



Wichita State University

Annual Financial Report
for the Fiscal Year Ended June 30, 2008

**Prepared in Accordance with
Government Accounting Standards
Board (GASB) Principles**

Wichita State University
Fiscal Year 2008 Annual GASB Financial Report

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Wichita State University
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Kansas Board of Regents and University Officers

Kansas Board of Regents

Christine Downey-Schmidt, Chair
Donna L. Shank, Vice Chair
Jerry Boettcher
Jill Docking
Dick Hedges
Dan Lykins
Janie Perkins
Gary Sherrer
Bill Thorton

University Officers

Officers Reporting

Mary L. Herrin, Vice President for Administration and Finance
Steven D. LaFever, Director of Financial Reporting, Financial Data Analysis and Investments

Executive Administration

Donald L. Beggs, President
Mary L. Herrin, Vice President for Administration and Finance
Ted D. Ayres, Vice President and General Counsel
Ronald R. Kopita, Vice President for Campus Life and University Relations
Gary L. Miller, Provost and Vice President for Academic Affairs and Research

Fiscal Year 2008 Financial Information

Prepared in Accordance with Government Accounting Standards Board

(GASB) Principles, with exceptions as noted

Management's Discussion and Analysis

Wichita State University
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Management's Discussion and Analysis

The following Management's Discussion and Analysis (MDA) provides an overview of the financial performance of Wichita State University (University) based on currently known facts, decisions and conditions. It is designed to assist readers in understanding the accompanying financial statements. These financial statements are prepared in accordance with Government Accounting Standards Board (GASB) principles, with one exception. Due to the privacy of the Wichita State University Foundation, management elected to exclude a major component unit, Wichita State University Foundation, from these financial statements, and footnotes. **GASB Statement No. 39, Determining Whether Certain Organizations are Component Units**, requires the inclusion of this entity.

This MDA discussion should be read in conjunction with the University's financial statements and footnotes which have been prepared by management. The financial statements, footnotes and this discussion are the responsibility of management.

USING THE FINANCIAL STATEMENTS

This report consists of the three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. The notes to the financial statements present additional information to support the financial statements. Their purpose is to clarify and expand on the information in the financial statements. The University implemented **GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 35, Basic Financial Statements - and Management's Discussion and Analysis for Public Colleges and Universities and GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units** during fiscal year 2004. These new standards changed the focus of our financial statements to a comprehensive one-look at the University as a whole as opposed to the traditional presentation of fund groups. Other significant changes to the financial statements included:

- GASB Statement No. 35 categorizes the Statement of Net Assets into a classified format of current and non-current. The Statement of Revenues, Expenses and Changes in Net Assets categorizes revenues and expenses into operating and non-operating. Significant recurring sources of revenue are now shown as non-operating, including state appropriations and investment income. This represented 42.1% of the total University revenue for 2008. Public universities depend heavily on these revenues to fund their programs and services. As a result, the University will normally report a loss from operating activities.
- Student tuition and fees are now reported net of scholarships funded by Federal and State grants as well as University's resources. Prior to 2004, all scholarships were reported as scholarship expenses.
- GASB Statement No. 35 requires the University to report accumulated depreciation on its capital assets.

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- GASB Statement No. 39 requires the University to discretely display in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets, the data for component units. The three component units are: Wichita State University Intercollegiate Athletic Association, Inc., Wichita State University Union Corporation d/b/a Rhatigan Student Center, and Wichita State University Board of Trustees. As noted earlier, management has elected to exclude the Wichita State University Foundation.

STATEMENT OF NET ASSETS

The Statement of Net Assets presents the assets, liabilities, and net assets 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 Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector enterprises. Under the accrual basis of accounting, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Within the Statement of Net Assets, 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.

Net Assets are divided into three categories:

1. Invested in Capital Assets, Net of Related Debt: This indicates the University's equity in property, plant and equipment owned by the University.
2. Restricted Net Assets are 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 assets are 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 Assets are available to the University for any lawful purpose of the institution.

Total assets at June 30, 2008 were \$241.7 million, an increase of \$4 million (1.67%) over June 30, 2007. Capital net assets comprised 70.77% or \$171.04 million of the assets.

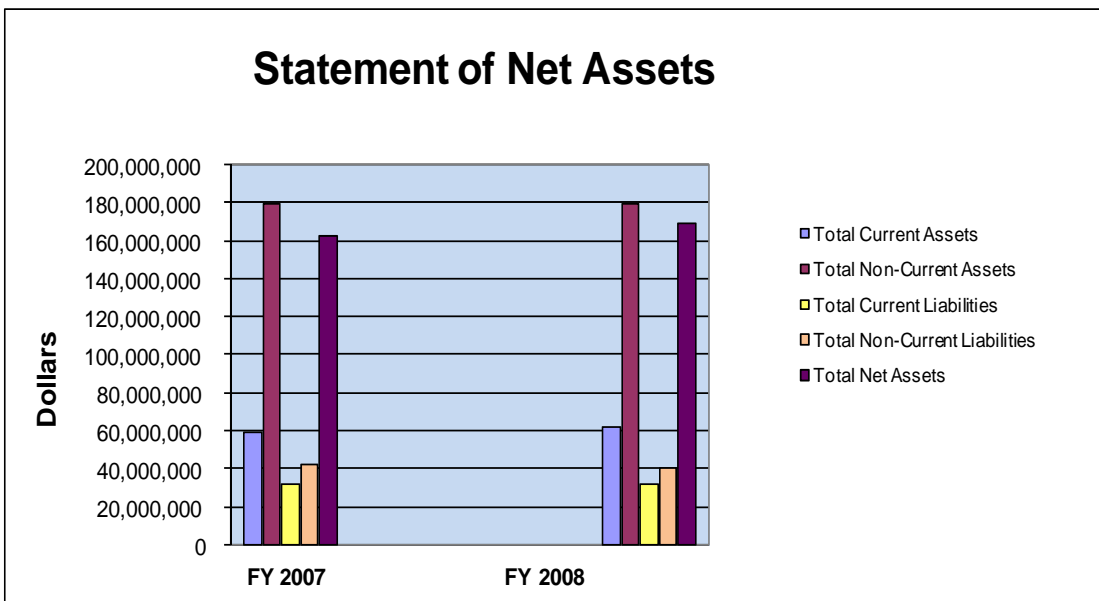
Total liabilities were \$72.4 million at June 30, 2008, a decrease of \$2.5 million (3.45%). This is compared to \$74.9 million total liabilities at June 30, 2007. Long-term liabilities comprised 55.94%, or \$40.5 million of the liabilities.

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Management's Discussion and Analysis

Total net assets at June 30, 2008 were \$169.3 million, a \$6.5 million increase over the prior year, or a 4.0% increase in net assets. The summary of net assets is shown below:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Capital Assets, net of related debt	\$ 128,480,852	\$ 125,020,157
Restricted net assets	20,371,692	21,879,712
Unrestricted net assets	<u>20,479,644</u>	<u>15,884,761</u>
Total net assets	<u>\$ 169,332,188</u>	<u>\$ 162,784,630</u>



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The Statement of Revenues, Expenses and Changes in Net Assets presents the total revenues earned and expenses incurred by the University for operating, non-operating and other related activities during a period of time. Its purpose is to assess the University's operating results.

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Management's Discussion and Analysis

REVENUES

Total operating revenues at the University as of June 30, 2008, increased by \$11.6 million or 10.67% over the previous year. The following is a brief summary of the significant changes:

- Tuition and fee revenues, after scholarship allowances, were \$51.2 million in FY 2008 compared to \$46 million in FY 2007. This increase is a direct result of a tuition increase approved by the Kansas Board of Regents for FY 2008, and an increase in fall enrollment of 144 students enrolling in 3,193 additional credit hours. In addition, Spring enrollment increased by 2,916 credit hours and 47 students. These funds provided additional resources to the University to improve or enhance student education. The increase was used for specific expenses including a portion of faculty and staff salary increases, instructional and technological upgrades and scholarships.
- Federal grants and contracts decreased \$178 thousand over the previous fiscal year. This category of revenue includes funds received from the federal government for financial aid as well as other sponsored research revenue. Pell grant revenue increased by \$1.1 million and Federal Grants decreased by \$1.2 million over the prior year.
- State and local contracts and grants increased by \$1.25 million in FY 2008. A major factor for the increase was due to the continued growth in contract research by the National Institute for Aviation Research (NIAR).
- Sales and services of educational activities increased \$2.6 million from the previous fiscal year. These revenues are generated by activities that are related incidentally or exist primarily to afford hands-on experience in providing instruction, research and public service. NIAR accounted for \$2 million of the increase.
- Housing auxiliary revenue increased from \$4.6 million to \$5.6 million as a result of increases in rates and occupancy.
- Other operating revenue increased by \$1.69 million from FY 2007. This was primarily the result of salary support and increases in departmental generated revenue such as Academic Outreach, Kansas Counsel on Economic Education, and Center for Teaching and Research Excellence.

Total non-operating revenues increased \$7.78 million over the prior fiscal year from \$85.10 million to \$92.88 million. The following is a brief summary of the significant changes:

- State appropriations, the largest single source of revenue at the University, increased by 8.3% or \$5.9 million. State appropriations for FY 2008 were \$77.67 million and \$71.74 million for FY 2007. Non-capital state appropriations represent 35.24% of the FY 2008 total revenue. A major portion of increased appropriations was from the State Economic Development Initiative Fund, which increased the support for aviation research from \$2 million in FY 2007 to \$4.75 million in FY 2008.
- Gifts for scholarships, research and faculty support increased by 9.74% or \$1.19 million. Gifts were \$13.43 million for FY 2008 and \$12.24 million for FY 2007. The Wichita State University Foundation accounted for \$1.07 million of the increase.

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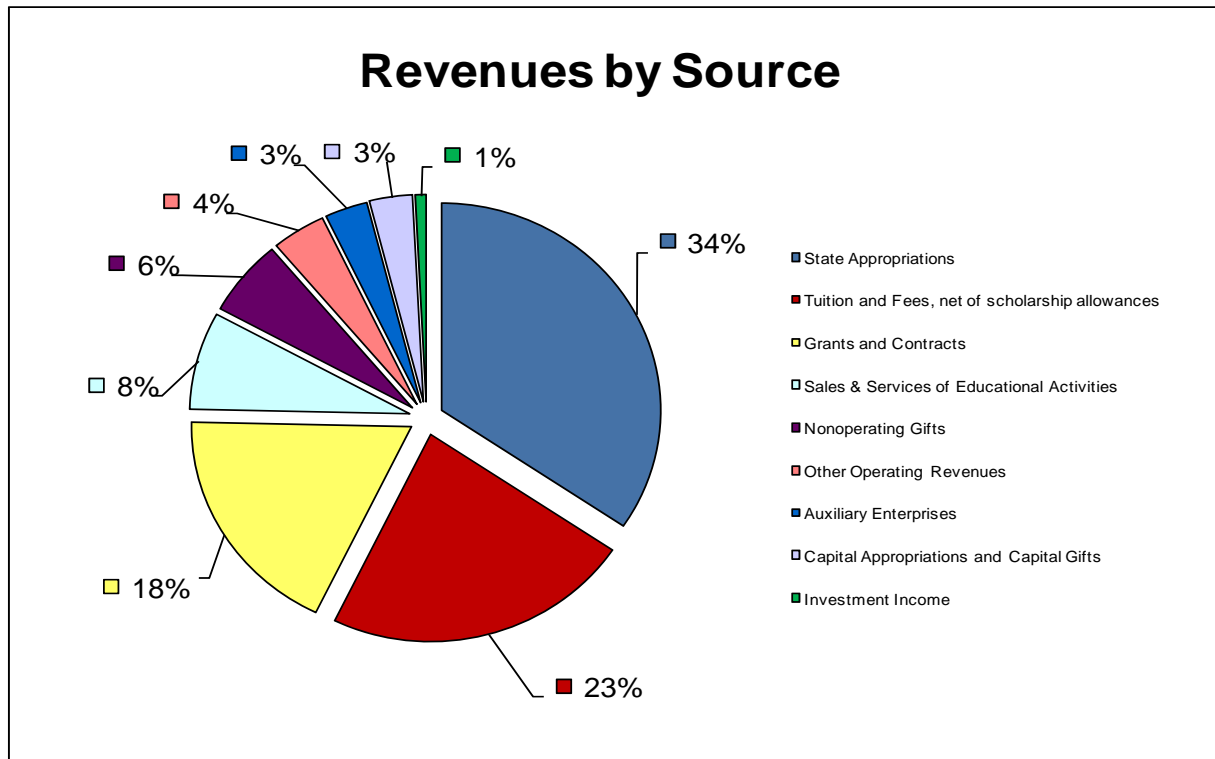
Management's Discussion and Analysis

- Investment income results were from short term investing of funds from tuition and fees, and bond funds held in reserve accounts or awaiting project completion. Investment income increased in FY 2008 by \$656 thousand or 58%. Investment income for FY 2008 was \$1.788 million versus \$1.131 million in FY 2007.

Other revenues included the following:

- Capital appropriations increased by \$3.2 million. These funds were used for rehabilitation and repair of facilities and bond debt payment. Capital appropriations were \$6.3 million in FY 2008 and \$3.1 million in FY 2007. The increase was primarily because the State of Kansas Legislature allowed the State Universities to receive interest income which is to be used for infrastructure maintenance. The amount appropriated in the Kansas Infrastructure Maintenance Fund was \$3.1 million in FY 2008.
- Gifts for capital projects decreased from \$5.65 million in FY 2007 to \$148 thousand in FY 2008. The decline was primarily because large gifts were received in FY 2007 for the construction of the Marcus Welcome Center that were received through the WSU Foundation on behalf of the University.

