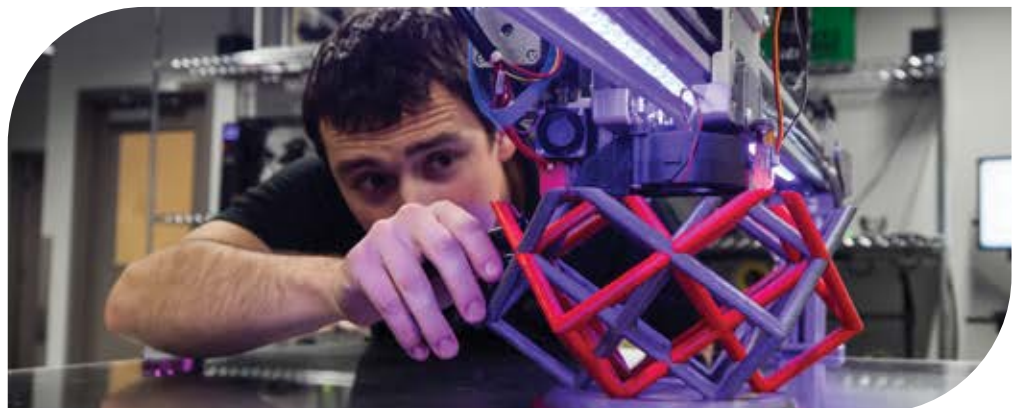




wsu WICHITA STATE UNIVERSITY
ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2024





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

FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND JUNE 30, 2023

Prepared by: Department of Finance & Administration

INTRODUCTORY SECTION

WICHITA STATE UNIVERSITY
Annual Financial Report
For the Fiscal Years Ended
June 30, 2024 and 2023

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PRINCIPAL OFFICIALS

KANSAS BOARD OF REGENTS

Blake Flanders, President and CEO

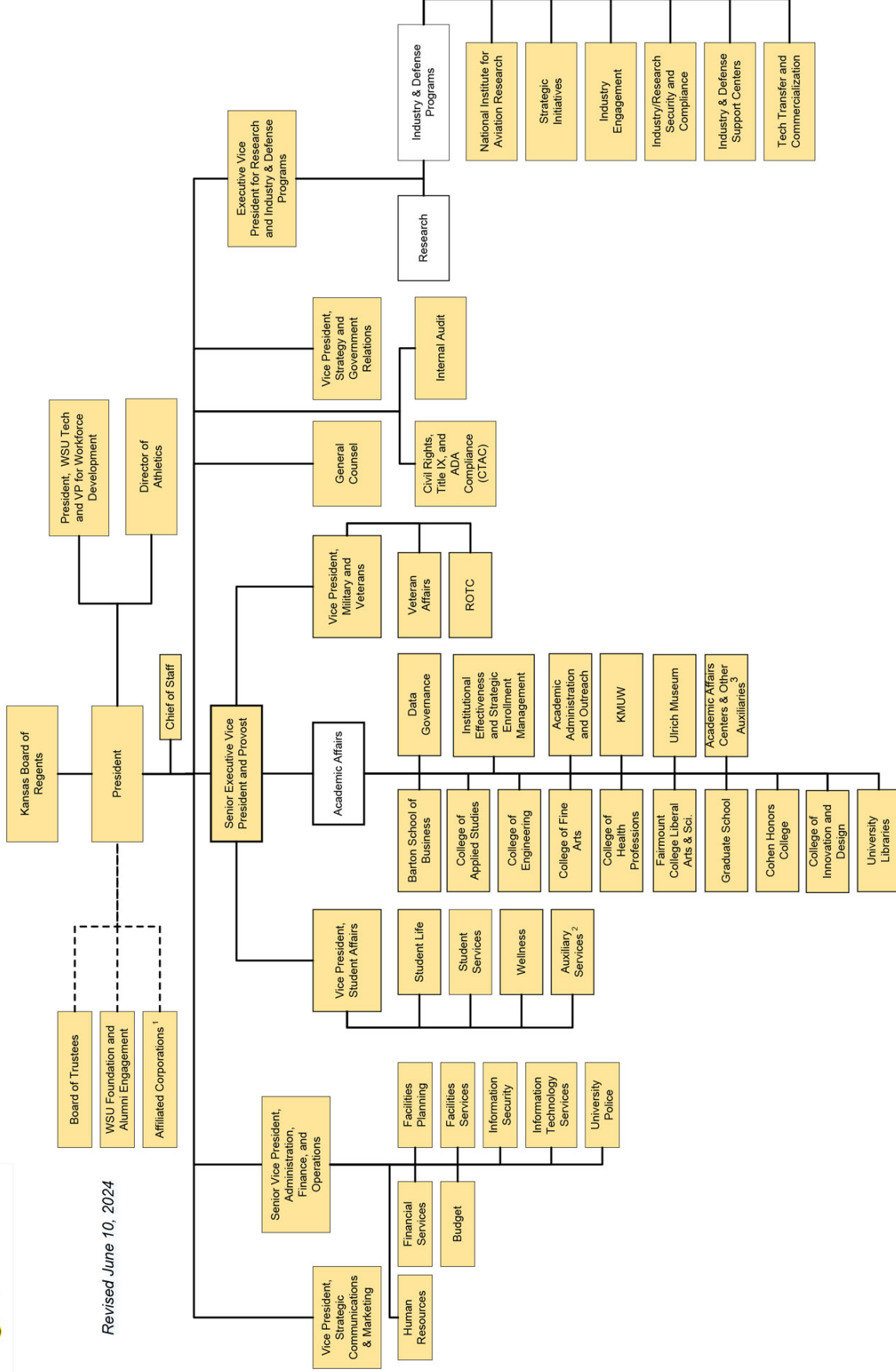
Carl Ice, Chair
Jon Rolph, Vice Chair
Blake Benson
John Dicus
Alysia Johnston
Diana Mendoza
Neelima Parasker
Wint Winter

UNIVERSITY OFFICIALS

Executive Administration

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

Revised June 10, 2024



1 = Affiliated Corporations, as defined in WSU Policy 1.06, includes: Wichita State Intercollegiate Athletic Association, Inc., Wichita State Union Corporation, Wichita State University Innovation Alliance, WSIA Investments Corporation.
 2 = Auxiliary Services includes oversight of operations of Wichita State University Union Corporation.
 3 = See Academic Affairs Organizational Chart for list of Centers and Auxiliaries.



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November 27, 2024

Dear Shocker Nation:

It is with great pleasure that we present to you the annual financial report for Wichita State University (University or Wichita State) for the year ended June 30, 2024. The University is governed by the Kansas Board of Regents and is an agency of the State of Kansas. As such, the University's financial statements are consolidated into the State University System and included as a discretely presented component unit in the annual comprehensive financial report (ACFR) of the State of Kansas.

For the year ended June 30, 2024, the State of Kansas (State) contracted with the independent public accounting firm of CliftonLarsonAllen LLP to perform the State's audit. Although the accompanying financial statements have not been audited, the University's financial information, which is incorporated into the State's financial report, is subject to audit procedures as part of the State's "other discretely presented component units" opinion unit. For additional information about the results of the State of Kansas audit for the year ended June 30, 2024, please refer to the separately issued ACFR for the State of Kansas available at: <https://admin.ks.gov/offices/oar/annual-comprehensive-financial-report---acfr>.

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

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

Profile of the University

Wichita State University is Kansas' only urban public research university, enrolling more than 23,000 students between its main campus and WSU Tech, including students from every state in the United States and more than 100 countries. Wichita State and WSU Tech are recognized for being student-centered and innovation-driven.

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

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

Highlights for 2024

The 2024 academic year has brought remarkable momentum to Wichita State University, with some of the most exciting developments reflected in our growing enrollment. In a time when many universities statewide and nationally are experiencing drops in student numbers, Wichita State and WSU Tech are breaking the mold, welcoming an impressive 23,806 students across our campuses.

This growth speaks volumes about the energy within Shocker Nation and the appeal of the opportunities we're creating here. To continue enhancing the student experience, we've partnered with the National Institute for Student Success, using their insights to build on our strengths and tackle any obstacles that might hold our students back from success.

With enrollment on the rise, our campus is evolving, too. Construction crews are staying busy, working on several projects that will shape the next chapter of the Wichita State landscape.

- The Shocker Success Center is officially open, marking a new chapter in Wichita State's commitment to our students. This center stands as a testament to our dedication to supporting every Shocker's individual journey, and it reflects our belief in their potential to achieve great things. Students will find the resources, guidance, and encouragement they need to turn their ambitions into accomplishments.
- Construction on the Milly Marcus Annex is complete — another milestone in our commitment to shaping students' futures. This annex now houses the Shocker Career Accelerator, creating an expanded hub where students can connect with career resources, gain hands-on experience, and prepare for life and careers beyond Wichita State. The annex stands as a powerful addition to our campus, designed to fuel students' professional growth and ensure they're ready to meet the demands of tomorrow's workforce.
- Construction is officially underway for the Wichita Biomedical Campus, establishing the foundation of a centrally located health care corridor in downtown Wichita. Anchored by institutions like Ascension Via Christi St. Francis and the Kansas College of Osteopathic Medicine, the campus is designed to be a hub for collaboration in medical research and applied learning. This innovative setting aims to tackle the state's health care talent shortage, with plans for Kansas' only dental school and the creation of 1,600 jobs, driving both economic growth and industry attraction in the region.
- The 160,000-square-foot NIAR Hub for Advanced Manufacturing Research (HAMR) building is currently under construction. HAMR will be a state-of-the-art research and training facility for emerging technologies, advanced materials, digital twin, advanced machining, and automation. HAMR is partly funded by an EDA grant and will house advanced manufacturing research labs and associated offices.
- Construction on the Innovation Campus Headquarters Building on the Innovaton Campus was recently finished. The third floor houses several key departments within Industry & Defense Programs, including the Office of Tech Transfer and Commercialization, Ennovar, and Midwest Criminal Justice Institute. Each department works directly with industry to solve problems with Wichita State students through innovation and applied learning. Construction will begin shortly on the remaining floors. The first floor will house the Bureau of Alcohol, Tobacco, Firearms and Explosives Wichita Field Office along with the Kansas Bureau of Investigation on the first and second floors of the building. Both law enforcement agencies will expand WSU applied learning and research opportunities working hand in hand with students to build the next generation of criminal justice and intelligence practitioners.

- Development of the new Bureau of Alcohol, Tobacco, Firearms and Explosives Forensic Crime Gun Intelligence Laboratory is under way on the Wichita State Innovation Campus. This state-of-the-art facility will greatly expand ATF's ability to support ATF investigators and other federal and state law enforcement agencies combat violent crime across the nation. Wichita State will also have allocated space within the building, including laboratory spaces, classrooms, and collaborative training areas that can be used to educate students and professionals in forensics, law enforcement, and criminal justice. The Pathways program will bolster the partnership between WSU and ATF as this partnership creates a unique applied learning opportunity for students to gain firsthand experience and a one-of-a-kind opportunity for potential future employment. At full capacity, it is estimated that the new lab will employ more than 100 federal workers, 8 to 10 state employees, and the capacity to hold over 169 students at a time. The building is on schedule for completion in January 2026.

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

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

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

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

Acknowledgements

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

Respectfully submitted,



Dr. Richard D. Muma, President



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



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FINANCIAL SECTION

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

Management of Wichita State University (University) offers readers of the University's financial statements this narrative overview and analysis of the financial activities of the University for the fiscal year ended June 30, 2024. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on Pages v-vii of this report.

FINANCIAL HIGHLIGHTS

- Net Position increased \$29.4 million (7.2%) compared to 2023.
- Total cash increased \$96.9 million (109.2%) which included a \$13.6 million (25.6%) reduction in current unrestricted cash, a \$2.4 million (26.7%) increase in current restricted cash, and a \$108.1 million (410.0%) increase in noncurrent restricted cash.
- Accounts receivable increased \$8.1 million (9.2%).
- Unearned revenue increased \$91.9 million (1,013.1%).
- Other liabilities increased \$16.5 million.
- Operating revenue increased \$26.0 million (6.0%) driven by a \$38.4 million (23.3%) increase in federal grants, offset by a \$17.8 million (14.3%) reduction in sales and services.
- Operating expenses increased \$59.7 million (10.6%). Research expenses increased \$31.7 million (13.1%), and scholarships and fellowships increased \$6.1 million (30.6%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the University as of and for the year ended June 30, 2024 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35 (GASB 35), *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, the University is considered a special-purpose government engaged in business-type activities.

This discussion and analysis is intended to serve as an introduction to the University's basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements are designed to provide readers with a broad overview of the University's finances from all revenue sources, in a manner similar to the private sector. The University's discretely presented component units are presented in a separate column to enable the reader to distinguish between the University and these separate but related organizations. Combining statements for the University's discretely presented component units are presented immediately following the required supplementary information on Pages 79-90 of this report. Additional information about the University's discretely presented component units is available in Note 14 to the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the University's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on Pages 69-76.

STATEMENT OF NET POSITION

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

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

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

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Current assets	\$ 152,261,809	\$ 153,330,110	\$ 169,042,937
Capital assets	548,077,375	532,463,200	478,613,329
Other noncurrent assets	142,073,996	36,904,618	33,418,469
Total assets	<u>842,413,180</u>	<u>722,697,928</u>	<u>681,074,735</u>
Deferred outflows of resources	<u>6,496,625</u>	<u>6,668,991</u>	<u>4,805,354</u>
Current liabilities	160,376,406	69,281,135	63,797,901
Noncurrent liabilities	<u>239,996,917</u>	<u>237,332,826</u>	<u>233,116,409</u>
Total liabilities	<u>400,373,323</u>	<u>306,613,961</u>	<u>296,914,310</u>
Deferred outflows of resources	<u>12,262,420</u>	<u>15,880,284</u>	<u>22,453,292</u>
Net position			
Net investment in capital assets	335,277,914	316,138,078	269,047,958
Restricted	60,650,057	20,113,187	29,888,641
Unrestricted	<u>40,346,091</u>	<u>70,621,409</u>	<u>67,575,888</u>
Total net position	<u>\$ 436,274,062</u>	<u>\$ 406,872,674</u>	<u>\$ 366,512,487</u>

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

Assets

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

As of June 30, 2023, total assets were \$722.7 million, an increase of \$41.6 million (6.1%) compared to 2022. Current assets decreased \$15.7 million (9.3%) and consist primarily of cash and cash equivalents, and accounts receivable. Current cash and cash equivalents decreased \$35.0 million (36.0%) and accounts receivable increased \$20.7 million (30.7%) due primarily to receivables from the aerospace industry associated with work performed by engineering labs and increased receivables related to reimbursement grants. Capital assets increased \$53.9 million (11.3%). The most significant capital asset addition during fiscal year 2023 was Wayne and Kay Woolsey Hall, the new home of the Barton School of Business with a total value of \$33 million.

