



FORT HAYS STATE
UNIVERSITY



ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR 2025
ENDED JUNE 30, 2025

**FORT HAYS STATE UNIVERSITY
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2025**

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Kansas Board of Regents

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FORT HAYS STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance of Fort Hays State University (the "University") based on currently known facts, decisions, and conditions and is designed to assist readers in understanding the accompanying financial statements. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. This discussion – along with the financial statements and related footnote disclosures – has been prepared by and is the responsibility of management.

USING THIS ANNUAL REPORT

This report consists of the three financial statements, the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements 37 and 38. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the University as a whole. The notes to the financial statements present additional information to further define the financial statements.

STATEMENTS OF NET POSITION

The Statements of Net Position present the assets, deferred outflows, liabilities, deferred inflows and net position of the University at a point in time (at the end of the fiscal year). Their purpose is to present a financial snapshot of the University. The Statements of Net Position include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. Under the accrual basis of accounting, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Within the Statements of Net Position, assets and liabilities are further classified as current or non-current. The current classification distinguishes those assets that are highly liquid and available for immediate and unrestricted use by the University, and those liabilities likely to be settled in the next twelve months.

Net position is divided into three categories:

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

Total assets at June 30, 2025, were \$266.8 million, an increase of \$23.3 million or 9.5%. Capital assets, net of depreciation, comprised \$217.1 million, or 81.4% of the total assets.

Total liabilities were \$54.5 million at June 30, 2025, a decrease of \$6.4 million, or 10.5% compared to \$60.8 million at June 30, 2024. Long-term liabilities comprised \$32.3 million, or 59.0% of the total liabilities.

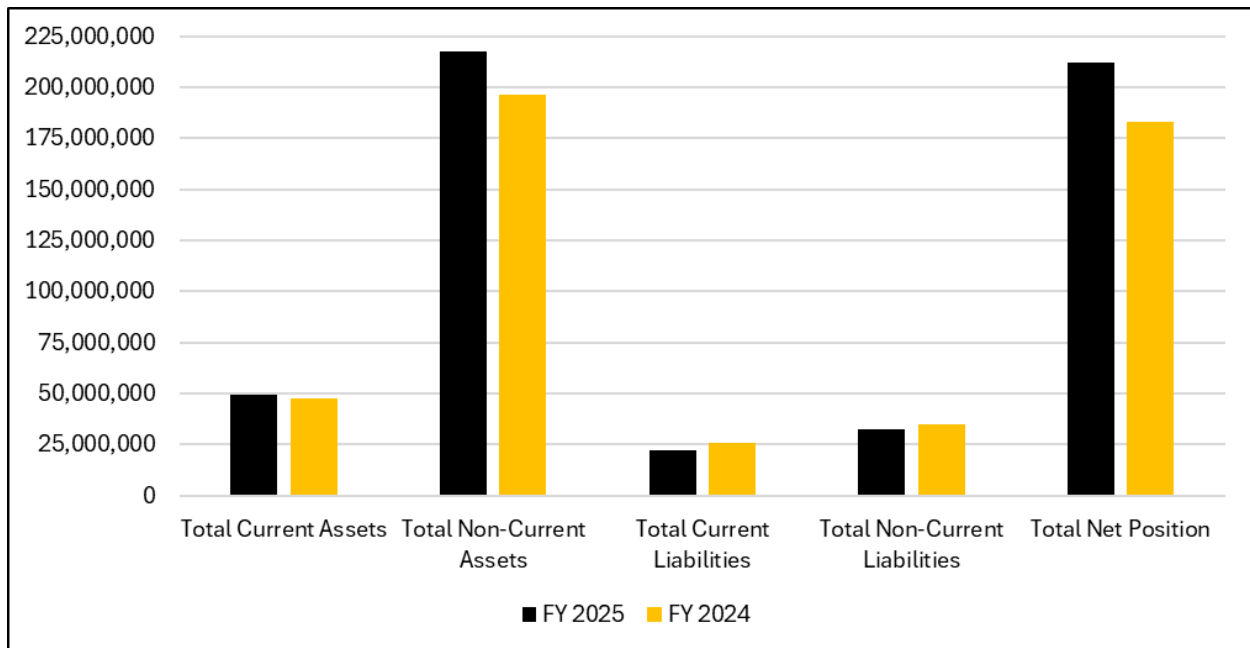
Total net position at June 30, 2025, was \$211.9 million, a \$29.1 million increase from the prior year, or a 15.9% increase in net position.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025