Sources of total revenues are displayed in the following chart:



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Management's Discussion and Analysis

OPERATING EXPENSES

Operating expenses were \$211.81 million for FY 2008 compared to \$195.02 million in FY 2007. This was an increase of \$16.79 million, or 8.61%. The following is a brief summary of the significant changes:

- Expenses related to the University's mission of instruction, research and public service increased \$8.9 million or 8.2% in FY 2008. The increase consists of Instruction of 33.47%, Research of 58.11%, and Public Service of 8.42%. This is detailed as follows:

	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Total</u>
Salaries and Wages				
FY 2008	\$ 53,639,453	\$ 17,257,325	\$ 10,592,459	\$ 81,489,237
FY 2007	52,161,579	14,790,077	9,617,059	76,568,714
Increase (Decrease)	<u>\$ 1,477,875</u>	<u>\$ 2,467,248</u>	<u>\$ 975,400</u>	<u>\$ 4,920,523</u>
Contractual and Commodities, other				
FY 2008	\$ 3,795,363	\$ 14,110,613	\$ 5,227,059	\$ 23,133,035
FY 2007	2,946,663	11,890,091	5,591,628	20,428,382
Increase (Decrease)	<u>\$ 848,700</u>	<u>\$ 2,220,522</u>	<u>\$ (364,569)</u>	<u>\$ 2,704,654</u>
Capital Equipment				
FY 2008	\$ 849,382	\$ 1,923,508	\$ 698,071	\$ 3,470,961
FY 2007	199,871	1,445,602	560,640	2,206,114
Increase (Decrease)	<u>\$ 649,511</u>	<u>\$ 477,906</u>	<u>\$ 137,431</u>	<u>\$ 1,264,847</u>
Totals for FY 2008	<u>\$ 58,284,198</u>	<u>\$ 33,291,446</u>	<u>\$ 16,517,589</u>	<u>\$ 108,093,233</u>
Totals for FY 2007	<u>55,308,113</u>	<u>28,125,770</u>	<u>15,769,327</u>	<u>99,203,210</u>
Increase (Decrease)	<u><u>\$ 2,976,085</u></u>	<u><u>\$ 5,165,676</u></u>	<u><u>\$ 748,262</u></u>	<u><u>\$ 8,890,023</u></u>

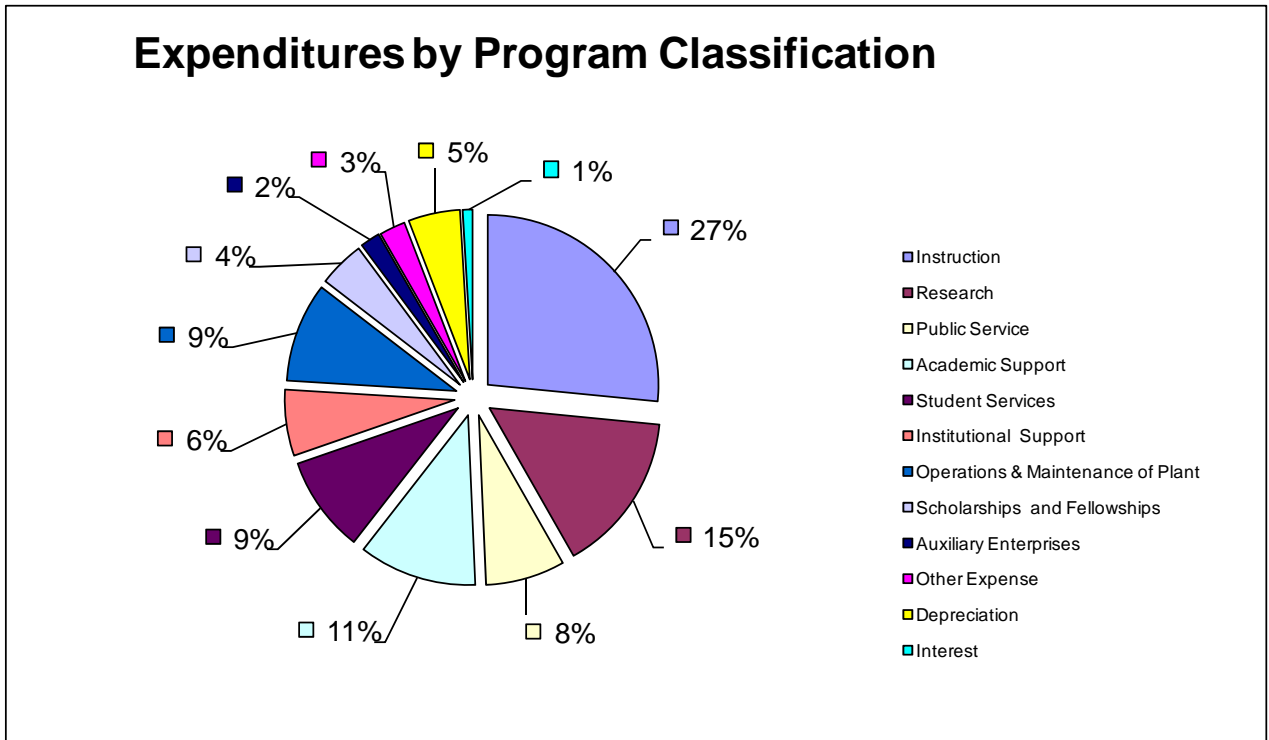
- Academic Support increased by \$1.71 million or 7.47%. This increase is directly related to larger expenditures for salaries and benefits of \$714 thousand, capital outlay \$382 thousand and contractual services of \$730 thousand, as well as with other minor decreases.
- Student Services increased 4.74% or \$907 thousand. Salaries and benefits accounted for \$675 thousand of the increase and the balance was for increased operating expenses.
- Institutional Support increased by \$1.4 million or 11.3%. Salaries and benefits increased by \$506 thousand and operating expenses increased by \$892 thousand.
- Operation and Maintenance of Physical Plant increased by \$1.37 million. Repair and maintenance projects, salaries, and benefits account for the major increases.

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Management's Discussion and Analysis

- Scholarships and Fellowships increased \$1.6 million or 20% in FY 2008. The university is continuing to invest in students by increasing scholarships and fellowships to enhance enrollment and to provide educational opportunities to deserving students.
- Auxiliary Enterprises include the routine operating expenses for the housing and parking functions. These expenses decreased \$391 thousand in FY 2008 compared to FY 2007. Contractual costs declined in FY 2008 due to decreases in repairs and maintenance.
- Depreciation expense increased from \$9.44 million in FY 2007 to \$10.69 million in FY 2008. This increase of \$1.25 million is a direct result in capitalization of \$23.9 million in new depreciable assets during FY 2008.

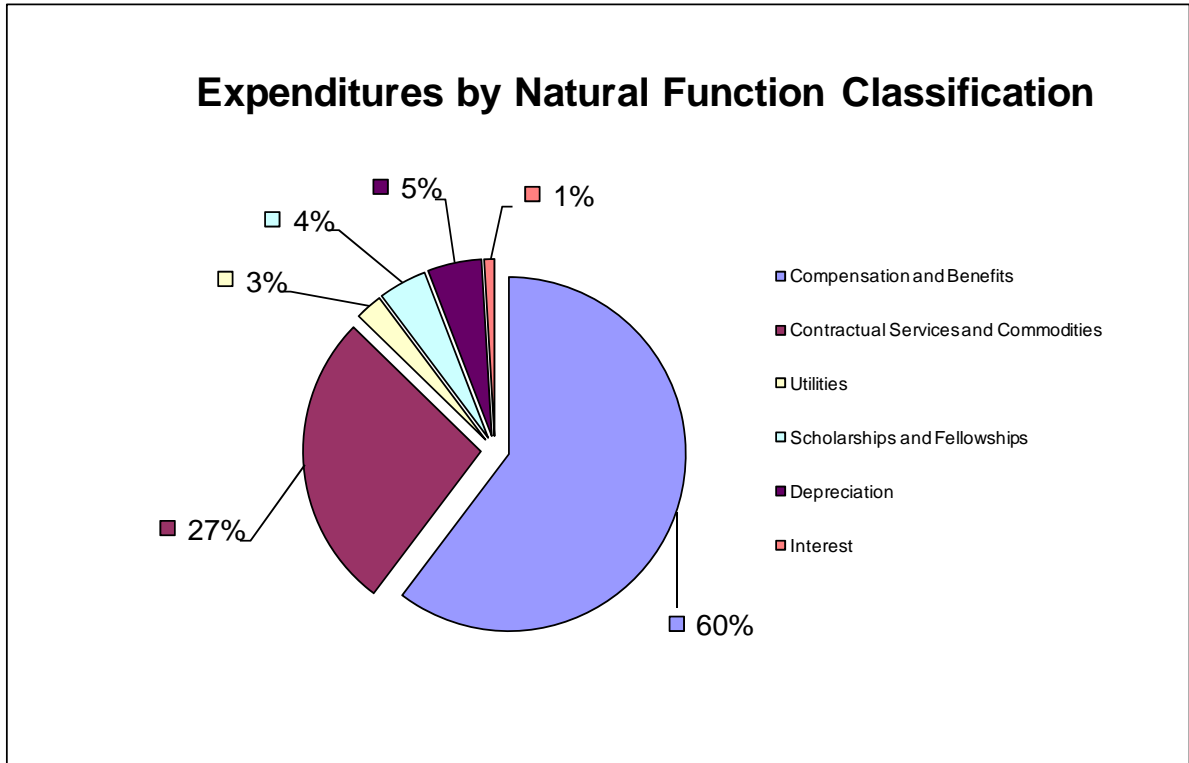
Total expenditures by program, including operating and non-operating, are displayed below:



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Expenditures by natural function classification, including operating and non-operating, are displayed below:



Net Assets

Overall, net assets increased \$6.5 million in FY 2008 compared to FY 2007. This increase in net assets can be attributed to net capitalization of new assets and unrestricted net assets of \$5.9 million, the result of an increase in appropriations and tuition and fees.

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Management's Discussion and Analysis

STATEMENT OF CASH FLOWS

The Statement of Cash Flows presents cash receipts and payments of the University during a period of time. Its purpose is to assess the University's ability to generate future new cash flows and meet its obligations as they come due.

SUMMARY OF THE STATEMENT OF CASH FLOWS

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Net cash provided (used by):		
Operating activities	\$ (75,616,332)	\$ (69,640,554)
Non-capital financing activities	88,168,456	82,781,562
Capital and related financing/appropriations	(9,185,720)	(14,390,601)
Investing activities	<u>1,928,567</u>	<u>18,663,414</u>
Net increase (decrease) in cash	\$ <u>5,294,970</u>	\$ <u>17,413,821</u>
 Beginning cash and cash equivalent balances	 <u>46,007,282</u>	 <u>28,593,462</u>
 Ending cash and cash equivalent balances	 \$ <u><u>51,302,253</u></u>	 \$ <u><u>46,007,282</u></u>

Cash provided by operating activities includes tuition and fees, and grant and contract revenues. Cash used for operating activities includes payments to employees and suppliers. Cash provided by non-capital financing activities includes state appropriations, gifts, and the receipt and disbursement of the Federal Family Education Loan Programs (Stafford, Perkins and Plus Loans). Cash provided for capital and related financing activities represents capital appropriations, and gifts and grants. This cash is used for construction, and remodel 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 3 to the financial statements. Cash provided by investing activities includes purchases and sales of investments as well as investment income earnings and losses realized. Because the University had changed the investment portfolio in July 2006 from Certificates of Deposits (CD) to overnight investments, the investment turnover amount decreased substantially. This was done because of the desire for liquidity and relatively small differences between overnight and 90 day CD earnings rates.

The University's overall liquidity increased by \$5.3 million. This was primarily the result of increases in appropriations and tuition and fees.

CAPITAL ASSETS

The University continued to make investments in capital during FY 2008. Detailed information regarding capital asset additions, retirements and depreciation is available in Note 3 to the financial statements.

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Management's Discussion and Analysis

The following is a brief summary of the construction projects that were completed during the current fiscal year:

- Construction of Engineering Research Laboratory Building: The amount of building capitalization was \$6.7 million. It was funded by bonded debt authorized by the Kansas Board of Regents, and sold by the Kansas Development Finance Authority, in addition to other University funds.
- Aviation Testing Laboratory Building: The project was completed at a cost of \$3.35 million. It was funded by bonded debt authorized by the Kansas Board of Regents, and sold by the Kansas Development Finance Authority, in addition to other University funds.
- President's Residence: This addition was for large gatherings, entertaining and fund raising. The cost of \$998 thousand was funded by private donations through the WSU Foundation.
- Wallace Hall: Restrooms were remodeled at a cost of \$110 thousand. Funding was provided by the State of Kansas repair and maintenance appropriation.
- Corbin Education Center: Steam and chilled water lines were replaced at a cost of \$489 thousand. Funding was provided by the State of Kansas repair and maintenance appropriation.

Additionally, the University is involved in several ongoing construction projects. The major projects include:

- Charles Koch Arena Lower Level Project: Murals are being painted and related lighting enhancements are being installed in the lower halls. The \$148 thousand cost to date is funded by a \$137 thousand private donation and \$11 thousand in Intercollegiate Athletic Association funds.
- Jabara Hall: Additional air conditioning for the University Computing Center is being installed. The \$234 thousand cost to date is funded by tuition/state financed equipment funds.
- Aviation Testing Laboratory Building: Mechanical and electrical modifications are being made to the building to accommodate aircraft research equipment. The \$238 thousand cost is funded by sponsored research overhead funds.
- Construction of KMUW Radio Transmitter Building: The \$252 thousand cost to date is funded by \$159 thousand in restricted fees, \$88 thousand in restricted fees – research and \$5 thousand in University federal funds.
- Hughes Metropolitan Complex: The roof of the building is being replaced. The \$398 thousand cost to date is funded by repair and rehabilitation funds.

