



Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech

A Component Unit of Wichita State University

**Independent Auditor's Reports
and Financial Statements**

June 30, 2025 and 2024



Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
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June 30, 2025 and 2024

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Independent Auditor's Report

Board of Trustees
Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Wichita, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech (the College), a component unit of Wichita State University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of June 30, 2025 and 2024, and respective changes in financial position, and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The accompanying consolidating schedule - statement of net position, consolidating schedule - statement of revenues, expenses, and changes in net position, and schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating schedule - statement of net position, consolidating schedule - statement of revenues, expenses, and changes in net position, schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Wichita, Kansas
December 16, 2025**

**Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2025 and 2024**

Introduction

This discussion and analysis of the Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech's (the College) financial statements provides an overview of the College's financial performance during the years ended June 30, 2025, 2024 and 2023. The WSU Tech Foundation (the Foundation) is a nonprofit entity that provides support to the College and is blended within the financial report. Please refer to *Note 4* to the financial statements for additional information related to the Foundation. The Management's Discussion and Analysis (MD&A) is unaudited and therefore, should be read in conjunction with the College's financial statements and accompanying notes thereto prepared in accordance with Government Accounting Standards Board (GASB) principles. The MD&A is designed to focus on current activities, resulting changes and presently known facts.

Economic Outlook

The College entered fiscal year 2025 with continued record enrollment, reflecting the strong demand for its programs and a growing pipeline of high school students through the Excel and CTE initiatives. In Academic Year 24–25, course success rates climbed to nearly 90%, job placement rates reached 89.1%, and the College awarded over 7,200 credentials which is clear evidence of both quality and outcomes.

Financially, FY25 was marked by strengthened state support tied to the College's growth. Increased allocations through the Tiered Technical Education State Aid Distribution, approved by the Kansas Board of Regents and the Technical Education Authority, provided critical resources for program expansion, infrastructure development, and workforce initiatives. The Kansas Promise Scholarship program also continued to expand access, with funds in FY25 supporting students pursuing careers across a wide range of technical fields. These investments ensure that student demand is met with opportunity, aligning educational pathways with workforce needs.

In FY25, the College advanced several major expansion initiatives that lay the foundation for future growth. At WSU South Campus, additional space was leased and construction began on the Hub for Advanced Computer Knowledge (HACK). Scheduled to open in Fall FY26, HACK will modernize facilities, broaden IT offerings, and serve as a future-ready innovation hub. The NCAT Expansion also moved forward, with construction plans finalized and funding nearly secured. This 85,500-square-foot facility will house advanced programs in piloting, robotics, drones, and manufacturing, ensuring Kansas remains at the forefront of technical education and workforce development.

Beyond facility growth, the College extended its reach outside Wichita for the first time through a partnership with the Career and Technical Education Center of Crawford County (CTEC) in Pittsburg. By assuming management of programs in automotive, welding, and advanced manufacturing, WSU Tech is expanding access to high-quality technical education and strengthening the statewide workforce pipeline. FY25 also marked the expansion of WSU Tech Open Education, a flexible training model that provides accessible, non-credit courses for individuals and businesses. These offerings help close skill gaps, support career advancement, and deliver immediately applicable skills that align with industry needs.

Finally, construction began on the BioMed Center in downtown Wichita, a collaboration with WSU and KU Med that will house several of the College's nursing programs. This investment directly addresses the region's urgent demand for healthcare professionals and highlights the College's role as a driver of both workforce readiness and community well-being.

Together, these achievements demonstrate how FY25 was more than a year of growth, it was a year of momentum. Record enrollment, strong outcomes, and bold expansion have positioned the College to scale its impact in FY25 and beyond. It also shows that the funding of the College is not just support for current programs it is fuel for a proven model that delivers results, drives innovation, and strengthens Kansas's workforce for the future.

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Financial Highlights

- Net position increased \$9.1 million during 2025, comparable to an increase in net position of \$14.5 million for the year ended June 30, 2024. The main driver in this continued favorable performance is the result of increases in Excel in CTE resulting from higher enrollment, additional state funding from Kansas Promise, increased investment income, and increased contribution income.
- Operating revenues decreased \$4.0 million. This decrease is primarily a result of decreased funding from federal grants as many projects funded with those dollars were completed in FY24 and early FY25. Pell funding used for tuition payments also increased in FY25 which caused a shift of operating revenues to non-operating revenues.
- Operating expenses increased \$6.5 million. This increase is driven by an increase in compensation and benefits due to the increase in enrollment over the past several years. Also, depreciation expenses have increased due to the grant funding received and used on equipment and other capital assets as well as the increased amortization expense of right to use lease and subscription assets.

Financial Position

The statements of net position present the financial position of the College at the end of each fiscal year and include all assets and liabilities of the College. Assets and liabilities are generally measured using current values, with certain exceptions such as lease, subscription and capital assets, which are stated at cost, less accumulated depreciation and amortization. The statements of net position show strengthening as total net position increased due to strong enrollment growth throughout the year.

Net position represents the reserve of the College after accounting for all liabilities. It is categorized by the type of restrictions and defined as follows:

- Net investment in capital assets – This represents the net book value of lease, subscription and capital assets less any debt against those assets. These assets are not available to be used for operational purposes unless they are liquidated.
- Restricted, unexpendable – This represents the net position that has been restricted by a donor for a particular purpose and will remain in perpetuity. Any income earned on the underlying assets can be used in accordance with the stated purpose of the donor. These assets consist of the corpus portion of endowment gifts.
- Restricted, expendable – This represents the net position that has been restricted for a particular purpose by a donor or grantor.
- Unrestricted – This represents the net position that has no underlying restrictions attached to the receipt or gift. These assets can be used for any purpose that the College deems appropriate.

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Management’s Discussion and Analysis (Unaudited)
Years Ended June 30, 2025 and 2024**

A summary of the College’s assets, liabilities and net position at June 30, 2025, 2024 and 2023, are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current assets	\$ 63,353,227	\$ 57,982,132	\$ 47,160,412
Noncurrent assets	<u>35,376,344</u>	<u>29,040,074</u>	<u>18,030,743</u>
Total assets	<u>\$ 98,729,571</u>	<u>\$ 87,022,206</u>	<u>\$ 65,191,155</u>
Liabilities			
Current liabilities	\$ 6,904,347	\$ 8,161,079	\$ 7,016,787
Noncurrent liabilities	<u>14,509,570</u>	<u>10,670,325</u>	<u>4,454,299</u>
Total liabilities	<u>21,413,917</u>	<u>18,831,404</u>	<u>11,471,086</u>
Net Position			
Net investment in capital assets	17,462,367	15,320,142	11,540,993
Restricted, unexpendable	2,068,711	1,934,873	1,400,200
Restricted, expendable	5,051,837	3,422,460	2,168,088
Unrestricted	<u>52,732,739</u>	<u>47,513,327</u>	<u>38,610,788</u>
Total net position	<u>77,315,654</u>	<u>68,190,802</u>	<u>53,720,069</u>
Total liabilities and net position	<u>\$ 98,729,571</u>	<u>\$ 87,022,206</u>	<u>\$ 65,191,155</u>

Comparative Analysis of Fiscal Years 2025 and 2024

- Current assets increased \$6.2 million during the year due to cash balance increase. These higher balances are the result of additional state funding utilized to offset costs incurred during the fiscal year; allowing for standard operating cash to be used toward funding cash reserves.
- Noncurrent assets increased \$6.4 million during the year as a result of additional capitalized expenditures as well as lease and subscription assets added.
- Current liabilities decreased \$0.5 million as a result of a decrease in the accounts payable outstanding at the end of FY25.
- Noncurrent liabilities increased \$3.8 million due to an additional lease from the South Campus.