The breakout of net position is shown below:

	June 30, 2025	June 30, 2024
Net investment in capital assets	\$ 188,762,948	\$ 170,354,178
Restricted net position	4,953,377	4,960,368
Unrestricted net position	18,224,898	7,541,509
Total Net position	\$ 211,941,223	\$ 182,856,055

The composition of current and non-current assets and liabilities and net position is displayed below for both 2025 and 2024 fiscal year-ends.



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

Revenues

Operating revenues of the University for the year of June 30, 2025, were \$81.1 million, a decrease of 10.1% over the previous fiscal year. The following is a brief summary of the significant changes:

Student tuition and fee revenues, after scholarship allowances, were \$52.3 million in 2025 compared to \$58.5 million in 2024. Gross tuition and fee revenue increased \$3.7 million in 2025 as a result of a 6% increase in tuition rates, which was offset by a \$9.9 million increase in scholarship allowances as a result of transitioning to the new direct method of calculating scholarship discounts. This method was proposed by the National Association of College Business Officers (NACUBO) in 2023 and adopted by the University on July 1, 2024 for the 2025 fiscal year. Federal and State Operating Grant revenue remained

FORT HAYS STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025

largely unchanged from the prior year driven by continued grant work at the University and Departmental level.

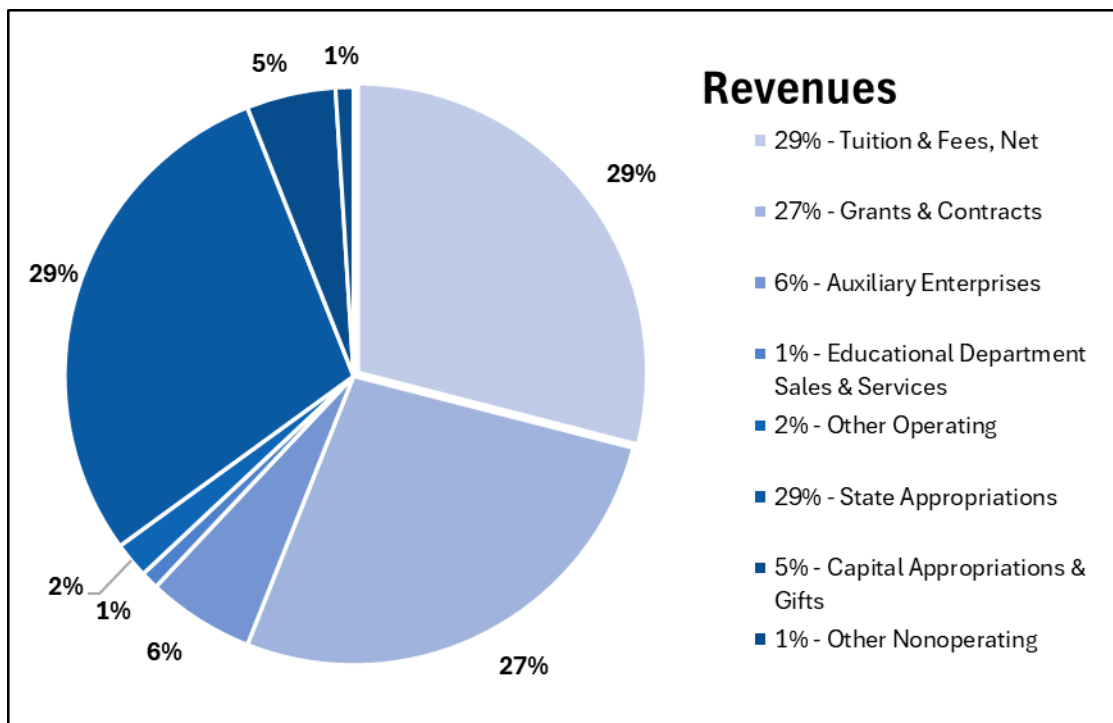
Residential life revenues were \$8.0 million in 2025 compared to \$11.1 million in 2024, a decrease of \$3.1 million. The University once again saw an increase in residential hall occupancy rates which contributed to a \$1.2 million increase in gross residential life revenue. This increase was offset by a \$4.3 million reduction for scholarship allowances as a result of the University adopting the new NACUBO "direct method" for calculating scholarship allowances. Under the previous "alternate method" no discount was calculated for housing charges.