Deferred Outflows of Resources

Total deferred outflows as of June 30, 2024 were \$6.5 million, a decrease of \$0.2 million (2.6%) compared to 2023. The decrease in deferred outflows related to pensions is driven by changes of assumptions and investment earnings, offset by differences between actual and expected experience. The increase in deferred outflows related to OPEB is driven primarily by an increase in benefit payments after the measurement date. Total deferred outflows as of June 30, 2023 were \$6.7 million, an increase of \$1.8 million (38.8%) compared to 2022 primarily due to differences between projected and actual earnings of the pension plan investments and changes of assumptions.

Liabilities

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

As of June 30, 2023, total liabilities were \$306.6 million, an increase of \$9.7 million (3.2%) compared to 2022. Current liabilities increased \$5.5 million (8.6%), driven by an increase in accounts payable and accrued liabilities of \$4.4 million (15.7%), and an increase in accrued compensated absences of \$2.6 million (32.9%). Non-current liabilities increased \$4.2 million (1.8%) compared to 2022, primarily due to the issuance of \$13.1 million in revenue bonds with related premiums of \$224 thousand, which was offset by principal payments of \$6.5 million.

Deferred Inflows of Resources

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

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

Total deferred inflows of resources as of June 30, 2023 were \$15.9 million, a decrease of \$6.6 million (29.3%) compared to 2022 due to a decrease in deferred inflows related to pension in the amount \$4.6 million due to differences between projected and actual earnings of the pension plan investments.

Net Position

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

As of June 30, 2023, total net position was \$406.9 million, an increase of \$40.4 million (11.0%) compared to 2022. \$316.1 million is invested in capital assets net of depreciation and related debt. \$16.9 million is restricted for capital projects, \$0.3 million is restricted for loans, and \$3.0 million is restricted for other purposes. The remaining \$70.6 million is unrestricted and may be used for any lawful purpose of the institution.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	For the Year Ended		
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Operating revenue	\$ 459,954,765	\$ 433,961,286	\$ 381,964,903
Operating expenses	622,064,751	562,336,036	495,288,753
Operating loss	<u>(162,109,986)</u>	<u>(128,374,750)</u>	<u>(113,323,850)</u>
Non-operating revenue (expenses)	162,499,641	148,823,315	150,838,544
Capital contributions and operating transfers	<u>29,011,733</u>	<u>27,991,259</u>	<u>8,980,110</u>
Change in net position	<u>29,401,388</u>	<u>48,439,824</u>	<u>46,494,804</u>
Net position, beginning of year	406,872,674	366,512,487	315,190,331
Change in accounting principle	--	(8,079,637)	4,827,352
Net position, end of year	<u>\$ 436,274,062</u>	<u>\$ 406,872,674</u>	<u>\$ 366,512,487</u>

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

Operating Revenues

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

	For the Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Tuition and fees	\$ 106,052,453	\$ 106,749,340	\$ 109,708,910
Grants and contracts	221,714,037	180,675,718	119,651,103
Sales and services	106,418,669	124,214,089	125,434,386
Auxiliary enterprises	18,490,400	17,471,739	18,008,532
Other operating revenues	7,279,206	4,850,400	9,161,972
Total operating revenues	<u>\$ 459,954,765</u>	<u>\$ 433,961,286</u>	<u>\$ 381,964,903</u>

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

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

Total operating revenues for the year ended June 30, 2023, increased \$52.0 million (13.6%) over 2022. The following is a brief summary of the significant changes:

- Revenue from federal grants and contracts increased \$51.5 million (45.2%) from 2022. Approximately \$38 million of this increase was related to federal awards with the U.S. Department of Defense.
- State, local and private grants and contracts increased \$9.6 million (164.3%) from 2022. This is due primarily to a few major aerospace engineering contracts with private industry sponsor

Operating Expenses

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

	For the Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Instruction	\$ 94,220,784	\$ 91,065,039	\$ 84,942,751
Research	273,731,484	241,993,165	177,571,752
Public service	33,103,471	30,236,522	26,776,591
Academic support	39,484,218	36,696,542	35,294,098
Student service	39,205,178	38,749,145	35,977,697
Institutional support	27,238,881	26,077,710	22,717,474
Operations and maintenance of plant	35,610,162	31,308,132	21,502,204
Scholarships and fellowships	26,187,990	20,045,480	41,625,984
Auxiliary enterprises	12,510,065	10,403,789	10,067,587
COVID-19 expenses	--	292,769	6,480,453
Depreciation	40,772,518	35,467,743	32,332,162
Total operating revenues	<u>\$ 622,064,751</u>	<u>\$ 562,336,036</u>	<u>\$ 495,288,753</u>

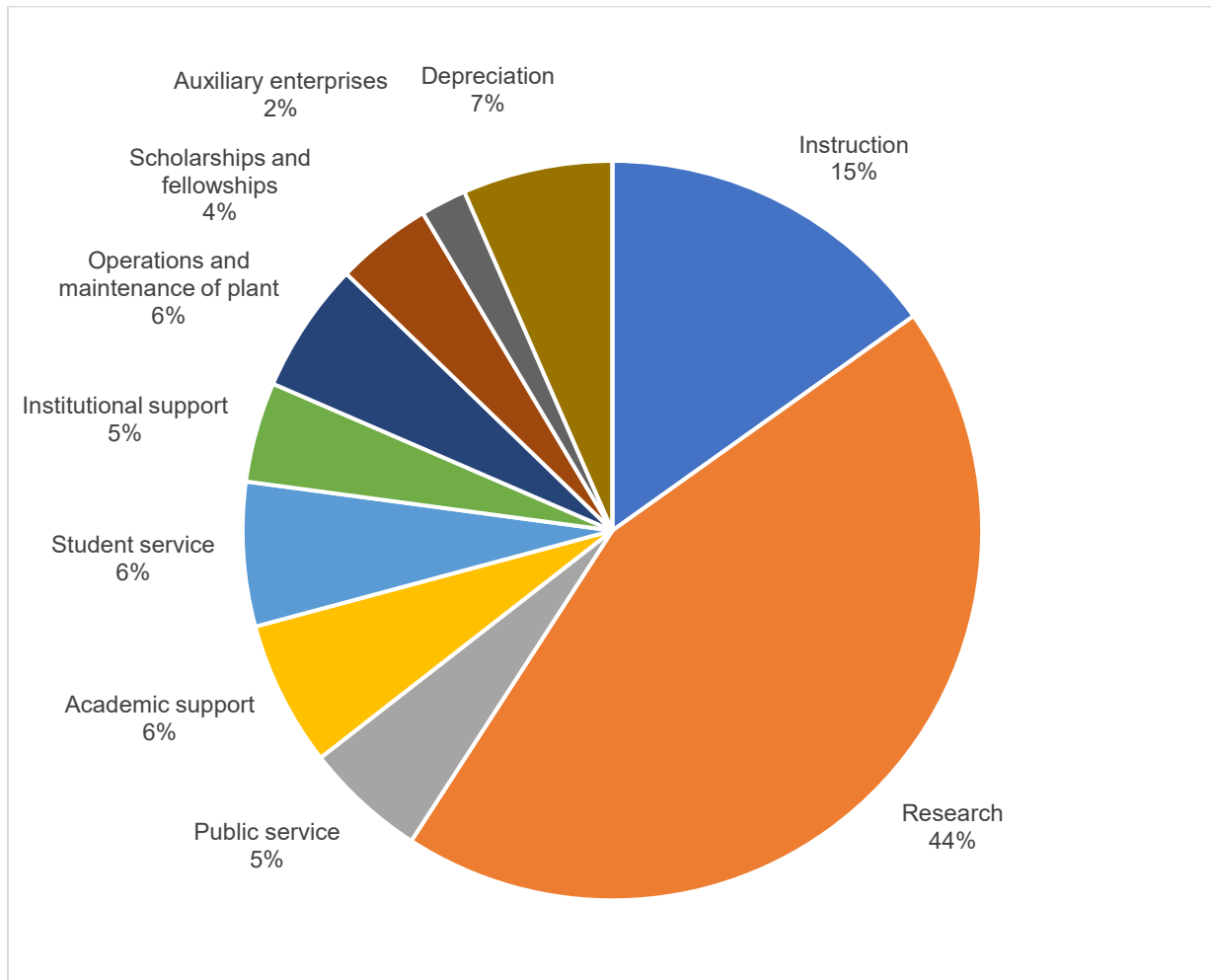
WICHITA STATE UNIVERSITY
MANAGEMENT’S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

Looking at operating expenses by natural classification, compensation and benefits increased \$31.1 million (11.6%), with salaries and wages increasing \$23.8 million (10.9%) and benefits increasing \$7.3 million. Compensation and benefits account for 48.2% of all operating expenses. Contractual and commodity expenses increased \$17.9 million (7.9%). This increase is primarily related to the increase in research contracts, operations and maintenance of plant, and auxiliary expenses.

The composition of operating expenses for the year ended June 30, 2024 is displayed in the following chart:



WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

For the year ended June 30, 2023, operating expenses were \$562.3 million, an increase of \$67.0 million (13.5%) compared to 2022. The increase in operating expenses is primarily a result of:

- Research expenses increased \$64.4 million (36.3%) from 2022. The increase is a result of NIAR's continued growth in supporting the DoD's Digital Twin and Aircraft Sustainment efforts as well as the continued expansion of the NIAR WERX Maintenance, Repair, and Operations (MRO) Center.
- Operations and maintenance of plant increased \$9.8 million (45.6%) from 2022. This was primarily due to an increase in spending on non-capital maintenance projects.
- Scholarships and Fellowships decreased \$21.6 million (51.8%) from 2022. This was primarily due to one-time Federal funding under the Education Stabilization Fund, which provided \$16.4 in aid to students during fiscal year 2023.
- The University reported \$0.3 million in COVID-19 expenses during 2023, a decrease of \$6.2 million from 2022. During fiscal year 2023, the University fully expended its HEERF funding .

Looking at operating expenses by natural classification, compensation and benefits increased \$39.9 million (17.4%), with salaries and wages increasing \$33.7 million and benefits increasing \$6.2 million. Compensation and benefits account for 47.8% of all operating expenses. Contractual and commodity expenses increased \$44.2 million (24.1%). This increase is primarily related to the increase in research contracts, but there were increases in nearly all other functional areas, except instruction services, which decreased by \$1.2 million (12.3%), auxiliary enterprises, which decreased \$0.8 million (11.3%) and COVID-19 expenses, which decreased by \$6.0 million (99.2%) as the pandemic related stimulus funding received under HEERF finished winding down in fiscal year 2023.

Non-Operating Revenues and Expenses

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

	For the Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
State appropriations	\$ 109,524,605	\$ 101,196,656	\$ 86,062,047
Non-operating grants and contracts	22,292,897	21,637,134	41,689,765
Gifts	29,799,544	28,918,435	27,735,932
Investment income	5,369,819	2,451,133	176,842
Interest expense	(4,548,254)	(4,808,446)	(4,562,990)
Loss on disposal of capital assets	61,030	(134,543)	(19,738)
Other non-operating revenue (expenses)	--	(437,054)	(243,314)
Total operating revenues	<u>\$ 162,499,641</u>	<u>\$ 148,823,315</u>	<u>\$ 150,838,544</u>

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

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

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

Non-operating revenues and expenses for the year ended June 30, 2023, decreased \$2.0 million (1.3%) compared to 2022. The increase in non-operating activities is primarily the result of:

- State appropriations increased \$15.1 million (17.6%) compared to 2022. Special appropriations received in 2023 included \$7 million for digital transformation, which is anticipated to be a recurring appropriation for the next three fiscal years beyond fiscal year 2024. A detailed breakdown of state appropriations is included in the table in the following section of this analysis.
- Investment income increased \$2.3 million (1,286.1%) compared to 2022 due to improving market conditions and a higher rate of return on cash held in the state treasury.
- The increase in state appropriations and investment income was offset by a \$20.1 million (48.1%) decrease in non-operating grants and contracts. This decrease was attributable to the winding down of the HEERF program. HEERF III revenue for 2023 amounted to \$2.9 million, compared to \$23.8 million for 2022. This represents a decrease of \$20.9 million (87.7%).

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

	For the Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
State appropriations			
General operations	\$ 78,865,988	\$ 75,127,579	\$ 69,207,847
Information technology infrastructure	--	3,033,986	--
Innovation Campus	2,000,000	2,000,000	1,959,700
National Center for Aviation Training (NCAT)	5,200,000	5,200,000	5,095,500
Kansas Aviation Research and Technology (KART)	4,998,638	5,464,521	4,899,500
National Aviation Research Plan (NARP)	6,968,214	2,870,570	4,899,500
Digital transformation	7,000,000	7,000,000	--
Need-based aid	4,246,340	--	--
Building demolition	245,425	500,000	--
Total state appropriations	<u>\$ 109,524,605</u>	<u>\$ 101,196,656</u>	<u>\$ 86,062,047</u>

STATEMENT OF CASH FLOWS

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

	For the Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Net cash provided by (used in)			
Operating activities	\$ (123,010,277)	\$ (112,607,589)	\$ (93,918,280)
Noncapital financing activities	160,567,201	148,263,860	157,115,989
Capital and related financing activities	54,294,295	(66,947,892)	(47,111,224)
Investing activities	5,067,874	3,726,104	(1,498,488)
Net change in cash and cash equivalents	<u>96,919,093</u>	<u>(27,565,517)</u>	<u>14,587,997</u>
Cash and cash equivalents, beginning of year	<u>88,734,007</u>	<u>116,299,524</u>	<u>101,711,527</u>
Cash and cash equivalents, end of year	<u>\$ 185,653,100</u>	<u>\$ 88,734,007</u>	<u>\$ 116,299,524</u>

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

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

CAPITAL ASSETS

The University made significant investments in capital during the year ended June 30, 2024. Some of the most significant investments in the University's campus infrastructure include the following:

Marcus Welcome Center Addition and Interior Renovation

This building addition, completed in the summer of 2024, brings together the work of three offices into one central location: the Offices of Admissions, Career Development and Applied and Experiential Learning. Having the offices in one unified space allows prospective students and their families to get a comprehensive view of how Wichita State University will engage with students starting from their first year at WSU providing assistance in resume and LinkedIn profile-building, career counseling and skill development in networking and interviewing. The support builds toward Innovation-Campus sourced internships, real-world learning experiences with major Wichita employers, and ultimately post-college job placement with companies. This suite of services to be housed within the Marcus Welcome Center is termed the Shocker Career Accelerator. As part of the project, multiple spaces within the Marcus Welcome Center (lobby, auditorium, and pre-function corridor) were updated to reflect University branding and the Shocker experience. The visibility of a new Career Center combined with student recruitment, the entrepreneurial beacon of the Pizza Hut Museum next door, and the adjacent Innovation Campus work together to tell the story of the future experience of a Wichita State student. The project consists of approximately 5,500 square feet of renovated space and an 8,000 gross square foot building addition. The total cost of the project was \$5.3 million and was funded with a combination of private gifts and University funds.

