125	5,048,457	--	76,844,582
Equipment and furnishings	125,089,884	16,753,573	5,693,869	136,149,588
Intangible software	3,920,124	--	2,344,296	1,575,828
Vehicles	4,468,844	532,695	827,048	4,174,491
Right-to-use buildings	24,916,753	9,365,812	20,834	34,261,731
Right-to-use equipment	1,873,761	1,019,761	--	2,893,522
Right-to-use vehicles	20,654	--	8,321	12,333
Right-to-use SBITAs	282,725	264,765	--	547,490
Total accumulated depreciation	<u>373,250,417</u>	<u>43,608,295</u>	<u>8,894,368</u>	<u>407,964,344</u>
Total depreciable assets, net	<u>464,044,237</u>	<u>24,159,686</u>	<u>270,677</u>	<u>487,933,256</u>
Total capital assets, net	<u>\$ 548,077,375</u>	<u>\$ 149,353,614</u>	<u>\$ 46,010,992</u>	<u>\$ 651,419,977</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Nondepreciable capital assets				
Land	\$ 5,580,903	\$ 671,450	\$ --	\$ 6,252,353
Construction in progress	67,620,221	52,340,928	42,180,364	77,780,785
Total nondepreciable capital assets	<u>73,201,124</u>	<u>53,012,378</u>	<u>42,180,364</u>	<u>84,033,138</u>
Depreciable capital assets				
Leasehold improvements	17,440,900	--	201,231	17,239,669
Infrastructure	25,551,274	--	--	25,551,274
Land improvements	16,414,325	245,500	--	16,659,825
Buildings	277,635,190	18,617,671	--	296,252,861
Building improvements	181,494,647	2,782,067	--	184,276,714
Equipment and furnishings	177,411,301	21,990,907	1,741,781	197,660,427
Intangible software	3,920,124	--	--	3,920,124
Vehicles	5,583,627	483,818	22,652	6,044,793
Right-to-use buildings	81,713,777	1,442,117	--	83,155,894
Right-to-use equipment	5,098,805	--	--	5,098,805
Right-to-use vehicles	20,654	--	--	20,654
Right-to-use SBITAs	1,073,515	1,413,614	1,073,515	1,413,614
Total depreciable capital assets	<u>793,358,139</u>	<u>46,975,694</u>	<u>3,039,179</u>	<u>837,294,654</u>
Accumulated depreciation				
Leasehold improvements	9,959,511	1,570,120	160,985	11,368,646
Infrastructure	14,021,962	978,260	--	15,000,222
Land improvements	8,713,975	609,194	--	9,323,169
Buildings	98,401,189	6,788,321	--	105,189,510
Building improvements	67,324,546	4,471,579	--	71,796,125
Equipment and furnishings	110,245,609	15,809,123	964,848	125,089,884
Intangible software	3,920,124	--	--	3,920,124
Vehicles	4,024,360	461,386	16,902	4,468,844
Right-to-use buildings	16,134,703	8,782,050	--	24,916,753
Right-to-use equipment	854,000	1,019,761	--	1,873,761
Right-to-use vehicles	20,654	--	--	20,654
Right-to-use SBITAs	475,430	282,724	475,429	282,725
Total accumulated depreciation	<u>334,096,063</u>	<u>40,772,518</u>	<u>1,618,164</u>	<u>373,250,417</u>
Total depreciable assets, net	<u>459,262,076</u>	<u>6,203,176</u>	<u>1,421,015</u>	<u>464,044,237</u>
Total capital assets, net	<u>\$ 532,463,200</u>	<u>\$ 59,215,554</u>	<u>\$ 43,601,379</u>	<u>\$ 548,077,375</u>

The University elected not to capitalize certain collections, including library books and art collections. Those collections adhere to the University's policy to (1) maintain them for public exhibition, education, or research; (2) protect, keep encumbered, care for and preserve them; and (3) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at the time of purchase rather than be capitalized.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 6 – REFUNDABLE ADVANCES FROM GOVERNMENT GRANTS

Student loans made through the Federal Perkins Loan Program comprise substantially all the loans to students as of June 30, 2025 and 2024. The Programs provide for cancellation of a loan at rates from 15% to 30% per year up to a maximum of 100% if the participant complies with certain provisions.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U. S. Department of Education.

Effective October 1, 2017, the United States Department of Education (ED) did not renew the Federal Perkins Loan Program. As a result, after a brief transition period, no new loans can be disbursed to students. The current guidance provided by ED stipulates that as cash is collected by the University from loans disbursed prior to October 1, 2017, such funds are to be remitted back to ED on a proportional basis (the Perkins program was originally funded by ED with a small percentage matched by the University). Given this guidance, the University has determined that it is probable that ED, as the provider of the original resource, will require the University to return all the resources originally received under this program. As of June 30, 2025 and 2024, a liability of \$20,297 and \$559,189, respectively has been recorded in University's financial statements, based on the probable return of these resources.

NOTE 7 – UNEARNED REVENUES

Unearned revenues consist primarily of summer session tuition and fees and advance payments received on grants and contracts. The breakdown of unearned revenues is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Summer session	\$ 5,596,247	\$ 5,777,065
Grants and contracts	<u>122,076,569</u>	<u>95,156,613</u>
Total unearned revenue	<u>\$ 127,672,816</u>	<u>\$ 100,933,678</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 8 – LONG-TERM LIABILITIES

Long-term liabilities for the years ended June 30, 2025 and 2024, consisted of the following:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Current Portion
Revenue bonds payable	\$ 146,575,000	\$ 32,770,000	\$ 9,825,000	\$ 169,520,000	\$ 5,220,000
Unamortized premium	8,640,442	907,252	717,208	8,830,486	--
Lease liability *	58,881,921	14,748,960	8,611,845	65,019,036	7,390,784
Subscription liability *	970,369	--	199,075	771,294	189,094
Refundable advances from government grants	559,189	--	538,892	20,297	20,297
Net pension liability	16,951,586	4,392,957	5,344,909	15,999,634	--
Total OPEB liability	1,086,741	472,964	188,856	1,370,849	--
Compensated absences	14,349,952	--	674,455	13,675,497	10,381,882
	<u>\$ 248,015,200</u>	<u>\$ 53,292,133</u>	<u>\$ 26,100,240</u>	<u>\$ 275,207,093</u>	<u>\$ 23,202,057</u>

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Revenue bonds payable	\$ 153,750,000	\$ --	\$ 7,175,000	\$ 146,575,000	\$ 4,550,000
Unamortized premium	9,282,242	--	641,800	8,640,442	--
Lease liability *	65,644,725	1,204,511	7,967,315	58,881,921	7,253,062
Subscription liability *	614,504	1,075,333	719,468	970,369	184,089
Loans payable *	100,000	--	100,000	--	--
Refundable advances from government grants	2,085,810	--	1,526,621	559,189	559,189
Net pension liability	17,024,510	4,967,251	5,040,175	16,951,586	--
Total OPEB liability	1,145,804	344,547	403,610	1,086,741	--
Compensated absences	13,361,534	12,856,608	11,868,190	14,349,952	11,938,535
	<u>\$ 263,009,129</u>	<u>\$ 20,448,250</u>	<u>\$ 35,442,179</u>	<u>\$ 248,015,200</u>	<u>\$ 24,484,875</u>

* Lease liability, subscription liability and loans payable represent private placement debt.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds Payable

Revenue bonds payable consisted of the following as of June 30, 2025:

WSU Revenue Bonds Series 2016J Parking Garage	\$ 4,665,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on December 20, 2016 - Original amount of \$7,180,000 (premium of \$218,090) - Due in annual installments with final maturity on June 1, 2036 - Interest ranging from 2.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2025 principal payment: \$345,000 	
WSU Revenue Bonds Series 2020P Woolsey Hall	22,670,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 28, 2020 - Original amount of \$24,355,000 (premium of \$1,216,877) - Due in annual installments with final maturity on June 1, 2050 - Interest ranging from 2.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2025 principal payment: \$590,000 	
WSU Revenue Bonds Series 2020P Flats & Suites	42,785,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 28, 2020 - Original amount of \$47,030,000 (premium of \$3,063,069) - Due in annual installments with final maturity on June 1, 2045 - Interest ranging from 2.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2025 principal payment: \$1,485,000 	
WSU Revenue Bonds Series 2021L Convergence Sciences	6,825,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 27, 2021 - Original amount of \$13,800,000 (premium of \$814,627) - Due in annual installments with final maturity on June 1, 2046 - Interest ranging from 4.00% - 5.25%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2025 principal payment: \$165,000 	
WSU Revenue Bonds Series 2021L Shocker Hall (Refunded Series 2013F-1)	47,760,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 27, 2021 - Original amount of \$51,980,000 (premium of \$4,476,286) - Due in annual installments with final maturity on June 1, 2046 - Interest ranging from 2.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2025 principal payment: \$1,510,000 	

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

WSU Revenue Bonds Series 2022G Clinton Hall	12,045,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 19, 2022 - Original amount of \$13,075,000 (premium of \$224,274) - Due in annual installments with final maturity on June 1, 2047 - Interest ranging from 3.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2025 principal payment: \$330,000 	
WSU Revenue Bonds Series 2025D-1 University Stadium	6,810,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on March 4, 2025 - Original amount of \$6,810,000 (premium of \$155,520) - Due in annual installments with final maturity on April 1, 2050 - Interest ranging from 4.00% - 8.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - Principal payments will not commence until FY 2026 	
WSU Revenue Bonds Series 2025D-2 HAMR	20,260,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on March 4, 2025 - Original amount of \$20,260,000 (premium of \$593,297) - Due in annual installments with final maturity on April 1, 2050 - Interest ranging from 4.70% - 8.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - Principal payments will not commence until FY 2026 	
WSU Revenue Bonds Series 2025D-2 Convergence Science (Refunded Series 2021L)	5,700,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on March 4, 2025 - Original amount of \$5,050,000 (premium of \$158,435) - Due in annual installments with final maturity on April 1, 2051 - Interest ranging from 4.70% - 8.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - Principal payments will not commence until FY 2026 	
	<u><u>\$ 169,520,000</u></u>

Future debt service requirements for all bonds outstanding as of June 30, 2024, are as follows:

Year Ending June 30:	Principal	Interest	Total
2026	\$ 5,220,000	\$ 5,700,449	\$ 10,920,449
2027	5,460,000	5,453,991	10,913,991
2028	5,750,000	5,173,941	10,923,941
2029	6,035,000	4,878,391	10,913,391
2030	6,320,000	4,592,641	10,912,641
2031-2035	35,410,000	19,152,544	54,562,544
2036-2040	38,850,000	13,681,716	52,531,716
2041-2045	43,985,000	7,992,460	51,977,460
2046-2050	21,750,000	2,405,344	24,155,344
2051-2055	740,000	28,545	768,545
	<u><u>\$ 169,520,000</u></u>	<u><u>\$ 69,060,022</u></u>	<u><u>\$ 238,580,022</u></u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Acceleration of Maturity in Event of Default

If an event of default shall have occurred and be continuing, the Kansas Development Finance Authority (KDFA) may, and shall upon the written request of the owners of not less than 25% in aggregate principal amount of bonds then outstanding, by notice in writing delivered to KDFA and the University, declare the principal of all bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. An owner means the registered owner of any bond as shown on the bond register maintained by the bond registrar.