Total non-operating revenues increased \$29 million, when comparing \$92.7 million in 2025 to \$63.7 million in 2024, an increase of 45%. State appropriations increased by 14.0% from \$46.1 million in 2024 to \$52.5 million in 2025. This \$6.4 million increase was driven by an increase in base operating appropriations as well as new state funding for Regional Stabilization, Professional and Continuing Education, Telehealth, and Nursing initiatives. Federal nonoperating grants increased \$18.5 million in 2025 compared to 2024. This increase was primarily driven by a \$12.9 million federal grant for the renovation of the University Library.

Gifts to the University increased \$3.9 million due to the University's construction of a new football facility at Lewis Field Stadium. This project is being funded primarily through donor support.

Finally, total capital appropriations decreased \$5.7 million in 2025 compared to 2024. In fiscal year 2024, the University received a one-time bond defeasance granted by the State of Kansas through the Kansas Development Finance Authority of \$5.9 million. During fiscal year 2020, debt in the amount of \$10.5 million was issued to finance the Center for Student Success addition to the Memorial Union. On July 27, 2023, the State of Kansas granted the University \$5.9 million as a partial defeasance of the outstanding debt.

In summary, total revenues increased by \$14.0 million, from \$165.1 million in 2024 to \$179.1 million in 2025. The composition of FY2025 revenues is displayed in the following graph:



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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025