Total Net Position on June 30, 2025, was \$77.3 million, an increase of \$9.1 million over the prior year as a result of additional state funding to support operational and capitalized expenses.

Comparative Analysis of Fiscal Years 2024 and 2023:

- Current assets increased \$10.8 million during the year due to investments. These higher balances are the result of additional federal and state funding utilized to offset costs incurred during the fiscal year; allowing for standard operating cash to be used toward funding cash reserves.

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- Noncurrent assets increased \$11.0 million during the year as a result of additional capitalized expenditures as well as lease and subscription assets added.
- Current liabilities increased \$1.2 million as a result of normal operating accruals and deferred revenues as well as lease and subscription liabilities added.
- Noncurrent liabilities increased \$7.4 million due to an updated lease from the South Campus.

Total Net Position on June 30, 2024, was \$68.2 million, an increase of \$14.7 million over the prior year as a result of additional federal and state funding to support operational and capitalized expenses.

Operating Results

The statements of revenues, expenses and changes in net position present the College's results of operations. The statements distinguish revenues and expenses between operating and nonoperating categories and provide a view of the College's operating margin.

A summary of the College's revenues, expenses, and changes in net position for the years ended June 30, 2025, 2024 and 2023, are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 20,805,205	\$ 24,768,811	\$ 21,288,767
Operating Expenses	57,449,214	50,861,680	44,557,359
Operating Loss	(36,644,009)	(26,092,869)	(23,268,592)
Nonoperating Revenues	40,862,827	36,934,052	31,978,994
Other Revenues, Expenses, Gains or Losses	4,906,034	3,629,550	650,808
Increase in Net Position	9,124,852	14,470,733	9,361,210
Net Position, Beginning of Year	68,190,802	53,720,069	44,358,859
Net Position, End of Year	<u>\$ 77,315,654</u>	<u>\$ 68,190,802</u>	<u>\$ 53,720,069</u>

Revenues

Total revenues by source for the years ended June 30, 2025, 2024 and 2023, are shown below:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Auxiliary	\$ 1,399,363	\$ 1,147,017	\$ 45,164
Tuition and fees, net	7,505,596	9,501,921	9,381,154
Federal grants and contracts	12,391,189	12,542,715	12,617,130
State grants and contracts	15,544,092	14,836,770	10,348,540
Appropriations	15,838,997	15,664,890	14,939,907
Contributions	6,719,699	6,016,742	4,434,789
Other	2,739,026	2,351,117	1,544,528
	<u>\$ 62,137,962</u>	<u>\$ 62,061,172</u>	<u>\$ 53,311,212</u>

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Management’s Discussion and Analysis (Unaudited)
Years Ended June 30, 2025 and 2024**

Comparative Analysis of Fiscal Years 2025 and 2024:

Total operating revenues for the College decreased \$4.0 million or 16%.

- Federal operating grants decreased in FY25 due to the finishing of several projects funded by COVID relief dollars
- Total nonoperating revenues for the College increased \$4 million or 11% primarily. This is due to several factors. One, Pell funding used for tuition payments increased in FY25 which caused a shift of operating revenues to non-operating revenues. Two, an increase in the Excel in CTE funding which is based on the prior year enrollment. Additionally, investment income increased due to the market increases from the foundation investments. Finally, the foundation started to receive contributions in fiscal year 2025 for the NCAT Expansion project which created an increase in that revenue, as well.

Comparative Analysis of Fiscal Years 2024 and 2023:

Total operating revenues for the College increased \$3.51 million or 16%.

- Operating grants increased \$2.4 million primarily as a result of the increased use of the Kansas Promise Scholarship Act providing service scholarships for students to attend Kansas community colleges and Kansas technical colleges in specific fields. This allowed for an additional \$2.2 million increase from the previous year.
- Auxiliary revenues increased \$1.0million as a result of the NICHE Bistro and Events center within the Culinary campus. Additionally, the College reestablished Bookstore operations for the student experience.

Total nonoperating revenues for the College increased \$5.2 million or 16% primarily. This is mainly from a increase in the Excel in CTE funding which is based on the prior year enrollment. Additionally, investment income increased due to the increased interest rates. Finally, the Foundation had several large contributions in fiscal year 2024 which created a large increase in that revenue, as well.

Operating Expenses

The College elected to use the natural classification for operating expenses. Total operating expenditures of the College for the years ended June 30, 2025, 2024 and 2023, are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Compensation and benefits	\$ 30,742,094	\$ 27,322,203	\$ 24,161,613
Contractual and commodities	15,324,667	15,080,237	14,029,712
Capital, plant and equipment	8,382,656	6,401,442	4,515,102
Other	2,999,797	2,057,798	1,850,932
Operating expenses	<u>\$ 57,449,214</u>	<u>\$ 50,861,680</u>	<u>\$ 44,557,359</u>

Comparative Analysis of Fiscal Years 2025 and 2024:

Total operating expenditures for the College increased \$6.5 million or 13%, primarily within compensation and benefits and contractual and commodities as a result of additional costs allocated due to increased enrollment

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and state funding. Depreciation and amortization also saw an increase due to increased capitalization of assets as well as amortization of right to use lease and subscription assets.

Comparative Analysis of Fiscal Years 2024 and 2023:

Total operating expenditures for the College increased \$6.3 million or 14%, primarily within compensation and benefits and contractual and commodities as a result of additional costs allocated due to increased enrollment and state funding.

Total operating and nonoperating expenditures for the years ended June 30, 2025, 2024 and 2023, by functional classification are:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Instructional	\$ 19,223,077	\$ 17,697,293	\$ 16,178,402
Academic support	5,863,349	5,997,938	5,808,562
Student services	7,108,467	5,850,700	5,668,314
Institutional support	11,999,049	8,515,116	9,016,036
Auxiliary	2,213,073	1,938,955	718,000
Operation and maintenance of plant	11,042,199	10,861,678	7,168,045
Operating expenses	<u>\$ 57,449,214</u>	<u>\$ 50,861,680</u>	<u>\$ 44,557,359</u>

Cash Flow

The statements of cash flows provide a view of the sources and uses of the College’s cash resources to assess the College’s ability to meet obligations as they come due. A summary of the College’s cash flow for the years ended June 30, 2025, 2024 and 2023, are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net Cash Provided (Used by)			
Operating activities	\$ (27,839,065)	\$ (17,858,093)	\$ (16,486,243)
Noncapital financing activities	34,511,709	30,448,829	27,146,712
Capital and related financing activities	(3,784,524)	(5,105,646)	(4,415,024)
Investing activities	2,362,959	(3,443,077)	(9,114,586)
Net increase (decrease) in cash	5,251,079	4,042,013	(2,869,141)
Cash and cash equivalents, beginning of year	33,215,585	29,173,572	32,042,713
Cash and cash equivalents, end of year	<u>\$ 38,466,664</u>	<u>\$ 33,215,585</u>	<u>\$ 29,173,572</u>

- Net operating activities – Cash provided by operating activities includes tuition and fees and certain grant and contract revenues. Cash used in operating activities includes payments to employees and suppliers.
- Noncapital financing activities – Cash provided by noncapital financing activities includes federal grants, state and local appropriations, and contributions to the College and Foundation.

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Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2025 and 2024**

- Capital and related financing activities – Cash used in capital and related financing represents capital appropriations used for various plant, remodeling and repair expenditures as well as purchases of capital assets.
- Investing activities – Cash used in investing activities includes purchases and sales of investments, as well as investment income earnings and realized losses within the Foundation. The College also purchased CDs and Treasury Bills and earned interest off those activities.