If, at any time after such declaration, but before the bonds shall have matured by their terms, all overdue installments of principal and interest on the bonds, together with the reasonable and proper expenses of the bond registrar and paying agent, and all other sums then payable by KDFA shall either be paid or provision shall be made for such payment, then and in every such case KDFA shall, but only with the approval of the owners of not less than 50% in aggregate principal amount of the bonds outstanding, rescind such declaration and annul such default in its entirety.

Pledged Revenues

The University has pledged all revenues of the University, excluding restricted revenues, for the repayment of \$169,520,000 in revenue bonds. The various issues and maturity dates are listed in the preceding tables in Note 8. The bonds are payable solely from the revenues derived by the University. Annual principal and interest payments on the bonds are expected to require approximately 5.1% of unrestricted revenues on average over the next 26 years. The total principal and interest remaining to be paid on the bonds is \$238,580,022. Principal and interest paid for the year ended June 30, 2025 and total unrestricted revenues were \$8,683,035 and \$178,210,759, respectively. Principal and interest paid for the year ended June 30, 2024 and total unrestricted revenues were \$11,844,125 and \$176,841,650, respectively.

NOTE 9 – LEASES

Leases as a Lessor

The University and its blended component unit Wichita State Innovation Alliance (WSIA) lease land and building space to tenants under various leases with initial terms that range from month-to-month to 63 years. Total lease income for the rental of land and building space was \$3,225,158 and \$2,936,561 for the years ended June 30, 2025 and 2024, respectively, which includes variable lease payments and common area maintenance in accordance with the respective lease agreements.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 9 – LEASES (CONTINUED)

The University reports variable lease revenue, which is based on occupancy or gross revenues. Certain lease revenues do not meet the criteria for inclusion in the lease receivable, including short-term leases, variable lease payments and common area maintenance charges. Revenues related to leasing activities are recognized in the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2025 and 2024 are summarized as follows:

	June 30, 2025	June 30, 2024
Deferred inflows recognized	\$ 1,876,846	\$ 1,865,782
Variable payments:		
Building leases	502,237	325,284
Ground leases	174,113	177,013
Common area maintenance charges	516,258	400,710
Lease interest revenue	155,704	140,772
	<u>\$ 3,225,158</u>	<u>\$ 2,936,561</u>

Future minimum annual lease income under these agreements as of June 30, 2025 is as follows:

Year Ending June 30:	Principal	Interest	Total
2026	\$ 1,867,389	\$ 143,577	\$ 2,010,966
2027	1,060,525	131,604	1,192,129
2028	42,678	129,292	171,970
2029	43,208	127,607	170,815
2030	39,862	126,554	166,416
2031-2035	213,464	616,614	830,078
2036-2040	243,747	586,334	830,081
2041-2045	279,494	550,581	830,075
2046-2050	320,614	509,463	830,077
2051-2055	368,453	461,622	830,075
2056-2060	424,053	406,023	830,076
2061-2065	430,374	342,765	773,139
2066-2070	433,039	278,447	711,486
2071-2075	506,512	204,974	711,486
2076-2080	594,049	117,434	711,483
2081-2085	476,463	37,501	513,964
	<u>\$ 7,343,924</u>	<u>\$ 4,770,392</u>	<u>\$ 12,114,316</u>

Leases as a Lessee

Within the normal course of operations, the University and WSIA have entered into various lease agreements for the use of land, buildings, vehicles and equipment. WSIA subleases the land and buildings it leases to various tenants. The initial terms of the leases range from month-to-month to 20 years, with additional options to extend. Total expense for the amortization of the right-to-use assets was \$10,385,573 and \$9,801,811 for the years ended June 30, 2025 and June 30, 2024, respectively. Additional expenses for common area maintenance were incurred in accordance with the agreements and totaled \$1,929,768 and \$1,252,485 for the years ended June 30, 2025 and June 30, 2024, respectively.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 9 – LEASES (CONTINUED)

The commitment for future minimum rental payments under these agreements as of June 30, 2025 is as follows:

Year Ending June 30:	Principal	Interest	Total
2026	\$ 7,390,784	\$ 1,079,469	\$ 8,470,253
2027	6,652,239	939,857	7,592,096
2028	6,197,587	1,122,770	7,320,357
2029	5,015,389	712,761	5,728,150
2030	4,908,948	631,050	5,539,998
2031-2035	26,195,890	1,857,372	28,053,262
2036-2040	8,658,199	221,176	8,879,375
	<u>\$ 65,019,036</u>	<u>\$ 6,564,455</u>	<u>\$ 71,583,491</u>

NOTE 10 – RETIREMENT PLANS

The University participates in two cost-sharing multiple-employer defined benefit pension plans and one defined contribution pension plan.

Defined Contribution Plan

Eligible faculty and unclassified employees are required to participate in the Kansas Board of Regents (KBOR) defined contribution retirement plan established pursuant to Section 403(b) of the Internal Revenue Code, which was authorized by K.S.A. 74-4925, *et seq.* The Regents have selected the following companies to provide investment options to participants: (1) Teachers Insurance and Annuity Association (TIAA), and (2) Voya Financial. Benefits under these plans depend solely on the contributed amounts and the returns earned on the investment of those contributions. All contributions are fully vested with the first contribution.

For the year ended June 30, 2025, active members were required by state statute to contribute 5.5% and the University to contribute 8.5% of the employees' covered payroll. The Kansas Legislature establishes and may amend active plan members' and the University's contribution rates. The following table provides a summary of contributions made to the defined contribution plan:

	FY 2025	FY 2024
Employee 403(b) contributions	\$ 9,801,990	\$ 8,971,247
Employer 403(b) contributions	\$ 15,148,530	\$ 13,864,655

Voluntary Retirement Plan

Employees may also elect to participate, up to the maximum dollar amount permitted by the Internal Revenue Code, in a voluntary retirement plan. This voluntary plan permits employees to designate a part of their earnings into tax-sheltered investments and thus defer federal and state income taxes on their contributions and the accumulated earnings under the plan. Participation and the level of employee contributions are voluntary. The employer is not required to make contributions to the plan.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan

The University participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et. seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org, by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Benefits Provided

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credit service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen's' normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members chose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. Their monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by the employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rates for the years ending June 30, 2025 and June 30, 2024 are shown in the table below:

	<u>FY 2025</u>	<u>FY 2024</u>
KPERS State/School group		
Actuarial employer rate	11.42%	12.57%
Statutory employer capped rate	11.42%	12.57%
KP&F		
Actuarial employer rate	23.10%	22.86%
Statutory employer capped rate	23.10%	22.86%

Contributions to the pension plan from the University were \$1,585,268 and \$1,724,663 for the years ended June 30, 2025 and 2024, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The University participates in the State/School group (KPERS) and the police and firemen group (KP&F).

As of June 30, 2025 and 2024, the University reported a liability of \$15,999,634 and \$16,951,586, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 10 – RETIREMENT PLANS (CONTINUED)

The University's proportion of the net pension liability was based on the ratio of the University actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the respective subgroup within KPERS for the fiscal year ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The University's proportion and change from its proportion measured as of the previous fiscal year end were as follows:

	Net Pension Liability as of June 30, 2025	Proportion as of June 30, 2025	Increase (decrease) in Proportion from June 30, 2024
KPERS State/School group	\$ 12,121,915	0.185452%	(0.003113)%
KP&F	3,877,719	0.243268%	0.003209 %
	<u>\$ 15,999,634</u>		

	Net Pension Liability as of June 30, 2024	Proportion as of June 30, 2024	Increase (decrease) in Proportion from June 30, 2023
KPERS State/School group	\$ 13,117,230	0.188565%	(0.004057)%
KP&F	3,834,356	0.240059%	0.013959%
	<u>\$ 16,951,586</u>		

For the years ended June 30, 2025 and 2024, the University recognized a pension expense of \$1,561,827 and \$762,383, respectively. As of June 30, 2025 and 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
KPERS State/School Group				
Differences between expected and actual experience	\$ 769,711	\$ --	\$ 475,238	\$ --
Differences between projected and actual earnings on pension plan investments	108,207	--	892,775	--
Changes of assumptions	814,129	312,222	1,449,481	--
Changes in proportionate share	--	1,380,123	--	2,292,778
Contributions subsequent to the measurement date	1,191,200	--	1,323,949	--
	<u>2,883,247</u>	<u>1,692,345</u>	<u>4,141,443</u>	<u>2,292,778</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
KP&F				
Differences between expected and actual experience	335,223	--	354,979	--
Differences between projected and actual earnings on pension plan investments	18,482	--	172,733	--
Changes of assumptions	206,533	--	310,455	--
Changes in proportionate share	126,670	57,558	148,483	93,198
Contributions subsequent to the measurement date	394,068	--	400,714	--
	<u>1,080,976</u>	<u>57,558</u>	<u>1,387,364</u>	<u>93,198</u>
	<u>\$ 3,964,223</u>	<u>\$ 1,749,903</u>	<u>\$ 5,528,807</u>	<u>\$ 2,385,976</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 10 – RETIREMENT PLANS (CONTINUED)

The \$1,585,268 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources Recognized in Pension Expense		
	Total	KPERS	KP&F
2026	\$ (180,042)	\$ (355,545)	\$ 175,503
2027	955,855	616,007	339,848
2028	(10,709)	(118,414)	107,705
2029	(136,052)	(142,346)	6,294
	<u>\$ 629,052</u>	<u>\$ (298)</u>	<u>\$ 629,530</u>

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Price inflation	2.75%
Salary increases	3.50% to 12.00%, including price inflation
Investment rate of return	7.00%, compounded annually, net of investment expense, and including price inflation

Mortality rates were based on the PUB 2010 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study conducted for the four year period beginning January 1, 2019.

The actuarial assumption changes adopted by the Pension Plan for all groups based on the actuarial valuation performed as of December 31, 2023 included the mortality assumption was changed to the PUB 2010 family of mortality tables, with difference groups using different tables and age adjustments, projected generationally using MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset class	Long-term Target Allocation	Long-term Expected Rate of Return
Non-U.S. equities	43.00%	8.20%
Core fixed income	13.00%	2.20%
Yield driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Real estate	15.00%	5.70%
Alternatives	11.00%	12.00%
Short term investments	3.00%	0.30%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2024 was 7.00%. The discount rate used to measure the total pension liability at the prior measurement date of June 30, 2023 was 7.00%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. In KPERS, the State/School group does not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board of Trustees of KPERS may not increase by more than the statutory cap. The statutory cap for fiscal year 2024 was 1.20%.

Based on the results of the December 31, 2023 actuarial valuation, the statutory contribution rate for the State/School group is equal to the actuarially required rate (ARC rate) in FY26 with an ARC rate of 11.32% (statutory contribution rate was first equal to the ARC rate in FY21 at 14.23%). Projections based on the same valuation, and assuming annual returns of 7.00%, indicate that the contribution rate will decline for a few years while deferred gains are recognized, then remain fairly stable until 2040.

Based on employer contribution history, it is a reasonable estimate that the State/School subgroup's contribution rate may not be certified at the statutory rate at some point in the future. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption, actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date. The KP&F group is contributing at the full actuarial contribution rate.