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DEBT ADMINISTRATION

At June 30, 2008, the University had \$28.515 million in long term revenue bond debt outstanding. Revenue bonds were approved by the Kansas Board of Regents and issued by the Kansas Development Finance Authority for the benefit of Wichita State University to finance housing renovation, parking renovation, WSU research and development facilities projects and the National Institute for Aviation Research projects. In addition, \$10.673 million in long term Lease Payable was outstanding as of June 30, 2008.

Standard and Poors Rating Service currently rates the University "AAA" as the bonds are insured. Detailed information regarding the University's long-term liabilities is available in Note 7 and Note 8 to the financial statements.

ECONOMIC OUTLOOK

The State of Kansas Division of Budget revenue estimate as of October 6, 2008 for the 3 months ending September 30, 2008 of \$1.375 billion represents a 1.4 percent reduction below the FY 2009 estimated receipts. Some areas affecting this decrease in revenue are individual and corporate income taxes. However, severance taxes exceeded the estimate by 43.8% due to higher-than-anticipated prices for oil and natural gas. Retail sales tax exceeded the estimate by 2.5% primarily as a result of the delayed expenditure of individual federal income tax stimulus checks.

Recently, the United States stock market has suffered significant declines. The ultimate affect on future revenues from taxes, investment income, and unemployment rates is uncertain. It is probable, however, that retail sales taxes will decline as well as severance taxes because oil prices have recently started to decline.

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Other than the above, the University is not aware of any currently known facts, decisions, or conditions that are expected to have significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

Overall, the financial position of the University continues to be strong and credit hours continue to increase.

Student Enrollment and Credit Hour Production				
	FY 2008	FY 2007	Change +/-	% Change
Total Students - Head Count				
Fall Semester	14,442	14,298	144	1.01%
Spring Semester	14,092	14,045	47	0.33%
Total Credit Hours				
Fall Semester	147,573	144,380	3,193	2.21%
Spring Semester	142,182	139,266	2,916	2.09%
Full Time Equivalent Students (F.T.E.)				
Fall Semester	12,895	12,609	286	2.27%
Spring Semester	12,411	12,166	245	2.01%

Financial Statements with Notes

WICHITA STATE UNIVERSITY
STATEMENT OF NET ASSETS
For the Year Ended June 30, 2008

	University Funds		Component Units (1)	
	FY 2008	FY 2007	FY 2008	FY 2007
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 51,302,253.19	\$ 46,007,282.45	\$ 10,135,263.00	\$ 10,861,691.00
Accounts receivable, net	8,189,719.58	10,320,979.51	5,274,897.00	6,224,376.00
Interest receivable	0.00	196,502.24	0.00	0.00
Investments	192,363.15	136,670.57	5,434,869.00	4,862,566.00
Loans to students, net	1,272,575.60	1,182,208.39	26,317.00	37,676.00
Inventories	443,098.36	461,428.50	1,390,685.00	1,211,554.00
Prepaid expenses	522,894.64	391,411.50	158,187.00	154,682.00
Other current assets	0.00	0.00	133,067.00	142,572.00
Total Current Assets	\$ 61,922,904.52	\$ 58,696,483.16	\$ 22,553,285.00	\$ 23,495,117.00
Noncurrent Assets				
Restricted cash and cash equivalents	\$ 0.00	\$ 0.00	\$ 631,994.00	\$ 442,818.00
Investments	1,517,240.00	1,517,240.00	9,123,423.00	10,105,367.00
Loans to students, net	7,211,261.70	6,699,180.86	0.00	0.00
Other assets	0.00	0.00	500.00	500.00
Capital assets, net	171,038,815.05	170,812,757.28	14,739,793.00	16,215,177.00
Total Noncurrent Assets	\$ 179,767,316.75	\$ 179,029,178.14	\$ 24,495,710.00	\$ 26,763,862.00
TOTAL ASSETS	\$ 241,690,221.27	\$ 237,725,661.30	\$ 47,048,995.00	\$ 50,258,979.00
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 5,395,403.86	\$ 5,842,901.01	\$ 1,206,162.00	\$ 1,769,887.00
Deferred revenue	8,232,505.30	8,359,821.03	4,009,356.00	3,985,869.00
Loan payable	0.00	0.00	120,107.00	123,451.00
Revenue bonds payable	2,720,000.00	2,610,000.00	1,484,251.00	1,458,004.00
Lease Payable	649,522.33	624,637.36	0.00	0.00
Accrued compensated absences	13,763,446.86	9,609,372.74	222,026.00	229,163.00
Deposits held in custody for others	1,119,274.70	5,336,337.00	0.00	0.00
Total Current Liabilities	\$ 31,880,153.05	\$ 32,383,069.14	\$ 7,041,902.00	\$ 7,566,374.00
Noncurrent Liabilities				
Lease Payable	\$ 10,673,440.65	\$ 11,322,962.98	\$ 0.00	\$ 0.00
Other postemployment healthcare benefits	1,289,440.00	0.00	0.00	0.00
Revenue bonds payable	28,515,000.00	31,235,000.00	17,073,140.00	18,697,734.00
Total Noncurrent Liabilities	\$ 40,477,880.65	\$ 42,557,962.98	\$ 17,073,140.00	\$ 18,697,734.00
TOTAL LIABILITIES	\$ 72,358,033.70	\$ 74,941,032.12	\$ 24,115,042.00	\$ 26,264,108.00
NET ASSETS				
Invested in capital assets, net of related debt	\$ 128,480,852.07	\$ 125,020,156.94	\$ 2,783,872.00	\$ 3,088,474.00
Restricted for:				
Nonexpendable	0.00	0.00	3,417,127.00	3,519,799.00
Expendable				
Loans	9,261,138.51	9,185,578.34	0.00	0.00
Capital projects	7,148,331.01	9,067,625.34	0.00	0.00
Debt service	1,521,365.48	1,620,916.64	5,080,545.00	4,392,352.00
Other purposes	2,440,856.13	2,005,591.22	1,298,790.00	2,581,922.00
Unrestricted	20,479,644.37	15,884,760.70	10,353,619.00	10,412,324.00
TOTAL NET ASSETS	\$ 169,332,187.57	\$ 162,784,629.18	\$ 22,933,953.00	\$ 23,994,871.00

(1) See Appendix 1

WICHITA STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2008

	University Funds		Component Units (1)	
	FY 2008	FY 2007	FY 2008	FY 2007
Operating Revenues:				
Tuition and fees, net of scholarship allowances of \$12,750,865 in 2008 and \$11,194,644 in 2007	\$ 51,249,465.24	\$ 46,025,246.64	\$ 4,043,154.00	\$ 3,731,177.00
Federal grants and contracts	31,184,729.27	31,362,637.28	0.00	0.00
State and local grants and contracts	9,756,107.89	8,501,969.55	0.00	0.00
Sales and services of educational activities:	16,807,531.27	14,207,778.60	12,553,952.00	12,484,782.00
Auxiliary enterprises				
Housing revenues (revenues are pledged as security for bonds)	5,553,553.95	4,585,545.23	0.00	0.00
Parking revenues (revenues are pledged as security for bonds)	1,533,882.59	1,491,468.44	0.00	0.00
Interest earned on loans to students	116,037.12	113,667.51	51,411.00	68,589.00
Other operating revenues	4,174,552.33	2,480,883.78	750,001.00	852,249.00
Total Operating Revenues	\$ 120,375,859.66	\$ 108,769,197.03	\$ 17,398,518.00	\$ 17,136,797.00
Operating Expenses:				
Instruction	\$ 58,284,198.06	\$ 55,308,112.98	\$ 0.00	\$ 0.00
Research	33,291,446.50	28,127,770.40	0.00	0.00
Public Service	16,517,588.37	15,769,326.59	339,957.00	340,932.00
Academic Support	24,551,254.58	22,845,317.09	0.00	24,805.00
Student Service	20,046,005.21	19,138,516.09	15,833,029.00	15,337,941.00
Institutional Support	13,776,048.90	12,377,842.31	1,625,235.00	1,950,038.00
Operations and Maintenance of Plant	20,689,513.61	19,317,326.65	789,206.00	675,225.00
Scholarships and Fellowships	9,565,051.78	7,948,904.05	6,502,809.00	5,952,091.00
Auxiliary Enterprises	4,079,845.77	4,471,321.02	0.00	0.00
Other Expenses	321,044.18	275,393.94	1,496,188.00	1,422,683.00
Depreciation	10,690,162.61	9,436,928.71	1,756,207.00	1,906,991.00
Total Operating Expenses	\$ 211,812,159.57	\$ 195,016,759.83	\$ 28,342,631.00	\$ 27,610,706.00
Total Operating Income (Loss)	\$ (91,436,299.91)	\$ (86,247,562.80)	\$ (10,944,113.00)	\$ (10,473,909.00)
Non-operating Revenues (Expenses)				
State appropriations	\$ 77,668,313.00	\$ 71,739,177.00	\$ 0.00	\$ 0.00
Gifts	13,427,765.42	12,236,099.66	4,534,042.00	4,326,333.00
Investment income	1,787,757.63	1,131,445.83	81,622.00	2,178,351.00
Interest expense	(2,027,373.95)	(1,901,495.52)	(902,089.00)	(970,002.00)
County tax subsidy	0.00	0.00	6,591,795.00	6,378,552.00
Other nonoperating revenues (expenses)	0.00	0.00	(1,040,719.00)	(1,764,496.00)
Total Non-operating Revenues (Expenses)	\$ 90,856,462.10	\$ 83,205,226.97	\$ 9,264,651.00	\$ 10,148,738.00
Total Income (Loss) Before Other Revenues, Expenses, Gains and Losses	\$ (579,837.81)	\$ (3,042,335.83)	\$ (1,679,462.00)	\$ (325,171.00)
Other Revenue				
Capital Appropriations	\$ 6,286,501.20	\$ 3,052,649.50	\$ 0.00	\$ 0.00
Gifts for capital projects	147,855.00	5,652,040.47	85,928.00	488,865.00
Student fees for capital project:	693,040.00	738,400.00	680,471.00	724,889.00
Other additions, net	0.00	0.00	(147,855.00)	(250,295.00)
Total Other Revenue	\$ 7,127,396.20	\$ 9,443,089.97	\$ 618,544.00	\$ 963,459.00
Total Increase in Net Assets	\$ 6,547,558.39	\$ 6,400,754.14	\$ (1,060,918.00)	\$ 638,288.00
Net Assets				
Net Assets - Beginning of Year	\$ 162,784,629.18	\$ 156,383,875.04	\$ 24,664,230.00	\$ 24,025,942.00
Net Assets - End of Year	\$ 169,332,187.57	\$ 162,784,629.18	\$ 23,603,312.00	\$ 24,664,230.00

(1) See Appendix 2

WICHITA STATE UNIVERSITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2008

	University Funds	
	FY 2008	FY 2007
Cash Flows from Operating Activities		
Tuition and fees	\$ 51,040,305.74	\$ 47,812,973.37
Sales and services of educational activities	16,526,077.43	13,086,303.01
Auxiliary enterprise charges		
Housing	5,553,517.95	4,662,455.23
Parking	1,379,620.18	1,413,967.69
Research grants and contracts	43,705,730.23	48,119,819.16
Payments to suppliers	(54,599,631.71)	(55,693,933.86)
Payments for utilities	(5,363,995.58)	(4,744,510.65)
Payments for scholarships and benefits	(9,565,051.78)	(7,948,904.05)
Compensation & benefits	(132,153,968.04)	(124,251,338.74)
Loans issued to students	(1,619,716.50)	(1,689,240.17)
Collections on loans issued to students	1,017,268.45	1,224,980.34
Other receipts (payments)	8,463,511.42	8,366,874.66
	<u>\$ (75,616,332.21)</u>	<u>\$ (69,640,554.01)</u>
Net Cash Flows from Operating Activities		
Cash Flows from Noncapital Financing Activities		
State appropriations	\$ 77,668,313.00	\$ 71,739,177.00
Gifts	13,427,765.42	11,021,271.75
Funds held for others	(4,217,062.30)	21,113.16
Other post employment healthcare benefits	1,289,440.00	-
Federal family education loan receipts	48,578,103.95	45,923,533.27
Federal family education loan disbursements	(48,578,103.95)	(45,923,533.27)
	<u>\$ 88,168,456.12</u>	<u>\$ 82,781,561.91</u>
Net Cash Flows from Noncapital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	\$ 0.00	\$ 11,322,962.98
Capital appropriations	6,286,501.20	3,052,649.50
Capital gifts	147,855.00	5,652,040.47
Student fees for capital projects	693,040.00	738,400.00
Purchase of capital assets	(10,916,220.38)	(30,645,158.80)
Principal paid on capital debt and leases	(3,369,522.33)	(2,610,000.00)
Interest paid on capital debt and leases	(2,027,373.95)	(1,901,495.52)
	<u>\$ (9,185,720.46)</u>	<u>\$ (14,390,601.37)</u>
Net Cash Flows from Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Investment income	\$ 1,787,757.63	\$ 1,131,445.83
Interest receivable	196,502.24	(196,502.24)
Proceeds from sales and maturities of investments	(55,692.58)	17,728,470.42
	<u>\$ 1,928,567.29</u>	<u>\$ 18,663,414.01</u>
Net Cash Flows from Investing Activities		
Net change in cash and cash equivalents	\$ 5,294,970.74	\$ 17,413,820.54
Cash and cash equivalents - beginning of year	<u>46,007,282.45</u>	<u>28,593,461.91</u>
Cash and cash equivalents - end of year	<u>\$ 51,302,253.19</u>	<u>\$ 46,007,282.45</u>
Reconciliation		
Operating income (loss)	\$ (91,436,299.91)	\$ (85,032,734.89)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	10,690,162.61	9,436,928.71
Changes in assets and liabilities:		
Accounts receivable, net	2,131,259.93	2,743,687.36
Loans to students, net	(602,448.05)	(464,259.83)
Current portion of long term debt	110,000.00	115,000.00
Current portion of long lease payable	24,884.97	624,637.36
Inventories	18,330.14	(19,709.55)
Prepaid expenses	(131,483.14)	(376,216.03)
Accounts payable and accrued liabilities	(447,497.15)	(2,129,021.07)
Deferred revenue	(127,315.73)	4,691,028.76
Accrued compensated absences	4,154,074.12	770,105.17
	<u>\$ (75,616,332.21)</u>	<u>\$ (69,640,554.01)</u>
Net Cash Used in Operating Activities - Cash Flow		

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements do not include the data of the Wichita State University Foundation, a major component unit of this primary government. Therefore, the accompanying financial statements and related supplemental information have not been prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements for the University have not been audited. Separately audited component unit's statements, prepared in FASB format, are Wichita State University Intercollegiate Athletic Association and Wichita State University Union Corporation, d/b/a Rhatigan Student Center. Another component unit, the Wichita State University Board of Trustees, has been audited and presented in the GASB format.