Supplemental disclosures on noncash financing and investing activities represent finance and investing transactions that are not shown on the cash flow statement as they had no effect on cash, but affected other statements of net position or statement of revenues, expenses, and changes in net position accounts.

There are two such disclosures:

- The amount of pension plan contributions made by the State of Kansas to KPERS on behalf of the College.
- The amount of in-kind contributions the College received for the use of the City Center facilities and for supplies and materials for the use in various programs.

Capital Assets

The College continues to invest in capital. Below is a summary of capital activity occurring during 2025. Please refer to *Note 6* to the financial statements for additional information on additions, disposals and depreciation of capital assets.

The College entered into and continued certain capital projects in the form of leasehold improvements and other capitalized costs.

- The following projects were completed during the fiscal year: City Center C Building Remodel, UThrive Centers at multiple campuses, City Center ThinkBig Caterpillar Lab, City Center D Building Renovations, City Center Landscape project.
- The following capital asset projects were entered into or continued, but not yet completed during the fiscal year: NCAT Expansion and South Campus Addition.

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Statements of Net Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 38,466,664	\$ 33,215,585
Certificates of deposit	-	250,000
Accounts receivable, net of allowance; 2025 - \$680,000, 2024 - \$680,000	3,480,872	4,544,093
Pledges receivable, net	372,712	433,262
Investments	19,543,895	19,116,373
Prepaid expenses and other	1,489,084	422,819
Total Current Assets	<u>63,353,227</u>	<u>57,982,132</u>
Noncurrent Assets		
Pledges receivable, net	683,074	557,644
Lease assets, net	15,213,888	11,670,341
Subscription assets, net	1,056,369	575,218
Capital assets, net	18,423,013	16,236,871
Total Noncurrent Assets	<u>35,376,344</u>	<u>29,040,074</u>
Total Assets	<u>\$ 98,729,571</u>	<u>\$ 87,022,206</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Current portion of lease liabilities	\$ 1,617,969	\$ 1,507,790
Current portion of subscription liabilities	297,931	157,794
Accounts payable	1,609,321	3,372,329
Accrued wages and related liabilities	2,033,962	1,771,588
Unearned revenue	1,345,164	1,351,578
Total Current Liabilities	<u>6,904,347</u>	<u>8,161,079</u>
Noncurrent Liabilities		
Lease liabilities	13,586,079	10,143,677
Subscription liabilities	799,234	426,964
Net pension liability	124,257	99,684
Total Liabilities	<u>21,413,917</u>	<u>18,831,404</u>
Net Position		
Net investment in capital assets	17,462,367	15,320,142
Restricted, unexpendable	2,068,711	1,934,873
Restricted, expendable	5,051,837	3,422,460
Unrestricted	52,732,739	47,513,327
Total Net Position	<u>77,315,654</u>	<u>68,190,802</u>
Total Liabilities and Net Position	<u>\$ 98,729,571</u>	<u>\$ 87,022,206</u>

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenues		
Tuition and fees, net	\$ 7,505,596	\$ 9,501,921
Auxiliary	1,399,363	1,147,017
Federal grants and contracts	3,244,261	5,612,292
State grants and contracts	8,609,229	8,315,600
Local grants	46,756	27,651
Other operating revenues	-	164,330
Total Operating Revenues	<u>20,805,205</u>	<u>24,768,811</u>
Operating Expenses		
Compensation and benefits	30,742,094	27,322,203
Contractual services	724,038	707,365
Supplies and materials	8,119,443	7,562,882
Professional services	5,010,651	5,433,180
Depreciation and amortization	5,731,324	4,659,278
Repairs and maintenance	1,042,594	749,186
Facilities and equipment rent	1,608,738	992,978
Utilities	1,470,535	1,376,810
Other	2,999,797	2,057,798
Total Operating Expenses	<u>57,449,214</u>	<u>50,861,680</u>
Operating Loss	<u>(36,644,009)</u>	<u>(26,092,869)</u>
Nonoperating Revenues (Expenses)		
Federal grants and contracts	9,146,928	6,930,423
State grants and contracts	6,934,863	6,521,170
State appropriations	15,038,997	14,864,890
State contributions to KPERS	2,623,445	2,482,934
Local appropriations	800,000	800,000
Contributions	2,590,921	2,105,011
Contributed services and materials	1,505,333	1,428,797
Investment income	2,692,270	2,159,136
Interest expense	(473,557)	(376,936)
Gain on disposal of equipment	3,627	18,627
Net Nonoperating Revenues	<u>40,862,827</u>	<u>36,934,052</u>
Net Increase in Net Position Before Capital Revenues	<u>4,218,818</u>	<u>10,841,183</u>
Capital Revenues		
Capital appropriations – State	4,906,034	3,629,550
Total Capital Revenues	<u>4,906,034</u>	<u>3,629,550</u>
Increase in Net Position	9,124,852	14,470,733
Net Position, Beginning of Year	<u>68,190,802</u>	<u>53,720,069</u>
Net Position, End of Year	<u>\$ 77,315,654</u>	<u>\$ 68,190,802</u>

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
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Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Tuition and fees	\$ 9,335,890	\$ 9,534,096
Grants and contracts	12,526,122	13,955,543
Payments to suppliers	(20,398,840)	(15,225,504)
Payments for utilities	(1,470,535)	(1,376,810)
Payments to and on behalf of employees	(27,831,702)	(24,909,748)
Other receipts	-	164,330
	<u>(27,839,065)</u>	<u>(17,858,093)</u>
Cash Flows from Noncapital Financing Activities		
Federal grants and contracts	9,146,928	6,930,423
State grants and contracts	6,934,863	6,521,170
State appropriations	15,038,997	14,864,890
Local appropriations	800,000	800,000
Contributions	2,590,921	1,332,346
	<u>34,511,709</u>	<u>30,448,829</u>
Cash Flows from Capital and Related Financing Activities		
Capital appropriations - State	4,906,034	3,629,550
Principal paid on lease liabilities	(1,892,022)	(1,278,616)
Principal paid on subscription liabilities	(216,449)	(81,220)
Interest paid on lease and subscription liabilities	(386,648)	(376,936)
Proceeds from sale of assets	-	27,255
Purchase of capital assets	(6,195,439)	(7,025,679)
	<u>(3,784,524)</u>	<u>(5,105,646)</u>
Cash Flows from Investing Activities		
Investment income	1,940,173	1,499,783
Proceeds from disposition of investments	15,071,905	9,756,704
Purchase of investments and certificates of deposit	(14,649,119)	(14,699,564)
	<u>2,362,959</u>	<u>(3,443,077)</u>
Net Cash Provided by (Used in) Investing Activities	<u>2,362,959</u>	<u>(3,443,077)</u>
Increase in Cash and Cash Equivalents	5,251,079	4,042,013
Cash and Cash Equivalents, Beginning of Year	<u>33,215,585</u>	<u>29,173,572</u>
Cash and Cash Equivalents, End of Year	<u>\$ 38,466,664</u>	<u>\$ 33,215,585</u>

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
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Statements of Cash Flows – Continued
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (36,644,009)	\$ (26,092,869)
Items not requiring cash		
Depreciation and amortization expense	5,731,323	4,659,278
Contributed benefits, services and materials	4,128,778	3,911,731
Bad debt expense (recoveries)	582,604	321,387
Gain on lease termination	433,989	(61,540)
Changes in operating assets and liabilities		
Receivables, net	480,617	(1,458,016)
Prepaid expenses	(1,066,265)	174,156
Accounts payable and accrued liabilities	(1,504,261)	687,924
Net pension liability	24,573	(21,931)
Unearned revenue	(6,414)	21,787
Net Cash Used in Operating Activities	<u><u>\$ (27,839,065)</u></u>	<u><u>\$ (17,858,093)</u></u>
Noncash Investing, Capital and Financing Activities		
Contributions to pension plan by State	\$ 2,623,445	\$ 2,482,934
Contributed services and materials	\$ 1,505,333	\$ 1,428,797
Purchase of capital assets included in accounts payable	\$ 929,690	\$ 926,063
Lease liabilities incurred for lease assets	\$ 5,444,603	\$ 10,019,764
Subscription liabilities incurred for subscription assets	\$ 728,856	\$ 665,978

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech (the College) is a public, state-supported institution providing secondary and postsecondary technical education programs operating under the jurisdiction of the Kansas Board of Regents. The College is a component unit of Wichita State University. Major federally funded student financial aid programs in which the College participates include the Federal Pell Grant and Federal Direct Student Loan programs. The College extends unsecured credit to students.