Clinton Hall Shocker Success Center

Following the construction of Woolsey Hall for the W. Frank Barton School of Business (completed in fall 2022), the 56,770 gross square foot Clinton Hall was vacated. The current structural systems and building envelope of Clinton Hall was solid and the location and proximity to the Rhatigan Student Center and Ablah Library make it an ideal location for reaching as many students as possible. A full renovation was completed in the summer of 2024 to address outdated HVAC, electrical, and life safety systems, finishes, fixtures, and equipment to provide an energy efficient, modern and fully accessible student services environment. Entry additions on the southwest and northeast were constructed to increase visibility of the main entrances, address accessibility to multiple levels of the facility, and increase access to natural light. A series of departments and centers were scattered across multiple buildings that each serve students in similar and related ways. Bringing these departments together into one building will not only better serve students with the ultimate goal of increasing student retention, but will enable efficiency in shared workspaces, provide student work and study spaces adjacent to program offices, and enable collaboration in programs and services. The anticipated cost of the project including construction and soft costs was approximately \$18.5 million. The project has been funded by a combination of private funds, and \$13.1 million in Series 2023G revenue bonds.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
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University Stadium Project

The University Stadium project is a replacement for Cessna Stadium and at completion of a phased construction project, will seat approximately 12,500-14,000 spectators. Phasing has been developed around maintaining the spectator seating and other infrastructure required for the Wichita State Track and Field teams as well as the annual KSHS Track and Field Championship. Demolition of the east stands of Cessna Stadium was handled outside the scope of this project as a separate small capital project. Construction for Phase 1A began in summer 2024 and includes the improvements on the east side of the existing track (bleacher seating, new free-standing field lights, pavilion building with restrooms/ticketing area/concessions, and plaza).

Phase 1B, scheduled to start in summer 2025, widens the existing grass field to accommodate a regulation-sized soccer field and reconfigures the 8-lane track around the widened field. Phase 2A, the demolition of the existing west Cessna Stadium structure, can begin as early as June 2026. A new west stadium structure will be built as Phase 2B. The new west stadium would include a single level of press boxes and suites, offices/locker rooms/team room areas for a future soccer team, as well as restrooms, concessions, and storage rooms. Phase 2B also incorporates a pedestrian plaza between Koch Arena and the new stadium. The anticipated total project cost for all phases is approximately \$78 million. A Construction Management at Risk alternative project delivery method is being used for Phase 1A/1B and is planned for Phase 2 (under a separate contract).

Wilkins Stadium Expansion Project – Phase 1

The Phase 1 expansion project is part of a larger master plan for the existing 5,500 square foot stadium that was built in 1998. The Phase 1 expansion will include a new approximately 14,400 gross square foot indoor infield facility (Phase 1A) and 12,000 gross square foot team facility (Phase 1B) that will be located on the west side of the stadium adjacent to the Heskett Center. The team facility will include a new locker room, coach's locker room, classroom, team room, athletic training room, staff offices, break room, work room, and team laundry room. The indoor facility will include a full indoor infield, nets for indoor batting cages, storage areas, and a small tech area to view video replay of practice and in-game replays. Phase 1A is under construction and anticipated to be completed in March 2025.

The current stadium facility does not have the team amenities and indoor practice areas that are prevalent in other top 50 softball programs around the country. This facility expansion will show potential recruits that Wichita State is invested in softball and will allow those recruits to flourish as student-athletes once they are on our campus. This upgrade will allow Wichita State to compete for talent from both a coaching and student-athlete perspective and continue to build on its reputation as a top-tier softball program.

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

McKnight Printmaking Ventilation Project

Accreditation visits identified addressing the ventilation deficiencies in the printmaking classrooms in McKnight Art Center as a priority in the program review. A study was initiated in 2022 to identify options to improve the system. This project scope will improve the ventilation in the printmaking classrooms in the McKnight Art Center building. The project is needed to improve health and safety for students and faculty in the classrooms and to meet the accreditation requirements for the Printmaking program.

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The existing layout of the second-floor printmaking classrooms is not conducive to an efficient exhaust and ventilation system configuration. The classrooms will be reconfigured with new walls to provide a more efficient layout for equipment and printmaking processes. New ventilation (DOAS units and associated exhaust) will be provided to remove the contaminants in the space associated with the printmaking processes. The existing HVAC system serving the second floor is at the end of the equipment service life. It will be updated on the second floor to accommodate the remodeled configuration as well as addressing a deferred maintenance item for the building. Education Building (EBF) funding or Capital Renewal funds in combination with funds from Art, Design, and Creative Industries will be used depending on FY25 funding allocation. It is anticipated that the project will be complete in Fall 2025.

NIAR Hub for Advanced Manufacturing and Research (NIAR HAMR)

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

Wichita Biomedical Campus

The Wichita Biomedical Campus project – a joint project with the University of Kansas Medical Center – is being developed in two phases. Phase 1 will consist of an approximately 350,000 gross square foot building with a total project cost of \$221 million. This phase will house academic programs from Wichita State University College of Health Professions, University of Kansas Medical Center College of Medicine Wichita, WSU Tech Health Professions, and University of Kansas School of Pharmacy. The Phase 1 project is being designed to include the WSU Speech Language Hearing Clinic. Phase 1 is being funded with a combination of various grants and state funding. The Phase 1 WSU clinic space is being funded by private gifts (\$16.9 million total project cost). The buildings are to be constructed in downtown Wichita, Kansas. A construction management at risk alternative delivery method is being used with project completion of Phase 1 anticipated by the end of 2026.

In addition to these major projects, the following is a brief summary of other significant construction projects placed in service during the current fiscal year:

- **Digital Research and Transformation Hub (DRTH):** The project cost of \$14.8 million were paid primarily through the issuance of \$13.8 million in Series 2021L bonds.
- **Henrion Hall Remodel:** The project cost of \$846 thousand was paid primarily with sponsored research overhead funds.
- **Fire Alarm Upgrades in Various Buildings:** The project cost of \$690 thousand was paid with a combination of Education Building (EBF) funding and Capital Renewal funds

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Additionally, Wichita State University had several construction projects that are under construction or in the design phases at the end of the fiscal year, which include the following:

- ***Air Capital Flight Line Leasehold Improvements:*** The project cost to date of \$5.9 million has been paid with University resources.
- ***Partnership Building 11 Leasehold Improvements:*** A new partnership building on the Innovation Campus houses services that connect new and existing businesses, entrepreneurs, and innovators to university resources. The University will create a 5,219-square-foot office suite and meeting space for industry engagement, technology transfer, and commercialization services on the third floor of partnership building 11. Project costs of \$3.5 million have been paid with University resources.

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

DEBT ADMINISTRATION

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

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

As of June 30, 2023, the University had \$153.8 million in revenue bond debt outstanding and \$65.6 million of leases payable. During fiscal year 2023, the University issued \$13.1 million in Series 2023G Bonds, with premiums of \$224 thousand and entered into new or amended lease agreements valued at \$4.1 million. This increase was offset by retirements of \$15.4 million of long-term debt.

ECONOMIC OUTLOOK

Wichita State University stands poised to strengthen its educational and community impact amid shifting economic conditions, driven by record enrollment growth, enhanced retention initiatives, and transformative community partnerships.

Enrollment Growth

This year, Wichita State celebrated an enrollment milestone with 23,806 students across all locations, as reported by the Kansas Board of Regents. This success is reflected in the impressive enrollment figures across Wichita State's main campus and WSU Tech. The main campus achieved a historic enrollment of 17,700 students, surpassing last year's record of 17,548. At the same time, WSU Tech has also reached a milestone with 6,106 students enrolled, marking its highest headcount to date. Together, these achievements underscore the strong demand for educational opportunities at Wichita State University and its affiliated campus. This sustained growth underscores the university's attractiveness as an institution that prioritizes innovation and career readiness, aligning closely with Kansas' economic and workforce needs.

WICHITA STATE UNIVERSITY
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Years Ended June 30, 2024 and 2023

Retention Initiatives

To support this growing student population, Wichita State has introduced several key initiatives that foster persistence and retention. The Shocker Success Center, which officially opened to students in August, serves as a holistic resource hub, bridging gaps in academic support, technology assistance, and essential services, such as disability accommodations and food security. Another significant addition is the Milly Marcus Annex, where the Shocker Career Accelerator program has found a new, strategically positioned home. This facility showcases WSU's commitment to student career readiness and allows prospective students and families to witness the opportunities available for applied learning and post-graduation careers. The strategic colocation of admissions and career services in one space reflects Wichita State's commitment to guiding students from enrollment through employment.

Community Partnerships

Community partnerships continue to be a cornerstone of the university's mission, enhancing its role as an economic driver and addressing critical gaps in health care and workforce development. For example, the Molecular Diagnostics Laboratory (MDL), which rose to prominence during the COVID-19 pandemic, now extends its reach by collaborating with rural hospitals to provide essential diagnostic services, technical consulting, and certification support. Additionally, MDL's new pathology partnership underscores WSU's commitment to expanding health care access for underserved Kansas communities.

In tandem with these efforts, WSU's ambitious Wichita Biomedical Campus initiative is set to reshape health care education and economic growth in the state. Located downtown, this health care corridor will unite institutions, including Ascension Via Christi St. Francis and the Kansas College of Osteopathic Medicine, fostering collaboration in medical research and applied learning. The biomedical campus also plans to address Kansas' health care talent pipeline by potentially housing the state's only dental school and creating 1,600 jobs, which will spur economic activity and attract new industries to the region.

In addressing Kansas' mental health workforce shortage, WSU plays a vital role through the Kansas Behavioral Health Center of Excellence. Supported by a \$5.7 million state grant, the Center aims to bolster the talent pool of behavioral health professionals across south-central Kansas, ensuring access to critical care for the state's most vulnerable populations.

Wichita State is expanding its research footprint with a strong focus on driving industry growth and enhancing the Kansas economy. In fiscal year 2024, the university secured \$411 million in total grant awards, an increase from \$402 million the previous year, marking a remarkable 661% growth over the past decade. The National Science Foundation recognized Wichita State as the No. 2 institution nationally for industry-funded engineering research and development and No. 13 for total engineering and R&D.

Conclusion

With focused strategies in enrollment, retention, and community partnerships, WSU is well-positioned to navigate the challenges of tomorrow and remain a dynamic force in Kansas' educational and economic landscape.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

WICHITA STATE UNIVERSITY
STATEMENT OF NET POSITION
June 30, 2024 and 2023

	University		Discretely Presented Component Units	
	FY 2024	FY 2023	FY 2024	FY 2023
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 39,552,796	\$ 53,191,048	\$ 58,446,878	\$ 60,860,116
Restricted cash and cash equivalents	11,616,673	9,170,594	--	--
Accounts receivable, net	96,366,773	88,243,099	10,865,278	9,965,321
Investments	138,912	133,601	41,845,045	33,738,813
Lease receivable	1,821,193	1,768,342	--	--
Accrued interest receivable	5,608	8,377	--	--
Loans to students	74,981	496,000	--	--
Inventories	2,527,663	218,227	904,438	757,122
Prepaid expenses	157,210	100,822	613,358	748,653
Total current assets	<u>152,261,809</u>	<u>153,330,110</u>	<u>112,674,997</u>	<u>106,070,025</u>
Noncurrent assets:				
Restricted cash and cash equivalents	134,483,631	26,372,365	13,386,537	1,168,422
Accounts receivable, net	--	--	9,976,961	8,955,484
Investments	--	--	331,189,927	313,892,710
Loans to students	--	1,259,840	--	--
Equity interest in joint venture	695,093	398,459	--	--
Other noncurrent assets	--	--	6,397,775	6,142,999
Lease receivable	6,895,272	8,873,954	--	--
Nondepreciable capital assets	84,033,138	73,201,124	4,579,163	1,206,867
Depreciable capital assets, net	464,044,237	459,262,076	73,555,210	64,283,840
Total noncurrent assets	<u>690,151,371</u>	<u>569,367,818</u>	<u>439,085,573</u>	<u>395,650,322</u>
Total assets	<u>842,413,180</u>	<u>722,697,928</u>	<u>551,760,570</u>	<u>501,720,347</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	5,528,807	6,138,214	--	--
Deferred outflows related to OPEB	967,818	530,777	--	--
Total deferred outflows of resources	<u>6,496,625</u>	<u>6,668,991</u>	<u>--</u>	<u>--</u>