Otherwise, 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.

Organization. Wichita State University (the "University") is an urban comprehensive 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 six colleges: Fairmount College of Liberal Arts and Sciences; W. Frank Barton School of Business; College of Education; College of Engineering; College of Fine Arts and College of Health Professions. The University is governed by the Kansas Board of Regents and is an agency of the State of Kansas. As an agency of the State of Kansas, the University is included in the comprehensive annual financial report (CAFR) of the State of Kansas.

The University conducts classes at three locations. The main campus is located at 1845 Fairmount, Wichita, Kansas. There are two satellite campuses: The West Campus is located at 3801 North Walker Avenue, Maize, Kansas, and the South Campus is located at 200 W. Greenway Street, Suite 15A, Derby, KS.

Financial Reporting Entity. As required by the accounting principles generally accepted by the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), these financial statements present the financial position and financial activities of the University and its component units: the WSU Intercollegiate Athletic Association, WSU Union Corporation (d/b/a Rhatigan Student Center), and WSU Board of Trustees. Management has elected not to include financial statements from its component unit, Wichita State University Foundation. This election is not in conformity with generally accepted accounting principles as stated in **GASB Statement No. 14 The Financial Reporting Entity, paragraph 64, page 27, "Primary Government Separate Financial Statements"** and **GASB statement No. 39 Determining Whether Certain Organizations are Component Units.**

Each component unit is independently audited and received an unqualified certified opinion. Those component unit's financial activities and balances that are included, have been discretely presented on the University's financial statements. This discrete display presentation is in conformity with **GASB Statement No 35 Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities** and with **GASB Statement No 39 Determining Whether Certain Organizations are Component Units.**

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

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-agency transactions have been eliminated except for the component units. Since the component units are displayed discretely, inter-agency transactions have not been eliminated in accordance with GASB guidelines.

The University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date.

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.

Investments. The University accounts for its investments at fair value in accordance with **GASB Statement No. 31 Accounting and Financial Reporting for Certain Investments and for External Investment Pools**. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses and Changes in Net Assets.

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)

Inventories. Inventories are carried at cost.

Loans to Students. Loans to students consist of loans from the Federal Perkins Loan Fund and the Health Professions Student Assistance Loan Program. Loans receivable are allocated into current and noncurrent based upon sampled and historical balances collectible in less than one year and collectible in more than one year. (See Note 5)

Prepaid Expenses. Prepaid expenses consist of deferred summer school expenses.

Noncurrent Cash and Investments. 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 Assets.

Capital Assets. Capital assets are recorded at cost at the date of acquisition, or fair market 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 was incurred.

Depreciation is computed using the straight-line, 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 equipment and 5 years for vehicles. The University reserves the discretion to modify the useful life of an asset in an unusual circumstance.

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

Costs incurred during construction of long-lived assets are recorded as construction-in-progress and are not depreciated until placed in service. (See Note 3)

Deferred Revenue. Deferred revenues consist primarily of summer school tuition not earned during the current year and amounts received from grant and contract sponsors that have not yet been earned. (See Note 6)

Compensated Absences. Employee vacation and sick pay 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 Assets, and as a component of compensation and as an expense in the Statement of Revenues, Expenses, and Changes in Net Assets. The expenses are also a component of compensation and benefit expense in Note 12, "Operating Expenses by Natural Classification".

Deposits Held In Custody For Others. Deposits held in custody for others consist primarily of student organizations' monies administered by the University.

Noncurrent Liabilities. Noncurrent liabilities include principal amounts of revenue bonds with contractual maturities greater than one year. (See Notes 7 and 8) Also included are lease principal amounts for energy saving projects on University buildings. (See Note 14)

Net Assets. The University's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the University's total investment in capital assets, net of depreciation and outstanding debt obligations related to 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 invested in capital assets, net of related debt.

Restricted net assets - nonexpendable: Restricted nonexpendable net assets consist 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 inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The Wichita State University Foundation data is not presented in this financial statement with other component units of the University, as noted above.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also included 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.

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). The University attempts to comply with this requirement by annually filing form 990-T through the Kansas Board of Regents Office.

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

Classification of Revenues. The University has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarships discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts, and (4) interest on institutional student loans and auxiliary enterprises.

Non-Operating Revenues: Non-operating revenues include state appropriations, restricted funds set aside per the State of Kansas for transfer to General Fund, and income from investments. These revenues are from activities that have the characteristics of non-exchange transactions as defined as non-operating revenues by **GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary fund Accounting, GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments as amended by GASB Statement No. 35, Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities.**

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 Assets. 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 the students' behalf. 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.

Summer Session. Revenues and expenses for the summer session are reported within the fiscal year in which the summer session is predominately conducted. Accordingly, revenues and expenses for the 2007 summer session are reported in the Statement of Revenues, Expenses and Changes in Net Assets as revenues and expenses for FY 2008. Summer session revenues received prior to June 30, 2008, are reported as deferred revenues in the Statement of Net Assets. Expenses for the summer session paid prior to June 30, 2008, are reported as prepaid expenses. Kansas Board of Regents officials determined this methodology and believe the departure from generally accepted accounting principles will not have a material effect on the University's financial position.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents. The carrying amount of the University's deposits with the State Treasurer and other financial institutions at June 30, 2008, was \$51,302,253.19. The University's deposits with the State Treasurer are pooled with the funds of other State Agencies and then, in accordance with statutory limitations, placed in short-term investments with the exception of the bond funds. All bond proceeds are invested in conjunction with specifications stated in the bond resolutions.

Investments. The University's investments are categorized, as to credit risk, as either (1) insured or registered, or securities held by the University or its agent in the University's name, (2) uninsured and unregistered, with securities held by the counter party's trust department or agent in the University's name, or (3) uninsured and unregistered, with securities held by the counter-part, or by its trust department or agent, but not in the University's name. At June 30, 2008, the University's investments consisted of the following:

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

Type of Investment	Categories of Investments			Fair
	Category 1	Category 2	Category 3	Value
Certificates of Deposit	\$ 192,363.15	\$ 0.00	\$ 0.00	\$ 192,363.15
Guaranteed Investment Contracts	1,517,240.00	0.00	0.00	1,517,240.00
Total Investments	\$ \$1,709,603.15	\$ 0.00	\$ 0.00	\$ \$1,709,603.15

Note 3 - CAPITAL ASSETS

Capital asset activity for the University for the year ended June 30, 2008 is summarized as follows:

	Primary Institution			Balance June 30, 2008
	Balance June 30, 2007	Additions	Retirements	
Capital assets (not depreciated)				
Land	\$ 2,966,850.70	\$ 0.00	\$ 0.00	\$ 2,966,850.70
Construction-in-progress	11,576,315.99	2,714,801.94	12,980,981.24	1,310,136.69
Total Assets - not depreciable	\$ 14,543,166.69	\$ 2,714,801.94	\$ 12,980,981.24	\$ 4,276,987.39
Capital Assets (being depreciated)				
Leasehold Improvements	\$ 100,340.00	\$ 1,148,336.00	\$ 0.00	\$ 1,248,676.00
Infrastructure	15,880,823.58	614,940.44	0.00	16,495,764.02
Land improvements	9,458,936.59	0.00	0.00	9,458,936.59
Buildings	93,408,213.99	10,093,951.41	0.00	103,502,165.40
Building Improvements	91,003,133.33	2,256,636.31	171,182.78	93,088,586.86
Equipment & Furnishings	46,863,113.07	6,722,751.70	866,133.25	52,719,731.52
Vehicles	2,757,679.05	278,320.62	7,830.00	3,028,169.67
Sub-Total University	<u>\$ 259,472,239.61</u>	<u>\$ 21,114,936.48</u>	<u>\$ 1,045,146.03</u>	<u>\$ 279,542,030.06</u>
Service Clearing:				
Equipment	\$ 247,103.97	\$ 36,183.20	\$ 0.00	\$ 283,287.17
Vehicles	305,952.15	31,280.00	0.00	337,232.15
Sub-Total Service Clearing	<u>\$ 553,056.12</u>	<u>\$ 67,463.20</u>	<u>\$ 0.00</u>	<u>\$ 620,519.32</u>
Total Assets - depreciable basis	\$ 260,025,295.73	\$ 21,182,399.68	\$ 1,045,146.03	\$ 280,162,549.38
Gross Total Capital Assets	\$ 274,568,462.42	\$ 23,897,201.62	\$ 14,026,127.27	\$ 284,439,536.77
Accumulated Depreciation				
Leasehold Improvements	\$ 0.00	\$ 211,387.10	\$ 0.00	\$ 211,387.10
Infrastructure	1,799,328.95	615,179.36	0.00	2,414,508.31
Land Improvements	3,079,133.15	320,817.82	0.00	3,399,950.97
Buildings	50,173,874.43	2,051,306.76	0.00	52,225,181.19
Building Improvements	20,014,772.39	2,380,496.40	171,182.78	22,224,086.01
Equipment & Furnishings	25,841,316.26	4,976,463.84	866,133.25	29,951,646.85
Vehicles	2,502,223.51	80,136.50	7,830.00	2,574,530.01
Sub-Total University	<u>\$ 103,410,648.69</u>	<u>\$ 10,635,787.78</u>	<u>\$ 1,045,146.03</u>	<u>\$ 113,001,290.44</u>
Service Clearing:				
Equipment	\$ 217,596.32	\$ 11,925.03	\$ 0.00	\$ 229,521.35
Vehicles	127,460.13	42,449.80	0.00	169,909.93
Sub-Total Service Clearing	<u>\$ 345,056.45</u>	<u>\$ 54,374.83</u>	<u>\$ 0.00</u>	<u>\$ 399,431.28</u>
Total Accumulated Depreciation	\$ 103,755,705.14	\$ 10,690,162.61	\$ 1,045,146.03	\$ 113,400,721.72
Capital Depreciable Assets - Net	\$ 156,269,590.59	\$ 10,492,237.07	\$ 0.00	\$ 166,761,827.66
Total Capital Assets - Net	\$ 170,812,757.28	\$ 13,207,039.01	\$ 12,980,981.24	\$ 171,038,815.05

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

The University elected not to capitalize its library book collections. Those collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep encumbered, care for and preserve them; and (c) 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.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable are shown in the accompanying Statement of Net Assets. The University has established an allowance for doubtful accounts for FY 2008. At June 30, 2008, net accounts receivable consisted of the following:

<u>Accounts Receivable</u>	<u>June 30, 2008 Net</u>	<u>June 30, 2007 Net</u>
Student Tuition and Fees	\$ 2,620,081.51	\$ 2,142,136.12
Student Housing Contracts	307,973.60	82,385.19
Service Clearing and Other Operating Activities	74,253.39	61,504.83
Imprest Fund	0.00	58,876.79
Federal, State, and Private Grants and Contracts	<u>5,187,411.08</u>	<u>7,976,076.58</u>
Total Accounts Receivable	<u>\$ 8,189,719.58</u>	<u>\$ 10,320,979.51</u>

NOTE 5 - LOANS TO STUDENTS

Student loans made through the Federal Perkins Loan Program and the Health Professions Student Loan Program comprise substantially all of the loans to students at June 30, 2008 and 2007. The Programs provide for cancellation of a loan at rates from 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for a portion of the amounts canceled under these 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. The University has established an allowance for uncollectible loans at June 30, 2008.