Basis of Accounting and Presentation

For financial reporting purposes, the college is considered a special-purpose government engaged only in business type activities. Accordingly, the financial statements of the College have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used externally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific (such as state appropriations) and investment income are included in nonoperating revenues. The College first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

The college applies applicable Governmental Accounting Standards Board (GASB) Pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The College considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2025, cash equivalents consisted primarily of money market accounts.

The Board of Trustees has designated a portion of the College's unrestricted cash, cash equivalents and investments to be set aside for specific future purposes. These purposes and their respective amounts are as follows:

	<u>2025</u>	<u>2024</u>
Maintenance reserve fund	\$ 2,359,442	\$ 2,259,442
Operating cash reserve fund	21,564,612	19,099,308
Capital reserve fund	<u>14,926,808</u>	<u>12,736,844</u>
	<u>\$ 38,850,862</u>	<u>\$ 34,095,594</u>

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
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Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and third parties, auxiliary activity, and nonreimbursed grant expenditures. The College provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions.

Investments and Investment Income

Investments in equity and debt securities are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost.

Investment income consists of interest and dividend income, realized gains and losses, and the net change for the year in the fair value of investments carried at fair value.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the College:

Leasehold improvements	3 – 10 years
Software	2 – 7 years
Furniture, fixtures and equipment	2 – 15 years
Trucks	3 – 10 years
Aviation	5 – 15 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease, and Subscription Asset Impairment

The College evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital or lease asset historical cost and related accumulated depreciation or amortization are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the years ended June 30, 2025, and 2024.

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Compensated Absences

College policies permit most employees to accumulate paid time off (PTO) benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as PTO benefits and are earned whether the employee is expected to realize the benefit as time off or in cash. Accrued PTO benefits are computed using the subsequent July 1 pay rates.

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, *Compensated Absences*. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model.

Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements.

The College adopted this standard on July 1, 2024, and applied it retrospectively to the earliest period presented. There was no cumulative effect adjustment to beginning net position at the date of initial application.

Unearned Revenue

Unearned revenue represents unearned student tuition and fees and advances on grants and contract awards for which the College has not met all of the applicable eligibility requirements.

Cost-Sharing Defined Benefit Pension Plan

The College participates in the Kansas Public Employees Retirement System Plan (KPERs) (the Plan), a cost-sharing multiple-employer defined benefit pension plan. 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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 College falls under a special funding situation provided by the State of Kansas to technical colleges as defined under K.S.A. 74-4931(2) and (3).

Net Position

Net position of the College is classified in four components. Net investment in capital assets consists of capital assets and intangible assets, including lease and subscription assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets and lease and subscription liabilities. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the College. Restricted unexpendable net position is noncapital assets that are required to be maintained in perpetuity as specified by parties external to the College, such as permanent endowments. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Classification of Revenues

The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees, net of scholarship allowances.

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Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating activities by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition and fees for the years ended June 30, 2025 and 2024, were \$13,691,180 and \$10,982,714, respectively.

Contributed Services and Materials

In addition to receiving cash contributions, the College receives contributed services for use of the City Center facilities from Wichita Unified School District 259 and obtains contributed services, materials and industry match donations from various donors. It is the policy of the College to record the estimated fair value of certain contributed services and materials as an expense in its financial statements and similarly increase contribution revenue by a like amount. For the years ended June 30, 2025 and 2024, \$1,505,333 and \$1,428,797, respectively, were received in contributed services and materials.

Contributions and Pledges Receivable

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give, due in the next year, are recorded at their net realizable value. Unconditional promises to give, due in subsequent years, are reported at the present value of their net realizable value. See Note 5 for additional information regarding pledges receivable.

Income Taxes

As a governmental institution of higher education, the income of the College is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the College is subject to federal income tax on any unrelated business taxable income.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 presentation. The reclassifications had no effect on the changes in financial position.

Foundation

WSU Tech Foundation (the Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation's primary function is to raise and hold funds to support the College and its programs. The board of the Foundation is self-perpetuating and consists of local representatives and industry partners of the College.

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Although the College does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the College. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is presented using the blending method in the College's financial statements.

Note 2. Deposits, Investments and Investment Return

Deposits

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

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

At June 30, 2025, and 2024, none of the College's bank balances were exposed to custodial credit risk. At June 30, 2025, and 2024, none of the Foundation's bank balances were exposed to custodial credit risk.

In accordance with Kansas State Statute 12-1675, the College may legally invest in repurchase agreements with Kansas banks, savings and loan associations or federally chartered savings banks with an office located in Sedgwick County, Kansas; temporary notes or no-fund warrants issued by the College; or U.S. Treasury bills or notes with maturities not exceeding two years.

The College had one restricted certificate of deposit at June 30, 2024, with a balance of \$250,000, acting as a compensating balance for bank credit cards. This certificate of deposit was liquidated during the year ended June 30, 2025.

Investments

The Foundation is a 501(c)(3) organization and, as such, is not subjected to the same investing restrictions as the College. Investable assets of the Foundation are segregated from College accounts and are separately managed by the Foundation's Board of Trustees. Investments held in the Foundation and the College at June 30, 2025, and 2024, consist of the following:

	2025		2024	
	Carrying Value	Cost	Carrying Value	Cost
Foundation				
Equity mutual and exchange-traded funds	\$ 3,238,234	\$ 2,673,681	\$ 2,850,935	\$ 2,581,704
Bond and fixed income mutual funds	1,463,613	1,426,692	1,443,533	1,453,322
College				
U.S. Treasury bills	14,842,048	14,649,119	14,821,905	14,619,064
	\$ 19,543,895	\$ 18,749,492	\$ 19,116,373	\$ 18,654,090

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Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation’s policy limits its investment portfolio to maturities of less than two years. The Foundation’s investments at June 30, 2025, are all redeemable in full immediately.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Foundation invests in mutual funds to help mitigate the credit risk to its investments.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Foundation uses RCB Bank, a large well-funded banking institution, as its custodial agent.

Concentration of Credit Risk – The Foundation limits its holdings in an individual equity or debt security except for those issued by the U.S. government to 10% of the total portfolio value. The Foundation limits its holdings in an individual mutual or exchange-traded fund, other than diversified index funds, to 25% of the total portfolio value.