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

	University		Discretely Presented Component Units	
	FY 2024	FY 2023	FY 2024	FY 2023
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	32,277,721	32,279,528	13,922,894	11,986,673
Unearned revenue	100,933,678	9,068,170	6,439,333	7,265,392
Accrued interest payable	387,734	441,512	757,657	725,187
Accrued compensated absences	11,938,535	10,458,472	217,791	204,799
Refundable advances from government grants	559,189	531,991	--	--
Loans payable	--	100,000	--	--
Lease liability	7,253,062	6,848,778	2,307,992	1,699,552
Subscription liability	184,089	562,062	157,794	--
Revenue bonds payable	4,550,000	7,175,000	345,000	--
Deposits held in custody for others	2,292,398	1,815,622	136,149	143,672
Total current liabilities	<u>160,376,406</u>	<u>69,281,135</u>	<u>24,284,610</u>	<u>22,025,275</u>
Noncurrent liabilities:				
Other postemployment benefit liability	1,086,741	1,145,804	--	--
Net pension liability	16,951,586	17,024,510	99,684	121,615
Accrued compensated absences	2,411,417	2,903,062	--	--
Refundable advances from government grants	--	1,553,819	--	--
Other liabilities	16,466,592	--	3,028,861	5,404,509
Loans payable	--	--	--	--
Lease liability	51,628,859	58,795,947	51,657,452	46,646,661
Subscription liability	786,280	52,442	426,964	--
Revenue bonds payable	150,665,442	155,857,242	10,940,897	--
Total noncurrent liabilities	<u>239,996,917</u>	<u>237,332,826</u>	<u>66,153,858</u>	<u>52,172,785</u>
Total liabilities	<u>400,373,323</u>	<u>306,613,961</u>	<u>90,438,468</u>	<u>74,198,060</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	2,385,976	3,884,739	--	--
Deferred inflows related to OPEB	190,284	220,696	--	--
Deferred inflows related to leases	9,686,160	11,525,437	--	--
Deferred gain on refunding	--	249,412	--	--
Total deferred inflows of resources	<u>12,262,420</u>	<u>15,880,284</u>	<u>--</u>	<u>--</u>
NET POSITION				
Net investment in capital assets	335,277,914	316,138,078	21,553,962	15,912,739
Restricted for:				
Nonexpendable	--	--	222,520,467	214,218,231
Expendable:				
Loans	72,698	271,189	--	--
Capital projects	48,714,825	16,855,824	--	--
Other purposes	11,862,534	2,986,174	142,913,560	125,698,470
Unrestricted	40,346,091	70,621,409	74,334,113	71,692,847
Total net position	<u>\$ 436,274,062</u>	<u>\$ 406,872,674</u>	<u>\$ 461,322,102</u>	<u>\$ 427,522,287</u>

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



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WICHITA STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2024 and 2023

	University		Discretely Presented Component Units	
	FY 2024	FY 2023	FY 2024	FY 2023
Operating revenues:				
Tuition and fees, net of scholarship allowances	\$ 106,052,453	\$ 106,749,340	\$ 16,420,273	\$ 16,539,294
Federal grants and contracts	203,712,612	165,285,872	5,612,292	5,136,471
State, local and private grants and contracts	18,001,425	15,389,846	8,343,251	6,472,197
Sales and services of educational activities	106,418,669	124,214,089	20,860,431	19,415,543
Auxiliary enterprises:				
Housing revenues	16,420,166	15,681,413	--	--
Parking revenues	2,070,234	1,790,326	1,147,017	45,164
Interest earned on loans to students	61,725	80,222	--	--
Other operating revenues	7,217,481	4,770,178	4,840,933	5,055,876
Total operating revenues	<u>459,954,765</u>	<u>433,961,286</u>	<u>57,224,197</u>	<u>52,664,545</u>
Operating expenses:				
Instruction	94,220,784	91,065,039	17,697,293	18,087,067
Research	273,731,484	241,993,165	--	--
Public service	33,103,471	30,236,522	556,950	507,577
Academic support	39,484,218	36,696,542	5,997,938	5,387,074
Student service	39,205,178	38,749,145	35,784,287	36,570,509
Institutional support	27,238,881	26,077,710	34,368,088	38,752,579
Operations and maintenance of plant	35,610,162	31,308,132	9,494,852	8,389,088
Scholarships and fellowships	26,187,990	20,045,480	17,341,829	16,855,229
Auxiliary enterprises	12,510,065	10,403,789	1,938,955	665,900
Other expenses	--	--	2,762,111	2,737,045
COVID-19 expenses	--	292,769	--	--
Depreciation and amortization	40,772,518	35,467,743	6,632,329	5,213,674
Total operating expenses	<u>622,064,751</u>	<u>562,336,036</u>	<u>132,574,632</u>	<u>133,165,742</u>
Total operating loss	<u>(162,109,986)</u>	<u>(128,374,750)</u>	<u>(75,350,435)</u>	<u>(80,501,197)</u>
Non-operating revenue (expenses):				
State appropriations	109,524,605	101,196,656	17,347,824	16,525,840
Grants and contracts	22,292,897	21,637,134	13,451,593	11,412,297
Gifts	29,799,544	28,918,435	35,049,887	33,262,374
Investment income	5,369,819	2,451,133	32,871,305	15,243,884
Direct finance lease income	--	--	--	3,996
Interest expense	(4,548,254)	(4,808,446)	(2,369,323)	(1,930,259)
County tax subsidy	--	--	10,360,867	10,725,287
Gain (loss) on disposal of capital assets	61,030	(134,543)	18,627	92,569
Other non-operating revenue (expenses)	--	(437,054)	(1,210,080)	(1,889,293)
Total non-operating revenue (expenses)	<u>162,499,641</u>	<u>148,823,315</u>	<u>105,520,700</u>	<u>83,446,695</u>
Excess (deficiency) of revenues over (under) expenses before capital contributions and transfers	<u>389,655</u>	<u>20,448,565</u>	<u>30,170,265</u>	<u>2,945,498</u>
Capital contributions and transfers:				
Capital appropriations	10,825,563	8,687,250	3,629,550	650,808
Capital contributions	16,169,742	17,206,912	--	--
Student fees for capital projects	2,016,428	2,097,097	--	--
Total capital contributions and transfers	<u>29,011,733</u>	<u>27,991,259</u>	<u>3,629,550</u>	<u>650,808</u>
Change in net position	<u>29,401,388</u>	<u>48,439,824</u>	<u>33,799,815</u>	<u>3,596,306</u>
Net position, beginning of year	406,872,674	366,512,487	427,522,287	420,158,739
Restatement for change in accounting principle	--	(8,079,637)	--	3,767,242
Net position, end of year	<u>\$ 436,274,062</u>	<u>\$ 406,872,674</u>	<u>\$ 461,322,102</u>	<u>\$ 427,522,287</u>

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

WICHITA STATE UNIVERSITY
STATEMENT OF CASH FLOWS
For the Fiscal Years Ended June 30, 2024 and 2023

	<u>University</u>	
	<u>FY 2024</u>	<u>FY 2023</u>
Cash flows from operating activities:		
Tuition and fees	\$ 105,790,459	\$ 106,302,829
Sales and services of educational activities	107,099,010	123,980,246
Auxiliary enterprises:		
Housing	14,939,734	16,424,748
Parking	2,070,234	1,790,326
Research grants and contracts	222,290,463	155,098,619
Payments to suppliers	(247,560,128)	(221,776,063)
Payments for utilities	(9,802,533)	(10,469,265)
Payments for scholarships and benefits	(26,187,990)	(20,045,480)
Compensation and benefits	(300,609,591)	(269,865,989)
Collections on loans issued to students	1,680,859	1,102,040
Other receipts	7,279,206	4,850,400
Net cash flows from operating activities:	<u>(123,010,277)</u>	<u>(112,607,589)</u>
Cash flows from noncapital financing activities:		
State appropriations	109,524,605	101,196,656
Federal grants	22,292,897	21,637,134
Gifts	29,799,544	28,918,435
Net increase (decrease) in funds held for others	(1,049,845)	(3,488,365)
Net cash flows from noncapital financing activities	<u>160,567,201</u>	<u>148,263,860</u>
Cash flows from capital and related financing activities:		
Capital appropriations	10,825,563	8,687,250
Capital grants	116,953,150	--
Student fees for capital projects	2,016,428	2,097,097
Purchase or construction of capital assets	(54,045,819)	(70,141,833)
Proceeds from issuance of long-term debt	--	13,299,274
Cost of issuance	--	(437,054)
Principal payments	(15,961,783)	(14,768,868)
Interest payments	(5,493,244)	(5,683,758)
Net cash flows from noncapital financing activities	<u>54,294,295</u>	<u>(66,947,892)</u>
Cash flows from investing activities:		
Acquisition of investment in joint venture	(750,000)	(325,000)
Investment income	5,817,874	4,051,104
Net cash flows from investing activities	<u>5,067,874</u>	<u>3,726,104</u>
Net change in cash and cash equivalents	96,919,093	(27,565,517)
Cash and cash equivalents, beginning of year	88,734,007	116,299,524
Cash and cash equivalents, end of year	<u>\$ 185,653,100</u>	<u>\$ 88,734,007</u>
Cash and cash equivalents	\$ 39,552,796	\$ 53,191,048
Restricted cash and cash equivalents, current	11,616,673	9,170,594
Restricted cash and cash equivalents, noncurrent	134,483,631	26,372,365
	<u>\$ 185,653,100</u>	<u>\$ 88,734,007</u>

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

	University	
	FY 2024	FY 2023
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (162,109,986)	\$ (128,374,750)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	40,772,518	35,467,743
Advance payments for capital grants	(84,316,816)	--
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable, net	(8,123,674)	(27,023,692)
Lease receivable	1,925,831	1,796,833
Accrued interest receivable	2,769	19,542
Loans to students	1,680,859	1,102,040
Inventories	(2,309,436)	282,850
Prepaid expenses	(56,388)	906,521
Deferred outflows related to pensions	609,407	(1,933,840)
Deferred outflows related to OPEB	(437,041)	70,203
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	(1,807)	4,371,127
Unearned revenue	91,865,508	1,517,128
Accrued compensated absences	988,418	3,332,682
Other postemployment benefit liability	(59,063)	(201,434)
Net pension liability	(72,924)	2,383,054
Deferred inflows related to pensions	(1,498,763)	(4,572,916)
Deferred inflows related to OPEB	(30,412)	73,249
Deferred inflows related to leases	(1,839,277)	(1,823,929)
Net cash flows from operating activities	<u>\$ (123,010,277)</u>	<u>\$ (112,607,589)</u>
Non-cash investing and financing activities:		
Capital contributions	\$ 16,169,742	\$ 17,206,912
Lease issuance	\$ 1,204,511	\$ 4,129,897
SBITA issuance	\$ 1,075,033	\$ --
Net income (loss) from joint venture	\$ (453,366)	\$ (1,601,541)

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



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WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Organization

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

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

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

Financial Reporting Entity

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

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

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

Each of these component units is separately audited and received unmodified opinions for the years ended June 30, 2024 and June 30, 2023. Additional information about the component units is included in Note 14 to the financial statements and in the combining schedules included as supplementary information.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

Cash Equivalents

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

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

Investments

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

Accounts Receivable

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

Lease Receivable

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

Inventories

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

Prepaid Expenses

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

Unearned Revenue

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

Compensated Absences

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

Deposits Held in Custody for Others

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

Noncurrent Liabilities

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

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

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

Pensions and Other Postemployment Benefits

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

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advances from Government Grants

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

Net Position

The University's net position is classified as follows:

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

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

Tax Status

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenue and Expense

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

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

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on behalf of the students. Certain governmental grants, such as Pell Grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance. Tuition discounts for the years ended June 30, 2024 and 2023 were \$35,033,914 and \$34,242,840, respectively.

Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 financial statement presentation.

Use of Estimates

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Governmental Accounting Standards

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

GASB Statement No. 101, *Compensated Absences*, provides updated recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The provisions of this statement will be effective for financial statements for the University's fiscal year ending June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the University's fiscal year ending June 30, 2025.

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

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Carrying value	June 30, 2024	June 30, 2023
Cash deposits with State Treasury	\$ 173,917,086	\$ 81,650,143
Cash deposits with financial institutions	11,155,775	6,526,388
Certificates of deposit	138,912	133,601
Funds held at Pooled Money Investment Board	580,239	557,476
	<u>\$ 185,792,012</u>	<u>\$ 88,867,608</u>

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

	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 39,552,796	\$ 53,191,048
Restricted cash and cash equivalents, current	11,616,673	9,170,594
Restricted cash and cash equivalents, noncurrent	134,483,631	26,372,365
Current investments	138,912	133,601
	<u>\$ 185,792,012</u>	<u>\$ 88,867,608</u>

Deposits

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For cash deposits with financial institutions, the State Treasurer requires that its depository banks pledge collateral that has a market value equal to or greater than the deposits. As of June 30, 2024 and 2023, the University has deposits with financial institutions totaling \$5,512,538 and \$9,558,182, respectively, with assets pledged as collateral with a fair value of \$17,200,332 and \$12,963,885, respectively. As of June 30, 2024 and 2023, respectively, \$5,036,812 and \$5,428,413 of WSIA's deposit balances were exposed to custodial credit risk.

Investments

Investments held directly by the University totaled \$138,912 and \$133,601, as of June 30, 2024, and 2023, respectively. This amount included only certificates of deposit. Investments held by University component units totaled \$360,774,550 and \$347,631,523 as of June 30, 2024 and June 30, 2023, respectively (see Note 14).

Pooled Money Investment Board (PMIB)

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

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

Interest Rate Risk

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2024 and June 30, 2023, the certificates of deposit held by the University were fully insured.

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurements

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

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

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

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

As of June 30, 2024 and June 30, 2023, the University does not have any investments reported at fair value. For additional information about investments reported at fair value held by the University's discretely presented component units, see Note 14.

NOTE 3 – EQUITY INTEREST IN JOINT VENTURE

During 2022, the University invested in two joint venture arrangements for the ownership and leasing of aircraft. During 2024, the University invested in a third joint venture under a similar arrangement with an initial investment of \$750,000. The University has an equity interest in the joint ventures based on its initial capital contributions, is entitled to allocations of profit or loss, and may be responsible for additional contributions to cover operating deficits, to make capital expenditures or for any other purpose incidental to the conduct of the business of the companies. As of June 30, 2024 and June 30, 2023, the University's equity interest in these companies was \$695,093 and \$398,459, respectively. For the years ended, June 30, 2024 and 2023, net loss from joint ventures totaled \$453,366 and \$1,601,541, respectively. The companies associated with these joint venture arrangements do not issue separate financial statements.