Based on the assumptions described in the preceding paragraph, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Sensitivity Analysis

The following presents the University's proportionate share of the net pension liability as of June 30, 2025 and 2024 calculated using the discount rate of 7.00% for both years, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

		June 30, 2025		
		1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
University's proportionate share of the net pension liability				
KPERS	\$	17,854,677	\$ 12,121,915	\$ 7,319,967
KP&F		5,305,338	3,877,719	2,683,828
Total	\$	<u>23,160,015</u>	<u>\$ 15,999,634</u>	<u>\$ 10,003,795</u>

		June 30, 2024		
		1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
University's proportionate share of the net pension liability				
KPERS	\$	18,867,454	\$ 13,117,230	\$ 8,313,024
KP&F		5,170,655	3,834,356	2,718,659
Total	\$	<u>24,038,109</u>	<u>\$ 16,951,586</u>	<u>\$ 11,031,683</u>

Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description– Death and Disability Plan

As an agency of the State of Kansas, the University participates in the state's long-term disability program. Participating employers pay the cost of the long-term disability and life insurance coverage for their eligible members. The long-term disability plan is considered to be a single employer long-term disability plan. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. There is no stand-alone financial report for the plan.

Eligible employees consist of all individuals who are: (1) currently active members of KPERS, (2) employees of an educational institution under the Kansas Board of Regents as defined in K.S.A. 74-4925, (3) eligible employees of University of Kansas Hospital Authority as defined in K.S.A. 76-3322, or elected officials.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Benefits Provided

The plan provides a group life benefit for active members through a fully-insured program with Standard Insurance Company. Because this benefit is fully insured, it is not included in the scope of the actuarial valuation. The plan also provides a self-funded LTD benefit and a self-funded life insurance benefit for disabled members (referred to as “group life waiver of premium”) which is included in the actuarial valuation.

- ***Long-term Disability Benefit:*** The monthly benefit is 60% of the member’s monthly rate of compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker’s compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment.
- ***Maximum Benefit Period:*** If the disability begins before age 60, benefits are payable while disability continues until the member’s 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member’s retirement, whichever first occurs.
- ***Limitation for Mental Illnesses and Substance Abuse:*** Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically-based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less.
- ***Group Life Waiver of Premium Benefit:*** Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of (a) the member’s annual rate of compensation at the time of disability, or (b) the member’s previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point.
- ***Accelerated Death Benefit:*** If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary.

Employees Covered by Benefit Terms

As of June 30, the following employees were covered by the benefit terms:

	2025	2024
Disabled employees receiving benefits	20	20
Active employees	235	248
	<u>255</u>	<u>268</u>

Total OPEB Liability

The University’s total OPEB liability of \$949,851 was based on an actuarial valuation as of December 31, 2023 rolled forward to a measurement date of June 30, 2024.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases	3.50% to 10.00%, including price inflation
Discount rate	3.93%
Healthcare cost trend rates	N/A
Retiree share of benefit cost	N/A

The discount rate was based upon the Bond Buyer General Obligation 20-Year Municipal Bond Index as of the measurement date.

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on MP-2021.

The long-term disability incidence and claim termination rate assumptions that determined the total OPEB liability as of June 30, 2023 and June 30, 2024 were based on the actual KPERS experience. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the most recent KPERS pension valuation as of the measurement date.

Changes in the Total OPEB Liability

	For the Year Ended	
	June 30, 2025	June 30, 2024
Balance, beginning of year	\$ 1,086,741	\$ 1,145,804
Service cost	29,176	29,073
Interest on total OPEB liability	37,315	34,508
Effect of economic/ demographic gains or losses	(3,235)	285,844
Effect of assumption change or inputs	(11,290)	(4,878)
Benefit payments	(188,856)	(403,610)
Balance, end of year	<u>\$ 949,851</u>	<u>\$ 1,086,741</u>

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period and demographic assumption updates based on the most recent KPERS experience study. The discount rate increased from 3.65% on June 30, 2023 to 3.93% on June 30, 2024.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity Analysis

The following presents the total OPEB liability of the University as of June 30, 2025 and 2024, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

June 30, 2025			
	1% Decrease 2.93%	Current Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	\$ 991,014	\$ 949,851	\$ 911,545

June 30, 2024			
	1% Decrease 2.65%	Current Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 1,132,551	\$ 1,086,741	\$ 1,044,139

The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERs. Therefore, there is no sensitivity to a change in healthcare trend rates.

OPEB Expense Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2024 and 2023, the University recognized OPEB expense of \$112,084 and \$96,066, respectively. As of June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 440,220	\$ 70,525	\$ 515,346	\$ 84,701
Changes of assumptions	40,195	97,563	48,862	105,583
Benefit payments subsequent to the measurement date	188,856	--	403,610	--
	<u>\$ 669,271</u>	<u>\$ 168,088</u>	<u>\$ 967,818</u>	<u>\$ 190,284</u>

The \$188,856 reported as deferred outflows of resources related to OPEB resulting from University benefit payments subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2026	\$ 47,071
2027	48,997
2028	47,550
2029	38,957
2030	47,727
Thereafter	82,025
	<u>\$ 312,327</u>

Plan Description – Healthcare Benefits Plan

As an agency of the State of Kansas, the University participates in the State's health insurance benefit plan. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements. The health insurance benefit generally provides the same coverage for retirees and their dependents as for active employees and their dependents. The health insurance benefit plan is a multiple employer cost-sharing OPEB plan administered by Kansas Department of Health and Environment. The benefit is available for selection at retirement and is extended to retirees and their dependents for life. Non-Medicare participants are subsidized by the State, thus resulting in a liability to the University. Accounting for the health insurance benefits for retirees is included in the State's Self-Insurance Health fund, with the subsidy provided from the Self-Insurance Health Fund. There is no stand-alone financial report for the plan.

Benefits Provided

The State provides health insurance benefits to retirees and their dependents in according with Kansas law (K.S.A.75-6511). Kansas statutes, which may be amended by the State Legislature, established that participating retirees contribute to the employee group health fund benefits plan, including administrative costs.

The State does not pay retiree benefits directly. They are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Employees Covered by Benefit Terms

As of January 1, 2024, the following members were estimated to be covered by the benefit terms using an allocation of total OPEB liability for the University compared to the State OPEB liability and total retirees in the State:

	<u>2025</u>	<u>2024</u>
Estimated in active employees or beneficiaries currently receiving benefits	608	N/A
Active employees	<u>2,637</u>	<u>N/A</u>
	<u>3,245</u>	<u>N/A</u>

Total OPEB Liability

The University's total OPEB liability of \$420,998 was based on an actuarial valuation as of January 1, 2024, rolled forward to a measurement date of June 30, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Price inflation	2.75%
Salary increases	3.50% to 10.00%, including price inflation
Discount rate	3.93%
Healthcare cost trend rates	N/A
Medical	5.47% for the first year, then 5.25% decreasing by 0.25% over 3 years to an ultimate rate of 4.50%
Prescription drug	8.47% for the first year, then 8.25% decreasing by 0.25% over 15 years to an ultimate rate of 4.50%
Dental, administrative costs	7.12% (dental) and 2.00% (admin) for the first year, 3.00% (dental and 2.00% (admin) thereafter
Retiree share of benefit cost	N/A

The discount rate was based upon the Bond Buyer General Obligation 20-Year Municipal Bond Index as of the measurement date.

Mortality rates were based on the PubG-2010 (Below Median) Annuitant Mortality Table set back 1 year for males and the PubS-2010 Annuitant Mortality Table set forward 1 year for females, as appropriate, with adjustments for mortality improvement using Scale MP-2021

Per capita medical, prescription and dental claims costs were based on actual incurred claim experience for the period January 1, 2022 through December 31, 2024. Administrative expenses were based on administrative contract fees paid by the State during the period January 1, 2024 through December 31, 2024

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in the Total OPEB Liability

	For the Year Ended	
	June 30, 2025	June 30, 2024
Balance, beginning of year	\$ --	\$ --
Benefit changes	420,998	--
Balance, end of year	<u>\$ 420,998</u>	<u>\$ --</u>

Sensitivity Analysis

The following presents the total OPEB liability of the University as of June 30, 2025, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate. There was no total OPEB liability as of June 30, 2024 for this plan:

	June 30, 2025		
	1% Decrease 2.93%	Current Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	\$ 442,415	\$ 420,998	\$ 401,828

The following presents the total OPEB liability of the University, as well as the estimated University's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. There was no total OPEB liability as of June 30, 2024 for this plan:

	June 30, 2025		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$ 399,850	\$ 420,998	\$ 445,567

OPEB Expense Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2025 and 2024, the University recognized OPEB expense of \$420,998 and \$0, respectively. There are currently no deferred outflows or deferred inflows for this plan.

Summary of OPEB Plans

As of June 30, 2025 and 2024, the University's total OPEB liability, deferred inflows of resources and OPEB expense associated with the two OPEB plans are summarized as follows:

	For the Year Ended	
	June 30, 2025	June 30, 2024
Total OPEB liability	\$ 1,370,849	\$ 1,086,741
Deferred outflows of resources	669,271	967,818
Deferred inflows of resources	168,088	190,284
OPEB expense	534,560	112,084

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The University, as a state educational institution of Kansas, is subject to the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.* (KTCA) with regard to general liability and personal injury. As such, the University shall bear the risk of any loss or damage to any real or personal property caused by the negligence of the University or its employees or invitees performing in the course of their employment or direction or authority of the University. The University is subject to the liability limitations and immunities under the KTCA.

The University is covered by the State's umbrella insurance policies for automobile liability and the Board of Regents building, contents and business interruption insurance policy. The State of Kansas does not insure state owned automobiles for bodily injury and property damages. As a state educational institution, the University is self-insured relative to worker's compensation, medical and unemployment insurance. The University maintains specific insurance coverage as allowed by the State of Kansas and as required by outstanding revenue bond covenants. The University is not aware of any significant outstanding insurance claims as of June 30, 2025. Insurance settlements have not exceeded insurance coverage in for the past three fiscal years.

In the normal course of operations, the University receives grants, contracts and other forms of reimbursement from various federal, state and local agencies. These activities are subject to audit and disallowance by the agencies to ensure compliance with conditions precedent to such funds being provided. University officials believe that the liability, if any, for any reimbursement that may arise as the result of any audits, would not have a material effect on the University's financial position.