Summary of Carrying Values

The carrying values of deposits and investments included in the statements of net position as of June 30, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Carrying value		
Deposits, including certificate of deposit	\$ 38,466,664	\$ 33,465,585
Investments	<u>19,543,895</u>	<u>19,116,373</u>
	<u>\$ 58,010,559</u>	<u>\$ 52,581,958</u>
	<u>2025</u>	<u>2024</u>
Included in the following balance sheet captions		
Cash and cash equivalents	\$ 38,466,664	\$ 33,215,585
Certificate of deposit	-	250,000
Investments	<u>19,543,895</u>	<u>19,116,373</u>
	<u>\$ 58,010,559</u>	<u>\$ 52,581,958</u>

Investment Income

Investment income (loss) for the years ended June 30, 2025 and 2024, consists of:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 2,246,625	\$ 1,690,617
Net increase in fair value of investments	<u>445,646</u>	<u>468,519</u>
	<u>\$ 2,692,271</u>	<u>\$ 2,159,136</u>

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Disclosures About Fair Value of Assets

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

The Foundation has the following recurring fair value measurements as of June 30, 2025 and 2024:

- Equity mutual and exchange-traded funds of \$3,204,349 and \$2,850,935 at June 30, 2025 and 2024, respectively, are valued using quoted market prices (Level 1 inputs)
- Bond and fixed income mutual funds of \$1,511,771 and \$1,443,533 at June 30, 2025 and 2024, respectively, are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury bills of \$14,842,048 and \$14,821,905 at June 30, 2025 and 2024, respectively, are valued using quoted market prices (Level 1 inputs)

Note 3. Endowments

The Foundation's Board of Trustees has established an investment policy with the objectives of protecting the principal of these funds and maximizing total investment return without assuming extraordinary risks. It is the goal of the Foundation to provide spendable income levels that are reasonably stable and sufficient to meet budgetary requirements and to maintain a spending rate, currently established at 4% of the average valuation of the portfolio over the preceding 20 quarters, which ensures a proper balance between the preservation of corpus and enhancement of the purchasing power of investment earnings. As of June 30, 2025 and 2024, the Foundation had a total of \$835,323 and \$1,182,740, respectively, of net appreciation from investment of donor-restricted endowments available for expenditure. This amount is reported in expendable restricted net position on the statements of net position. The laws of the State of Kansas do not currently restrict the Foundation's ability to spend net appreciation on donor-restricted endowment funds.

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Note 4. Foundation

Condensed Statements of Net Position – Foundation

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash	\$ 2,854,932	\$ 994,957
Accounts receivable	-	4,493
Pledges receivable, net	372,712	433,262
Investments	4,701,847	4,294,468
Prepaid expenses and other	6,238	-
Total Current Assets	<u>7,935,729</u>	<u>5,727,180</u>
Noncurrent Assets		
Pledges receivable, net	<u>683,074</u>	<u>557,644</u>
Total Assets	<u>\$ 8,618,803</u>	<u>\$ 6,284,824</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Unearned revenue	\$ 53,134	\$ 68,294
Payable to the College	<u>836,513</u>	<u>422,675</u>
Total Current Liabilities	<u>889,647</u>	<u>490,969</u>
Total Liabilities	<u>889,647</u>	<u>490,969</u>
Net Position		
Restricted, unexpendable	2,068,711	1,934,873
Restricted, expendable	5,051,837	3,422,460
Unrestricted	<u>608,608</u>	<u>436,522</u>
Total Net Position	<u>7,729,156</u>	<u>5,793,855</u>
Total Liabilities and Net Position	<u>\$ 8,618,803</u>	<u>\$ 6,284,824</u>

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Condensed Statements of Revenues, Expenses and Changes in Net Position – Foundation

	<u>2025</u>	<u>2024</u>
Operating Revenues	\$ -	\$ -
Operating Expenses	<u>2,408,507</u>	<u>971,687</u>
Operating Loss	<u>(2,408,507)</u>	<u>(971,687)</u>
Nonoperating Revenues (Expenses)		
Contributions	2,590,921	2,237,816
Contributed service and materials	1,145,348	-
Investment income	<u>607,539</u>	<u>555,378</u>
Net Nonoperating Revenues	<u>4,343,808</u>	<u>2,793,194</u>
Increase in Net Position	1,935,301	1,821,507
Net Position, Beginning of Year	<u>5,793,855</u>	<u>3,972,348</u>
Net Position, End of Year	<u>\$ 7,729,156</u>	<u>\$ 5,793,855</u>

Note 5. Pledges Receivable

The maturities of pledges receivable, less the unamortized discount as of June 30, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 372,712	\$ 433,262
Due in one to five years	<u>880,375</u>	<u>730,700</u>
	1,253,087	1,163,962
Less unamortized discount	<u>197,301</u>	<u>173,056</u>
	<u>\$ 1,055,786</u>	<u>\$ 990,906</u>

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Lease assets activity for the years ended June 30, 2025 and 2024, was:

	2025				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings	\$ 13,179,716	\$ 4,521,207	\$ (433,989)	\$ -	\$ 17,266,934
Equipment	187,597	-	-	-	187,597
Aviation	621,101	-	-	-	621,101
Land	-	923,396	-	-	923,396
	<u>13,988,414</u>	<u>5,444,603</u>	<u>(433,989)</u>	<u>-</u>	<u>18,999,028</u>
Less accumulated amortization					
Buildings	1,889,790	1,304,559	-	-	3,194,349
Equipment	112,557	37,519	-	-	150,076
Aviation	315,726	124,220	-	-	439,946
Land	-	769	-	-	769
	<u>2,318,073</u>	<u>1,467,067</u>	<u>-</u>	<u>-</u>	<u>3,785,140</u>
Lease assets, net	<u>\$ 11,670,341</u>	<u>\$ 3,977,536</u>	<u>\$ (433,989)</u>	<u>\$ -</u>	<u>\$ 15,213,888</u>
	2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings	\$ 6,422,951	\$ 10,019,764	\$ (3,262,999)	\$ -	\$ 13,179,716
Equipment	187,597	-	-	-	187,597
Aviation	621,101	-	-	-	621,101
	<u>7,231,649</u>	<u>10,019,764</u>	<u>(3,262,999)</u>	<u>-</u>	<u>13,988,414</u>
Less accumulated amortization					
Buildings	1,735,256	1,133,204	(978,670)	-	1,889,790
Equipment	75,038	37,519	-	-	112,557
Aviation	191,506	124,220	-	-	315,726
	<u>2,001,800</u>	<u>1,294,943</u>	<u>(978,670)</u>	<u>-</u>	<u>2,318,073</u>
Lease assets, net	<u>\$ 5,229,849</u>	<u>\$ 8,724,821</u>	<u>\$ (2,284,329)</u>	<u>\$ -</u>	<u>\$ 11,670,341</u>

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Subscription assets activity for the years ended June 30, 2025 and 2024, was:

	2025				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Subscription IT assets	\$ 665,978	\$ 728,856	\$ -	\$ -	\$ 1,394,834
Less accumulated amortization Subscription IT assets	90,760	247,705	-	-	338,465
Subscription assets, net	<u>\$ 575,218</u>	<u>\$ 481,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,056,369</u>
	2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Subscription IT assets	\$ -	\$ 665,978	\$ -	\$ -	\$ 665,978
Less accumulated amortization Subscription IT assets	-	90,760	-	-	90,760
Subscription assets, net	<u>\$ -</u>	<u>\$ 575,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,218</u>

Note 7. Long-Term Obligations

The following is a summary of long-term obligation transactions for the College for the years ended June 30, 2025 and 2024:

	2025				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Lease liabilities	\$ 11,651,467	\$ 5,444,603	\$ 1,892,022	\$ 15,204,048	\$ 1,617,969
Subscription liabilities	584,758	728,856	216,449	1,097,165	297,931
Total long-term obligations	<u>\$ 12,236,225</u>	<u>\$ 6,173,459</u>	<u>\$ 2,108,471</u>	<u>\$ 16,301,213</u>	<u>\$ 1,915,900</u>
	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Lease liabilities	\$ 5,256,188	\$ 10,019,764	\$ 3,624,485	\$ 11,651,467	\$ 1,507,790
Subscription liabilities	-	665,978	81,220	584,758	157,794
Total long-term obligations	<u>\$ 5,256,188</u>	<u>\$ 10,685,742</u>	<u>\$ 3,705,705</u>	<u>\$ 12,236,225</u>	<u>\$ 1,665,584</u>

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Note 8. Lease Liabilities

The College leases buildings, airplanes, office equipment, and land, the terms of which expire in various years through 2060. Payments are based on the lease agreements in each specific lease.