NOTE 4 – ACCOUNTS RECEIVABLE

As of June 30, 2024 and 2023 accounts receivable net of allowance for doubtful accounts consisted of the following:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Student tuition and fees	\$ 14,147,014	\$ 13,527,203
Student housing contracts	3,558,814	2,078,382
Service clearing and other operating activities	724,344	1,315,362
Federal, state and private grants and contracts	91,922,642	84,509,760
Less: allowance for doubtful accounts	<u>(13,986,041)</u>	<u>(13,187,608)</u>
Total accounts receivable, net	<u>\$ 96,366,773</u>	<u>\$ 88,243,099</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the University for the years ended June 30, 2024 and 2023 are summarized as follows:

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 5 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2022 <u>Restated</u>	Additions	Retirements	Balance June 30, 2024
Nondepreciable capital assets				
Land	\$ 5,580,903	\$ --	\$ --	\$ 5,580,903
Construction in progress	48,843,467	51,644,158	32,867,404	67,620,221
Total nondepreciable capital assets	<u>54,424,370</u>	<u>51,644,158</u>	<u>32,867,404</u>	<u>73,201,124</u>
Depreciable capital assets				
Leasehold improvements	14,572,209	2,868,691	--	17,440,900
Infrastructure	25,551,274	--	--	25,551,274
Land improvements	15,404,246	1,010,079	--	16,414,325
Buildings	244,543,450	33,091,740	--	277,635,190
Building improvements	178,922,321	2,572,326	--	181,494,647
Equipment and furnishings	150,461,903	27,103,490	154,092	177,411,301
Intangible software	3,920,124	--	--	3,920,124
Vehicles	4,578,147	1,005,480	--	5,583,627
Right-to-use buildings	83,485,990	2,590,498	4,362,711	81,713,777
Right-to-use equipment	2,135,000	2,963,805	--	5,098,805
Right-to-use vehicles	20,654	--	--	20,654
Right-to-use SBITAs	1,073,515	--	--	1,073,515
Total depreciable capital assets	<u>724,668,833</u>	<u>73,206,109</u>	<u>4,516,803</u>	<u>793,358,139</u>
Accumulated depreciation				
Leasehold improvements	8,329,798	1,629,713	--	9,959,511
Infrastructure	13,042,061	979,901	--	14,021,962
Land improvements	8,153,575	560,400	--	8,713,975
Buildings	91,903,873	6,497,316	--	98,401,189
Building improvements	63,008,120	4,316,426	--	67,324,546
Equipment and furnishings	98,305,087	12,078,942	138,420	110,245,609
Intangible software	3,920,124	--	--	3,920,124
Vehicles	3,673,379	350,981	--	4,024,360
Right-to-use buildings	8,622,688	8,151,634	639,619	16,134,703
Right-to-use equipment	427,000	427,000	--	854,000
Right-to-use vehicles	20,654	--	--	20,654
Right-to-use SBITAs	--	475,430	--	475,430
Total accumulated depreciation	<u>299,406,359</u>	<u>35,467,743</u>	<u>778,039</u>	<u>334,096,063</u>
Total depreciable assets, net	<u>425,262,474</u>	<u>37,738,366</u>	<u>3,738,764</u>	<u>459,262,076</u>
Total capital assets, net	<u>\$ 479,686,844</u>	<u>\$ 89,382,524</u>	<u>\$ 36,606,168</u>	<u>\$ 532,463,200</u>

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 6 – REFUNDABLE ADVANCES FROM GOVERNMENT GRANTS

Student loans made through the Federal Perkins Loan Program comprise substantially all the loans to students as of June 30, 2024 and 2023. The Programs provide for cancellation of a loan at rates from 15% to 30% per year up to a maximum of 100% if the participant complies with certain provisions.

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

Effective October 1, 2017, the United States Department of Education (ED) did not renew the Federal Perkins Loan Program. As a result, after a brief transition period, no new loans can be disbursed to students. The current guidance provided by ED stipulates that as cash is collected by the University from loans disbursed prior to October 1, 2017, such funds are to be remitted back to ED on a proportional basis (the Perkins program was originally funded by ED with a small percentage matched by the University). Given this guidance, the University has determined that it is probable that ED, as the provider of the original resource, will require the University to return all the resources originally received under this program. As of June 30, 2024 and 2023, a liability of \$559,189 and \$2,085,810, respectively has been recorded in University's financial statements, based on the probable return of these resources.

NOTE 7 – UNEARNED REVENUES

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Summer session	\$ 5,777,065	\$ 6,217,580
Grants and contracts	95,156,613	2,850,590
Total unearned revenue	<u>\$ 100,933,678</u>	<u>\$ 9,068,170</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 8 – LONG-TERM LIABILITIES

Long-term liabilities for the years ended June 30, 2024 and 2023, consisted of the following:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Revenue bonds payable	\$ 153,750,000	\$ --	\$ 7,175,000	\$ 146,575,000	\$ 4,550,000
Unamortized premium	9,282,242	--	641,800	8,640,442	--
Lease liability *	65,644,725	1,204,511	7,967,315	58,881,921	7,253,062
Subscription liability *	614,504	1,075,333	719,468	970,369	184,089
Loans payable *	100,000	--	100,000	--	--
Refundable advances from government grants	2,085,810	--	1,526,621	559,189	559,189
Net pension liability	17,024,510	4,967,251	5,040,175	16,951,586	--
Total OPEB liability	1,145,804	344,547	403,610	1,086,741	--
Compensated absences	13,361,534	12,856,608	11,868,190	14,349,952	11,938,535
	<u>\$ 263,009,129</u>	<u>\$ 20,448,250</u>	<u>\$ 35,442,179</u>	<u>\$ 248,015,200</u>	<u>\$ 24,484,875</u>
	Balance June 30, 2022, Restated	Additions	Retirements	Balance June 30, 2023	Current Portion
Revenue bonds payable	\$ 147,145,000	\$ 13,075,000	\$ 6,470,000	\$ 153,750,000	\$ 7,175,000
Unamortized premium	9,699,769	224,274	641,801	9,282,242	--
Lease liability *	68,809,685	4,129,897	7,294,857	65,644,725	6,848,778
Subscription liability *	1,073,515	--	459,011	614,504	562,062
Loans payable *	645,000	--	545,000	100,000	100,000
Refundable advances from government grants	3,253,011	--	1,167,201	2,085,810	531,991
Net pension liability	14,641,456	7,972,713	5,589,659	17,024,510	--
Total OPEB liability	1,347,238	75,244	276,678	1,145,804	--
Compensated absences	10,028,852	11,639,399	8,306,717	13,361,534	10,458,472
	<u>\$ 256,643,526</u>	<u>\$ 37,116,527</u>	<u>\$ 30,750,924</u>	<u>\$ 263,009,129</u>	<u>\$ 25,676,303</u>

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds Payable

Revenue bonds payable consisted of the following as of June 30, 2024:

WSU Revenue Bonds Series 2016J Parking Garage	\$ 5,010,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on December 20, 2016 - Original amount of \$7,180,000 (Premium of \$218,090) - Due in annual installments with final maturity on June 1, 2036 - Interest ranging from 2.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2024 principal payment: \$330,000 	
WSU Revenue Bonds Series 2016J Parking Garage (Refunded Series 2003C)	--
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on December 20, 2016 - Original amount of \$2,065,000 (Premium of \$337,971) - Due in annual installments with final maturity on June 1, 2024 - Interest 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2024 principal payment: \$900,000 	
WSU Revenue Bonds Series 2020P Rhatigan Student Center (Refunded Series 2012A)	--
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 28, 2020 - Original amount of \$8,080,000 (Premium of \$829,168) - Due in annual installments with final maturity on June 1, 2024 - Interest 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2024 principal payment: \$1,940,000 	
WSU Revenue Bonds Series 2020P Woolsey Hall	23,260,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 28, 2020 - Original amount of \$24,355,000 (Premium of \$1,216,877) - Due in annual installments with final maturity on June 1, 2050 - Interest ranging from 2.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2024 principal payment: \$560,000 	
WSU Revenue Bonds Series 2020P Flats & Suites	44,270,000
<ul style="list-style-type: none"> - Issued by Kansas Development Finance Authority on July 28, 2020 - Original amount of \$47,030,000 (Premium of \$3,063,069) - Due in annual installments with final maturity on June 1, 2045 - Interest ranging from 2.00% - 5.00%, payable semi-annually - Secured by WSU revenues, excluding restricted revenues - FY 2024 principal payment: \$1,415,000 	

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

WSU Revenue Bonds Series 2021L Convergence Sciences	12,390,000
- Issued by Kansas Development Finance Authority on July 27, 2021	
- Original amount of \$13,800,000 (Premium of \$814,627)	
- Due in annual installments with final maturity on June 1, 2046	
- Interest ranging from 4.00% - 5.25%, payable semi-annually	
- Secured by WSU revenues, excluding restricted revenues	
- FY 2024 principal payment: \$275,000	
WSU Revenue Bonds Series 2021L Shocker Hall (Refunded Series 2013F-1)	49,270,000
- Issued by Kansas Development Finance Authority on July 27, 2021	
- Original amount of \$51,980,000 (Premium of \$4,476,286)	
- Due in annual installments with final maturity on June 1, 2046	
- Interest ranging from 2.00% - 5.00%, payable semi-annually	
- Secured by WSU revenues, excluding restricted revenues	
- FY 2024 principal payment: \$1,440,000	
WSU Revenue Bonds Series 2022G Clinton Hall	12,375,000
- Issued by Kansas Development Finance Authority on July 19, 2022	
- Original amount of \$13,075,000 (Premium of \$224,274)	
- Due in annual installments with final maturity on June 1, 2047	
- Interest ranging from 3.00% - 5.00%, payable semi-annually	
- Secured by WSU revenues, excluding restricted revenues	
- FY 2024 principal payment: \$315,000	
	\$ 146,575,000

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

Year Ending June 30:	Principal	Interest	Total
2025	\$ 4,550,000	\$ 4,310,375	\$ 8,860,375
2026	4,775,000	4,086,325	8,861,325
2027	4,950,000	3,907,875	8,857,875
2028	5,195,000	3,667,875	8,862,875
2029	5,440,000	3,415,825	8,855,825
2030-2034	30,485,000	13,796,738	44,281,738
2035-2039	33,330,000	9,406,706	42,736,706
2040-2044	36,430,000	5,266,794	41,696,794
2045-2049	19,005,000	1,329,563	20,334,563
2050-2054	2,415,000	71,263	2,486,263
	\$ 146,575,000	\$ 49,259,339	\$ 195,834,339

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

Acceleration of Maturity in Event of Default

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

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

Pledged Revenues

The University has pledged all revenues of the University, excluding restricted revenues, for the repayment of \$146,575,000 in revenue bonds. The various issues and maturity dates are listed in the preceding tables in Note 8. The bonds are payable solely from the revenues derived by the University. Annual principal and interest payments on the bonds are expected to require approximately 4.1% of unrestricted revenues on average over the next 27 years. The total principal and interest remaining to be paid on the bonds is \$195,834,339. Principal and interest paid for the year ended June 30, 2024 and total unrestricted revenues were \$11,844,125 and \$176,841,650, respectively. Principal and interest paid for the year ended June 30, 2023 and total unrestricted revenues were \$11,372,460 and \$173,554,086, respectively.

Loans Payable

During fiscal year 2019, the University entered into an agreement with the Foundation to borrow \$500,000 to finance the renovation and expansion of the Dorothy and Bill Cohen Honor's College located in Shocker Hall. The non-interest bearing loan is to be repaid in annual installments over a period of five years. During the year ended June 30, 2021, the construction of the Honor's College improvements was completed and capitalized by the University. As of June 30, 2023, the outstanding principal balance of the loan was \$100,000. The loan was fully repaid during 2024.

NOTE 9 – LEASES

Leases as a Lessor

The University and its blended component unit Wichita State Innovation Alliance (WSIA) lease land and building space to tenants under various leases with initial terms that range from month-to-month to 63 years. Total lease income for the rental of land and building space was \$2,936,561 and \$2,903,426 for the years ended June 30, 2024 and 2023, respectively, which includes variable lease payments and common area maintenance in accordance with the respective lease agreements.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 9 – LEASES (CONTINUED)

The University reports variable lease revenue, which is based on occupancy or gross revenues. Certain lease revenues do not meet the criteria for inclusion in the lease receivable, including short-term leases, variable lease payments and common area maintenance charges. Revenues related to leasing activities are recognized in the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2024 and 2023 are summarized as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Deferred inflows recognized	\$ 1,865,782	\$ 1,968,520
Variable payments:		
Building leases	352,284	323,829
Ground leases	177,013	147,597
Common area maintenance charges	400,710	310,787
Lease interest revenue	140,772	152,693
	<u>\$ 2,936,561</u>	<u>\$ 2,903,426</u>

Future minimum annual lease income under these agreements as of June 30, 2024 is as follows:

Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,821,193	\$ 128,737	\$ 1,949,930
2026	2,031,474	115,586	2,147,060
2027	1,057,935	103,728	1,161,663
2028	40,044	101,460	141,504
2029	40,375	99,975	140,350
2030-2034	192,070	486,082	678,152
2035-2039	217,258	460,495	677,753
2040-2044	246,232	431,518	677,750
2045-2049	279,854	397,896	677,750
2050-2054	318,070	359,677	677,747
2055-2059	361,895	315,853	677,748
2060-2064	377,704	266,824	644,528
2065-2069	340,190	218,971	559,161
2070-2074	390,795	168,365	559,160
2075-2079	449,769	109,388	559,157
2080-2084	498,005	40,535	538,540
2085-2089	53,602	10,520	64,122
	<u>\$ 8,716,465</u>	<u>\$ 3,815,610</u>	<u>\$ 12,532,075</u>

Leases as a Lessee

Within the normal course of operations, the University and WSIA have entered into various lease agreements for the use of land, buildings, vehicles and equipment. WSIA subleases the land and buildings it leases to various tenants. The initial terms of the leases range from month-to-month to 20 years, with additional options to extend. Total expense for the amortization of the right-to-use assets was \$9,801,811 and \$9,054,064 for the years ended June 30, 2024 and June 30, 2023, respectively. Additional expenses for common area maintenance were incurred in accordance with the agreements and totaled \$1,252,485 and \$1,117,563 for the years ended June 30, 2024 and June 30, 2023, respectively.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 9 – LEASES (CONTINUED)

The commitment for future minimum rental payments under these agreements as of June 30, 2024 is as follows:

Year Ending June 30:	Principal	Interest	Total
2025	\$ 7,253,062	\$ 731,877	\$ 7,984,939
2026	6,564,131	627,342	7,191,473
2027	5,553,962	526,638	6,080,600
2028	5,102,554	746,830	5,849,385
2029	3,918,424	372,588	4,291,012
2030-2034	19,507,939	1,182,085	20,690,024
2035-2039	10,981,849	171,901	11,153,750
	<u>\$ 58,881,921</u>	<u>\$ 4,359,261</u>	<u>\$ 63,241,182</u>

NOTE 10 – RETIREMENT PLANS

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

Defined Contribution Plan

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

For the year ended June 30, 2024, active members were required by state statute to contribute 5.5% and the University to contribute 8.5% of the employees' covered payroll. The Kansas Legislature establishes and may amend active plan members' and the University's contribution rates. The following table provides a summary of contributions made to the defined contribution plan:

	FY 2024	FY 2023
Employee 403b contributions	\$ 8,971,247	\$ 7,821,670
Employer 403b contributions	\$ 13,864,655	\$ 12,088,036

Voluntary Retirement Plan

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan

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

Benefits Provided

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

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

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

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rates for the years ending June 30, 2024 and June 30, 2023 are shown in the table below:

	FY 2024	FY 2023
KPERS State/School group		
Actuarial employer rate	12.57%	13.86%
Statutory employer capped rate	12.57%	13.86%
KP&F		
Actuarial employer rate	22.86%	22.99%
Statutory employer capped rate	22.86%	22.99%

Contributions to the pension plan from the University were \$1,724,663 and \$1,708,737 for the years ended June 30, 2024 and 2023, respectively.