Outstanding encumbrances as of June 30, 2025 are summarized in the table below:

	Original Amount	Remaining Amount
State General Fund	\$ 8,339,094	\$ 1,404,401
Infrastructure Maintenance Fund	450,000	--
Restricted Fees Fund	35,545,986	17,894,885
Sponsored Research Overhead Fund	1,457,946	689,150
University Federal Fund	42,986,475	15,885,208
American Rescue Plan Act Fund	171,731,114	117,663,598
Educational Building Fund	1,990,292	595,731
Health Collaboration Fund	12,023,632	12,023,632
KDFA Funds (2022G)	12,227,793	10,000
KDFA Funds (2025D)	15,616,197	14,102,975
Total	<u>\$ 302,368,529</u>	<u>\$ 180,269,580</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 13 – NATURAL CLASSIFICATIONS OF EXPENSE

The University's operating expenses for the year June 30, 2025 by functional and natural classification are as follows:

	Compensation and Benefits	Contractual Services and Commodities	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 91,029,186	\$ 8,532,252	\$ 2,718	\$ --	\$ --	\$ 99,564,156
Research	119,655,167	200,374,635	1,888,801	--	--	321,918,603
Public service	16,984,970	13,747,227	12,660	--	--	30,744,857
Academic support	30,184,253	11,336,072	--	--	--	41,520,325
Student service	21,936,574	25,122,377	3,028	--	--	47,061,979
Institutional support	17,931,721	10,903,183	--	--	--	28,834,904
Operations and maintenance of plant	14,496,127	15,838,761	7,821,730	--	--	38,156,618
Scholarships and fellowships	--	--	--	10,458,158	--	10,458,158
Auxiliary enterprises	3,784,394	8,276,284	1,065,534	--	--	13,126,212
Depreciation	--	--	--	--	43,921,600	43,921,600
Total	<u>\$ 316,002,392</u>	<u>\$ 294,130,791</u>	<u>\$ 10,794,471</u>	<u>\$ 10,458,158</u>	<u>\$ 43,921,600</u>	<u>\$ 675,307,412</u>

The University's operating expenses for the year June 30, 2024 by functional and natural classification are as follows:

	Compensation and Benefits	Contractual Services and Commodities	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 86,696,613	\$ 7,524,171	\$ --	\$ --	\$ --	\$ 94,220,784
Research	114,277,804	157,767,145	1,686,535	--	--	273,731,484
Public service	17,089,177	16,001,712	12,582	--	--	33,103,471
Academic support	26,940,523	12,543,695	--	--	--	39,484,218
Student service	21,318,698	17,883,801	2,679	--	--	39,205,178
Institutional support	16,157,223	11,081,602	56	--	--	27,238,881
Operations and maintenance of plant	14,070,691	14,340,694	7,198,777	--	--	35,610,162
Scholarships and fellowships	--	--	--	26,187,990	--	26,187,990
Auxiliary enterprises	3,558,484	8,049,677	901,904	--	--	12,510,065
Depreciation	--	--	--	--	40,772,518	40,772,518
Total	<u>\$ 300,109,213</u>	<u>\$ 245,192,497</u>	<u>\$ 9,802,533</u>	<u>\$ 26,187,990</u>	<u>\$ 40,772,518</u>	<u>\$ 622,064,751</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS

The following disclosure fulfills the requirements in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, paragraph 11. It also complies with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*.

Buildings and improvements constructed or purchased by the University's component units become the property of the University. Generally, revenue-backed bonded debt remains the liability of the component unit. Operating equipment and vehicles purchased with component unit funds remain an asset of the component unit.

Wichita State University Innovation Alliance

The Wichita State Innovation Alliance, Inc. (WSIA) and Wichita State Innovation Alliance Investment Corporation (WSIAC) are presented as a blended component unit of the University. WSIA manages key parts of the Wichita State University Innovation Campus (Campus). The Campus creates jobs, innovation and partnerships with private businesses. WSIA supports the University and the Campus through:

- Overseeing and managing relationships with public and private organizations who engage in innovation-based partnerships;
- Facilitating intellectual property development, dissemination, and licensing;
- Providing a gateway for the use and improvement of University research facilities and capabilities;
- Facilitating the co-location of organizations to support the University's mission of applied learning;
- Enhancing the University's entrepreneurial culture and the local entrepreneurial ecosystem; and
- Encouraging and facilitating the formation of new public-private ventures involving University related ideas, knowledge or technology.

The WSIA Investments Corporation (WSIAC), a wholly owned subsidiary of WSIA, was formed in 2014 as part of the University's initiative to support area economic development, including its innovation campus. WSIAC aids entrepreneurs, students and faculty interested in commercializing ideas by negotiating an equity position in their business in exchange for University resources and support.

WSIAC uses the equity method of accounting for its investments in limited liability companies (LLCs) because WSIAC has the ability to exercise significant influence over these companies. Under the equity method, investments are carried at cost and increased or decreased by WSIAC's pro rata share of earnings or losses. Given the structure of the LLC investments, losses in excess of the investment are only recorded when WSIAC has committed to provide additional financial support to the respective LLC. The carrying values of these investments are also adjusted to reflect additional contributions or withdrawals of capital.

WSIA prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Condensed combining statements for the University and its blended component unit WSIA as of and for the year ended June 30, 2025 are presented below:

Condensed Combining Statement of Net Position				
	University	WSIA	Eliminating	Total
Current assets	\$ 162,729,900	\$ 8,257,360	\$ (1,006,956)	\$ 169,980,304
Capital assets	625,224,198	26,195,799	--	651,419,997
Other noncurrent assets	173,677,121	6,333,043	(871,510)	179,138,654
Total assets	961,631,219	40,786,202	(1,878,466)	1,000,538,955
Deferred outflows of resources	4,633,494	--	--	4,633,494
Current liabilities	197,659,389	5,621,130	(2,694,609)	200,585,910
Noncurrent liabilities	264,895,918	24,770,455	--	289,666,373
Total liabilities	462,555,307	30,391,585	(2,694,609)	490,252,283
Deferred inflows of resources	2,038,452	9,960,477	(1,555,111)	10,443,818
Net position:				
Net investment in capital assets	420,263,213	--	--	420,263,213
Restricted	30,265,478	--	--	30,265,478
Unrestricted	51,142,263	434,140	2,371,254	53,947,657
Total net position	\$ 501,670,954	\$ 434,140	\$ 2,371,254	\$ 504,476,348

Condensed Combining Statement of Revenue, Expenses and Changes in Net Position				
	University	WSIA	Eliminating	Total
Operating revenue	\$ 508,741,206	\$ 5,066,087	\$ (2,035,866)	\$ 511,771,427
Operating expenses	674,392,473	6,046,206	(5,131,267)	675,307,412
Operating loss	(165,651,267)	(980,119)	3,095,401	(163,535,985)
Non-operating revenue (expenses)	175,229,767	532,060	(2,993,768)	172,768,059
Capital contributions and operating transfers	58,970,212	--	--	58,970,212
Change in net position	68,548,712	(448,059)	101,633	68,202,286
Net position, beginning of year	433,122,242	882,199	2,269,621	436,274,062
Net position, end of year	\$ 501,670,954	\$ 434,140	\$ 2,371,254	\$ 504,476,348

Condensed Combining Statement of Cash Flows				
	University	WSIA	Eliminating	Total
Net cash provided by (used in):				
Operating activities	\$ (117,833,564)	\$ (569,370)	\$ --	\$ (118,402,934)
Noncapital financing activities	173,065,833	1,960,222	--	175,026,055
Capital and related financing activities	(14,240,281)	(1,450,645)	--	(15,690,926)
Investing activities	7,200,094	(2,926,475)	--	4,273,619
Net change in cash and cash equivalents	48,192,082	(2,986,268)	--	45,205,814
Cash and cash equivalents, beginning of year	180,391,053	5,262,047	--	185,653,100
Cash and cash equivalents, end of year	\$ 228,583,135	\$ 2,275,779	\$ --	\$ 230,858,914

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Condensed combining statements for the University and its blended component unit WSIA as of and for the year ended June 30, 2024 are presented below:

Condensed Combining Statement of Net Position

	University	WSIA	Eliminating	Total
Current assets	\$ 146,809,514	\$ 8,569,562	\$ (3,117,267)	\$ 152,261,809
Capital assets	525,553,868	22,523,507	--	548,077,375
Other noncurrent assets	133,391,337	8,806,710	(124,051)	142,073,996
Total assets	<u>805,754,719</u>	<u>39,899,779</u>	<u>(3,241,318)</u>	<u>842,413,180</u>
Deferred outflows of resources	<u>6,496,625</u>	<u>--</u>	<u>--</u>	<u>6,496,625</u>
Current liabilities	157,192,131	5,684,646	(2,500,371)	160,376,406
Noncurrent liabilities	219,327,653	20,669,264	--	239,996,917
Total liabilities	<u>376,519,784</u>	<u>26,353,910</u>	<u>(2,500,371)</u>	<u>400,373,323</u>
Deferred inflows of resources	<u>2,609,318</u>	<u>12,663,670</u>	<u>(3,010,568)</u>	<u>12,262,420</u>
Net position:				
Net investment in capital assets	335,277,914	--	--	335,277,914
Restricted	60,650,057	--	--	60,650,057
Unrestricted	37,194,271	882,199	2,269,621	40,346,091
Total net position	<u>\$ 433,122,242</u>	<u>\$ 882,199</u>	<u>\$ 2,269,621</u>	<u>\$ 436,274,062</u>

**Condensed Combining Statement of Revenue,
Expenses and Changes in Net Position**

	University	WSIA	Eliminating	Total
Operating revenue	\$ 460,033,186	\$ 4,658,447	\$ (4,736,868)	\$ 459,954,765
Operating expenses	621,827,687	5,085,528	(4,848,464)	622,064,751
Operating loss	<u>(161,794,501)</u>	<u>(427,081)</u>	<u>111,596</u>	<u>(162,109,986)</u>
Non-operating revenue (expenses)	163,113,668	(610,663)	(3,364)	162,499,641
Capital contributions and operating transfers	<u>29,011,733</u>	<u>--</u>	<u>--</u>	<u>29,011,733</u>
Change in net position	<u>30,330,900</u>	<u>(1,037,744)</u>	<u>108,232</u>	<u>29,401,388</u>
Net position, beginning of year	402,791,342	1,919,943	2,161,389	406,872,674
Net position, end of year	<u>\$ 433,122,242</u>	<u>\$ 882,199</u>	<u>\$ 2,269,621</u>	<u>\$ 436,274,062</u>

Condensed Combining Statement of Cash Flows

	University	WSIA	Eliminating	Total
Net cash provided by (used in):				
Operating activities	\$ (123,247,183)	\$ 236,906	\$ --	\$ (123,010,277)
Noncapital financing activities	157,486,905	3,080,296	--	160,567,201
Capital and related financing activities	57,985,254	(3,690,959)	--	54,294,295
Investing activities	5,067,874	--	--	5,067,874
Net change in cash and cash equivalents	<u>97,292,850</u>	<u>(373,757)</u>	<u>--</u>	<u>96,919,093</u>
Cash and cash equivalents, beginning of year	83,098,203	5,635,804	--	88,734,007
Cash and cash equivalents, end of year	<u>\$ 180,391,053</u>	<u>\$ 5,262,047</u>	<u>\$ --</u>	<u>\$ 185,653,100</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Wichita State University Foundation and Alumni Engagement

The Wichita State University Foundation and Alumni Engagement (WSUFAE) provides support for the educational undertakings of the University and all related beneficial activities. It derives most of its revenue from contributions and earnings on investments.

WSUF Real Estate Holdings, LLC is a wholly owned subsidiary formed during 2016. It derives its revenue from donated real estate. All activities from WSUFAE and WSUF Real Estate Holdings, LLC have been included within WSUFAE's consolidated financial statements.

WSFAE's financial statements are prepared in accordance Financial Accounting Standards Board (FASB) Accounting Standards, including Accounting Standards Codification (ASC) Section 958-205, *Financial Statements of Not-for-Profit Organizations*.

Under FASB ASC 958-205, WSUFAE is required to report information regarding its financial position and activities in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those which have been limited by donors to a specified time or purpose or may be required to be maintained in perpetuity.

WSUFAE is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. WSUFAE qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). WSUFAE is subject to federal income tax on any unrelated business taxable income. WSUF Real Estate Holdings, LLC does not incur income taxes; instead, its earnings are included in WSUFAE's income tax return and taxed depending on WSUFAE's tax situation.