During the years ended June 30, 2025 and 2024, there were no variable payments recognized not previously included in the measurement of the lease liability.

The following is a schedule by year of payments under the leases as of June 30, 2025:

Years Ending June 30,	Total to be Paid	Principal	Interest
2026	\$ 2,197,253	\$ 1,617,969	\$ 579,284
2027	2,220,468	1,703,658	516,810
2028	2,181,221	1,734,043	447,178
2029	1,956,761	1,573,760	383,001
2030	1,957,268	1,636,932	320,336
2031 - 2035	6,788,057	6,120,508	667,549
2036 - 2040	290,623	97,967	192,656
2041 - 2045	305,487	142,477	163,010
2046 - 2050	321,054	200,378	120,676
2051 - 2055	337,539	275,693	61,846
2056 - 2060	104,613	100,663	3,950
	<u>\$ 18,660,344</u>	<u>\$ 15,204,048</u>	<u>\$ 3,456,296</u>

Note 9. Subscription Liabilities

The College has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2029. Payments are based on the subscription agreements in each specific agreement.

During the years ended June 30, 2025 and 2024, there were no variable payments recognized not previously included in the measurement of the subscription liability.

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The following is a schedule by year of payments under the subscription agreements as of June 30, 2025:

Years Ending June 30,	Total to be Paid	Principal	Interest
2026	\$ 319,678	\$ 297,931	\$ 21,747
2027	661,709	651,534	10,175
2028	73,634	70,390	3,244
2029	77,561	77,310	251
	<u>\$ 1,132,582</u>	<u>\$ 1,097,165</u>	<u>\$ 35,417</u>

Note 10. Restricted Net Position

Restricted net position is classified as either unexpendable or expendable as directed by the donors or for time restrictions. The balances, along with their restricted uses, are as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Restricted, unexpendable		
Scholarships	\$ 1,528,711	\$ 1,394,873
Instructional	540,000	540,000
	<u>\$ 2,068,711</u>	<u>\$ 1,934,873</u>
Restricted, expendable		
Scholarships	\$ 1,147,586	\$ 908,701
Instructional	526,838	446,016
Temp student services	8,048	3,631
Academic support	3,354,713	2,064,112
Capital outlay	8,412	-
	<u>\$ 5,045,597</u>	<u>\$ 3,422,460</u>

Note 11. Pension Plan

Kansas Public Employees Retirement System Plan

Plan Description

The Kansas Public Employees Retirement System Plan is an umbrella organization administering the following three statewide retirement systems under one plan as provided by K.S.A. 74, Article 49: *Kansas Public Employees Retirement System (KPERs)*, *Kansas Police and Fire Retirement System* and *Kansas Retirement System for Judges*. All employees in a qualified KPERs position must participate in the plan.

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The KPERS plan is a cost-sharing, multi-employer, defined benefit plan. KPERS is intended to be a qualified retirement plan under Section 401(a) of the Code. Information relating to KPERS, including stand-alone financial statements, is available by writing to KPERS, 611 South Kansas Avenue, Suite 100, Topeka, Kansas 66603-3869 or accessing the internet at www.KPERS.org.

Benefits Provided

Retirement benefits for employees are calculated based on the credited service, final average salary and a statutory multiplier. KPERS has three levels of benefits depending on hire date, retirement age and years of credited service. Tier 1 benefits are for members hired before July 1, 2009, who are age 65 or age of 62 with 10 years of credited service or of any age when combined age and years of credited service equal 85 "points." Tier 2 benefits are for members hired between July 1, 2009 and December 31, 2014, who are age 65 with five years of credited service or age 60 with 30 years of credited service. Tier 3 benefits are for members who were hired on or after January 1, 2015, and are age 65 with five years credited service or are age 60 with 30 years of credited service. Tier 1 members receive a participating service credit of 1.75% of the final average salary for years of service prior to January 1, 2014. Participating service credit is 1.85% of final average salary for years of service after December 31, 2013. Tier 2 members retiring on or after January 1, 2012, participating service credit is 1.85% for all years of service. Tier 3 members earn retirement credits between 3% of pay to 5% of pay depending on length of service at retirement.

For Tier 1 participants, early retirement is permitted at the age of 55 and 10 years of credited service. Benefits are reduced by 0.2% per month for each month between the ages of 60-62, plus 0.6% for each month between the ages of 55 and 60 for Tier 1 members. For Tier 2 members, benefits are reduced actuarially for each early commencement. The reduction factor is 35% at the age of 60 and 57.5% at age 55. If the member has 30 years of credited service, the early retirement reduction is less (50% of regular reduction). Tier 3 participants can retire at age 60 with 30 years of service, at age 65 with five years of service or at age 55 with at least 10 years of service but receiving a reduced benefit. All three plans provide disability and death benefits to plan members and their beneficiaries.

Contributions

The law governing KPERS requires an actuary to make an annual valuation of the liabilities and reserves and a determination of the contributions required to discharge the KPERS liabilities. The actuary then recommends to the KPERS Board of Trustees the statewide employer-contribution rates required to maintain the three systems on the actuarial reserve basis. Prior to January 1, 2014, Tier 1 participants were required to contribute 4.0% of their annual pay. Effective January 1, 2014, the rate was raised to 5.0% with an increase in the benefit multiplier to 1.85% beginning January 1, 2014, for future years of service only. Tier 2 participants are required to contribute 6% of compensation. The State of Kansas is required to contribute at an actuarially determined rate. The rate at June 30, 2025 and 2024, was 12.24% and 12.31%, respectively, of annual payroll. The State of Kansas contribution, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with this special funding situation, the State of Kansas' contributions to the plan for College employees for the years ended June 30, 2025 and 2024, were \$2,623,445 and \$2,482,934, respectively, which equaled 100% of the required contributions.

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Pension Liabilities and Pension Expense

At June 30, 2025 and 2024, the College reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the College. The College's proportion of the net pension liability was 0.99% and 0.46% at June 30, 2025 and 2024, respectively. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

	<u>2025</u>	<u>2024</u>
College's proportionate share of the net pension liability	\$ 124,257	\$ 99,684
State's proportionate share of the net pension liability attributed to the College	<u>12,468,802</u>	<u>21,649,256</u>
	<u>\$ 12,593,059</u>	<u>\$ 21,748,940</u>

The net pension liability at June 30, 2025 and 2024, was measured at June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of December 31, 2023 and 2022, respectively, which were rolled forward to June 30, 2024 and 2023, respectively. As a result of the special funding situation provided by the State of Kansas to technical colleges as defined under K.S.A. 74-4931 (2) and (3), at June 30, 2025 and 2024, the College's proportion of the net pension liability was less than 1.0%.