Expenses

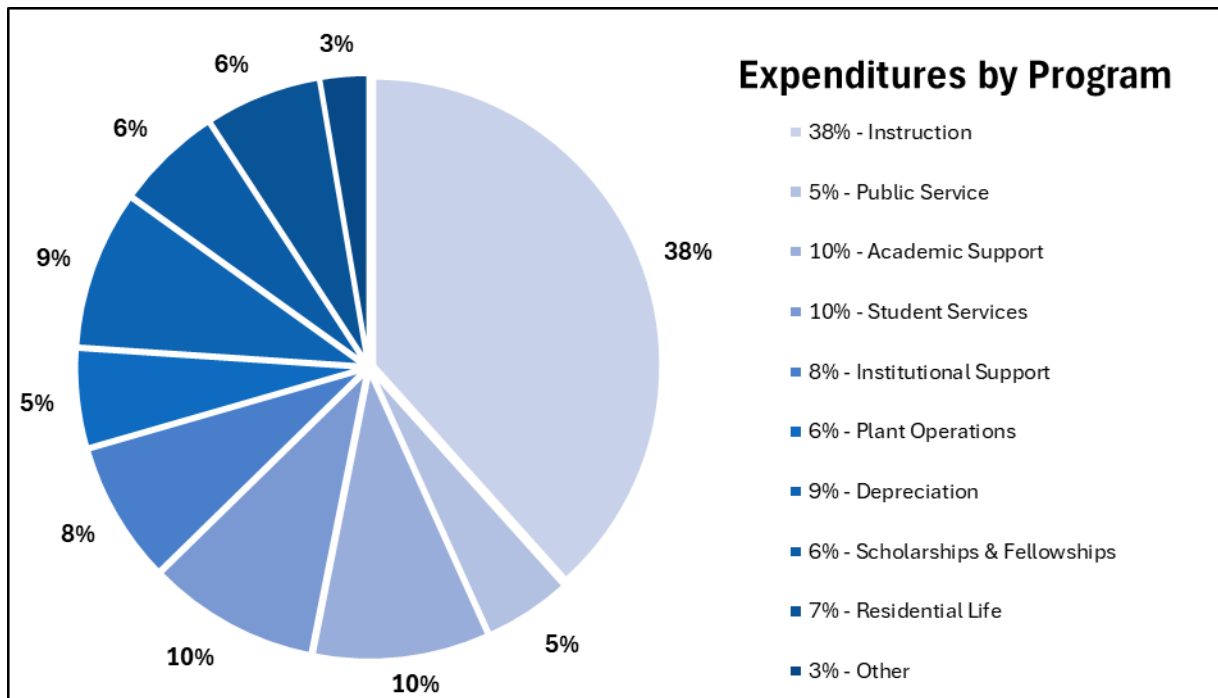
Operating expenses were \$149.1 million for the 2025 fiscal year compared to \$154.2 million for the 2024 fiscal year, a decrease of \$5.0 million. Education and general expenses increased slightly in most categories with larger increases in Public Service and Institutional Support as a result of increased grant activity and regional stabilization initiatives, respectively. Of the increase in Education and General expenses, compensation and benefits accounted for \$1.7 million, while inflation continued to result in increased expenditures for supplies and services.

Scholarship and Fellowship expenditures decreased \$7.8 million in 2025 compared to the prior year. While total institutional aid increased \$6.3 million, the increase was offset by a \$14.1 million decrease as a result of the University's adoption of the new direct method of calculating scholarship discounts. This new method allocates a larger portion of institutional aid to discounts rather than expense. Additional information regarding the adoption of the new scholarship method can be found in Note 16 to the financial statements.

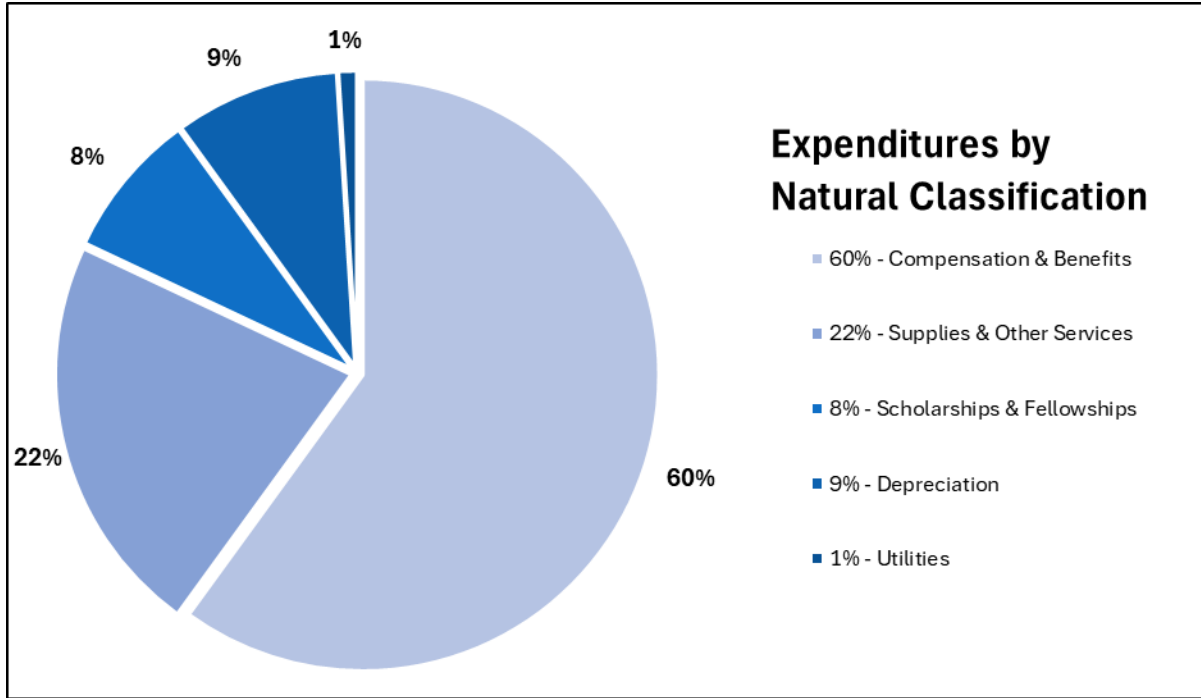
Auxiliary expenses increased \$0.8 million from \$11.8 million in 2024 to \$12.6 million in 2025. The largest increase was within Residential Life, primarily caused by increased meal plan costs.