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

NOTE 6 - DEFERRED REVENUES

Deferred revenues consist primarily of summer session tuition and fees and advance collections on grants and contracts. The breakdown of deferred revenues is as follows:

Deferred Revenues	June 30, 2008	June 30, 2007
Student housing contracts	\$ 77,082.00	\$ 77,118.00
Summer session	4,503,173.18	4,168,811.56
Grants and contracts	3,652,250.12	4,113,891.47
Total Deferred Revenue	\$ 8,232,505.30	\$ 8,359,821.03

NOTE 7 - LONG-TERM LIABILITIES

Long-term liabilities as of June 30, 2008, consisted of the following:

<u>Liabilities</u>	<u>Long-Term Liabilities as of June 30, 2007</u>	<u>Additions</u>	<u>Current Liabilities as of June 30, 2008</u>	<u>Long-Term Liabilities as of June 30, 2008</u>
Revenue Bonds Payable:				
Housing System Renovation Project - Refunding Revenue Bonds Series 2002P	\$ 9,755,000.00	\$ 0.00	\$ 520,000.00	\$ 9,235,000.00
Parking System Project Revenue Bonds - Series 2000B	3,445,000.00	0.00	350,000.00	3,095,000.00
WSU Research and Development Facilities Projects - Series 2003C	2,305,000.00	0.00	0.00	2,305,000.00
National Institute for Aviation Research - Research and Development Facilities Projects - Series 2003C	2,500,000.00	0.00	1,220,000.00	1,280,000.00
WSU Research and Development Facilities Projects - Series 2005D	7,100,000.00	0.00	575,000.00	6,525,000.00
National Institute for Aviation Research - Research and Development Facilities Projects - Series 2005D	6,130,000.00	0.00	55,000.00	6,075,000.00
Total Liabilities	\$ 31,235,000.00	\$ 0.00	\$ 2,720,000.00	\$ 28,515,000.00

NOTE 8 - REVENUE BONDS OUTSTANDING

Revenue bonds payable consisted of the following as of June 30, 2008:

**Principal
Outstanding
June 30, 2008**

Housing System Revenue Project-Refunding Revenue Bonds Series 2002P

\$9,755,000.00

- Issued by Kansas Development Finance Authority on December 2, 2002
- Original amount of \$12,150,000
- Due in annual installments with final maturity on June 1, 2021
- Interest ranging from 3.00% to 4.75%, payable semi-annually
- Collateralized by dormitory fees from residential students
- FY 2009 Principal Payment due: \$520,000

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Parking System Renovation Project-Revenue Bonds Series 2000B

- Issued by Kansas Development Finance Authority on May 15, 2000 **\$3,445,000.00**
- Original amount of \$5,705,000
- Due in annual installments with final maturity on April 1, 2015
- Interest ranging from 4.70% to 5.90%, payable semi-annually
- Collateralized by parking fees from student, faculty and staff
- FY 2009 Principal Payment due: \$350,000

**WSU Research and Development Facilities Projects-Revenue Bonds Series 2003C
for the Engineering Research Laboratory Building**

\$2,305,000.00

- Issued by Kansas Development Finance Authority on February 11, 2003
- Original amount of \$2,305,000
- Due in annual installments with final maturity on October 1, 2023
- Interest rate is 5.00%, payable semi-annually
- Collateralized by restricted use and sponsored research overhead funds from Wichita State University and interest earned
- Principal payments will not commence until FY 2022 due to the structuring of the debt service payments of the 2005D bond issue

**National Institute for Aviation Research –Research and Development Facilities-
Revenue Bonds Series 2003C for Aviation Research Equipment**

\$2,500,000.00

- Issued by Kansas Development Finance Authority on February 11, 2003
- Original amount of \$6,815,000
- Due in annual installments with final maturity on June 30, 2010
- Interest rate ranging from 4.672% to 5.00%, payable semi-annually
- Collateralized by State of Kansas appropriations and capitalized interest
- FY 2009 Principal Payment due: \$1,220,000

**WSU Research and Development Facilities Projects-Revenue Bonds Series 2005D
for the Engineering Research Laboratory Building**

\$7,100,000.00

- Issued by Kansas Development Finance Authority on June 2, 2005
- Original amount of \$12,180,000. In April 2006, \$4,000,000 for an icing tunnel research project was cancelled due to construction bids exceeding funding. These funds were returned to K DFA for reallocation to another university in the amount of \$3,000,000 and early redemption of bond principal of \$1,000,000.
- Due in annual installments with final maturity on October 1, 2017
- Interest ranging from 3.79% to 4.95%, payable semi-annually
- Collateralized by interest earnings, University funds and State of Kansas appropriations
- FY 2009 Principal Payment due: \$575,000

Wichita State University
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**National Institute for Aviation Research –Research and Development Facilities-
Revenue Bonds Series 2005D for Aviation Research Equipment**

\$6,130,000.00

- Issued by Kansas Development Finance Authority on June 2, 2005
- Original amount of \$6,240,000
- Due in annual installments with final maturity on October 1, 2013
- Interest ranging from 3.79% to 4.68%, payable semi-annually
- Collateralized by State of Kansas appropriations
- FY 2009 Principal Payment due: \$55,000

Future debt service requirements for all bonds outstanding at June 30, 2008, are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$ 2,720,000.00	\$ 1,435,085.00	\$ 4,155,085.00
2010	2,850,000.00	1,310,901.50	4,160,901.50
2011	2,980,000.00	1,180,703.00	4,160,703.00
2012	3,110,000.00	1,046,452.50	4,156,452.50
2013-2017	12,175,000.00	3,140,594.00	15,315,594.00
2018-2022	5,470,000.00	1,157,713.78	6,627,713.78
2023-2024	1,930,000.00	97,750.00	2,027,750.00
Total Debt Service Requirements	\$ 31,235,000.00	\$ 9,369,199.78	\$ 40,604,199.78

NOTE 9 - RETIREMENT PLANS

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

Defined Benefit Plan

Kansas Public Employees Retirement System

Classified employees participate in the Kansas Public Employees Retirement System (KPERS). Benefit provisions are established by state statute and provide retirement, disability, and death benefits to benefits eligible employees. KPERS issues an annual financial report that includes financial statements and required supplementary information. The report is available upon request from KPERS.

For the year ended June 30, 2008, active KPERS members were required by statute to contribute 4% and the university to contribute 6.37% of the employee's covered payroll. The Kansas Legislature establishes and may amend active plan members' and the University's contribution rates. The University contributed \$1,070,916.65 during fiscal year 2008 and individual employees contributed \$672,456.51.

Kansas Police and Fireman's Fund

Certain classified employees, due to their job types, participate in the Kansas Police and Fireman's Fund (KP&FF). Benefit provisions are established by state statute and provide retirement, disability, and death benefits to benefit eligible employees. KP&FF issues an annual financial report that includes financial statements and required supplementary information. The report is available upon request from KP&FF.

Wichita State University
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For the year ended June 30, 2008, active KP&FF members were required by statute to contribute 7% and the university to contribute 13.32% of the employee's covered payroll. The Kansas Legislature establishes and may amend active plan members' and the University's contribution rates. The University contributed \$140,218.83 during fiscal year 2008 and individual employees contributed \$73,688.65.

Defined Contribution Plan

Eligible faculty and unclassified employees are required to participate in the Kansas Board of Regents (Regents) defined contribution retirement plan, which was authorized by K.S.A. 74-4925. The Regents have selected the following companies to provide investment options to participants: (1) Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF), and (2) ING Financial Advisors. 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, 2008, 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 University contributed \$5,892,663.43 during fiscal year 2008 and individual employees contributed \$3,755,318.49.

Voluntary Tax-Sheltered Annuity Program

Employees may also elect to participate, up to the maximum dollar amount permitted by the Internal Revenue Code, in a voluntary tax-sheltered annuity program. 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.

NOTE 10 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Description. As a component unit of the State of Kansas, WSU (Wichita State University) participates in the State's health insurance benefit plan. Kansas statute provides 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 dependants as for active employees and their dependents. The health insurance benefit plan is a single employer defined benefit plan administered by Kansas Health Policy Authority. The benefit is available for selection at retirement and is extended to retirees and their dependents for life. Non-Medicare participants are subsidized by WSU, thus resulting in a liability to WSU. At the State level, the accounting for the health insurance for retirees is included in the State's Self-Insurance Health Fund, with the subsidy provided from the Self-Insurance Health Fund.

Funding Policy. WSU provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statute, which may be amended by the state legislature, established that participating retirees contribute to the employee group health fund benefits plan, including administrative costs.

WSU appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditure on a pay-as-you-go basis.

Annual WSU Cost and Net WSU Obligation. WSU's annual OPEB (Other Post Employment Benefits) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an

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ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table presents the components of WSU's annual OPEB cost for the year, the contribution to the plan, and changes in the State's net OPEB obligation.

Amortization of UAAL	\$ 554,866
Normal cost (with interest)	713,212
Interest on amortized liability	<u>21,362</u>
Annual required contribution (ARC)	1,289,440
Contributions made	<u>0</u>
Increase in net OPEB obligation	1,289,440
Net OPEB obligation July 1, 2007	0
Net OPEB obligation June 30, 2008	<u>\$ 1,289,440</u>

Schedule of Employer Contributions (for fiscal year ended)

Fiscal Year	Annual OPEB Cost	Net Employer Contributions	Percentage Contributed	End of Year Net OPEB Obligation
2008	\$1,289,440	\$0	0%	\$1,289,440

Funded Status and Funding Progress. As of June 30, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$11,252,091. WSU's policy is to fund the benefits on a pay as you go basis, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,252,091. The covered payroll (annual payroll of active employees covered by the plan) was \$106,485,688, and the ratio of the UAAL to the covered payroll was 11 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present in time, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for reporting purposes are based on the substantive plan and include the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

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In the June 30, 2008 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a 3.85% investment rate of return, which is a blended rate of the expected long-term investment returns on the State's pooled funds and investments. The valuation assumed annual healthcare cost trend rates of 5.5% to 10% in the first ten years and an ultimate rate of 5.0% after ten years. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized over a 30 year open period in level dollar amounts.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The University is not a defendant in any lawsuit, nor is it currently involved as a plaintiff in any litigation in State or Federal Court.

The University, as a state educational institution of Kansas, is subject to the State of Kansas self-insurance program with regard to comprehensive general liability and personal injury insurance. The University is covered by the State's umbrella insurance policies for automobile liability and property insurance. Also, the University is self-insured relative to worker's compensation, medical and unemployment insurance. The university does maintain specific insurance coverage as allowed by the State of Kansas and as required by outstanding revenue bond issues. The university is not aware of any significant outstanding insurance claims as of June 30, 2008.

The State of Kansas does not insure buildings and contents with a value under \$500,000, and does not insure state owned automobiles for bodily injury and property damages. State buildings valued over \$500,000 are insured against catastrophic loss with a \$5 million deductible per occurrence and a maximum annual liability of \$100 million per occurrence.

In the normal course of operations, the University receives grants, contracts and other forms of reimbursement from various federal and state 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.

Wichita State University
For the Years Ended June 30, 2008 and 2007

Notes to the Financial Statements

NOTE 12 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The University's operating expenses by functional and natural classification are as follows:

<u>Classifications</u>	<u>Compensation and Benefits</u>	<u>Contractual Services and Commodities</u>	<u>Utilities</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation</u>	<u>Total</u>
Educational and general:						
Instruction	\$ 53,639,453.13	\$ 4,644,744.93	\$ 0.00	\$ 0.00	\$ 0.00	\$ 58,284,198.06
Research	17,257,325.06	16,027,067.02	0.00	0.00	0.00	33,284,392.08
Public Service	10,592,458.57	5,908,096.89	0.00	0.00	0.00	16,500,555.46
Academic Support	15,513,587.34	9,037,667.24	0.00	0.00	0.00	24,551,254.58
Student Services	11,838,316.02	8,207,655.68	0.00	0.00	0.00	20,045,971.70
Institutional Support	9,686,965.45	4,089,083.45	0.00	0.00	0.00	13,776,048.90
Operation and Maintenance of Plant	12,024,350.25	3,843,260.53	4,846,023.67	0.00	0.00	20,713,634.45
Depreciation	0.00	0.00	0.00	0.00	10,690,162.61	10,690,162.61
Scholarships and Fellow ships	0.00	0.00	0.00	9,565,051.78	0.00	9,565,051.78
Auxiliary Enterprises	926,935.56	2,634,938.30	517,971.91	0.00	0.00	4,079,845.77
Other	82,287.98	238,756.20	0.00	0.00	0.00	321,044.18
Total	<u>\$ 131,561,679.36</u>	<u>\$ 54,631,270.24</u>	<u>\$ 5,363,995.58</u>	<u>\$ 9,565,051.78</u>	<u>\$ 10,690,162.61</u>	<u>\$ 211,812,159.57</u>

NOTE 13 - COMPONENT UNITS

The following disclosure meets the requirements in **GASB Statement 14, The Financial Reporting Entity - paragraph 61 and GASB Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments - paragraph 128**. With one exception, it also complies with **Statement No. 39 of GASB - Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14**. The exception is that the University elected not to include the financial information of the Wichita State University Foundation, a component unit of the University, as a part of its financial statements. Buildings and improvements, constructed, or purchased, become the property of the State of Kansas and Wichita State University. Generally, revenue 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 Intercollegiate Athletic Association, Inc.

Wichita State University Intercollegiate Athletic Association, Inc. (the Athletic Association) was incorporated to schedule, manage and promote athletic contests of Wichita State University in harmony with the general education policy of the University. The Athletic Association has eight women's and seven men's sports which compete in Division I of the National Collegiate Athletic Association and in the Missouri Valley 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 Athletic Association policies and activities. The management functions of the Athletic Association are delegated to the Director of Athletics by the President.

Wichita State University
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Although incorporated as a not-for-profit organization, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, the Athletic Association is considered a governmental organization for financial reporting purposes because its governing body is appointed by Wichita State University. In the event of unilateral dissolution, its net assets revert to Wichita State University. The Athletic Association has elected to report under Financial Accounting Standards Board (FASB) pronouncements, including **FASB Statement No. 117, Financial Reporting for Not-for-Profit Organizations**. The differences between FASB and GASB reporting do not have a significant effect on net assets or the changes in net assets as of or for the year ending June 30, 2008. The Athletic Association is reported as a component unit by the University.

All land and structures, pertinent to the operation of the Athletic Association, are owned by the State of Kansas and have not been reflected as assets of the Athletic Association. The Student Government Association, through the University, allocates annually a portion of the student fees collected for support of the Athletic Association. This revenue amount was reflected on the financial statements in the amount of \$2,178,419 for operations and \$579,831 for capital debt retirement in FY 2008. The State of Kansas, through the University, pays directly the salaries of certain Athletic Association personnel. The financial statements reflect \$1,891,948 in FY 2008 of state appropriations as revenue, and a like amount of salaries as expenses. The University also provides full maintenance, custodial, utilities and certain other costs on all athletic facilities. These expenses totaled \$1,022,549 in FY 2008 and have been reflected in the Athletic Association's financial statements as indirect facilities and administrative support.