For the years ended June 30, 2025 and 2024, the College recognized pension expense and contribution revenue of \$2,623,445 and \$2,482,934, respectively, for support provided by the State. In addition, for the years ended June 30, 2025 and 2024, the College recognized pension expense (revenue) of \$24,573 and \$(21,931), respectively, for the College's proportionate share of the net pension liability.

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 15.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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:

Inflation	2.75%
Salary increases	3.50% to 12.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates for December 31, 2023 and 2022, were based on the Pub-2010 and RP-2014 Mortality tables, respectively, as appropriate with adjustments for mortality improvements based on Scale MP-2021 and Scale MP-2016, respectively.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study performed in 2023. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the three-year periods ended December 31, 2018.

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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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	2023	
	Target Allocation	Long-term Expected Rate of Real Return
Non-U.S. Equities	43.0%	8.20%
Core Fixed Income	13.0%	2.20%
Yield Driven	12.0%	5.30%
Infrastructure	3.0%	6.80%
Real Estate	15.0%	5.70%
Alternatives	11.0%	12.00%
Short-Term Investments	3.0%	0.30%
	<u>100.0%</u>	
Asset Class	2022	
	Target Allocation	Long-term Expected Rate of Real Return
U.S. Equities	23.5%	5.20%
Non-U.S. Equities	23.5%	6.40%
Private Equity	8.0%	9.50%
Private Real Estate	11.0%	4.45%
Yield Driven	8.0%	4.70%
Real Return	11.0%	3.25%
Fixed Income	11.0%	1.55%
Short-Term Investments	4.0%	0.25%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the years ended December 31, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the contractually required rate. Participating employer contributions do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by KPERS' Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, 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.

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June 30, 2025 and 2024

Pension Plan Fiduciary Net Position

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

Note 12. Contingencies

General Litigation

The College is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. The College evaluates such allegations by conducting investigations to determine the validity of each potential claim. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the statements of net position, change in net assets and cash flows of the College. Events could occur that would change this estimate materially in the near term.

Government Grants

The College is currently participating in several grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Note 13. Risk Management

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

Note 14. Subsequent Events

Taxable Educational Facilities Revenue Bonds – Series 2025

On October 24, 2025, the College issued Taxable Educational Facilities Revenue Bonds totaling \$25,000,000 through a private placement with Commerce Bank. The bonds bear interest payable semiannually at 5.40 percent and are secured by certain revenue generated from educational facilities. Principal maturity begins June 1, 2027 for an 8.5 year period at a 20 year amortization period. After 8.5 years the remaining principal will be refinanced or paid. Proceeds from the issuance of these bonds will provide funding for the \$40,500,000 expansion of the National Center for Aviation Training.

Subsequent events have been evaluated through November 20, 2025, which is the date the financial statements were issued.

Required Supplementary Information

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
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Schedule of the College's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System Plan
Last Ten Fiscal Year's Measurement Date

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.99%	0.46%	0.58%	0.62%	0.54%	0.69%	0.77%	1.52%	1.61%	0.00%
College's proportionate share of the net pension liability	\$ 124,257	\$ 99,684	\$ 121,615	\$ 94,265	\$ 113,070	\$ 120,120	\$ 124,774	\$ 249,074	\$ 261,741	\$ -
State's proportionate share of the net pension liability associated with the College	<u>12,468,802</u>	<u>21,649,256</u>	<u>20,871,060</u>	<u>15,009,226</u>	<u>20,732,853</u>	<u>17,364,689</u>	<u>16,070,224</u>	<u>16,183,620</u>	<u>15,969,083</u>	<u>15,042,004</u>
Total	<u>\$ 12,593,059</u>	<u>\$ 21,748,940</u>	<u>\$ 20,992,675</u>	<u>\$ 15,103,491</u>	<u>\$ 20,845,923</u>	<u>\$ 17,484,809</u>	<u>\$ 16,194,998</u>	<u>\$ 16,432,694</u>	<u>\$ 16,230,824</u>	<u>\$ 15,042,004</u>
College's covered payroll during the measurement period	\$ 21,368,297	\$ 18,872,717	\$ 17,325,686	\$ 15,529,462	\$ 15,777,632	\$ 14,882,216	\$ 13,766,092	\$ 12,579,284	\$ 12,299,560	\$ 11,376,951
College's proportionate share of the net pension liability as a percentage of its covered payroll	0.58%	0.53%	0.70%	0.61%	0.72%	0.81%	0.91%	1.98%	2.13%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	72.75%	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

Note to Schedule: The amounts presented are as of June 30 of each previous fiscal year, and the corresponding measurement date used by the College.

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Schedule of College Pension Contributions
Kansas Public Employees Retirement System Plan
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>									
College's covered payroll	\$ 24,178,061	\$ 21,368,297	\$ 18,872,717	\$ 17,325,686	\$ 15,529,462	\$ 15,777,632	\$ 14,882,216	\$ 13,766,092	\$ 12,579,284	\$ 12,299,560
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note to Schedule: The amounts presented are as of June 30 and the corresponding measurement date used by the College.

Supplementary Information

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
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Consolidating Schedule - Statement of Net Position
June 30, 2025

	WSU Tech	WSU Tech Foundation	Total	Eliminating Entries	Consolidated
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 35,611,732	\$ 2,854,932	\$ 38,466,664	\$ -	\$ 38,466,664
Accounts receivable, net of allowance; 2025 - \$680,000, 2024 - \$680,000	3,480,872	-	3,480,872	-	3,480,872
Pledges receivable, net	-	372,712	372,712	-	372,712
Investments	14,842,048	4,701,847	19,543,895	-	19,543,895
Prepaid expenses and other	2,319,216	6,238	2,325,454	(836,370)	1,489,084
Total Current Assets	56,253,868	7,935,729	64,189,597	(836,370)	63,353,227
Noncurrent Assets					
Pledges receivable, net	-	683,074	683,074	-	683,074
Lease assets, net	15,213,888	-	15,213,888	-	15,213,888
Subscription assets, net	1,056,369	-	1,056,369	-	1,056,369
Capital assets, net	18,423,013	-	18,423,013	-	18,423,013
Total Noncurrent Assets	34,693,270	683,074	35,376,344	-	35,376,344
Total Assets	\$ 90,947,138	\$ 8,618,803	\$ 99,565,941	\$ (836,370)	\$ 98,729,571
LIABILITIES AND NET POSITION					
Current Liabilities					
Current portion of lease liabilities	\$ 1,617,969	\$ -	\$ 1,617,969	\$ -	\$ 1,617,969
Current portion of subscription liabilities	297,931	-	297,931	-	297,931
Accounts payable	1,609,178	836,513	2,445,691	(836,370)	1,609,321
Accrued wages and related liabilities	2,033,962	-	2,033,962	-	2,033,962
Unearned revenue	1,292,030	53,134	1,345,164	-	1,345,164
Total Current Liabilities	6,851,070	889,647	7,740,717	(836,370)	6,904,347
Noncurrent Liabilities					
Lease liabilities	13,586,079	-	13,586,079	-	13,586,079
Subscription liabilities	799,234	-	799,234	-	799,234
Net pension liability	124,257	-	124,257	-	124,257
Total Liabilities	21,360,640	889,647	22,250,287	(836,370)	21,413,917
Net Position					
Net investment in capital assets	17,462,367	-	17,462,367	-	17,462,367
Restricted, unexpendable	-	2,068,711	2,068,711	-	2,068,711
Restricted, expendable	-	5,051,837	5,051,837	-	5,051,837
Unrestricted	52,124,131	608,608	52,732,739	-	52,732,739
Total Net Position	69,586,498	7,729,156	77,315,654	-	77,315,654
Total Liabilities and Net Position	\$ 90,947,138	\$ 8,618,803	\$ 99,565,941	\$ (836,370)	\$ 98,729,571