Non-operating expenses are comprised of investment of bond reserve funds, bond interest expense, the student loan program, and other non-capitalized expenditures.

The composition of total expenses, including operating and non-operating is displayed in the following graphs:



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For the Year Ended June 30, 2025



Foundation Expenses Paid on Behalf of the University

The Fort Hays State University Foundation, a separate not-for-profit organization whose primary mission is to raise funds for the University, provides direct and indirect support to the University that is not entirely reflected in the University's Statements of Revenues, Expenses, and Changes in Net Assets. Expense items paid to or on behalf of the University by the Foundation include scholarships, equipment, salaries, travel, and miscellaneous office expenses. During the year ended June 30, 2025, the Foundation made payments to the University of \$7.7 million. Of these payments, \$3.3 million was paid out in scholarships on behalf of the University, and the remainder was paid to the University for departmental and capital expenditures.

Net Position

Net position for the current year increased by \$29.1 million, an increase of 15.9% over fiscal year 2024. Several factors contributed to the strengthening net position, including increases in gross tuition revenue, grant revenue, and appropriations received from the State of Kansas. Most notably, Net Position invested in Capital Assets increased \$24.1 million as a result of continued construction of multiple large capital projects. Unrestricted Net Position increased \$4.9 million due to increased operating revenues and a strengthened cash position.

STATEMENTS OF CASH FLOWS

The Statements of Cash Flows presents cash receipts and payments of the University during a period of time. Its purpose is to assess the University's ability to generate future net cash flows and meet its obligations as they come due. Following is a condensed statement of cash flows for the fiscal years ended June 30, 2025 and 2024:

FORT HAYS STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Net cash provided (used) by:		
Operating activities	\$ (57,812,149)	\$ (44,117,264)
Noncapital financing activities	72,800,816	59,108,116
Capital and related financing activities	(14,264,156)	(13,666,886)
Investing activities	<u>1,253,232</u>	<u>1,311,253</u>
Net increase (decrease) in cash	1,977,743	2,635,219
Beginning cash and cash equivalent balances	41,015,495	38,380,276
Ending cash and cash equivalent balances	<u>\$ 42,993,238</u>	<u>\$ 41,015,495</u>

Net cash provided/used by operating activities includes tuition and fees, grant and contract revenues, auxiliary enterprise revenues, sales of educational activities, and payments to employees and suppliers. Cash flows from operating activities will always be negative because GASB requires that state appropriations be reported as cash flows from non-capital financing activities. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show all uses of cash and cash equivalents to purchase investments and all increases in cash and cash equivalents as a result of selling investments or earning income on cash and investments.