The Wichita State University Foundation (the Foundation) coordinates fund-raising for and manages investments on behalf of the University and the Athletic Association. Funds held by the Foundation, which are designated for Athletics and controlled by the Athletic Association, are included in the Athletic Association's financial statements. Funds held by the WSU Foundation for the Eck Stadium Phase V are not included in the Athletic Association's financial statements. The Foundation holds certain funds designated for athletics, which are not controlled by the Athletic Association. Such funds are comprised primarily of endowed scholarship funds. The Athletic Association records contributions when such funds are disbursed to the Athletic Association for their restricted use.

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

Wichita State University Union Corporation d/b/a Rhatigan Student Center

Wichita State University Union Corporation d/b/a Rhatigan Student Center (the Union) serves as the student union for Wichita State University. It is a component unit of Wichita State University. It provides a bookstore, recreation, other activities, and outsourced dining services to benefit the faculty, staff, students and alumni of the University. It also rents meeting room space to the University for student, faculty, and staff groups.

The Union has an advisory board of directors to assist staff management. The sixteen person board of directors consists of five senior management and staff of the University, the Union Director, an Alumni Association representative and nine students.

The Union prepares its financial statements according to Financial Accounting Standards Board (FASB) pronouncements including **FASB Statement No. 117, Financial Reporting for Not-For-Profit Organizations**. The organization is recognized by Internal Revenue Service as tax exempt under Section 501(c)(3) of the Internal Revenue Code. The State of Kansas also recognized the exemption.

Wichita State University
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For the year ended June 30, 2008, 45% of the organization's support and revenue came from student fees, 36% from gross profit on sales and 19% from other sources. Contributions are recognized when the donor makes an in-substance, unconditional pledge or outright cash gift. Donor wishes and restrictions dictate classification of the gifts as unrestricted, temporarily restricted or permanently restricted.

The Union buildings became the property of the State of Kansas when the University became a part of the state system. The Union does not recognize the buildings as assets on its financial statements. Building improvements, furniture and equipment are depreciated and recorded on the financial statements. Methods of depreciation follow the guidelines established by the universities in the State of Kansas Regents System.

The Union was a beneficiary of a portion of the proceeds from bonds payable issued by the State of Kansas through Wichita State University during the year ended June 30, 1999. The proceeds were used for energy conserving building renovations and equipment replacements. As of June 30, 2008, the organization is obligated to repay \$54,251 principal on the bonds, plus interest at rates ranging from 4.4% to 5.4%. Interest expense of \$10,096 was recorded for FY 2008. Principal of \$93,004 was retired in FY 2008. The Union is reported as a component unit by the University.

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

Wichita State University Board of Trustees

The Wichita State University Board of Trustees (the Board of Trustees) is a governmental entity established for the education enrichment purposes of Wichita State University as a whole, including all the colleges and branches or divisions thereof as well as all the facilities and activities thereof, consistent with the objectives, operation and management of Wichita State University. The Board of Trustees is reported as a component unit of Wichita State University.

The Board of Trustees is a separate corporation governed by section 115 of the Internal Revenue Code. 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' financial statements are prepared in accordance with generally accepted accounting principles (GAAP). **The Governmental Accounting Standards Board (GASB) Statements No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended by GASB Statement No. 35 Basis Financial Statements - and Management's Discussion and analysis - for Public Colleges and Universities A20 and as amended by GASB Statement No. 39 Determining Whether Certain Organizations are Component Units.**

The Board of Trustees basic financial statements are prepared on a government-wide basis. All activities of the Board of Trustees are considered a single governmental type activity and for this reason the government-wide and fund financial statements are combined.

The Board of Trustees furnishes support to Wichita State University from the 1.5 mill levy funding. During FY 2008, it furnished to the University \$4,138,671 for student support, \$339,957 for community support, and \$1,625,235 for university support. Complete financial statements for the Board of Trustees can be obtained from the Board of Trustees Business Office at 1845 Fairmount, Campus Box 2, Wichita, Kansas, 67260-0002.

Wichita State University
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Notes to the Financial Statements

NOTE 14 - Lease Purchase Agreement

The University, on February 22, 2006, entered into a lease-purchase agreement and performance contract with Custom Energy Services, L.L.C. for a period of fifteen years that totals \$12,316,635. The agreement was duly approved and authorized by the Kansas Board of Regents on February 16, 2006. The annual effective interest rate is 3.945%. The first payment was due October 1, 2006. Rental payments are due semi-annually on October 1 and April 1. Final rental payment is due October 1, 2021. Payments are to be made from University annual budget allocations. An energy audit identified over 100 energy saving measures resulting in a projected annual utility savings of \$1,173,811. These projects included lighting retrofit, water retrofit, replacement of boilers, cooling tower improvements, steam trap replacement, expansion of the energy management system and others. Custom Energy Services, L.L.C. will guarantee these savings to be at least \$1,118,277. This amount is greater than the cost of energy conservation measures including financing cost, over the financing period.

Future Lease-Purchase (Rental) requirements at June 30, 2008, are as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Rental Total</u>
2009	\$ 649,522.33	\$ 440,347.55	\$ 1,089,869.88
2010	675,398.70	414,471.18	1,089,869.88
2011	702,305.96	387,563.92	1,089,869.88
2012	730,285.18	359,584.70	1,089,869.88
2013-2017	4,111,719.45	1,337,629.95	5,449,349.40
2018-2022	4,453,731.36	450,683.10	4,904,414.46
Total	\$ 11,322,962.98	\$ 3,390,280.40	\$ 14,713,243.38

Wichita State University
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NOTE 15 - Funding for Deferred Maintenance of Buildings and Infrastructure

The Kansas Board of Regents has worked with the six public universities to develop a formal request to the Governor and the Legislature for funding to eliminate the backlog of deferred maintenance. The results of that study showed that there was a buildup of deferred maintenance on the six campuses that totaled \$727 million. The amount identified at WSU totaled \$44 million. Knowing that the entire amount would not be funded and knowing that the universities could not spend the entire amount in the first year, the Board of Regents asked for a "down payment" to start addressing the problem. After much discussion and debate in the legislature, they finally appropriated \$90 million over five years, starting in Fiscal Year 2008. The allocations are as follows with WSU's portion being identified by year.

Fiscal Year	Total Appropriation	WSU Portion of Appropriation
2009	\$ 20,000,000.00	\$ 2,062,000.00
2010	15,000,000.00	1,546,500.00
2011	15,000,000.00	1,546,500.00
2012	10,000,000.00	1,031,000.00
Total	\$ 60,000,000.00	\$ 6,186,000.00

In addition to these new funds, Wichita State University will receive revenue from the State's Educational Building Fund. Fifteen million dollars are allocated to all six regent schools with WSU receiving approximately \$1.6 million to be used for Rehabilitation and Repair Projects. In addition, the Legislature has approved, for the first time in history that the six universities will be permitted to retain the interest earnings on their tuition, restricted fees and sponsored research overhead revenues, which began in FY 2008. In the case of WSU, it is anticipated that an additional revenue totaling \$1.3 million will come from this source. Through these three sources of revenue, Wichita State University will be able to make significant progress on its deferred maintenance problems.

APPENDICES

COMPONENT UNITS

APPENDIX 1
WICHITA STATE UNIVERSITY
STATEMENT OF NET ASSETS OF COMPONENT UNITS
For the Year Ended June 30, 2008

	Total Component Units		Intercollegiate Athletic Association		W.S.U. Union Corporation		W.S.U. Board of Trustees	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
ASSETS								
Current Assets								
Cash and cash equivalents	\$ 10,135,263.00	\$ 10,861,681.00	\$ 6,336,993.00	\$ 6,745,230.00	\$ 2,141,440.00	\$ 2,015,991.00	\$ 1,656,830.00	\$ 2,100,470.00
Accounts receivable, net	5,274,897.00	6,224,376.00	2,024,406.00	2,540,650.00	584,835.00	840,755.00	2,665,656.00	2,842,971.00
Investments	5,434,869.00	4,862,566.00	4,498,892.00	3,894,625.00	0.00	0.00	935,977.00	977,941.00
Loans to students, net	26,317.00	37,676.00	0.00	0.00	0.00	0.00	26,317.00	37,676.00
Inventories	1,390,685.00	1,211,554.00	0.00	0.00	1,390,685.00	1,211,554.00	0.00	0.00
Prepaid expenses	158,187.00	154,682.00	79,950.00	116,949.00	78,237.00	37,733.00	0.00	0.00
Other current assets	133,067.00	142,572.00	133,067.00	142,572.00	0.00	0.00	0.00	0.00
Total Current Assets	\$ 22,553,285.00	\$ 23,495,117.00	\$ 13,073,308.00	\$ 13,430,026.00	\$ 4,195,197.00	\$ 4,106,033.00	\$ 5,284,780.00	\$ 5,959,058.00
Noncurrent Assets								
Restricted cash and cash equivalents	\$ 631,994.00	\$ 442,818.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 631,994.00	\$ 442,818.00
Investments	9,123,423.00	10,105,367.00	0.00	0.00	0.00	0.00	9,123,423.00	10,105,367.00
Other assets	500.00	500.00	0.00	0.00	500.00	500.00	0.00	0.00
Capital assets, net	14,739,793.00	16,215,177.00	1,066,313.00	1,178,618.00	2,668,781.00	2,754,225.00	11,004,699.00	12,282,334.00
Total Noncurrent Assets	\$ 24,495,710.00	\$ 26,763,862.00	\$ 1,066,313.00	\$ 1,178,618.00	\$ 2,668,781.00	\$ 2,754,225.00	\$ 20,760,116.00	\$ 22,830,519.00
TOTAL ASSETS	\$ 47,048,995.00	\$ 50,258,979.00	\$ 14,139,621.00	\$ 14,608,644.00	\$ 6,864,478.00	\$ 6,860,758.00	\$ 26,044,896.00	\$ 28,789,577.00
LIABILITIES								
Current Liabilities								
Accounts payable and accrued liabilities	\$ 1,206,162.00	\$ 1,769,887.00	\$ 758,039.00	\$ 1,259,650.00	\$ 216,560.00	\$ 236,397.00	\$ 231,563.00	\$ 273,840.00
Deferred revenue	4,009,956.00	3,985,869.00	3,880,945.00	3,928,443.00	128,411.00	57,426.00	0.00	0.00
Loan payable	120,107.00	123,451.00	0.00	0.00	0.00	0.00	120,107.00	123,451.00
Revenue bonds payable	1,484,251.00	1,458,004.00	370,000.00	355,000.00	54,251.00	93,004.00	1,060,000.00	1,010,000.00
Accrued compensated absences	222,026.00	229,163.00	0.00	0.00	222,026.00	229,163.00	0.00	0.00
Total Current Liabilities	\$ 7,041,902.00	\$ 7,566,374.00	\$ 5,008,984.00	\$ 5,543,093.00	\$ 621,248.00	\$ 615,990.00	\$ 1,411,670.00	\$ 1,407,291.00
Noncurrent Liabilities								
Revenue bonds payable	\$ 17,073,140.00	\$ 18,697,734.00	\$ 6,583,140.00	\$ 6,947,875.00	\$ 0.00	\$ 54,251.00	\$ 10,490,000.00	\$ 11,685,608.00
Total Noncurrent Liabilities	\$ 17,073,140.00	\$ 18,697,734.00	\$ 6,583,140.00	\$ 6,947,875.00	\$ 0.00	\$ 54,251.00	\$ 10,490,000.00	\$ 11,685,608.00
TOTAL LIABILITIES	\$ 24,115,042.00	\$ 26,264,108.00	\$ 11,592,124.00	\$ 12,490,968.00	\$ 621,248.00	\$ 670,241.00	\$ 11,901,670.00	\$ 13,102,899.00
NET ASSETS								
Invested in capital assets, net of related debt	\$ 2,763,872.00	\$ 3,088,474.00	\$ 1,066,313.00	\$ 1,178,618.00	\$ 2,614,530.00	\$ 2,606,970.00	\$ (896,971.00)	\$ (897,114.00)
Restricted for:								
Nonexpendable	3,417,127.00	3,519,799.00	0.00	0.00	0.00	0.00	3,417,127.00	3,519,799.00
Expendable	5,080,545.00	4,392,352.00	4,144,568.00	3,414,411.00	0.00	0.00	935,977.00	977,941.00
Debt service	1,298,790.00	2,681,922.00	(4,103,523.00)	(3,468,523.00)	0.00	0.00	5,402,313.00	6,050,445.00
Other purposes	10,353,619.00	10,412,324.00	1,440,139.00	993,170.00	3,628,700.00	3,583,547.00	5,284,780.00	5,835,607.00
Unrestricted	\$ 22,933,953.00	\$ 23,994,871.00	\$ 2,547,497.00	\$ 2,117,676.00	\$ 6,243,230.00	\$ 6,190,517.00	\$ 14,143,226.00	\$ 15,686,678.00
TOTAL NET ASSETS	\$ 22,933,953.00	\$ 23,994,871.00	\$ 2,547,497.00	\$ 2,117,676.00	\$ 6,243,230.00	\$ 6,190,517.00	\$ 14,143,226.00	\$ 15,686,678.00

**APPENDIX 2
WICHITA STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS OF COMPONENT UNITS
For the Year Ended June 30, 2008**