Pledges receivable

Pledge receivables consist of unconditional promises to give as summarized below:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Due in less than one year	\$ 10,679,570	\$ 4,774,582
Due in one to five years	6,686,575	7,445,542
Due in more than five years	<u>2,815,000</u>	<u>3,295,000</u>
	<u>20,181,145</u>	<u>15,515,124</u>
Less:		
Allowance for uncollectible pledges	300,202	232,302
Unamortized discount (at effective rate of 3%)	<u>929,037</u>	<u>1,088,923</u>
	<u>1,229,239</u>	<u>1,321,225</u>
	<u><u>\$ 18,951,906</u></u>	<u><u>\$ 14,193,899</u></u>

Pledges held on behalf of the Intercollegiate Athletics Association (ICAA) totaling \$1,664,351 and \$1,348,292 for the years ended June 30, 2025 and 2024, respectively, are included in the amounts above. In the combining schedule for the University's discretely presented component units a reduction in current accounts receivable and in other long-term assets, with an offsetting amount in deposits held in custody of others is shown in the eliminations column to remove the duplication of these amounts.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Collections

All collections of works of art and similar assets are capitalized by WSUFAE. Items added to the collections are capitalized at cost, if purchased, or at estimated fair value at the date of acquisition, if donated. Collection items have cultural, aesthetic, or historical value that is worth preserving perpetually, and WSUFAE is protecting and preserving essentially undiminished the service potential of the collection items. Therefore, they are not being depreciated. Contributions of art are donor restricted and may be disposed of with the proceeds received being restricted as to use. Accessions and deaccessions for collections during the years ended June 30, 2025 and 2024 are summarized as follows:

	For the Year Ended	
	June 30, 2025	June 30, 2024
Collections, beginning of year	\$ 19,193,468	\$ 18,797,175
Accessions	331,909	396,293
Deaccessions	--	--
Collections, end of year	<u>\$ 19,525,377</u>	<u>\$ 19,193,468</u>

The University's accounting policy is not to capitalize collections (see Note 5). In the combining schedule for the University's discretely presented component units, a reduction in long-term assets and related net position is shown in the eliminations column to remove the collections held by WSUFAE from the University's financials statements to increase comparability of the financial statements due to a perspective difference.

Investments

WSUFAE provides support for the educational undertakings of the University and all related beneficial activities. It derives most of its revenue from contributions and earnings on investments. As such, WSUFAE has a significantly expanded investment authority relative to the University. WSUFAE manages its investments in accordance with the Investment Policy Statement approved by the Board of Directors, which can be found on WSUFAE's website at <https://foundation.wichita.edu/investments/> or by calling 1-316-978-3040.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

The classification of investments by level within the valuation hierarchy as of June 30, 2025 is as follows:

	Fair Value	Level 1	Level 2	Level 3
Equity stocks:				
Domestic	\$ 5,511,689	\$ 5,511,689	\$ --	\$ --
International	4,223,001	4,223,001	--	--
Mutual funds:				
Treasury	12,399,703	12,399,703	--	--
Diversified	3,003,211	3,003,211	--	--
Domestic equities	24,755,652	24,755,652	--	--
International equities	17,350,582	17,350,582	--	--
Fixed income securities:				
U.S. Government Treasury and Agency	10,491,734	10,491,734	--	--
Corporate bonds and debentures	22,699,965	--	22,699,965	--
Municipal bonds	3,865,758	--	3,865,758	--
Mortgage and asset-backed securities	3,731,720	--	3,731,720	--
Beneficial interest in trusts	25,719,825	--	--	25,719,825
	<u>133,752,840</u>	<u>\$ 77,735,572</u>	<u>\$ 30,297,443</u>	<u>\$ 25,719,825</u>
Investments at NAV (practical expedient)	<u>212,787,032</u>			
Total investments measured at fair value	<u>346,539,872</u>			
Investments not measured at fair value:				
Equity method investments	2,364,937			
Investment in real estate	597,175			
	<u>\$ 349,501,984</u>			
Reconciliation to the Combining Schedule:				
Investments, current	\$ 17,745,912			
Investments, noncurrent	331,756,072			
	<u>\$ 349,501,984</u>			

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

The classification of investments by level within the valuation hierarchy as of June 30, 2024 is as follows:

	Fair Value	Level 1	Level 2	Level 3
Equity stocks:				
Domestic	\$ 1,933	\$ 1,933	\$ --	\$ --
International	5,489	5,489	--	--
Mutual funds:				
Treasury	11,821,586	11,821,586	--	--
Diversified	2,790,832	2,790,832	--	--
Domestic equities	28,040,089	28,040,089	--	--
International equities	12,447,224	12,447,224	--	--
Fixed income securities:				
U.S. Government Treasury and Agency	8,143,903	8,143,903	--	--
Corporate bonds and debentures	29,147,790	--	29,147,790	--
Municipal bonds	3,418,778	--	3,418,778	--
Mortgage and asset-backed securities	2,207,678	--	2,207,678	--
Beneficial interest in trusts	23,986,939	--	--	23,986,939
	<u>122,012,241</u>	<u>\$ 63,251,056</u>	<u>\$ 34,774,246</u>	<u>\$ 23,986,939</u>
Investments at NAV (practical expedient)	216,293,549			
Total investments measured at fair value	<u>338,305,790</u>			
Investments not measured at fair value:				
Equity method investments	2,309,078			
Investment in real estate	597,175			
	<u>\$ 341,212,043</u>			
Reconciliation to the Combining Schedule:				
Investments, current	\$ 16,379,078			
Investments, noncurrent	324,832,965			
	<u>\$ 341,212,043</u>			

WSUFAE's beneficial interest in trusts is valued based on estimates of the underlying investments of the fund as provided by fund managers and other market data. Because WSUFAE has an undivided interest in the trusts, its unit of account for the fair value measurement purposes is the fund. The fund is classified as Level 3 in the fair value hierarchy because no observable inputs exist for an undivided interest in the fund.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Included in the amounts above are \$1,808,883 in investments held on behalf of ICAA, and \$8,065,861 in investments held on behalf of the Board of Trustees, which are also reported as discretely presented component units of the University.

In the combining schedule for the University's discretely presented component units a reduction in cash and cash equivalents, restricted cash and cash equivalents, and current investments, with an offsetting amount in deposits held in custody of others is shown in the eliminations column to remove the duplication of the amounts related to ICAA and Board of Trustees.

Complete financial statements for WSUFAE can be obtained from the WSUFAE Office at 1845 Fairmount, Campus Box 2, Wichita, Kansas, 67260-0002.

Wichita State University Intercollegiate Athletics Association, Inc. (ICAA)

Wichita State University Intercollegiate Athletic Association, Inc. (ICAA) was incorporated to schedule, manage and promote athletic contests of the University in harmony with the general education policy of the University. ICAA has eight women's and seven men's sports which compete in Division I of the National Collegiate Athletic Association and in the American Athletic Conference.

The Athletic Board of Directors serves as an advisory body to the President of the University and the Director of Athletics. The Athletic Board consists of nineteen members who are appointed by the President from the following constituencies: twelve University personnel, three students, and four persons from the community. The Athletic Board provides the President and the Director of Athletics with its views on all significant questions relating to ICAA policies and activities. The management functions of the ICAA are delegated to the Director of Athletics by the President.

ICAA prepares its financial statements as a business-type activity in conformity with the applicable pronouncements of the Governmental Accounting Standards Board (GASB). Accordingly, ICAA's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting.

ICAA is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law on income related to its exempt purpose. Under Revenue Procedure 95-48, ICAA is exempt from filing Form 990. Annual federal and state tax returns are filed for ICAA's unrelated business income related to advertising.

Related Parties

The Student Government Association, through the University, allocates annually a portion of the student fees collected for support of ICAA. For the years ended June 30, 2025 and 2024, respectively, ICAA's financial statements reflected \$4,855,319 and \$4,275,519 of student fees as revenue.

The State of Kansas, through the University, pays directly the salaries and fringe benefits of certain ICAA personnel. For the years ended June 30, 2025 and 2024, respectively, ICAA's financial statements reflect \$10,682,519 and \$3,161,103 of direct institutional support as revenue. For 2025, the \$10,682,519 consists of a combination of salary support and other institutional support, with a corresponding amount of related expenses recognized. For 2024, the \$3,161,103 represents salary support with a like amount reflected as expenses.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

The University also provides full maintenance, custodial, utilities and certain other costs on all athletic facilities. For the years ended June 30, 2025 and 2024, respectively, ICAA's financial statements reflect \$2,056,596 and \$1,685,295 as indirect institutional support, with a like amount reflected as part of management and administrative expenses. All land and structures pertinent to the operation of the ICAA, are owned by the State of Kansas and have not been reflected as assets in the financial statements of ICAA.

WSUFAE coordinates fund-raising for and manages investments on behalf of ICAA. Funds held by WSUFAE, which are designated for and controlled by ICAA, are included in the ICAA's financial statements. WSUFAE also holds certain funds designated for athletics, which are not controlled by the ICAA. Such funds are comprised primarily of endowed scholarship funds. ICAA records contributions when such funds are disbursed to the ICAA for their restricted use.

Commitments and Contingencies

ICAA has entered into various long-term contracts (employment agreements) with certain coaches and administrators. The contracts provide for the payment of various amounts of damages should the contracts be terminated without "good cause" prior to their expiration dates.

Salaries and benefits under such contracts are accrued and recorded to expense as services are provided. Following separation of service, future salaries and benefits payable under such contracts are accrued and expensed at the time no future services are required. Future payments are discounted at a rate of 3%. Severance payable consists of the following as of June 30:

	June 30, 2025	June 30, 2024
Gross severance payable	\$ 3,135,130	\$ 5,692,465
Unamortized discount (at effective rate of 3%)	(15,403)	(106,269)
	<u>\$ 3,119,727</u>	<u>\$ 5,586,196</u>

Future payments under the terms of the agreements are as follows:

Year Ending June 30:	
2026	\$ 2,606,283
2027	528,847
	<u>\$ 3,135,130</u>

In the combining schedules included as supplementary information, the amount due within one year is reported in accounts payable and accrued liabilities. The amount due in more than one year is reported as an other long-term liability.

Complete financial statements for the ICAA can be obtained from the WSU Athletic Association Business Office at 1845 Fairmount, Campus Box 18, Wichita, Kansas, 67260-0018.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Wichita State University Union Corporation

Wichita State University Union Corporation (Union Corp) operates the Rhatigan Student Center at the University. It provides a bookstore, recreation, student activities and an outsourced dining service to benefit the faculty, staff, students and alumni of the University. Meeting room space is made available to students, faculty, and staff and is available for rent to non-University groups.

The Union Corp financial statements are prepared in accordance with FASB Accounting Standards, including ASC Section 958-205, *Financial Statements of Not-for-Profit Organizations*.

The Union Corp has received a determination letter from the Internal Revenue Service that recognizes it as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The federal exemption from income tax is recognized by state authorities.