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

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

As of June 30, 2024 and 2023, the University reported a liability of \$16,951,586 and \$17,024,510, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 10 – RETIREMENT PLANS (CONTINUED)

The University's proportion of the net pension liability was based on the ratio of the University actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the respective subgroup within KPERS for the fiscal year ended June 30, 2023. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The University's proportion and change from its proportion measured as of the previous fiscal year end were as follows:

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

	Net Pension Liability as of June 30, 2023	Proportion as of June 30, 2023	Increase (decrease) in Proportion from June 30, 2022
KPERS State/School group	\$ 13,763,624	0.192622%	(0.027576)%
KP&F	3,260,886	0.226100%	(0.008167)%
	\$ 17,024,510		

For the years ended June 30, 2024 and 2023, the University recognized a pension expense of \$762,383 and (\$2,414,965), respectively. As of June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>KPERS State/School Group</u>				
Differences between expected and actual experience	\$ 475,238	\$ --	\$ 305,073	\$ 5,980
Differences between projected and actual earnings on pension plan investments	892,775	--	1,159,142	--
Changes of assumptions	1,449,481	--	2,115,728	--
Changes in proportionate share	--	2,292,778	--	3,742,742
Contributions subsequent to the measurement date	1,323,949	--	1,342,057	--
	4,141,443	2,292,778	4,922,000	3,748,722
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>KP&F</u>				
Differences between expected and actual experience	354,979	--	138,379	--
Differences between projected and actual earnings on pension plan investments	172,733	--	223,799	--
Changes of assumptions	310,455	--	419,045	--
Changes in proportionate share	148,483	93,198	68,311	136,017
Contributions subsequent to the measurement date	400,714	--	366,680	--
	1,387,364	93,198	1,216,214	136,017
	\$ 5,528,807	\$ 2,385,976	\$ 6,138,214	\$ 3,884,739

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 10 – RETIREMENT PLANS (CONTINUED)

The \$1,724,663 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources Recognized in Pension Expense		
	Total	KPERS	KP&F
2025	\$ 216,261	\$ (77,725)	\$ 293,986
2026	(37,027)	(203,942)	166,915
2027	1,108,252	778,980	329,272
2028	127,000	26,583	100,417
2029	3,682	820	2,862
	\$ 1,418,168	\$ 524,716	\$ 893,452

Actuarial Assumptions

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

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

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

The actuarial assumption changes adopted by the Pension Plan for all groups based on the actuarial valuation performed as of December 31, 2021 included a decrease in the investment rate of return assumption from 7.25% to 7.00%. For the KPERS group, the interest crediting rate assumption for KPERS 3 members was lowered from 6.25% to 6.00% and the annuity interest rate assumption for KPERS 3 members was lowered from 5.75% to 5.00%. In addition to the changes pertaining to actuarial assumptions, the Board also re-amortized the total unfunded actuarial liability (UAL). The UAL bases were combined, and the total balance was re-amortized over a closed 17-year period for State/School and a closed 22-year period for KP&F.

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERs' investment consultant, are summarized in the following table:

<u>Asset class</u>	<u>Long-term Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
U.S. equities	23.50%	5.20%
Non-U.S. equities	23.50%	6.40%
Private equity	8.00%	9.50%
Private real estate	11.00%	4.45%
Yield driven	8.00%	4.70%
Real return	11.00%	3.25%
Fixed income	11.00%	1.55%
Short term investments	4.00%	0.25%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2023 was 7.00%. The discount rate used to measure the total pension liability at the prior measurement date of June 30, 2022 was 7.00%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. In KPERs, the State/School group does not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board of Trustees of KPERs may not increase by more than the statutory cap. The statutory cap for fiscal year 2023 was 1.20%.

Based on the results of the December 31, 2021 actuarial valuation, the statutory contribution rate for the State/School group is equal to the actuarially required rate (ARC rate) in FY26 with an ARC rate of 11.56% (statutory contribution rate was first equal to the ARC rate in FY21 at 14.23%). Projections based on the same valuation, and assuming annual returns of 7.00%, indicate that the contribution rate will decline for a few years while deferred gains are recognized, then remain fairly stable until 2040.

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 10 – RETIREMENT PLANS (CONTINUED)

Sensitivity Analysis

The following presents the University's proportionate share of the net pension liability as of June 30, 2024 and 2023 calculated using the discount rate of 7.00% for both years, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
University's proportionate share of the net pension liability			
KPERs	\$ 18,867,454	\$ 13,117,230	\$ 8,313,024
KP&F	5,170,655	3,834,356	2,718,659
Total	<u>\$ 24,038,109</u>	<u>\$ 16,951,586</u>	<u>\$ 11,031,683</u>
	June 30, 2023		
	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
University's proportionate share of the net pension liability			
KPERs	\$ 19,457,618	\$ 13,763,624	\$ 9,005,109
KP&F	4,472,783	3,260,886	2,252,518
Total	<u>\$ 23,930,401</u>	<u>\$ 17,024,510</u>	<u>\$ 11,257,627</u>

Fiduciary Net Position

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

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

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

Benefits Provided

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

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

Employees Covered by Benefit Terms

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

	2024	2023
Disabled employees receiving benefits	248	258
Active employees	20	21
	268	279

Total OPEB Liability

The University’s total OPEB liability of \$1,086,741 was based on an actuarial valuation as of December 31, 2022 rolled forward to a measurement date of June 30, 2023.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases	3.50% to 10.00%, including price inflation
Discount rate	3.65%
Healthcare cost trend rates	N/A
Retiree share of benefit cost	N/A

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

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

The long-term disability incidence and claim termination rate assumptions that determined the total OPEB liability as of June 30, 2022 and June 30, 2023 were based on the actual KPERS experience. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the most recent KPERS pension valuation as of the measurement date.

Changes in the Total OPEB Liability

	For the Year Ended	
	June 30, 2024	June 30, 2023
Balance, beginning of year	\$ 1,145,804	\$ 1,347,238
Service cost	29,073	46,941
Interest on total OPEB liability	34,508	28,303
Effect of economic/ demographic gains or losses	285,844	(11,642)
Effect of assumption change or inputs	(4,878)	(96,415)
Benefit payments	(403,610)	(168,621)
Balance, end of year	<u>\$ 1,086,741</u>	<u>\$ 1,145,804</u>

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period and demographic assumption updates based on the most recent KPERS experience study. The discount rate increased from 3.54% on June 30, 2022 to 3.65% on June 30, 2023.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

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

Sensitivity Analysis

The following presents the total OPEB liability of the University as of June 30, 2024 and 2023, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

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

	June 30, 2023		
	1% Decrease	Current Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 1,188,135	\$ 1,145,804	\$ 1,106,099

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

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

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

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 515,346	\$ 84,701	\$ 304,628	\$ 101,794
Changes of assumptions	48,862	105,583	57,528	118,902
Benefit payments subsequent to the measurement date	403,610	--	168,621	--
	\$ 967,818	\$ 190,284	\$ 530,777	\$ 220,696

The \$403,610 reported as deferred outflows of resources related to OPEB resulting from University benefit payments subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2025	\$ 48,503
2026	48,503
2027	50,429
2028	48,982
2029	40,389
Thereafter	137,118
	\$ 373,924

NOTE 12 – COMMITMENTS AND CONTINGENCIES

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

The University is covered by the state's umbrella insurance policies for automobile liability and the Board of Regents building, contents and business interruption insurance policy. The State of Kansas does not insure state owned automobiles for bodily injury and property damages. As a state educational institution, the University is self-insured relative to worker's compensation, medical and unemployment insurance. The University maintains specific insurance coverage as allowed by the State of Kansas and as required by outstanding revenue bond covenants. The University is not aware of any significant outstanding insurance claims as of June 30, 2024. Insurance settlements have not exceeded insurance coverage in for the past three fiscal years.

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Outstanding encumbrances as of June 30, 2024 are summarized in the table below:

	Original Amount	Remaining Amount
State General Fund	\$ 6,444,675	\$ 1,966,112
Tuition and fees	3,553,338	365,620
Infrastructure Maintenance Fund	539,813	--
Restricted Fees Fund	46,206,338	26,116,209
Sponsored Research Overhead Fund	22,223	--
University Federal Fund	49,487,437	32,808,880
American Rescue Plan Act Fund	28,392,493	16,459,309
Educational Building Fund	1,007,448	--
KDFA Funds (2022G)	12,227,793	1,853,790
Total	<u>\$ 147,881,558</u>	<u>\$ 79,569,920</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 13 – NATURAL CLASSIFICATIONS OF EXPENSE

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

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

The University's operating expenses for the year June 30, 2023 by functional and natural classification are as follows:

	Compensation and Benefits	Contractual Services and Commodities	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 82,210,424	\$ 8,853,051	\$ 1,564	\$ --	\$ --	\$ 91,065,039
Research	96,811,772	143,824,452	1,356,941	--	--	241,993,165
Public service	13,786,357	16,435,168	14,997	--	--	30,236,522
Academic support	24,552,467	12,143,752	323	--	--	36,696,542
Student service	20,454,334	18,291,974	2,837	--	--	38,749,145
Institutional support	14,853,658	11,176,006	48,046	--	--	26,077,710
Operations and maintenance of plant	12,808,957	10,441,053	8,058,122	--	--	31,308,132
Scholarships and fellowships	--	--	--	20,045,480	--	20,045,480
Auxiliary enterprises	3,293,893	6,123,461	986,435	--	--	10,403,789
COVID-19 expenses	245,125	47,644	--	--	--	292,769
Depreciation	--	--	--	--	35,467,743	35,467,743
Total	\$ 269,016,987	\$ 227,336,561	\$ 10,469,265	\$ 20,045,480	\$ 35,467,743	\$ 562,336,036

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS

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

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

Wichita State University Innovation Alliance

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

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

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

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

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

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

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

Condensed combining statements for the University and its blended component unit WSIA as of and for the year ended June 30, 2023 are presented below:

Condensed Combining Statement of Net Position

	University	WSIA	Eliminating	Total
Current assets	\$ 167,168,512	\$ 8,801,923	\$ (3,032,213)	\$ 172,938,222
Capital assets	506,843,729	25,619,471	--	532,463,200
Other noncurrent assets	12,998,612	11,286,054	(686,064)	23,598,602
Total assets	<u>687,010,853</u>	<u>45,707,448</u>	<u>(3,718,277)</u>	<u>729,000,024</u>
Deferred outflows of resources	<u>6,668,991</u>	<u>--</u>	<u>--</u>	<u>6,668,991</u>
Current liabilities	68,304,144	5,233,475	(2,323,991)	71,213,628
Noncurrent liabilities	213,817,354	23,515,472	--	237,332,826
Total liabilities	<u>282,121,498</u>	<u>28,748,947</u>	<u>(2,323,991)</u>	<u>308,546,454</u>
Deferred inflows of resources	<u>4,397,401</u>	<u>15,038,558</u>	<u>(3,555,675)</u>	<u>15,880,284</u>
Net position:				
Net investment in capital assets	316,138,078	--	--	316,138,078
Restricted	20,113,187	--	--	20,113,187
Unrestricted	70,909,680	1,919,943	2,161,389	74,991,012
Total net position	<u>\$ 407,160,945</u>	<u>\$ 1,919,943</u>	<u>\$ 2,161,389</u>	<u>\$ 411,242,277</u>

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

	University	WSIA	Eliminating	Total
Operating revenue	\$ 431,019,029	\$ 5,944,922	\$ (3,002,665)	\$ 433,961,286
Operating expenses	561,284,341	6,106,041	(5,054,346)	562,336,036
Operating loss	<u>(130,265,312)</u>	<u>(161,119)</u>	<u>2,051,681</u>	<u>(128,374,750)</u>
Non-operating revenue (expenses)	153,304,309	996,443	(1,902,021)	152,398,731
Capital contributions and operating transfers	<u>23,880,026</u>	<u>--</u>	<u>(74,217)</u>	<u>23,805,809</u>
Change in net position	<u>46,919,023</u>	<u>835,324</u>	<u>75,443</u>	<u>47,829,790</u>
Net position, beginning of year	363,341,922	1,084,619	2,085,946	366,512,487
Restatement for change in accounting principle	(3,100,000)	--	--	(3,100,000)
Net position, end of year	<u>\$ 407,160,945</u>	<u>\$ 1,919,943</u>	<u>\$ 2,161,389</u>	<u>\$ 411,242,277</u>

Condensed Combining Statement of Cash Flows

	University	WSIA	Eliminating	Total
Net cash provided by (used in):				
Operating activities	\$ (112,827,958)	\$ 830,403	\$ --	\$ (111,997,555)
Noncapital financing activities	150,670,948	1,168,328	--	151,839,276
Capital and related financing activities	(70,961,457)	(171,885)	--	(71,133,342)
Investing activities	3,726,104	--	--	3,726,104
Net change in cash and cash equivalents	<u>(29,392,363)</u>	<u>1,826,846</u>	<u>--</u>	<u>(27,565,517)</u>
Cash and cash equivalents, beginning of year	112,490,566	3,808,958	--	116,299,524
Cash and cash equivalents, end of year	<u>\$ 83,098,203</u>	<u>\$ 5,635,804</u>	<u>\$ --</u>	<u>\$ 88,734,007</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

Wichita State University Foundation and Alumni Engagement

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

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

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

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

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

Pledges receivable

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Due in less than one year	\$ 4,774,582	\$ 5,280,904
Due in one to five years	7,445,542	6,839,407
Due in more than five years	<u>3,295,000</u>	<u>3,360,000</u>
	<u>15,515,124</u>	<u>15,480,311</u>
Less:		
Allowance for uncollectible pledges	232,302	231,468
Unamortized discount (at effective rate of 3%)	<u>1,088,923</u>	<u>1,012,455</u>
	<u>1,321,225</u>	<u>1,243,923</u>
	<u>\$ 14,193,899</u>	<u>\$ 14,236,388</u>