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
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Consolidating Schedule – Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

	<u>WSU Tech</u>	<u>WSU Tech Foundation</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Consolidated</u>
Operating Revenues					
Tuition and fees, net	\$ 7,743,314	\$ -	\$ 7,743,314	\$ (237,718)	\$ 7,505,596
Auxiliary	1,399,363	-	1,399,363	-	1,399,363
Federal grants and contracts	3,244,261	-	3,244,261	-	3,244,261
State grants and contracts	8,609,229	-	8,609,229	-	8,609,229
Local grants	46,756	-	46,756	-	46,756
Other operating revenues	1,948,576	-	1,948,576	(1,948,576)	-
Total Operating Revenues	<u>22,991,499</u>	<u>-</u>	<u>22,991,499</u>	<u>(2,186,294)</u>	<u>20,805,205</u>
Operating Expenses					
Compensation and benefits	30,742,094	-	30,742,094	-	30,742,094
Contractual services	724,038	-	724,038	-	724,038
Supplies and materials	8,083,825	35,618	8,119,443	-	8,119,443
Professional services	4,873,117	137,534	5,010,651	-	5,010,651
Depreciation and amortization	5,731,324	-	5,731,324	-	5,731,324
Repairs and maintenance	1,042,594	-	1,042,594	-	1,042,594
Facilities and equipment rent	1,608,738	-	1,608,738	-	1,608,738
Utilities	1,470,535	-	1,470,535	-	1,470,535
Other	2,950,736	2,235,355	5,186,091	(2,186,294)	2,999,797
Total Operating Expenses	<u>57,227,001</u>	<u>2,408,507</u>	<u>59,635,508</u>	<u>(2,186,294)</u>	<u>57,449,214</u>
Operating Loss	<u>(34,235,502)</u>	<u>(2,408,507)</u>	<u>(36,644,009)</u>	<u>-</u>	<u>(36,644,009)</u>
Nonoperating Revenues (Expenses)					
Federal grants and contracts	9,146,928	-	9,146,928	-	9,146,928
State grants and contracts	6,934,863	-	6,934,863	-	6,934,863
State appropriations	15,038,997	-	15,038,997	-	15,038,997
State contributions to KPERS	2,623,445	-	2,623,445	-	2,623,445
Local appropriations	800,000	-	800,000	-	800,000
Contributions	-	2,590,921	2,590,921	-	2,590,921
Contributed services and materials	359,985	1,145,348	1,505,333	-	1,505,333
Investment income	2,084,731	607,539	2,692,270	-	2,692,270
Interest expense	(473,557)	-	(473,557)	-	(473,557)
Gain on disposal of equipment	3,627	-	3,627	-	3,627
Net Nonoperating Revenues	<u>36,519,019</u>	<u>4,343,808</u>	<u>40,862,827</u>	<u>-</u>	<u>40,862,827</u>
Net Increase in Net Position Before Capital Revenues	<u>2,283,517</u>	<u>1,935,301</u>	<u>4,218,818</u>	<u>-</u>	<u>4,218,818</u>
Capital Revenues					
Capital appropriations – State	4,906,034	-	4,906,034	-	4,906,034
Total Capital Revenues	<u>4,906,034</u>	<u>-</u>	<u>4,906,034</u>	<u>-</u>	<u>4,906,034</u>
Increase in Net Position	7,189,551	1,935,301	9,124,852	-	9,124,852
Net Position, Beginning of Year	<u>62,396,947</u>	<u>5,793,855</u>	<u>68,190,802</u>	<u>-</u>	<u>68,190,802</u>
Net Position, End of Year	<u>\$ 69,586,498</u>	<u>\$ 7,729,156</u>	<u>\$ 77,315,654</u>	<u>\$ -</u>	<u>\$ 77,315,654</u>

Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass- Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Education</u>				
Student Financial Assistance Cluster				
Federal Direct Student Loans	84.268	N/A	\$ -	\$ 7,985,237
Federal Pell Grant Program	84.063	N/A	-	8,938,288
Federal Supplemental Educational Opportunity Grants	84.007	N/A	-	116,953
Federal Work Study Program	84.033	N/A	-	91,327
Total Student Financial Assistance Cluster			-	17,131,805
TRIO Cluster				
TRIO-Student Support Services	84.042	N/A	-	270,000
Total TRIO Cluster			-	270,000
Fund for the Improvement of Postsecondary Education	84.116N	N/A	-	373,620
Fund for the Improvement of Postsecondary Education	84.116Z	N/A	-	311,195
Strengthening Institutions Program	84.031A	N/A	-	183,734
ECMC FAFSA Student Support Strategy	84.000	N/A	-	58,935
Passed Through State Library of Kansas Notable Books	84.000	None Provided	-	284
Passed Through Kansas Board of Regents Adult Education - State Grant Program	84.002	None Provided	310,473	310,473
Career and Technical Education - Basic Grants to States	84.048A	None Provided	-	820,039
Total Department of Education			310,473	19,460,085
<u>Economic Development Administration</u>				
Passed Through Wichita State University Economic Adjustment Assistance	11.307	05-79-06237	-	245,023
Total Economic Development Cluster			-	245,023
<u>U.S. Department of Labor</u>				
Passed Through Workforce Alliance of South Central Kansas H-1B Job Training Grants	17.268	HG-35909-21-60-A-20	-	68,307
Total U.S Department of Labor			-	68,307
<u>National Science Foundation</u>				
NSF Technology, Innovation, and Partnerships	47.084	N/A	-	122,385
Total Research and Development Cluster			-	122,385
<u>U.S. Department of Defense</u>				
Passed Through The Institute for Advanced Composites Manufacturing Innovation National Imperative Industrial Skills	12.000	W52P1J2133024	-	202,152
Total U.S Department of Defense			-	202,152
<u>U.S. Department of Energy</u>				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	N/A	-	277,287
Total U.S Department of Energy			-	277,287
Total Federal Expenditures			\$ 310,473	\$ 20,375,239

**Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the College under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

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

Note 4. Federal Loan Programs

The College has certain federal student loan funds not subject to continuing compliance requirements, such as the Federal Direct Student Loans. Since the College does not administer the program, the outstanding loan balances have not been included in the Schedule. New loans made during the year under this program are included in the Schedule.

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Trustees
Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Wichita, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech (a Component Unit of Wichita State University) (the College), which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Forvis Mazars, LLP

**Wichita, Kansas
November 20, 2025**

Report on Compliance for the Major Federal Program Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Trustees
Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Wichita, Kansas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech's (a Component Unit of Wichita State University) (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended June 30, 2025. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Forvis Mazars, LLP

**Wichita, Kansas
December 16, 2025**

**Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting :

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

Federal Awards

4. Internal control over major federal awards programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

5. Type of auditor's report issued on compliance for major federal program(s):

Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

Yes No

**Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
 A Component Unit of Wichita State University
 Schedule of Findings and Questioned Costs – Continued
 Year Ended June 30, 2025**

7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	<u>Student Financial Assistance Cluster</u>
84.268	Federal Direct Student Loans
84.063	Federal Pell Grant Program
84.007	Federal Supplemental Education Opportunity Grants
84.033	Federal Work Study Program

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

9. Auditee qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**Wichita State University Campus of Applied Sciences and Technology d/b/a WSU Tech
A Component Unit of Wichita State University
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025**

Reference Number	Summary of Finding	Status
	No matters are reportable.	