Related Parties

The Union Corp's transactions with the University are summarized in table below:

	For the Year Ended	
	June 30, 2025	June 30, 2024
Revenues:		
Student fees assessed by the University	\$ 2,607,744	\$ 2,642,833
Student fees designated for roof costs	500,000	--
University space rental and reservations	275,000	274,038
Maintenance of Shocker ID card system	85,469	85,469
Engraving projects	52,170	38,818
Food/pantry	18,532	40,716
Use of graphics service	3,484	3,597
Space rental	24,630	--
Access Now revenue	2,435,030	1,785,485
Total revenues	<u>6,002,059</u>	<u>4,870,956</u>
Expenses:		
Transfer building improvements	811,513	--
Repairs and maintenance	22,932	23,385
Information technology	48,559	26,113
Utilities	372,475	349,210
Total expenses	<u>1,255,479</u>	<u>398,708</u>
	<u>\$ 4,746,580</u>	<u>\$ 4,472,248</u>

The Student Center building became the property of the State of Kansas when the University became a part of the State University System on July 1, 1964. The Union does not recognize the building as an asset on its financial statements. Furniture and equipment are capitalized and depreciated in the Union Corp's financial statements. Building improvements are transferred to the University and expensed as incurred.

Complete financial statements for the Union Corporation can be obtained from the Rhatigan Student Center Finance Office at 1845 Fairmount, Campus Box 56, Wichita, Kansas, 67260-0056.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Wichita State University Board of Trustees

The Wichita State University Board of Trustees (Board of Trustees) is a governmental entity responsible for the management of the mill levy monies arising out of the tax levy upon the citizens of Sedgwick County, Kansas and was established for the education enrichment purposes of the University as a whole, including all colleges and branches or divisions thereof as well as all the facilities and activities thereof, consistent with the objectives, operation and management of the University. The Board of Trustees is also responsible for the endowed funds of the University of Wichita before the University became a state institution in 1964.

The Board of Trustees is a governmental instrumentality exempt from income tax. A nine-member board of directors is appointed by the Governor of the State of Kansas. It was formed to manage endowments, and the 1.5 mill levy in place at the time Wichita State University became a state institution in 1964.

The Board of Trustees prepares its financial statements in conformity with the applicable pronouncements of the Governmental Accounting Standards Board (GASB). The activities of the Board of Trustees are considered governmental activities, which are normally supported by taxes and intergovernmental revenues. Accordingly, the government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, while the governmental fund financial statements are reported using the current resources measurement focus and the modified accrual basis of accounting. The Board of Trustees' financial statements are reported in the combining schedules included in the supplementary information of this report at the government-wide level.

The Board of Trustees is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and similar provisions of state law.

Investments

The Board 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. It may also invest to a limited extent in corporate bonds and equity securities.

The Board of Trustees' investment portfolio as of June 30, 2025 is composed of the following:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 116,189	\$ 116,189	\$ --	\$ --
Fixed income mutual funds	1,487,147	1,487,147	--	--
Fixed income credit	88,813	88,813	--	--
Pooled investment held by WSUFAE	8,065,861	--	8,065,861	--
Equity mutual funds	2,203,254	2,203,254	--	--
Preferred stock	89,350	89,350	--	--
Common stock	854,391	854,391	--	--
Alternative – hedge fund	248,741	248,741	--	--
	<u>\$ 13,153,746</u>	<u>\$ 5,087,885</u>	<u>\$ 8,065,561</u>	<u>\$ --</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

The Board of Trustees' investment portfolio as of June 30, 2024 is composed of the following:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 104,858	\$ 104,858	\$ --	\$ --
Fixed income mutual funds	1,496,543	1,496,543	--	--
Fixed income treasury	84,073	84,073	--	--
Fixed income global bonds	48,944	--	48,944	--
Pooled investment held by WSUFAE	7,884,779	--	7,884,779	--
Equity mutual funds	2,106,138	2,106,138	--	--
Common stock	768,750	768,750	--	--
Alternative – hedge fund	238,058	238,058	--	--
	<u>\$ 12,732,143</u>	<u>\$ 4,798,420</u>	<u>\$ 7,933,723</u>	<u>\$ --</u>

Capital Assets

Capital asset activity for the Board of Trustees for the years ended June 30, 2025 and 2024 are summarized as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Nondepreciable capital assets:				
Construction in progress	\$ 1,901,468	\$ 8,607,594	\$ --	\$ 10,509,062
Depreciable capital assets:				
Buildings	24,662,089	--	--	24,662,089
Furniture and fixtures	78,515	--	--	78,515
Infrastructure	2,461,870	--	--	2,461,870
Right to lease assets	45,021,024	--	--	45,021,024
Total depreciable capital assets	74,124,966	8,607,594	--	82,732,560
Less accumulated depreciation and amortization	29,356,225	1,474,062	--	30,830,287
Total capital assets, net	<u>\$ 44,768,741</u>	<u>\$ 7,133,532</u>	<u>\$ --</u>	<u>\$ 51,902,273</u>
	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Nondepreciable capital assets:				
Construction in progress	\$ --	\$ 1,901,468	\$ --	\$ 1,901,468
Depreciable capital assets:				
Buildings	24,662,089	--	--	24,662,089
Furniture and fixtures	78,515	--	--	78,515
Infrastructure	2,461,870	--	--	2,461,870
Right to lease assets	45,021,024	--	--	45,021,024
Total depreciable capital assets	72,223,498	1,901,468	--	74,124,966
Less accumulated depreciation and amortization	27,876,554	1,479,671	--	29,356,225
Total capital assets, net	<u>\$ 44,346,944</u>	<u>\$ 421,797</u>	<u>\$ --</u>	<u>\$ 44,768,741</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 14 – COMPONENT UNITS (CONTINUED)

Related Parties

The Board of Trustees furnishes support to Wichita State University from the 1.5 mill levy funding. During the years ended June 30, 2025 and 2024, respectively, it furnished to the University \$4,931,131 and \$4,922,382 for student support, and \$410,347 and \$345,875 for economic community development. Additionally, during the years ended June 30, 2025 and 2024, the Board of Trustees provided \$800,000 during both years in support to WSU Tech.

Wichita State University Campus of Applied Science and Technology (WSU Tech)

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech (WSU Tech) is a public, state-supported institution providing secondary and postsecondary technical education programs operating under the jurisdiction of the Kansas Board of Regents. The State of Kansas authorized the affiliation of the College, formerly known as Wichita Area Technical College, with Wichita State University pursuant to K.S.A. 74-32,459 effective July 1, 2018.

Related Parties

State appropriations for WSU Tech in the amount of \$5.17 million flow through the University and are recorded on each entity's Statement of Revenues, Expenses and Changes in Net Position.

Complete financial statements for the Wichita State University Campus of Applied Sciences and Technology can be obtained from the National Center for Aviation Training Finance Office at 4004 N Webb Rd, Wichita, Kansas 67226.

NOTE 15 – SUBSEQUENT EVENTS

WSU Tech - Taxable Educational Facilities Revenue Bonds – Series 2025

On October 24, 2025, WSU Tech issued Taxable Educational Facilities Revenue Bonds totaling \$25,000,000 through a private placement with Commerce Bank. The bonds bear interest payable semiannually at 5.40% and are secured by certain revenue generated from educational facilities. Principal maturity begins June 1, 2027, for an 8.5-year period over a 20-year amortization period. After 8.5 years the remaining principle will be refinanced or paid. Proceeds from the issuance of these bonds will fund the expansion of the National Center for Aviation Training



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REQUIRED SUPPLEMENTARY INFORMATION

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2025 and 2024

UNIVERSITY'S SHARE OF THE COLLECTIVE NET PENSION LIABILITY
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022
University's proportion of the collective net pension liability:			
KPERs State/School group	0.185452%	0.188565%	0.192622%
KP&F	0.243268%	0.240059%	0.226100%
University's proportionate share of the collective net pension liability	\$ 15,999,634	\$ 16,951,586	\$ 17,024,510
University's covered payroll	\$ 12,357,953	\$ 11,919,184	\$ 11,525,852
University's proportionate share of the collective net pension liability as a percentage of its covered payroll	129.47%	142.22%	147.71%
Plan fiduciary net position as a percentage of the total pension liability	72.75%	70.70%	69.75%

SCHEDULE OF UNIVERSITY'S CONTRIBUTIONS
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Contractually required contribution	\$ 1,585,268	\$ 1,724,663	\$ 1,708,737
Contributions in relation to the contractually required contribution	<u>1,585,268</u>	<u>1,724,663</u>	<u>1,708,737</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 12,094,144	\$ 12,357,953	\$ 11,919,184
Contributions as a percentage of covered payroll	13.11%	13.96%	14.34%

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2025 and 2024

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
0.220198%	0.245470%	0.271149%	0.308553%	0.374138%	0.439806%	0.456211%
0.234267%	0.244532%	0.232520%	0.219490%	0.239802%	0.229499%	0.206875%
\$ 14,641,456	\$ 21,356,766	\$ 19,890,530	\$ 22,240,346	\$ 27,387,053	\$ 31,691,132	\$ 33,092,303
\$ 12,289,053	\$ 13,507,325	\$ 14,568,836	\$ 15,764,753	\$ 17,834,141	\$ 20,049,093	\$ 20,835,255
119.14%	158.11%	136.53%	141.08%	153.57%	158.07%	158.83%
76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 1,656,623	\$ 1,846,747	\$ 2,045,251	\$ 2,008,468	\$ 1,985,419	\$ 2,091,215	\$ 2,283,351
<u>1,656,623</u>	<u>1,846,747</u>	<u>2,045,251</u>	<u>2,008,468</u>	<u>1,985,419</u>	<u>2,091,215</u>	<u>2,283,351</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 11,525,852	\$ 12,289,053	\$ 13,507,325	\$ 14,568,836	\$ 15,764,753	\$ 17,834,141	\$ 20,049,093
14.37%	15.03%	15.14%	13.79%	12.59%	11.73%	11.39%

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2025 and 2024

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in benefit terms

Effective January 1, 2014, KPERS 1 members' employee contribution rate increased to 5.0% and then on January 1, 2015, increased to 6.0%, with an increase in benefit multiplier to 1.85% for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85% multiplier for all years of service.

On January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and members' accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

For the state fiscal year 2017, the legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key provisions of the bill were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

For the state fiscal year 2021, the legislature provided an increased benefit for disabled members who pass away prior to retirement if the disability was service-connected. The monthly benefit is equal to 50% of the member's final average salary at disability plus 10% for each dependent child up to a maximum of 75% or the retirement benefit the member would have received if the member had retired on the date of death if there are no dependent children.

For the state fiscal year 2023, the legislature expanded the Deferred Retirement Option Plan (DROP) in KP&F to all employers as of April 27, 2023.

For the state fiscal year 2024, the legislature increased the lump sum retiree death benefit from \$4,000 to \$6,000. The employer contribution rates for fiscal year 2025 and 2026 were increased to reflect the additional contribution required to fund this benefit improvement.

The employer contribution threshold for the 30% working after retirement rate increased from \$25,000 to \$40,000, the earnings limit for KP&F retirees increased from \$25,000 to \$40,000, and an exemption from employer contributions was created for nurses and direct support workers at Community Development Disability Organizations (CDDOs). These changes had no impact on the valuation.

The alternative investment cap was increased from 15% to 25% and requires KPERS to divest all publicly traded securities held in funds by countries of concern, as defined by House Bill 2711. These changes had no impact on the valuation.

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2025 and 2024

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Changes in assumptions

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.50%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2025 and 2024

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Changes from the January 2020 experience study that impacted individual groups are listed below:

KPERS:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the state group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F:

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

December 31, 2020 assumption changes included a decrease of the investment return assumption from 7.75% to 7.25% and an increase in general wage growth assumption from 3.25% to 3.50%.