	Total Component Units		Intercollegiate Athletic Association Component Unit		W.S.U. Union Corporation Component Unit		W.S.U. Board of Trustees Component Unit	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
Operating Revenues:								
Student fees	\$ 4,043,154.00	\$ 3,731,177.00	\$ 2,178,419.00	\$ 2,078,419.00	\$ 1,864,735.00	\$ 1,652,758.00	\$ 0.00	\$ 0.00
Sales and services of educational activities	12,553,952.00	12,494,782.00	10,334,152.00	9,819,426.00	2,219,800.00	2,665,356.00	0.00	0.00
Interest earned on loans to students	51,411.00	68,589.00	0.00	0.00	0.00	0.00	51,411.00	66,589.00
Other operating revenues	750,001.00	852,249.00	703,621.00	807,262.00	38,880.00	32,487.00	7,500.00	12,500.00
Total Operating Revenue	\$ 17,398,518.00	\$ 17,136,797.00	\$ 13,216,192.00	\$ 12,705,107.00	\$ 4,123,415.00	\$ 4,350,601.00	\$ 58,911.00	\$ 81,089.00
Operating Expenses:								
Public Service	\$ 339,957.00	\$ 340,832.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 339,957.00	\$ 340,932.00
Academic Support	0.00	24,805.00	0.00	0.00	0.00	0.00	0.00	24,805.00
Student Service	15,833,029.00	15,337,941.00	12,283,014.00	11,770,006.00	3,550,015.00	3,567,935.00	0.00	0.00
Institutional Support	1,625,235.00	1,950,038.00	0.00	0.00	0.00	0.00	1,625,235.00	1,950,038.00
Operations & Maintenance of Plant	789,206.00	675,225.00	459,044.00	356,926.00	330,162.00	318,299.00	0.00	0.00
Depreciation	1,756,207.00	1,906,991.00	214,620.00	188,838.00	356,230.00	347,138.00	1,185,357.00	1,371,015.00
Scholarships & Fellowships	6,502,809.00	5,952,091.00	2,267,344.00	1,961,955.00	96,794.00	80,912.00	4,138,671.00	3,909,224.00
Other Expenses	1,496,188.00	1,422,683.00	1,456,188.00	1,422,683.00	0.00	0.00	0.00	0.00
Total Operating Expenses	\$ 28,342,631.00	\$ 27,610,706.00	\$ 16,720,210.00	\$ 15,700,408.00	\$ 4,333,201.00	\$ 4,314,284.00	\$ 7,289,220.00	\$ 7,596,014.00
Operating Income (Loss)	\$ (10,944,113.00)	\$ (10,473,909.00)	\$ (3,504,018.00)	\$ (2,995,301.00)	\$ (209,786.00)	\$ 36,317.00	\$ (7,230,309.00)	\$ (7,514,925.00)
Nonoperating Revenues (Expenses)								
County tax subsidy	\$ 6,591,795.00	\$ 6,378,552.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,591,795.00	\$ 6,378,552.00
Gifts	4,534,042.00	4,326,333.00	4,425,053.00	4,222,278.00	102,713.00	99,005.00	6,276.00	5,050.00
Investment income	81,622.00	2,178,351.00	410,063.00	504,108.00	59,146.00	93,152.00	(387,607.00)	1,581,091.00
Interest expense	(902,089.00)	(970,002.00)	(346,778.00)	(359,879.00)	0.00	0.00	(556,311.00)	(610,123.00)
Student fees for capital projects	680,471.00	724,889.00	579,831.00	576,889.00	100,640.00	148,000.00	0.00	0.00
Other nonoperating revenues (expenses)	(1,040,719.00)	(1,764,496.00)	(1,073,423.00)	(1,058,996.00)	0.00	0.00	32,704.00	(705,500.00)
Net Nonoperating Revenues	\$ 9,945,122.00	\$ 10,873,627.00	\$ 3,995,766.00	\$ 3,884,400.00	\$ 262,499.00	\$ 340,157.00	\$ 5,686,857.00	\$ 6,649,070.00
Income (Loss) Before Other Revenues, Expenses, Gains and Losses	\$ (998,991.00)	\$ 399,718.00	\$ 491,748.00	\$ 889,099.00	\$ 52,713.00	\$ 376,474.00	\$ (1,543,452.00)	\$ (665,855.00)
Other Revenue								
Gifts for capital projects	\$ 85,928.00	\$ 488,865.00	\$ 85,928.00	\$ 240,561.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 248,304.00
Other additions, net	(147,855.00)	(250,295.00)	(147,855.00)	(250,295.00)	0.00	0.00	0.00	0.00
Net Other Revenue	\$ (61,927.00)	\$ 238,570.00	\$ (61,927.00)	\$ (9,734.00)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 248,304.00
Increase in Net Assets	\$ (1,060,918.00)	\$ 638,288.00	\$ 429,821.00	\$ 879,365.00	\$ 52,713.00	\$ 376,474.00	\$ (1,543,452.00)	\$ (617,551.00)
Net Assets								
Net Assets - Beginning of Year	23,994,871.00	23,356,585.00	2,117,676.00	1,238,311.00	6,190,517.00	5,814,045.00	15,686,678.00	16,304,229.00
Net Assets - End of Year	22,933,953.00	23,994,871.00	2,547,497.00	2,117,676.00	6,243,230.00	6,190,517.00	14,143,226.00	15,686,678.00

Supplemental Financial Information

Note: The following financial statements have been prepared on a modified accrual basis of accounting and represent the historical format of the University's financial statements prior to GASB 34/35. These financial statements have been prepared for historical purposes and are to be used for internal management purposes only.

**WICHITA STATE UNIVERSITY
SCHEDULE OF INVESTMENTS**

SCHEDULE A-1

June 30, 2008

FUND	COST	MATURITY VALUE
A. RENEWAL AND REPLACEMENT FUNDS		
1. On Campus Parking System Maintenance and Construction Fund	\$ 2,502,889.85	\$ 2,502,889.85
2. WSU Housing System Surplus Fund	\$ 2,553,655.99	\$ 2,553,655.99
3. WSU Housing System Depreciation and Replacement Fund	\$ 456,129.02	\$ 456,129.02
	\$ 5,512,674.86	\$ 5,512,674.86
TOTAL RENEWAL AND REPLACEMENT FUND INVESTMENTS		
B. RETIREMENT OF INDEBTEDNESS FUNDS		
1. WSU Housing System Bond Reserve Fund	\$ 961,962.50	\$ 961,962.50
2. Parking System Bond Reserve Fund	\$ 555,277.50	\$ 555,277.50
	\$ 1,517,240.00	\$ 1,517,240.00
TOTAL RETIREMENT OF INDEBTEDNESS FUND INVESTMENTS		
C. OTHER INVESTMENTS		
1. Student and Faculty Service Fund	\$ 141,918.38	\$ 141,918.38
2.67% Certificate of Deposit Bank of America	27.40	27.40
.250% Credit Union Shares	115,677.30	115,677.30
4.00% Credit Union Share Certificate	257,623.08	257,623.08
	\$ 414,826.16	\$ 414,826.16
2. Employees Association	\$ 860.32	\$ 860.32
1.250% Credit Union Shares	5,022.41	5,022.41
2.78% Credit Union Share Certificate	5,882.73	5,882.73
	\$ 6,765.46	\$ 6,765.46
3. Student Publications - Sunflower Operations	\$ 123,922.25	\$ 123,922.25
4. Student Publications - Sunflower Capital Equipment	\$ 4,808.39	\$ 4,808.39
2.323% Certificate of Deposit-Commerce Bank	26,658.45	26,658.45
2.85% Certificate of Deposit-Commerce Bank	25,000.00	25,000.00
2.85% Certificate of Deposit-Commerce Bank	25,000.00	25,000.00
2.85% Certificate of Deposit-Commerce Bank	81,466.84	81,466.84
	\$ 186,755.98	\$ 186,755.98
	\$ 468,894.90	\$ 468,894.90
TOTAL OTHER INVESTMENTS - Agency Bonds		
	\$ 7,498,809.76	\$ 7,498,809.76

WICHITA STATE UNIVERSITY
SCHEDULE OF BONDED INDEBTEDNESS - HOUSING

SCHEDULE A-2

June 30, 2008

HOUSING SYSTEM RENOVATION PROJECT - REFUNDING REVENUE BONDS SERIES 2002P

YEAR ENDED JUNE 30	BONDS PAYABLE	INTEREST	ANNUAL DEBT SERVICE REQUIREMENT
2009	\$ 520,000.00	\$ 433,697.50	\$ 953,697.50
2010	540,000.00	416,797.50	956,797.50
2011	560,000.00	397,897.50	957,897.50
2012	580,000.00	377,737.50	957,737.50
2013	600,000.00	356,712.50	956,712.50
2014	630,000.00	326,712.50	956,712.50
2015	665,000.00	295,212.50	960,212.50
2016	700,000.00	261,962.50	961,962.50
2017	735,000.00	226,962.50	961,962.50
2018	760,000.00	194,806.26	954,806.26
2019	795,000.00	161,556.26	956,556.26
2020	835,000.00	125,781.26	960,781.26
2021	1,835,000.00	87,162.50	1,922,162.50
TOTAL	\$ 9,755,000.00	\$ 3,662,998.78	\$ 13,417,998.78

REVENUES FROM STUDENT HOUSING FACILITIES ARE PLEDGED FOR PAYMENT OF THE HOUSING SYSTEM RENOVATION PROJECT REVENUE BONDS.
 THE INTEREST RATE VARIES FROM 3.000% TO 4.750%.

WICHITA STATE UNIVERSITY
SCHEDULE OF BONDED INDEBTEDNESS - PARKING

SCHEDULE A-3

June 30, 2008

PARKING SYSTEM PROJECT REVENUE BONDS - SERIES 2000B

YEAR ENDED JUNE 30	BONDS PAYABLE	INTEREST	ANNUAL DEBT SERVICE REQUIREMENT
2009	\$ 350,000.00	\$ 199,945.00	\$ 549,945.00
2010	370,000.00	180,520.00	550,520.00
2011	390,000.00	159,800.00	549,800.00
2012	410,000.00	137,765.00	547,765.00
2013	435,000.00	113,575.00	548,575.00
2014	460,000.00	87,910.00	547,910.00
2015	1,030,000.00	60,770.00	1,090,770.00
TOTAL	\$ 3,445,000.00	\$ 940,285.00	\$ 4,385,285.00

REVENUES FROM PARKING FEES ARE PLEDGED FOR PAYMENT OF THE PARKING SYSTEM PROJECT REVENUE BONDS.
 THE INTEREST RATE VARIES FROM 4.700% TO 5.900%.

WICHITA STATE UNIVERSITY
SCHEDULE OF BONDED INDEBTEDNESS

SCHEDULE A-4

June 30, 2008

RESEARCH AND DEVELOPMENT FACILITIES PROJECTS - WSU - SERIES 2003C

YEAR ENDED JUNE 30	BONDS PAYABLE	INTEREST	ANNUAL DEBT SERVICE REQUIREMENT
2009	0.00	115,250.00	115,250.00
2010	0.00	115,250.00	115,250.00
2011	0.00	115,250.00	115,250.00
2012	0.00	115,250.00	115,250.00
2013	0.00	115,250.00	115,250.00
2014	0.00	115,250.00	115,250.00
2015	0.00	115,250.00	115,250.00
2016	0.00	115,250.00	115,250.00
2017	0.00	115,250.00	115,250.00
2018	0.00	115,250.00	115,250.00
2019	0.00	115,250.00	115,250.00
2020	0.00	115,250.00	115,250.00
2021	0.00	115,250.00	115,250.00
2022	375,000.00	105,875.00	480,875.00
2023	940,000.00	73,000.00	1,013,000.00
2024	990,000.00	24,750.00	1,014,750.00
TOTAL	\$ 2,305,000.00	\$ 1,701,875.00	\$ 4,006,875.00

REVENUE BONDS HAVE AN INTEREST RATE OF 5.000%

WICHITA STATE UNIVERSITY
SCHEDULE OF BONDED INDEBTEDNESS

SCHEDULE A-5

June 30, 2008

RESEARCH AND DEVELOPMENT FACILITIES PROJECTS - SERIES 2003C
AVIATION RESEARCH FACILITY FUND

<u>YEAR ENDED JUNE 30</u>	<u>BONDS PAYABLE</u>	<u>INTEREST</u>	<u>ANNUAL DEBT SERVICE REQUIREMENT</u>
2009	\$ 1,220,000.00	\$ 92,500.00	\$ 1,312,500.00
2010	1,280,000.00	32,000.00	1,312,000.00
TOTAL	\$ 2,500,000.00	\$ 124,500.00	\$ 2,624,500.00

REVENUE BONDS INTEREST RATE VARIES FROM 4.672% TO 5.000%

WICHITA STATE UNIVERSITY
SCHEDULE OF BONDED INDEBTEDNESS **SCHEDULE A-6**

June 30, 2008

RESEARCH AND DEVELOPMENT FACILITIES PROJECTS - WSU - SERIES 2005D

YEAR ENDED JUNE 30	BONDS PAYABLE	INTEREST	ANNUAL DEBT SERVICE REQUIREMENT
2009	\$ 575,000.00	316,985.25	891,985.25
2010	600,000.00	292,066.50	892,066.50
2011	625,000.00	265,480.25	890,480.25
2012	655,000.00	237,086.50	892,086.50
2013	685,000.00	206,662.50	891,662.50
2014	720,000.00	174,128.00	894,128.00
2015	750,000.00	139,467.50	889,467.50
2016	790,000.00	102,695.00	892,695.00
2017	830,000.00	63,400.00	893,400.00
2018	870,000.00	21,532.50	891,532.50
TOTAL	\$ 7,100,000.00	\$ 1,819,504.00	\$ 8,919,504.00

REVENUE BONDS INTEREST RATE VARIES FROM 3.790% TO 4.950%

WICHITA STATE UNIVERSITY
SCHEDULE OF BONDED INDEBTEDNESS **SCHEDULE A-7**

June 30, 2008

RESEARCH AND DEVELOPMENT FACILITIES PROJECTS - SERIES 2005D
AVIATION RESEARCH FACILITY FUND

<u>YEAR ENDED JUNE 30</u>	<u>BONDS PAYABLE</u>	<u>INTEREST</u>	<u>ANNUAL DEBT SERVICE REQUIREMENT</u>
2009	\$ 55,000.00	\$ 276,707.25	\$ 331,707.25
2010	60,000.00	274,267.50	334,267.50
2011	1,405,000.00	242,275.25	1,647,275.25
2012	1,465,000.00	178,613.50	1,643,613.50
2013	1,535,000.00	110,499.50	1,645,499.50
2014	1,610,000.00	37,674.00	1,647,674.00
TOTAL	\$ 6,130,000.00	\$ 1,120,037.00	\$ 7,250,037.00