CAPITAL ASSETS

The University continued to invest in capital assets during the 2025 fiscal year. Financial information regarding capital asset additions, retirements, and depreciation is available in Note 5 to the financial statements. The following is a brief summary of major capital projects currently in process:

Construction continued on the renovation and remodel of Tebo Library. The \$24.7 million project is being funded by \$19 million of federal grant money and \$5.7 million from university funds. The \$11.4 million HVAC upgrade project for Gross Memorial Coliseum was completed in fiscal year 2025. The project was funded primarily through ARPA and university funds. Construction also continued on the new Bickle-Schmidt Athletic Complex. This \$11.2 million project is being funded by a \$2.4 million grant and \$8.8 million of private fundraising. Finally, work began on the expansion and remodel of Stroup Hall to support the continued growth in the nursing program. This \$15 million dollar project is being funded primarily through a one-time capital appropriation of \$14 million through the Kansas State Legislature.

DEBT ADMINISTRATION

At June 30, 2025, the University had \$23.2 million in debt outstanding, a decrease of \$1.6 million compared to \$24.8 million at June 30, 2024. Debt outstanding at year end consisted of the remaining principal amounts outstanding from the following previously issued bonds:

Series 2016B bonds issued in the amount of \$30.9 million to finance the Wiest Hall Replacement and Themed Housing Project as well as refunding the Memorial Union Renovation project. \$20.0 million of bond debt remains outstanding.

Series 2020C bonds issued in the amount of \$10.5 million to finance the construction of the Center for Student Success addition to the Memorial Union. \$3.2 million of bond debt remains outstanding.

Outstanding Capital Lease obligation under GASB 87 was \$307,169. The outstanding obligation under GASB 96 for Subscription-Based IT Arrangements was \$4,830,927.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025

Moody's Ratings Services has assigned the Bonds an underlying rating of "A1". More detailed information about the University's liabilities is available in Notes 6, 7, 8, and 9 to the financial statements.

ECONOMIC OUTLOOK

The State of Kansas provided approximately 31.8% of the total resources for the University during fiscal year 2025. This was a decrease from the 34.1% provided for fiscal year 2024. The approved fiscal year 2026 state appropriation budget is \$72.8 million, up from \$69.2 million for fiscal year 2025, primarily driven by increases for Regional Stabilization and base increases for Merit & Health Insurance. Of the increase for FY2026, \$339,295 is considered one time funding. The legislature indicated there is no guarantee the funding will continue and placed certain restrictions concerning the use of the additional funds.

The State's latest revenue estimate and experience thus far for FY2026 is marginally positive. Tax revenues have improved over those collected in FY2025. The University administration will continue to monitor developments in the State's overall operating budget while having plans in place for changes in overall funding to higher education.

Enrollment for the academic 2025-2026 year indicates stability in most areas with slight increases in others. This trend, in light of national demographic headwinds, can be attributed to the FHSU strategic enrollment initiative. Early trends continue to reflect pressures from increased competition in Online and Cross-Border modalities offset by an increase in On-Campus enrollments. Increases in full-time students over part-time students continue to drive increased credit hour production. Continuing efforts to improve student success through engagement, guidance, and resources are having noticeable positive impacts in retention and persistence of our students.

The Kansas Board of Regents approved a tuition increase for FY2026. As enrollment numbers remain largely unchanged amid increasing operational costs, the increase in tuition is intended to improve the operating margin of the University while remaining an institution of affordable access to quality higher education. The University continues to manage its finances and budget diligently. FHSU credit rating was recently upgraded by Moody's to A1 stable. The University remains committed to providing accessible quality education at an affordable cost.