December 31, 2021 assumption changes included a decrease in the investment rate of return assumption from 7.25% to 7.00%. For the KPERS group, the interest crediting rate assumption for KPERS 3 members was lowered from 6.25% to 6.00% and the annuity interest rate assumption for KPERS 3 members was lowered from 5.75% to 5.00%.

Changes from the December 31, 2023 valuation include:

KPERS:

- Mortality assumption was changed to the Pub-2010 family of mortality tables, with different groups using different tables and age adjustments, projected generationally using MP-2021.
- Retirement rates for the C60 group were adjusted to partially reflect observed experience.
- Disability rates were reduced.
- The probability of KPERS 1 members leaving their contributions with KPERS were modified to better reflect observed experience.
- Factors for the State and Local groups that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense component of the actuarial required contribution rate was increased from 0.18% to 0.23%.
- The merit salary increase assumption was increased for the State and Local groups.

KP&F

- The mortality assumption was changed to the Pub-2010 Above Median Safety Mortality Tables with a two-year age set forward, projected generationally using MP-2010.
- Retirement rates were adjusted to partially reflect observed experience.
- Disability rates were reduced.
- Termination rates were increased.
- The administrative expense component of the actuarial required contribution rate was increased from 0.18% to 0.23%.
- The merit salary increase assumption as increased



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WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2025 and 2024

SCHEDULE OF CHANGES IN THE UNIVERSITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
DEATH & DISABILITY PLAN
Last eight fiscal years*

	2025	2024	2023	2022
Changes in total OPEB liability:				
Service cost	\$ 29,176	\$ 29,073	\$ 46,941	\$ 55,064
Interest on total OPEB liability	37,315	34,508	28,303	26,424
Changes of benefit terms		--	--	--
Effect of economic/ demographic gains or losses	(3,235)	285,844	(11,642)	214,711
Effect of assumption changes or inputs	(11,290)	(4,878)	(96,415)	2,551
Benefit payments	(188,856)	(403,610)	(168,621)	(183,194)
Net change in total OPEB liability	(136,890)	(59,063)	(201,434)	115,556
Total OPEB liability, beginning	1,086,741	1,145,804	1,347,238	1,231,682
Total OPEB liability, ending	<u>\$ 949,851</u>	<u>\$ 1,086,741</u>	<u>\$ 1,145,804</u>	<u>\$ 1,347,238</u>
Covered payroll	\$ 9,718,000	\$ 9,685,000	\$ 9,553,000	\$ 9,618,000
Total OPEB liability as a percentage of covered payroll	9.77%	11.22%	11.99%	14.01%

*GASB 75 requires presentation of ten years. As of June 30, 2025, only eight years of information is available.

There are no assets accumulated in the trust to pay related benefits.

Changes in assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The discount rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.
- The discount rate increased from 3.54% on June 30, 2022 to 3.65% on June 30, 2023.
- The discount rate increased from 3.65% on June 30, 2023 to 3.93% on June 30, 2024.

2021	2020	2019	2018
\$ 49,489	\$ 58,437	\$ 57,794	\$ 63,171
44,424	63,051	58,945	54,056
--	--	--	--
55,923	(155,050)	193,477	--
62,060	20,800	(20,577)	(58,164)
(396,550)	(280,731)	(334,117)	(274,657)
(184,654)	(293,493)	(44,478)	(215,594)
1,416,336	1,709,829	1,754,307	1,969,901
<u>\$ 1,231,682</u>	<u>\$ 1,416,336</u>	<u>\$ 1,709,829</u>	<u>\$ 1,754,307</u>
\$ 11,547,636	\$ 11,392,594	\$ 14,022,432	\$ 14,235,175
10.67%	12.43%	12.19%	12.32%

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2025 and 2024

SCHEDULE OF CHANGES IN THE UNIVERSITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTHCARE BENEFITS PLAN
Last fiscal year*

	<u>2025</u>
Changes in total OPEB liability:	
Changes of benefit terms	\$ 490,998
Net change in total OPEB liability	<u>490,998</u>
 Total OPEB liability, beginning	 --
Total OPEB liability, ending	<u><u>\$ 490,998</u></u>
 Covered payroll	 \$ 240,765,196
 Total OPEB liability as a percentage of covered payroll	 0.20%

*GASB 75 requires presentation of ten years. As of June 30, 2025, only one year of information is available.

There are no assets accumulated in the trust to pay related benefits.

SUPPLEMENTARY INFORMATION

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF NET POSITION
June 30, 2025

	<u>WSU Foundation</u>	<u>Intercollegiate Athletics Association</u>	<u>WSU Union Corporation</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 17,229,486	\$ 2,330,142	\$ 913,595
Restricted cash and cash equivalents	--	1,765,715	--
Accounts receivable, net	11,209,442	820,953	383,699
Investments	17,745,912	--	6,314,094
Inventories	--	--	726,753
Prepaid expenses	--	144,881	28,639
Total current assets	<u>46,184,840</u>	<u>5,061,691</u>	<u>8,366,780</u>
Noncurrent assets:			
Restricted cash and cash equivalents	--	--	--
Accounts receivable, net	8,272,336	960,184	--
Investments	331,756,072	--	--
Other assets	26,486,760	--	--
Nondepreciable capital assets	--	--	--
Depreciable capital assets, net	<u>2,307,691</u>	<u>1,804,462</u>	<u>839,409</u>
Total noncurrent assets	<u>368,822,859</u>	<u>2,764,646</u>	<u>839,409</u>
Total assets	<u>415,007,699</u>	<u>7,826,337</u>	<u>9,206,189</u>

WSU Board of Trustees	WSU Tech	Eliminations	Total
\$ 10,584,393	\$ 38,452,391	\$ (43,168)	\$ 69,466,839
--	--	(1,765,715)	--
--	3,853,584	(704,167)	15,563,511
--	19,558,168	--	43,618,174
--	--	--	726,753
--	1,489,086	--	1,662,606
<u>10,584,393</u>	<u>63,353,229</u>	<u>(2,513,050)</u>	<u>131,037,883</u>
4,552,079	--	--	4,552,079
--	683,074	(960,184)	8,955,410
13,153,746	--	(8,065,861)	336,843,957
--	--	(19,525,377)	6,961,383
10,509,062	2,842,999	--	13,352,061
41,393,211	31,850,271	--	78,195,044
<u>69,608,098</u>	<u>35,376,344</u>	<u>(28,551,422)</u>	<u>448,859,934</u>
<u>80,192,491</u>	<u>98,729,573</u>	<u>(31,064,472)</u>	<u>579,897,817</u>

Continued on next page.

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
June 30, 2025

	WSU Foundation	Intercollegiate Athletics Association	WSU Union Corporation
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,357,698	4,571,460	374,185
Unearned revenue	--	1,289,018	191,121
Accrued interest payable	--	--	--
Accrued compensated absences	--	298,160	218,609
Loans payable	--	97,000	--
Lease liability	50,559	1,118	9,162
Subscription liability	--	--	--
Revenue bonds payable	--	--	--
Deposits held in custody for others	11,634,540	--	--
Total current liabilities	<u>14,042,797</u>	<u>6,256,756</u>	<u>793,077</u>
Noncurrent liabilities:			
Net pension liability	--	--	--
Accrued compensated absences	--	695,708	--
Other liabilities	--	513,444	--
Loans payable	--	1,367,904	--
Lease liability	81,008	44,932	--
Subscription liability	--	--	--
Revenue bonds payable	--	--	--
Total noncurrent liabilities	<u>81,008</u>	<u>2,621,988</u>	<u>--</u>
Total liabilities	<u>14,123,805</u>	<u>8,878,744</u>	<u>793,077</u>
NET POSITION			
Net investment in capital assets	2,176,124	1,761,926	830,247
Restricted for:			
Nonexpendable	242,345,780	--	--
Expendable:			
Other purposes	138,809,362	1,765,715	--
Unrestricted	17,552,628	(4,580,048)	7,582,865
Total net position	<u>\$ 400,883,894</u>	<u>\$ (1,052,407)</u>	<u>\$ 8,413,112</u>

WSU Board of Trustees	WSU Tech	Eliminations	Total
1,217,738	3,643,285	--	12,164,366
--	1,345,164	--	2,825,303
738,843	--	--	738,843
--	--	--	516,769
--	--	--	97,000
781,416	1,617,969	--	2,460,224
--	297,931	--	297,931
365,000	--	--	365,000
--	--	(11,503,746)	130,794
<u>3,102,997</u>	<u>6,904,349</u>	<u>(11,503,746)</u>	<u>19,596,230</u>
--	124,257	--	124,257
--	--	--	695,708
--	--	--	513,444
--	--	--	1,367,904
40,677,147	13,586,079	--	54,389,166
--	799,234	--	799,234
<u>10,531,377</u>	<u>--</u>	<u>--</u>	<u>10,531,377</u>
<u>51,208,524</u>	<u>14,509,570</u>	<u>--</u>	<u>68,421,090</u>
<u>54,311,521</u>	<u>21,413,919</u>	<u>(11,503,746)</u>	<u>88,017,320</u>
1,585,492	17,462,367	--	23,816,156
5,658,725	2,068,711	(19,525,377)	230,547,839
8,845,924	5,045,597	--	154,466,598
<u>9,790,829</u>	<u>52,738,979</u>	<u>(35,349)</u>	<u>83,049,904</u>
<u>\$ 25,880,970</u>	<u>\$ 77,315,654</u>	<u>\$ (19,560,726)</u>	<u>\$ 491,880,497</u>

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF NET POSITION
June 30, 2024

	<u>WSU Foundation</u>	<u>Intercollegiate Athletics Association</u>	<u>WSU Union Corporation</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 12,146,773	\$ 3,331,497	\$ 752,050
Restricted cash and cash equivalents	--	5,384,463	--
Accounts receivable, net	5,393,201	929,159	380,548
Investments	16,379,078	--	6,099,594
Inventories	--	--	904,438
Prepaid expenses	--	140,710	49,829
Total current assets	<u>33,919,052</u>	<u>9,785,829</u>	<u>8,186,459</u>
Noncurrent assets:			
Restricted cash and cash equivalents	--	--	--
Accounts receivable, net	9,419,317	533,307	--
Investments	324,832,965	1,524,155	--
Other assets	25,591,243	--	--
Nondepreciable capital assets	--	--	--
Depreciable capital assets, net	<u>2,249,316</u>	<u>1,719,278</u>	<u>914,608</u>
Total noncurrent assets	<u>362,092,841</u>	<u>3,776,740</u>	<u>914,608</u>
Total assets	<u>396,011,893</u>	<u>13,562,569</u>	<u>9,101,067</u>

WSU Board of Trustees	WSU Tech	Eliminations	Total
\$ 9,373,535	\$ 33,215,585	\$ (372,562)	\$ 58,466,878
--	--	(5,384,463)	--
--	4,977,355	(814,985)	10,865,278
--	19,366,373	--	41,845,045
--	--	--	904,438
--	422,819	--	613,358
<u>9,373,535</u>	<u>57,982,132</u>	<u>(6,572,010)</u>	<u>112,674,997</u>
13,386,537	--	--	13,386,537
--	557,644	(533,307)	9,976,961
12,732,143	--	(7,899,336)	331,189,927
--	--	(19,193,468)	6,397,775
1,901,468	2,677,695	--	4,579,163
42,867,273	25,804,735	--	73,555,210
<u>70,887,421</u>	<u>29,040,074</u>	<u>(27,626,111)</u>	<u>439,085,573</u>
<u>80,260,956</u>	<u>87,022,206</u>	<u>(34,198,121)</u>	<u>551,760,570</u>

Continued on next page.