Pledges held on behalf of the Intercollegiate Athletics Association (ICAA) totaling \$1,348,292 and \$1,203,000 for the years ended June 30, 2024 and 2023, respectively, are included in the amounts above. In the combining schedule for the University's discretely presented component units a reduction in current accounts receivable and in other long-term assets, with an offsetting amount in deposits held in custody of others is shown in the eliminations column to remove the duplication of these amounts.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

Collections

All collections of works of art and similar assets are capitalized by WSUFAE. Items added to the collections are capitalized at cost, if purchased, or at estimated fair value at the date of acquisition, if donated. Collection items have cultural, aesthetic, or historical value that is worth preserving perpetually, and WSUFAE is protecting and preserving essentially undiminished the service potential of the collection items. Therefore, they are not being depreciated. Contributions of art are donor restricted and may be disposed of with the proceeds received being restricted as to use. Accessions and deaccessions for collections during the years ended June 30, 2024 and 2023 are summarized as follows:

	For the Year Ended	
	June 30, 2024	June 30, 2023
Collections, beginning of year	\$ 18,797,175	\$ 18,445,694
Accessions	396,293	389,171
Deaccessions	--	(37,690)
Collections, end of year	\$ 19,193,468	\$ 18,797,175

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

Investments

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

The classification of investments by level within the valuation hierarchy as of June 30, 2023 is as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity stocks:				
Domestic	\$ 9,108,252	\$ 9,108,252	\$ --	\$ --
International	48,259	48,259	--	--
Mutual funds:				
Treasury	10,266,646	10,266,646	--	--
Diversified	2,454,256	2,454,256	--	--
Domestic equities	15,048,450	15,048,450	--	--
International equities	10,400,613	10,400,613	--	--
Fixed income securities:				
U.S. Government Treasury and Agency	7,403,736	7,403,736	--	--
Corporate bonds and debentures	31,181,056	--	31,181,056	--
Municipal bonds	3,274,248	--	3,274,248	--
Mortgage and asset-backed securities	2,776,528	--	2,776,528	--
Beneficial interest in trusts	22,106,083	--	--	22,106,083
	<u>114,068,127</u>	<u>\$ 54,730,212</u>	<u>\$ 37,231,832</u>	<u>\$ 22,106,083</u>
Investments at NAV (practical expedient)	202,920,355			
Total investments measured at fair value	<u>316,988,482</u>			
Investments not measured at fair value:				
Equity method investments	2,481,342			
Investment in real estate	597,175			
	<u>\$ 320,066,999</u>			
Reconciliation to the Combining Schedule:				
Investments, current	\$ 14,933,458			
Investments, noncurrent	305,133,541			
	<u>\$ 320,066,999</u>			

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

Included in the amounts above are \$5,771,582 in investments held on behalf of ICAA, and \$7,884,779 in investments held on behalf of the Board of Trustees, which are also reported as discretely presented component units of the University.

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

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

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

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

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

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

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

Related Parties

The Student Government Association, through the University, allocates annually a portion of the student fees collected for support of ICAA. For the years ended June 30, 2024 and 2023, respectively, ICAA's financial statements reflected \$4,275,519 and \$4,470,505 of student fees as revenue.

The State of Kansas, through the University, pays directly the salaries and fringe benefits of certain ICAA personnel. For the years ended June 30, 2024 and 2023, respectively, ICAA's financial statements reflect \$3,161,103 and \$3,090,100 of direct institutional support as revenue, with a like amount of salaries reflected as expenses.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

The University also provides full maintenance, custodial, utilities and certain other costs on all athletic facilities. For the years ended June 30, 2024 and 2023, respectively, ICAA’s financial statements reflect \$1,685,295 and \$1,986,303 as indirect institutional support, with a like amount reflected as part of management and administrative expenses. All land and structures pertinent to the operation of the ICAA, are owned by the State of Kansas and have not been reflected as assets in the financial statements of ICAA.

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

Commitments and Contingencies

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

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

	June 30, 2024	June 30, 2023
Gross severance payable	\$ 5,692,465	\$ 8,675,371
Unamortized discount (at effective rate of 3%)	(106,269)	(268,116)
	\$ 5,586,196	\$ 8,407,255

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

Year Ending June 30:		
2025	\$	2,557,335
2026		2,606,283
2027		528,847
	\$	5,692,465

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

Wichita State University Union Corporation

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

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

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

Related Parties

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

	For the Year Ended	
	June 30, 2024	June 30, 2023
Revenues:		
Direct financing lease	\$ --	\$ 3,996
Student fees assessed by the University	2,642,833	2,687,635
University space rental and reservations	274,038	274,038
Maintenance of Shocker ID card system	85,469	85,469
Engraving projects	38,818	--
Food/pantry	40,716	--
Use of graphics service	3,597	5,581
Access Now revenue	1,785,485	1,246,648
Total revenues	<u>4,870,956</u>	<u>4,303,367</u>
Expenses:		
Repairs and maintenance	23,385	17,113
Information technology	26,113	12,059
Utilities	349,210	405,323
Total expenses	<u>398,708</u>	<u>434,495</u>
	<u>\$ 4,472,248</u>	<u>\$ 3,868,872</u>

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

Wichita State University Board of Trustees

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

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

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

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

Investments

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

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

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

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

The Board of Trustees' investment portfolio as of June 30, 2023 is composed of the following:

	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 231,991	\$ 231,991	\$ --	\$ --
Fixed income mutual funds	1,355,443	1,355,443	--	--
Fixed income treasury	150,796	150,796	--	--
Fixed income global bonds	47,554	--	47,554	--
Pooled investment held by WSUFAE	7,615,304	--	7,615,304	--
Equity mutual funds	1,933,826	1,933,826	--	--
Common stock	619,560	619,560	--	--
Alternative – hedge fund	232,567	232,567	--	--
	<u>\$ 12,187,041</u>	<u>\$ 4,524,183</u>	<u>\$ 7,662,858</u>	<u>\$ --</u>

Capital Assets

Capital asset activity for the Board of Trustees for the years ended June 30, 2024 and 2023 are summarized as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Nondepreciable capital assets:				
Construction in progress	\$ --	\$ 1,901,468	\$ --	\$ 1,901,468
Depreciable capital assets:				
Buildings	24,662,089	--	--	24,662,089
Furniture and fixtures	78,515	--	--	78,515
Infrastructure	2,461,870	--	--	2,461,870
Right to lease assets	45,021,024	--	--	45,021,024
Total depreciable capital assets	72,223,498	--	--	72,223,498
Less accumulated depreciation and amortization	27,876,554	1,479,671	--	29,356,225
Total capital assets, net	<u>\$ 44,346,944</u>	<u>\$ 421,797</u>	<u>\$ --</u>	<u>\$ 44,768,741</u>

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Depreciable capital assets:				
Buildings	\$ 24,662,089	\$ --	\$ --	\$ 24,662,089
Furniture and fixtures	78,515	--	--	78,515
Infrastructure	2,461,870	--	--	2,461,870
Right to lease assets	45,021,024	--	--	45,021,024
Total depreciable capital assets	72,223,498	--	--	72,223,498
Less accumulated depreciation and amortization	26,396,882	1,479,672	--	27,876,554
Total capital assets, net	<u>\$ 45,826,616</u>	<u>\$ (1,479,672)</u>	<u>\$ --</u>	<u>\$ 44,346,944</u>

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 14 – COMPONENT UNITS (CONTINUED)

Related Parties

The Board of Trustees furnishes support to Wichita State University from the 1.5 mill levy funding. During the years ended June 30, 2024 and 2023, respectively, it furnished to the University \$4,922,382 and \$4,888,132 for student support, and \$150,000 in both years for economic community development. Additionally, during the years ended June 30, 2024 and 2023, the Board of Trustees provided \$800,000 in both years in support to WSU Tech.

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

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

Related Parties

State appropriations for WSU Tech in the amount of \$5.2 million flow through the University and are recorded on each entity's Statement of Revenues, Expenses and Changes in Net Position.

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

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2024, the University received \$6.5 million in special appropriations to partially fund the construction of the \$205 million Wichita Biomedical Campus (WBC), a joint project with Kansas University Medical Center. This significant joint project prompted management to research the appropriate accounting treatment for the transactions associated with the project, including revenue recognition for the various sources of funding and classification of cash and cash equivalents.

As a result, University management re-evaluated the accounting treatment it applies for reporting appropriations which include reappropriation language in the authorizing legislation. Historically, such appropriations have been reported as revenue in the year in which they were authorized. When an unspent appropriated balance remained available for spending at the end of the fiscal year, it was reclassified as a receivable. In practice, the state records a rescission of the appropriation on June 30 and reappropriates the balance in the following fiscal year on July 1. Therefore, management believes that reporting only the amount of appropriations that are spent in a given fiscal year represents a preferable accounting treatment.

Because a substantial amount of the funding for the WBC was received in advance of expenditures, management determined that it was appropriate to classify the cash held for construction as noncurrent restricted cash and cash equivalents. Whereas, in previous fiscal years only funds held in K DFA project funds and debt service funds were classified as noncurrent restricted cash and cash equivalents. For fiscal year 2024, management evaluated cash and cash equivalents held in each state fund based on externally imposed requirements, including authorizing legislation, to determine the appropriate classification.

WICHITA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2024 and 2023

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

As a result, cash and cash equivalents were reclassified as current unrestricted, current restricted, and noncurrent restricted, as appropriate, with all deficit cash balances being reported as unrestricted. Current restricted funds include: Kan-Grow Engineering, Faculty of Distinction, externally sponsored research, Federal Student Financial Aid, auxiliary funds, payroll clearing funds, and student and faculty service safekeeping funds. Noncurrent restricted funds include: construction grants, Repair & Rehabilitation funds, auxiliary reserves, and K DFA project and debt service funds. Comparative balances for fiscal year 2023 are restated based on the same methodology.

When GASB Statement No. 87, *Leases* (GASB 87) was implemented for the year ended June 30, 2022, the sublease of the John Bardo Center from the Board of Trustees to WSU was treated as a lease and the sublease payments were deferred and amortized over the term of the agreement. During fiscal year 2023, the substance of the transaction was re-evaluated and it was determined that the value of the consideration given by WSU constituted a non-exchange transaction and therefore, the transaction did not meet the definition of a lease. As a result, the beginning balance of the right-to-use lease asset was eliminated in the accompanying financial statements.

This change in accounting principle resulted in an adjustment to beginning net position, as summarized in the following table.

	Balance June 30, 2023, as Previously Stated	Change in Accounting Principle	Balance June 30, 2023 Restated
Accounts receivable, net	\$ 94,545,195	\$ (6,302,096)	\$ 88,243,099
Right-to-use buildings	84,913,777	(3,200,000)	81,713,777
Accumulated amortization	(16,234,703)	100,000	(16,134,703)
Unearned revenue	(11,000,663)	1,932,493	(9,068,170)
State appropriations	(104,772,072)	3,575,416	(101,196,656)
Capital appropriations	(4,501,800)	(4,185,450)	(8,687,250)
Total	\$ 42,949,734	\$ (8,079,637)	\$ 34,870,097

NOTE 16 – SUBSEQUENT EVENTS

WSIA entered into a lease agreement with a third party to occupy a total of 20,425 square feet of space in Partnership Building 11 on WSU’s Innovation Campus. The initial lease term is five years ending on December 31, 2028, with two 5-year renewal options. As of the date these financial statements were issued, management has not yet evaluated the likelihood that the extension options will be exercised. Leasehold improvements of \$3.5 million were completed and a certificate of occupancy was granted in August 2024. Total payments during the initial 5-year term will amount to approximately \$2.7 million.

ICAA entered into an agreement with the University and WSUF AE to finance the construction of Eck Stadium improvements, for which a \$1.5 million pledge was received, to be collected over the next 15 years. Under the agreement, the University will cash fund the improvements and receive repayment directly from the Foundation as the pledge is collected. This transaction will be reported as a note payable and pledge receivable by ICAA and a note receivable by the University beginning in FY25.

REQUIRED SUPPLEMENTARY INFORMATION

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2024 and 2023

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

Measurement date	2024	2023	2022
	June 30, 2023	June 30, 2022	June 30, 2021
University's proportion of the collective net pension liability:			
KPERs State/School group	0.188565%	0.192622%	0.220198%
KP&F	0.240059%	0.226100%	0.234267%
University's proportionate share of the collective net pension liability	\$ 16,951,586	\$ 17,024,510	\$ 14,641,456
University's covered payroll	\$ 11,919,184	\$ 11,525,852	\$ 12,289,053
University's proportionate share of the collective net pension liability as a percentage of its covered payroll	142.22%	147.71%	119.14%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%

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

	2024	2023	2022
	\$	\$	\$
Contractually required contribution	1,724,663	1,708,737	1,656,623
Contributions in relation to the contractually required contribution	1,724,663	1,708,737	1,656,623
Contribution deficiency (excess)	\$ --	\$ --	\$ --
Covered payroll	\$ 12,357,953	\$ 11,919,184	\$ 11,525,852
Contributions as a percentage of covered payroll	13.96%	14.34%	14.37%

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2024 and 2023

<u>2021</u> June 30, 2020	<u>2020</u> June 30, 2019	<u>2019</u> June 30, 2018	<u>2018</u> June 30, 2017	<u>2017</u> June 30, 2016	<u>2016</u> June 30, 2015	<u>2015</u> June 30, 2014
0.245470%	0.271149%	0.308553%	0.374138%	0.439806%	0.456211%	0.424398%
0.244532%	0.232520%	0.219490%	0.239802%	0.229499%	0.206875%	0.197883%
\$ 21,356,766	\$ 19,890,530	\$ 22,240,346	\$ 27,387,053	\$ 31,691,132	\$ 33,092,303	\$ 28,416,413
\$ 13,507,325	\$ 14,568,836	\$ 15,764,753	\$ 17,834,141	\$ 20,049,093	\$ 20,835,255	\$ 19,899,713
158.11%	136.53%	141.08%	153.57%	158.07%	158.83%	142.80%
66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,846,747	\$ 2,045,251	\$ 2,008,468	\$ 1,985,419	\$ 2,091,215	\$ 2,283,351	\$ 2,176,202
1,846,747	2,045,251	2,008,468	1,985,419	2,091,215	2,283,351	2,176,202
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 12,289,053	\$ 13,507,325	\$ 14,568,836	\$ 15,764,753	\$ 17,834,141	\$ 20,049,093	\$ 20,835,255
15.03%	15.14%	13.79%	12.59%	11.73%	11.39%	10.44%

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2024 and 2023

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in benefit terms

In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15% and eliminated the reduction of employee contributions to 2.0% after 32 years of service. In addition, the maximum retirement benefit increased to 90% of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80% of final average salary (reached at 32 years of service).