FORT HAYS STATE UNIVERSITY
STATEMENTS OF NET POSITION
As of June 30, 2025 and 2024

	2024		Component Units	
	2025	(restated)	2025	2024
ASSETS				
Current assets				
Cash and cash equivalents	\$ 36,354,076	\$ 34,323,378	\$ 12,666,004	\$ 496,225
Restricted cash and cash equivalents	6,639,160	6,692,117	-	-
Accounts receivable, net	5,268,992	5,363,186	1,681,166	2,310
Restricted investments	253,766	250,154	-	-
Loans to students, net - current portion	152,705	218,184	-	-
Inventories	483,193	412,544	265,698	-
Prepaid expenses	-	-	112,936	-
Total current assets	49,151,892	47,259,563	14,725,804	498,535
Noncurrent assets				
Restricted cash and cash equivalents	-	-	10,028,921	12,967,611
Loans to students, net	573,191	797,462	-	-
Right of use asset, net	298,506	315,895	1,731,095	-
SBITA asset	6,093,446	6,817,061	-	-
Capital assets, net	210,689,091	188,361,942	24,938,388	1,698,481
Other assets	-	-	200,000	-
Total noncurrent assets	217,654,234	196,292,360	36,898,404	14,666,092
Total assets	266,806,126	243,551,923	51,624,208	15,164,627
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions	1,539,434	2,279,715	28,625	-
Other post employment benefits	31,149	24,360	-	-
Total deferred outflows	1,570,583	2,304,075	28,625	-
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	11,964,552	11,802,829	1,783,961	149,370
Deferred revenue	3,004,308	6,086,201	229,822	180,065
Accrued compensated absences - current portion	2,090,175	2,573,105	52,681	-
Lease liability - current portion	13,875	13,552	136,797	-
SBITA liability - current portion	2,866,737	2,823,343	-	-
Note payable - current portion	-	-	241,653	92,214
Revenue bonds payable - current portion	1,155,000	1,640,000	-	-
Unamortized bond premium/discounts, current portion	34,897	63,363	-	-
Perkins loans payable - federal portion	333,662	291,491	-	-
Deposits held in custody for others	695,919	634,097	58,032	-
Total current liabilities	22,159,125	25,927,981	2,502,946	421,649
Noncurrent liabilities				
Accrued compensated absences	663,101	-	60,184	-
Lease liability	293,294	307,168	1,594,298	-
SBITA liability	1,964,191	2,919,719	-	-
Note payable	-	-	1,485,509	300,704
Revenue bonds payable	22,025,000	23,180,000	-	-
Unamortized bond premium/discounts	481,406	516,302	-	-
Perkins loans payable - federal portion	328,976	664,947	-	-
Other postemployment healthcare benefits	351,192	195,362	-	-
Pension liability	6,197,983	7,132,191	-	-
Total noncurrent liabilities	32,305,143	34,915,689	3,139,991	300,704
Total liabilities	54,464,268	60,843,670	5,642,937	722,353
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	1,819,835	1,980,170	68,393	-
Other post employment benefits	151,384	176,103	-	-
Total deferred inflows	1,971,219	2,156,273	68,393	-
NET POSITION				
Net investment in capital assets	188,762,948	164,611,116	24,324,579	1,698,481
Restricted for:	-	-	-	-
Expendable:	-	-	-	-
Loans	333,662	291,491	-	-
Debt service	1,957,231	2,494,128	-	-
Capital projects	2,662,484	2,174,749	5,097,411	-
Other purposes	-	-	12,364,633	12,967,611
Unrestricted	18,224,897	13,284,571	4,154,880	(223,818)
Total net position	\$ 211,941,222	\$ 182,856,055	\$ 45,941,503	\$ 14,442,274