REVENUE BONDS INTEREST RATE VARIES FROM 3.790% TO 4.680%

**WICHITA STATE UNIVERSITY
SCHEDULE OF BONDED INDEBTEDNESS**

SCHEDULE A-8

June 30, 2008

**CUSTOM ENERGY SERVICES, L.L.C.
ENERGY CONSERVATION LEASE PURCHASE**

YEAR ENDED JUNE 30	BONDS PAYABLE	INTEREST	ANNUAL DEBT SERVICE REQUIREMENT
2009	\$ 649,522.33	\$ 440,347.55	\$ 1,089,869.88
2010	675,398.70	414,471.18	1,089,869.88
2011	702,305.96	387,563.92	1,089,869.88
2012	730,285.18	359,584.70	1,089,869.88
2013	759,379.07	330,490.81	1,089,869.88
2014	789,632.03	300,237.85	1,089,869.88
2015	821,090.24	268,779.64	1,089,869.88
2016	853,801.72	236,068.16	1,089,869.88
2017	887,816.39	202,053.49	1,089,869.88
2018	923,186.18	166,683.70	1,089,869.88
2019	959,965.06	129,904.82	1,089,869.88
2020	998,209.19	91,660.69	1,089,869.88
2021	1,037,976.91	51,892.97	1,089,869.88
2022	534,394.02	10,540.92	544,934.94
TOTAL	<u>\$ 11,322,962.98</u>	<u>\$ 3,390,280.40</u>	<u>\$ 14,713,243.38</u>

Interest Rate is 3.945%

WICHITA STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS OPERATING REVENUE **SCHEDULE B-1**

For the Fiscal Year Ended June 30, 2008

DESCRIPTION	TOTAL	UNRESTRICTED		RESTRICTED
		GENERAL	DESIGNATED	
I. TUITION AND FEES				
Incidental Fees - Regular Term	\$ 48,024,482.25	\$ 48,024,482.25	\$ 0.00	\$ 0.00
Incidental Fees - Summer School	4,492,678.13	4,492,678.13	0.00	0.00
Student Fees	8,458,167.19	0.00	8,458,167.19	0.00
Transaction Fees	310,746.33	0.00	310,746.33	0.00
Special Course Fees	2,444,444.82	0.00	2,444,444.82	0.00
Credit by Examination	39,700.30	0.00	39,700.30	0.00
Library Fees	53,147.54	0.00	53,147.54	0.00
Identification Fees	0.00	0.00	0.00	0.00
Extension Fees	315,263.32	0.00	315,263.32	0.00
Orientation Fees	2,540.00	0.00	2,540.00	0.00
Other Student Fees	1,317,438.05	0.00	1,317,438.05	0.00
TOTAL STUDENT FEES	\$ 65,484,663.58	\$ 52,517,160.38	\$ 12,967,503.20	\$ 0.00
II. STATE APPROPRIATIONS				
Operating Expenditures	\$ 77,668,313.00	\$ 72,918,313.00	\$ 0.00	\$ 4,750,000.00
Operating Expenditures-Capital Appropriation	3,093,000.00	0.00	0.00	3,093,000.00
TOTAL STATE APPROPRIATIONS	\$ 80,761,313.00	\$ 72,918,313.00	\$ 0.00	\$ 7,843,000.00
III. FEDERAL GRANTS AND CONTRACTS				
Federal Sponsored Program Grants	\$ 24,313,474.64	\$ 0.00	\$ 0.00	\$ 24,313,474.64
Work Study Program	452,102.57	0.00	0.00	452,102.57
Education Opportunity Grants	333,055.00	0.00	0.00	333,055.00
Pell Grants	9,057,155.03	0.00	0.00	9,057,155.03
Gifts for Education and General	17,303.38	0.00	17,303.38	0.00
Repayments on Pell Grants & SEOG	1,404.95	1,404.95	0.00	0.00
TOTAL FEDERAL GRANTS AND CONTRACTS	\$ 34,174,495.57	\$ 1,404.95	\$ 17,303.38	\$ 34,155,787.24
IV. STATE GRANTS AND CONTRACTS				
Sponsored Programs from State Agencies	\$ 6,063,972.15	\$ 0.00	\$ 987,337.71	\$ 5,076,634.44
TOTAL STATE GRANTS AND CONTRACTS	\$ 6,063,972.15	\$ 0.00	\$ 987,337.71	\$ 5,076,634.44

WICHITA STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS OPERATING REVENUE **SCHEDULE B-1**

For the Fiscal Year Ended June 30, 2008

DESCRIPTION	TOTAL	UNRESTRICTED		RESTRICTED
		GENERAL	DESIGNATED	
V. PRIVATE GIFTS, GRANTS AND CONTRACTS				
Gifts for Educational and General	\$ 13,427,765.42	\$ 9,898,704.22	\$ 2,599,887.80	\$ 929,173.40
TOTAL PRIVATE GIFTS, GRANTS AND CONTRACTS	\$ 13,427,765.42	\$ 9,898,704.22	\$ 2,599,887.80	\$ 929,173.40
VI. OVERHEAD RECOVERY ON GRANTS AND CONTRACTS				
Overhead Recovery on Grants and Contracts	3,121,622.95	0.00	3,121,622.95	0.00
TOTAL OVERHEAD RECOVERY ON GRANTS AND CONTRACTS	\$ 3,121,622.95	\$ 0.00	\$ 3,121,622.95	\$ 0.00
VII. SALES AND SERVICES OF EDUCATIONAL ACTIVITIES				
Labor and Professional Charges	\$ 13,735,930.50	\$ 0.00	\$ 13,735,930.50	\$ 0.00
Overhead Administration	143,474.01	0.00	143,474.01	0.00
Rental Charges	265,280.84	0.00	265,280.84	0.00
Admission Charges	108,485.92	0.00	108,485.92	0.00
Duplicating Services	83,030.45	0.00	83,030.45	0.00
Sale of Equipment and Supplies	383,691.19	579.71	383,111.48	0.00
Sale of Educational Course Supplies & Materials	18,364.55	0.00	18,364.55	0.00
Clinic Fees	563,154.55	0.00	563,154.55	0.00
Childcare Fees	458,256.61	0.00	458,256.61	0.00
Community Services	944,542.45	0.00	944,542.45	0.00
Taxes	33,061.01	0.00	33,061.01	0.00
Other Educational Charges	70,259.19	0.00	70,259.19	0.00
TOTAL SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	\$ 16,807,531.27	\$ 579.71	\$ 16,806,951.56	\$ 0.00
VIII. SALES AND SERVICES OF AUXILIARY ENTERPRISES				
On Campus Parking Revenue	\$ 1,533,882.59	\$ 0.00	\$ 1,533,882.59	\$ 0.00
Dormitory Revenue	5,825,281.04	333.33	5,824,947.71	0.00
TOTAL SALES AND SERVICES OF AUXILIARY ENTERPRISES	\$ 7,359,163.63	\$ 333.33	\$ 7,358,830.30	\$ 0.00

WICHITA STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS OPERATING REVENUE **SCHEDULE B-1**

For the Fiscal Year Ended June 30, 2008

DESCRIPTION	TOTAL	UNRESTRICTED		RESTRICTED
		GENERAL	DESIGNATED	
IX. OTHER SOURCES				
Interest on Investments	\$ 1,380,033.60	\$ 298,118.24	\$ 1,081,915.36	\$ 0.00
Recovery of Expenditures	3,051,393.29	40.00	2,957,439.29	93,914.00
Miscellaneous	40,788.02	0.00	40,788.02	0.00
TOTAL OTHER SOURCES	\$ 4,472,214.91	\$ 298,158.24	\$ 4,080,142.67	\$ 93,914.00
TOTAL OPERATING REVENUE BEFORE INTERFUND TRANSFERS (To Schedule C-1)	\$ 231,672,742.48	\$ 135,634,653.83	\$ 47,939,579.57	\$ 48,098,509.08
TRANSFERS WITHIN CURRENT FUNDS	\$ 13,264,685.96	\$ 124,384.00	\$ 8,222,395.93	\$ 4,917,906.03
TOTAL OPERATING REVENUE OF CURRENT FUNDS	\$ 244,937,428.44	\$ 135,759,037.83	\$ 56,161,975.50	\$ 53,016,415.11

WICHITA STATE UNIVERSITY
STATEMENT OF CURRENT FUNDS OPERATING EXPENDITURES AND TRANSFERS
SCHEDULE B-2

For the Fiscal Year Ended June 30, 2008

DESCRIPTION	EXPENDITURES BY CLASSIFICATION						FUNDING TYPE		
	TOTALS	SALARIES AND WAGES	CONTRACTUAL AND COMMODITIES	CAPITAL OUTLAY	OTHER EXPENDITURES	UNRESTRICTED GENERAL	UNRESTRICTED DESIGNATED	RESTRICTED	
I. EDUCATIONAL AND GENERAL									
Instruction	\$ 8,064,979.18	\$ 7,262,022.83	\$ 320,753.36	\$ 51,419.99	\$ 440,783.00	\$ 6,227,232.17	\$ 1,831,055.40	\$ 6,691.61	
W. Frank Barton School of Business	4,580,123.40	4,333,138.26	197,862.31	21,444.37	7,678.46	4,508,635.70	49,845.36	1,642.34	
College of Education	6,710,340.54	5,668,838.63	431,891.49	444,560.37	165,050.05	6,121,122.74	581,620.50	7,482.55	
College of Engineering	744,778.35	743,778.35	0.00	0.00	1,000.00	633,038.19	111,740.16	0.00	
College of Fine Arts	6,278,606.25	5,734,308.86	471,293.42	42,719.80	30,284.17	5,803,324.64	460,492.41	14,789.20	
College of Health Professions	8,168,604.77	7,046,356.44	704,145.26	93,894.77	324,208.30	6,854,790.08	1,033,869.06	279,945.63	
Fairmount College of Liberal Arts and Sciences	22,276,650.73	21,171,354.88	869,743.51	219,207.07	16,345.27	21,537,931.53	721,239.63	17,479.57	
Academic Affairs	979,850.79	130,110.49	164,529.80	5,922.50	679,288.00	313,162.79	666,688.00	0.00	
Undergraduate Studies	1,372,152.76	992,347.66	227,923.48	143,381.62	8,500.00	1,352,504.35	14,989.41	4,659.00	
TOTAL	\$ 59,156,086.77	\$ 53,072,266.40	\$ 3,388,142.63	\$ 1,022,550.49	\$ 1,673,137.25	\$ 53,351,846.94	\$ 5,471,539.93	\$ 332,699.90	
Research	\$ 35,184,660.58	\$ 17,035,022.73	\$ 12,374,326.05	\$ 3,277,563.64	\$ 2,497,748.16	\$ 1,623,011.22	\$ 15,586,110.55	\$ 17,975,538.81	
Public Service	17,341,251.33	10,456,088.97	4,230,275.45	933,457.81	1,721,429.10	3,211,288.10	2,225,693.01	11,904,300.22	
Academic Support	28,841,928.08	15,314,937.78	6,925,411.20	2,408,602.12	4,192,976.98	19,598,702.59	9,186,411.16	56,814.33	
Student Services	20,690,062.72	11,685,819.31	3,021,656.29	277,626.71	5,704,960.41	9,312,392.23	9,500,675.64	1,876,994.85	
Institutional Support	14,523,261.44	10,007,402.90	3,175,547.61	1,231,626.13	108,684.80	13,372,859.45	1,141,474.20	8,927.79	
Operation and Maintenance of Physical Plant	21,647,176.27	11,869,457.12	9,087,617.19	686,069.31	4,032.65	20,169,171.59	1,478,004.68	0.00	
Scholarships and Fellowships	20,854,419.36	0.00	1,531.00	0.00	20,852,888.36	11,135,305.45	102,707.13	9,616,406.78	
TOTAL EDUCATION AND GENERAL	\$ 218,238,846.55	\$ 129,440,985.21	\$ 42,204,507.42	\$ 9,837,496.21	\$ 36,755,857.71	\$ 131,774,547.57	\$ 44,892,616.30	\$ 41,771,682.68	
II. AUXILIARY ENTERPRISES									
Dormitory Operations Fund	\$ 8,367,241.32	\$ 612,852.23	\$ 3,411,169.04	\$ 5,122.63	\$ 4,338,097.42	\$ 0.00	\$ 8,367,241.32	\$ 0.00	
On Campus Parking Revenue Fund	1,959,345.94	288,713.35	55,236.42	0.00	1,615,396.17	0.00	1,959,345.94	0.00	
Outside Workstudy Agencies	162,994.02	68,102.42	4,624.60	0.00	90,267.00	331.39	16,829.27	145,833.36	
Non-Expense Transfers	8,216,245.59	0.00	2,320,922.88	783,279.43	5,112,043.28	1,089,869.88	770,889.60	6,355,486.11	
TOTAL AUXILIARY ENTERPRISES	\$ 18,705,826.87	\$ 969,668.00	\$ 5,791,952.94	\$ 788,402.06	\$ 11,155,803.87	\$ 1,090,201.27	\$ 11,114,306.13	\$ 6,501,319.47	
TOTAL CURRENT FUNDS OPERATING EXPENDITURES AND TRANSFERS	\$ 236,944,673.42	\$ 130,410,653.21	\$ 47,996,460.36	\$ 10,625,898.27	\$ 47,911,661.58	\$ 132,864,748.84	\$ 55,806,922.43	\$ 48,273,002.15	

Note: The expenditures are not on a GAAP basis because encumbrances are included as a current year expense. Current year payments of prior year encumbrances and accrued expenditures are not included. Expenditures also include transfers among funds which would be eliminated if they were on a GAAP basis.