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

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

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

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

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

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

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2024 and 2023

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Changes in assumptions

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

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

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

KPERS:

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

KP&F:

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

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

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

WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2024 and 2023

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

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

KPERS:

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

KP&F:

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

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

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



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WICHITA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Years Ended June 30, 2024 and 2023

SCHEDULE OF CHANGES IN THE UNIVERSITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
Last seven fiscal years*

	2024	2023	2022	2021
Changes in total OPEB liability:				
Service cost	\$ 29,073	\$ 46,941	\$ 55,064	\$ 49,489
Interest on total OPEB liability	34,508	28,303	26,424	44,424
Changes of benefit terms		--	--	--
Effect of economic/ demographic gains or losses	285,844	(11,642)	214,711	55,923
Effect of assumption changes or inputs	(4,878)	(96,415)	2,551	62,060
Benefit payments	(403,610)	(168,621)	(183,194)	(396,550)
Net change in total OPEB liability	(59,063)	(201,434)	115,556	(184,654)
Total OPEB liability, beginning	1,145,804	1,347,238	1,231,682	1,416,336
Total OPEB liability, ending	<u>\$ 1,086,741</u>	<u>\$ 1,145,804</u>	<u>\$ 1,347,238</u>	<u>\$ 1,231,682</u>
Covered payroll	\$ 9,685,000	\$ 9,553,000	\$ 9,618,000	\$ 11,547,636
Total OPEB liability as a percentage of covered payroll	11.22%	11.99%	14.01%	10.67%

*GASB 75 requires presentation of ten years. As of June 30, 2024, only seven years of information is available.

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

Changes in assumptions

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>		
\$	58,437	\$	57,794	\$	63,171
	63,051		58,945		54,056
	--		--		--
	(155,050)		193,477		--
	20,800		(20,577)		(58,164)
	<u>(280,731)</u>		<u>(334,117)</u>		<u>(274,657)</u>
	(293,493)		(44,478)		(215,594)
	<u>1,709,829</u>		<u>1,754,307</u>		<u>1,969,901</u>
\$	<u>1,416,336</u>	\$	<u>1,709,829</u>	\$	<u>1,754,307</u>
\$	11,392,594	\$	14,022,432	\$	14,235,175
	12.43%		12.19%		12.32%



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SUPPLEMENTARY INFORMATION

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

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

<u>WSU Board of Trustees</u>	<u>WSU Tech</u>	<u>Eliminations</u>	<u>Total</u>
\$ 9,373,535	\$ 33,215,585	\$ (372,562)	\$ 58,446,878
--	--	(5,384,463)	--
--	4,977,355	(814,985)	10,865,278
--	19,366,373	--	41,845,045
--	--	--	904,438
--	422,819	--	613,358
<u>9,373,535</u>	<u>57,982,132</u>	<u>(6,572,010)</u>	<u>112,674,997</u>
13,386,537	--	--	13,386,537
--	557,644	(533,307)	9,976,961
12,732,143	--	(7,899,336)	331,189,927
--	--	(19,193,468)	6,397,775
1,901,468	2,677,695	--	4,579,163
42,867,273	25,804,735	--	73,555,210
<u>70,887,421</u>	<u>29,040,074</u>	<u>(27,626,111)</u>	<u>439,085,573</u>
<u>80,260,956</u>	<u>87,022,206</u>	<u>(34,198,121)</u>	<u>551,760,570</u>

Continued on next page.

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

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

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

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF NET POSITION
June 30, 2023

	<u>WSU Foundation</u>	<u>Intercollegiate Athletics Association</u>	<u>WSU Union Corporation</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 13,957,835	\$ 7,423,944	\$ 1,817,726
Restricted cash and cash equivalents	--	1,290,483	--
Accounts receivable, net	5,848,588	985,840	403,449
Investments	14,933,458	--	5,041,195
Inventories	--	--	757,122
Prepaid expenses	--	89,844	61,834
Total current assets	<u>34,739,881</u>	<u>9,790,111</u>	<u>8,081,326</u>
Noncurrent assets:			
Restricted cash and cash equivalents	--	--	--
Accounts receivable, net	8,955,484	304,739	--
Investments	305,133,541	4,201,124	--
Other assets	24,940,174	--	--
Nondepreciable capital assets	--	--	--
Depreciable capital assets, net	<u>566,636</u>	<u>1,917,280</u>	<u>629,104</u>
Total noncurrent assets	<u>339,595,835</u>	<u>6,423,143</u>	<u>629,104</u>
Total assets	<u>374,335,716</u>	<u>16,213,254</u>	<u>8,710,430</u>

<u>WSU Board of Trustees</u>	<u>WSU Tech</u>	<u>Eliminations</u>	<u>Total</u>
\$ 11,961,781	\$ 29,173,572	\$ (3,474,742)	\$ 60,860,116
--	--	(1,290,483)	--
--	3,625,705	(898,261)	9,965,321
--	13,764,160	--	33,738,813
--	--	--	757,122
--	596,975	--	748,653
<u>11,961,781</u>	<u>47,160,412</u>	<u>(5,663,486)</u>	<u>106,070,025</u>
1,168,422	--	--	1,168,422
--	--	(304,739)	8,955,484
12,187,041	--	(7,628,996)	313,892,710
--	--	(18,797,175)	6,142,999
--	1,206,867	--	1,206,867
<u>44,346,944</u>	<u>16,823,876</u>	<u>--</u>	<u>64,283,840</u>
<u>57,702,407</u>	<u>18,030,743</u>	<u>(26,730,910)</u>	<u>395,650,322</u>
<u>69,664,188</u>	<u>65,191,155</u>	<u>(32,394,396)</u>	<u>501,720,347</u>

Continued on next page.

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
June 30, 2023

	<u>WSU Foundation</u>	<u>Intercollegiate Athletics Association</u>	<u>WSU Union Corporation</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,261,048	4,335,319	490,814
Unearned revenue	--	5,685,303	250,298
Accrued interest payable	--	--	--
Accrued compensated absences	--	--	204,799
Lease liability	--	1,067	52,220
Deposits held in custody for others	13,740,893	--	--
Total current liabilities	<u>16,001,941</u>	<u>10,021,689</u>	<u>998,131</u>
Noncurrent liabilities:			
Net pension liability	--	--	--
Other liabilities	--	5,404,509	--
Lease liability	--	47,142	63,172
Total noncurrent liabilities	<u>--</u>	<u>5,451,651</u>	<u>63,172</u>
Total liabilities	<u>16,001,941</u>	<u>15,473,340</u>	<u>1,061,303</u>
NET POSITION			
Net investment in capital assets	566,636	1,870,878	513,712
Restricted for:			
Nonexpendable	225,957,102	--	--
Expendable			
Other purposes	114,542,540	1,290,483	--
Unrestricted	17,267,497	(2,421,447)	7,135,415
Total net position	<u>\$ 358,333,775</u>	<u>\$ 739,914</u>	<u>\$ 7,649,127</u>

<u>WSU Board of Trustees</u>	<u>WSU Tech</u>	<u>Eliminations</u>	<u>Total</u>
136,000	4,763,492	--	11,986,673
--	1,329,791	--	7,265,392
725,187	--	--	725,187
--	--	--	204,799
722,761	923,504	--	1,699,552
--	--	(13,597,221)	143,672
<u>1,583,948</u>	<u>7,016,787</u>	<u>(13,597,221)</u>	<u>22,025,275</u>
--	121,615	--	121,615
--	--	--	5,404,509
<u>42,203,663</u>	<u>4,332,684</u>	--	<u>46,646,661</u>
<u>42,203,663</u>	<u>4,454,299</u>	--	<u>52,172,785</u>
<u>43,787,611</u>	<u>11,471,086</u>	<u>(13,597,221)</u>	<u>74,198,060</u>
1,420,520	11,540,993	--	15,912,739
5,658,104	1,400,200	(18,797,175)	214,218,231
7,697,359	2,168,088	--	125,698,470
11,100,594	38,610,788	--	71,692,847
<u>\$ 25,876,577</u>	<u>\$ 53,720,069</u>	<u>\$ (18,797,175)</u>	<u>\$ 427,522,287</u>

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

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

WSU Board of Trustees	WSU Tech	Eliminations	Total
\$ --	\$ 9,501,921	\$ --	\$ 16,420,273
--	5,612,292	--	5,612,292
--	8,343,251	--	8,343,251
--	--	--	20,860,431
--	1,147,017	--	1,147,017
--	164,330	--	4,840,933
--	24,768,811	--	57,224,197
--	17,697,293	--	17,697,293
556,950	--	--	556,950
--	5,997,938	--	5,997,938
--	5,850,700	--	35,784,287
3,901,952	8,515,116	--	34,368,088
--	6,202,400	--	9,494,852
4,922,382	--	--	17,341,829
--	1,938,955	--	1,938,955
800,000	--	(800,000)	2,762,111
1,479,671	4,659,278	--	6,632,329
11,660,955	50,861,680	(800,000)	132,574,632
(11,660,955)	(26,092,869)	800,000	(75,350,435)
--	17,347,824	--	17,347,824
--	13,451,593	--	13,451,593
3,868	4,333,808	(1,196,293)	35,049,887
1,738,175	2,159,136	--	32,871,305
(1,989,748)	(376,936)	--	(2,369,323)
10,360,867	--	--	10,360,867
--	18,627	--	18,627
(263,753)	--	--	(1,210,080)
9,849,409	36,934,052	(1,196,293)	105,520,700
(1,811,546)	10,841,183	(396,293)	30,170,265
--	3,629,550	--	3,629,550
--	3,629,550	--	3,629,550
(1,811,546)	14,470,733	(396,293)	33,799,815
25,876,577	53,720,069	(18,797,175)	427,522,287
\$ 24,065,031	\$ 68,190,802	\$ (19,193,468)	\$ 461,322,102

WICHITA STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING SCHEDULE OF REVENUE,
EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2023

	<u>WSU Foundation</u>	<u>Intercollegiate Athletics Association</u>	<u>WSU Union Corporation</u>
Operating revenues:			
Tuition and fees, net of scholarship allowances	\$ --	\$ 4,470,505	\$ 2,687,635
Federal grants and contracts	--	--	--
State, local and private grants and contracts	--	--	--
Sales and services of educational activities	--	14,349,280	5,066,263
Auxiliary enterprises:			
Parking revenues	--	--	--
Other operating revenues	2,999,134	1,747,284	55,677
Total operating revenues	<u>2,999,134</u>	<u>20,567,069</u>	<u>7,809,575</u>
Operating expenses:			
Instruction	--	--	--
Public service	--	--	--
Academic support	--	--	--
Student service	--	23,949,857	7,363,649
Institutional support	27,825,143	1,986,303	--
Operations and maintenance of plant	2,855,456	1,829,016	139,332
Scholarships and fellowships	8,097,761	3,796,406	72,930
Auxiliary enterprises	--	--	--
Other expenses	--	2,737,045	--
Depreciation	34,016	296,569	170,191
Total operating expenses	<u>38,812,376</u>	<u>34,595,196</u>	<u>7,746,102</u>
Total operating income (loss)	<u>(35,813,242)</u>	<u>(14,028,127)</u>	<u>63,473</u>
Non-operating revenue (expenses):			
State appropriations	--	--	--
Grants and contracts	--	--	--
Gifts	23,803,554	7,647,217	111,398
Investment income	12,741,327	269,403	67,542
Direct finance lease income	--	--	3,996
Interest expense	--	(1,157)	(26,515)
County tax subsidy	--	--	--
Loss on disposal of capital assets	--	--	15,000
Other non-operating revenue (expenses)	(1,652,677)	--	--
Total non-operating revenue (expenses)	<u>34,892,204</u>	<u>7,915,463</u>	<u>171,421</u>
Excess (deficiency) of revenues over (under) expenses before capital contributions and transfers	<u>(921,038)</u>	<u>(6,112,664)</u>	<u>234,894</u>
Capital contributions and transfers:			
Capital appropriations	--	--	--
Total capital contributions and transfers	<u>--</u>	<u>--</u>	<u>--</u>
Change in net position	<u>(921,038)</u>	<u>(6,112,664)</u>	<u>234,894</u>
Net position, beginning of year	359,254,813	6,852,578	7,414,233
Restatement for change in accounting principle	--	--	--
Net position, end of year	<u>\$ 358,333,775</u>	<u>\$ 739,914</u>	<u>\$ 7,649,127</u>

WSU Board of Trustees	WSU Tech	Eliminations	Total
\$ --	\$ 9,381,154	\$ --	\$ 16,539,294
--	5,136,471	--	5,136,471
--	6,472,197	--	6,472,197
--	--	--	19,415,543
--	45,164	--	45,164
--	253,781	--	5,055,876
--	21,288,767	--	52,664,545
--	18,087,067	--	18,087,067
507,577	--	--	507,577
--	5,387,074	--	5,387,074
--	5,257,003	--	36,570,509
579,330	8,361,803	--	38,752,579
--	3,565,284	--	8,389,088
4,888,132	--	--	16,855,229
--	665,900	--	665,900
800,000	--	(800,000)	2,737,045
1,479,670	3,233,228	--	5,213,674
8,254,709	44,557,359	(800,000)	133,165,742
(8,254,709)	(23,268,592)	800,000	(80,501,197)
--	16,525,840	--	16,525,840
--	11,412,297	--	11,412,297
2,830	2,848,856	(1,151,481)	33,262,374
930,160	1,235,452	--	15,243,884
--	--	--	3,996
(1,792,488)	(121,020)	10,921	(1,930,259)
10,725,287	--	--	10,725,287
--	77,569	--	92,569
(236,616)	--	--	(1,889,293)
9,629,173	31,978,994	(1,140,560)	83,446,695
1,374,464	8,710,402	(340,560)	2,945,498
--	650,808	--	650,808
--	650,808	--	650,808
1,374,464	9,361,210	(340,560)	3,596,306
20,734,871	44,358,859	(18,456,615)	420,158,739
3,767,242	--	--	3,767,242
\$ 25,876,577	\$ 53,720,069	\$ (18,797,175)	\$ 427,522,287



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WICHITA STATE
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