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
June 30, 2024

	WSU Foundation	Intercollegiate Athletics Association	WSU Union Corporation
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,198,493	4,246,921	384,855
Unearned revenue	--	4,823,555	264,200
Accrued interest payable	--	--	--
Accrued compensated absences	--	--	217,791
Lease liability	--	1,092	54,010
Subscription liability	--	--	--
Revenue bonds payable	--	--	--
Deposits held in custody for others	15,140,802	--	--
Total current liabilities	<u>17,339,295</u>	<u>9,071,568</u>	<u>920,856</u>
Noncurrent liabilities:			
Net pension liability	--	--	--
Other liabilities	--	3,028,861	--
Lease liability	--	46,050	9,162
Subscription liability	--	--	--
Revenue bonds payable	--	--	--
Total noncurrent liabilities	<u>--</u>	<u>3,074,911</u>	<u>9,162</u>
Total liabilities	<u>17,339,295</u>	<u>12,146,479</u>	<u>930,018</u>
NET POSITION			
Net investment in capital assets	2,249,316	1,674,809	851,436
Restricted for:			
Nonexpendable	234,116,997	--	--
Expendable:			
Other purposes	125,730,568	5,384,463	--
Unrestricted	16,575,717	(5,643,182)	7,319,613
Total net position	<u>\$ 378,672,598</u>	<u>\$ 1,416,090</u>	<u>\$ 8,171,049</u>

WSU Board of Trustees	WSU Tech	Eliminations	Total
1,948,708	5,143,917	--	13,922,894
--	1,351,578	--	6,439,333
757,657	--	--	757,657
--	--	--	217,791
745,100	1,507,790	--	2,307,992
--	157,794	--	157,794
345,000	--	--	345,000
--	--	(15,004,653)	136,149
<u>3,796,465</u>	<u>8,161,079</u>	<u>(15,004,653)</u>	<u>24,284,610</u>
--	99,684	--	99,684
--	--	--	3,028,861
41,458,563	10,143,677	--	51,657,452
--	426,964	--	426,964
10,940,897	--	--	10,940,897
<u>52,399,460</u>	<u>10,670,325</u>	<u>--</u>	<u>66,153,858</u>
<u>56,195,925</u>	<u>18,831,404</u>	<u>(15,004,653)</u>	<u>90,438,468</u>
1,458,259	15,320,142	--	21,553,962
5,662,065	1,934,873	(19,193,468)	222,520,467
8,376,069	3,422,460	--	142,913,560
8,568,638	47,513,327	--	74,334,113
<u>\$ 24,065,031</u>	<u>\$ 68,190,802</u>	<u>\$ (19,193,468)</u>	<u>\$ 461,322,102</u>

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF REVENUE,
EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2025

	<u>WSU Foundation</u>	<u>Intercollegiate Athletics Association</u>	<u>WSU Union Corporation</u>
Operating revenues:			
Tuition and fees, net of scholarship allowances	\$ --	\$ 4,855,319	\$ 2,607,744
Federal grants and contracts	--	--	--
State, local and private grants and contracts	--	--	--
Sales and services of educational activities	--	14,223,726	5,543,498
Auxiliary enterprises:			
Parking revenues	--	--	--
Other operating revenues	2,746,806	2,398,628	30,195
Total operating revenues	<u>2,746,806</u>	<u>21,477,673</u>	<u>8,181,437</u>
Operating expenses:			
Instruction	--	--	--
Public service	--	--	--
Academic support	--	--	--
Student service	--	23,661,533	7,592,255
Institutional support	18,352,401	2,056,596	--
Operations and maintenance of plant	2,472,985	1,403,992	250,677
Scholarships and fellowships	8,378,126	4,998,046	12,425
Auxiliary enterprises	--	--	--
Other expenses	--	2,559,076	--
Depreciation	191,048	360,517	158,578
Total operating expenses	<u>29,394,560</u>	<u>35,039,760</u>	<u>8,013,935</u>
Total operating income (loss)	<u>(26,647,754)</u>	<u>(13,562,087)</u>	<u>167,502</u>
Non-operating revenue (expenses):			
State appropriations	--	--	--
Grants and contracts	--	--	--
Gifts	25,441,973	15,648,000	605,242
Investment income	24,655,175	89,407	280,832
Interest expense	--	(1,108)	--
County tax subsidy	--	--	--
Loss on disposal of capital assets	--	--	--
Other non-operating revenue (expenses)	(1,238,098)	--	--
Total non-operating revenue (expenses)	<u>48,859,050</u>	<u>15,736,299</u>	<u>886,074</u>
Excess (deficiency) of revenues over (under) expenses before capital contributions and transfers	<u>22,211,296</u>	<u>2,174,212</u>	<u>1,053,576</u>
Capital contributions and transfers:			
Capital appropriations	--	--	--
Capital assets transferred from (to) other entities	--	(4,642,709)	(811,513)
Total capital contributions and transfers	<u>--</u>	<u>(4,642,709)</u>	<u>(811,513)</u>
Change in net position	<u>22,211,296</u>	<u>(2,468,497)</u>	<u>242,063</u>
Net position, beginning of year	378,672,598	1,416,090	8,171,049
Net position, end of year	<u>\$ 400,883,894</u>	<u>\$ (1,052,407)</u>	<u>\$ 8,413,112</u>

WSU Board of Trustees	WSU Tech	Eliminations	Total
\$ --	\$ 7,505,596	\$ --	\$ 14,968,659
--	3,244,261	--	3,244,261
--	8,655,985	--	8,655,985
--	--	--	19,767,224
--	1,399,363	--	1,399,363
--	--	--	5,175,629
--	20,805,205	--	53,211,121
--	19,223,077	--	19,223,077
553,256	--	--	553,256
--	5,863,349	--	5,863,349
--	7,108,467	--	38,362,255
670,898	11,999,049	--	33,078,944
--	5,310,876	--	9,438,530
4,931,131	--	--	18,319,728
--	2,213,073	--	2,213,073
1,035,411	--	(800,000)	2,794,487
1,474,062	5,731,324	--	7,915,529
8,664,758	57,449,215	(800,000)	137,762,228
(8,664,758)	(36,644,010)	800,000	(84,551,107)
--	17,662,442	--	17,662,442
--	16,081,791	--	16,081,791
2,000	4,896,254	(1,131,909)	45,461,560
1,756,316	2,692,271	(35,349)	29,438,652
(2,166,021)	(473,557)	--	(2,640,686)
10,888,402	--	--	10,888,402
--	3,627	--	3,627
--	--	--	(1,238,098)
10,480,697	40,862,828	(1,167,258)	115,657,690
1,815,939	4,218,818	(367,258)	31,106,583
--	4,906,034	--	4,906,034
--	--	--	(5,454,222)
--	4,906,034	--	(548,188)
1,815,939	9,124,852	(367,258)	30,558,395
24,065,031	68,190,802	(19,193,468)	461,322,102
\$ 25,880,970	\$ 77,315,654	\$ (19,560,726)	\$ 491,880,497

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF REVENUE,
EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2024

	WSU Foundation	Intercollegiate Athletics Association	WSU Union Corporation
Operating revenues:			
Tuition and fees, net of scholarship allowances	\$ --	\$ 4,275,519	\$ 2,642,833
Federal grants and contracts	--	--	--
State, local and private grants and contracts	--	--	--
Sales and services of educational activities	--	15,620,506	5,239,925
Auxiliary enterprises:			
Parking revenues	--	--	--
Other operating revenues	2,463,994	2,152,541	60,068
Total operating revenues	<u>2,463,994</u>	<u>22,048,566</u>	<u>7,942,826</u>
Operating expenses:			
Instruction	--	--	--
Public service	--	--	--
Academic support	--	--	--
Student service	--	22,523,937	7,409,650
Institutional support	20,265,725	1,685,295	--
Operations and maintenance of plant	1,148,004	1,900,884	243,564
Scholarships and fellowships	7,947,202	4,402,074	70,171
Auxiliary enterprises	--	--	--
Other expenses	--	2,762,111	--
Depreciation	23,534	350,986	118,860
Total operating expenses	<u>29,384,465</u>	<u>33,625,287</u>	<u>7,842,245</u>
Total operating income (loss)	<u>(26,920,471)</u>	<u>(11,576,721)</u>	<u>100,581</u>
Non-operating revenue (expenses):			
State appropriations	--	--	--
Grants and contracts	--	--	--
Gifts	19,785,151	12,009,869	113,484
Investment income	28,420,470	244,161	309,363
Interest expense	--	(1,133)	(1,506)
County tax subsidy	--	--	--
Loss on disposal of capital assets	--	--	--
Other non-operating revenue (expenses)	(946,327)	--	--
Total non-operating revenue (expenses)	<u>47,259,294</u>	<u>12,252,897</u>	<u>421,341</u>
Excess (deficiency) of revenues over (under) expenses before capital contributions and transfers	<u>20,338,823</u>	<u>676,176</u>	<u>521,922</u>
Capital contributions and transfers:			
Capital appropriations	--	--	--
Total capital contributions and transfers	<u>--</u>	<u>--</u>	<u>--</u>
Change in net position	<u>20,338,823</u>	<u>676,176</u>	<u>521,922</u>
Net position, beginning of year	358,333,775	739,914	7,649,127
Net position, end of year	<u>\$ 378,672,598</u>	<u>\$ 1,416,090</u>	<u>\$ 8,171,049</u>

WSU Board of Trustees	WSU Tech	Eliminations	Total
\$ --	\$ 9,501,921	\$ --	\$ 16,420,273
--	5,612,292	--	5,612,292
--	8,343,251	--	8,343,251
--	--	--	20,860,431
--	1,147,017	--	1,147,017
--	164,330	--	4,840,933
--	24,768,811	--	57,224,197
--	17,697,293	--	17,697,293
556,950	--	--	556,950
--	5,997,938	--	5,997,938
--	5,850,700	--	35,784,287
3,901,952	8,515,116	--	34,368,088
--	6,202,400	--	9,494,852
4,922,382	--	--	17,341,829
--	1,938,955	--	1,938,955
800,000	--	(800,000)	2,762,111
1,479,671	4,659,278	--	6,632,329
11,660,955	50,861,680	(800,000)	132,574,632
(11,660,955)	(26,092,869)	800,000	(75,350,435)
--	17,347,824	--	17,347,824
--	13,451,593	--	13,451,593
3,868	4,333,808	(1,196,293)	35,049,887
1,738,175	2,159,136	--	32,871,305
(1,989,748)	(376,936)	--	(2,369,323)
10,360,867	--	--	10,360,867
--	18,627	--	18,627
(263,753)	--	--	(1,210,080)
9,849,409	36,934,052	(1,196,293)	105,520,700
(1,811,546)	10,841,183	(396,293)	30,170,265
--	3,629,550	--	3,629,550
--	3,629,550	--	3,629,550
(1,811,546)	14,470,733	(393,293)	33,799,815
25,876,577	53,720,069	(18,797,175)	427,522,287
\$ 24,065,031	\$ 68,190,802	\$ (19,193,468)	\$ 461,322,105



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WICHITA STATE
UNIVERSITY