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2025 and 2024

	2024		Component Units	
	2025	(restated)	2025	2024
<u>OPERATING REVENUES</u>				
Tuition and fees (net of scholarship allowances of \$25,005,631 and \$15,164,560 in 2025 and 2024, respectively)	\$ 52,289,833	\$ 58,479,961	\$ 5,292,408	\$ -
Federal grants and contracts	6,341,185	6,310,589	1,547,565	-
State and local grants and contracts	6,136,591	5,748,928	3,329,611	-
Sales and services of educational departments	1,759,252	1,839,423	1,172,392	-
Auxiliary enterprises:				
Residential life (net of scholarship allowances of \$4,285,205 and \$0 in 2025 and 2024, respectively)	7,955,449	11,064,375	1,630,319	-
Athletics	-	-	2,108,715	5,256,883
Parking	304,434	277,792	-	-
Student union	2,124,818	2,084,509	971,760	-
University health services	736,235	885,134	-	-
Interest earned on loans to students	58,017	68,335	253,115	-
Other operating revenues	3,348,539	3,472,175	-	-
Total operating revenues	<u>81,054,353</u>	<u>90,231,221</u>	<u>16,305,885</u>	<u>5,256,883</u>
<u>OPERATING EXPENSES</u>				
Educational and General				
Instruction	56,324,536	56,022,925	8,607,148	-
Research	857,423	695,668	-	-
Public service	7,322,255	6,110,464	-	-
Academic support	14,719,169	14,485,155	332,871	-
Student services	14,255,487	14,106,347	4,142,240	-
Institutional support	11,707,694	10,677,425	4,043,375	-
Operations and maintenance of plant	8,234,098	9,257,182	2,664,907	-
Depreciation	13,185,128	13,085,647	2,422,193	177,474
Scholarships and fellowships	8,814,676	16,641,086	607,474	-
Auxiliary enterprises:				
Residential life	9,695,397	8,883,327	654,196	-
Athletics	-	-	4,296,207	3,045,258
Parking	135,116	349,221	-	-
Student union	2,028,761	1,869,804	528,840	-
University health services	745,216	731,581	-	-
Other operating expenses	1,101,268	1,254,611	1,383,348	-
Total operating expenses	<u>149,126,224</u>	<u>154,170,443</u>	<u>29,682,799</u>	<u>3,222,732</u>
Operating Income (Loss)	<u>(68,071,871)</u>	<u>(63,939,222)</u>	<u>(13,376,914)</u>	<u>2,034,151</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
State appropriations	52,548,466	46,076,008	9,742,201	-
Federal grants and contracts	35,773,221	17,228,312	2,042,617	-
Gifts	3,978,101	47,137	794,000	-
Investment income	1,253,232	1,311,253	478,894	-
Other non-operating revenue (expenses)	48,404	27,413	603,111	-
Interest expense	(905,563)	(977,228)	(53,995)	-
Net nonoperating revenues (expenses)	<u>92,695,861</u>	<u>63,712,895</u>	<u>13,606,828</u>	<u>-</u>
Income before other revenues, expenses, gains, or losses	24,623,990	(226,327)	229,914	2,034,151
Capital appropriations	<u>4,461,177</u>	<u>10,164,684</u>	<u>901,743</u>	<u>-</u>
Increase (Decrease) In Net Position	29,085,167	9,938,357	1,131,657	2,034,151
<u>NET POSITION</u>				
Net Position - beginning of year	182,856,055	172,917,698	14,442,274	12,408,123
Revisions to beginning net position	-	-	30,367,572	-
Net Position - end of year	<u>\$ 211,941,222</u>	<u>\$ 182,856,055</u>	<u>\$ 45,941,503</u>	<u>\$ 14,442,274</u>

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024 (restated)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Tuition and fees	\$ 52,916,174	\$ 61,533,007
Sales and services of educational activities	1,664,803	1,839,423
Auxiliary enterprises:		
Residential life	(1,739,584)	2,181,048
Parking	168,321	(71,429)
Student union	94,705	214,705
University health services	(8,826)	153,553
Grants and contracts	8,960,015	10,178,681
Payments to suppliers	(24,227,964)	(26,212,597)
Payments for utilities	(969,024)	(949,837)
Compensation and benefits	(85,774,118)	(80,450,837)
Payments for scholarships and fellowships	(11,491,690)	(19,569,744)
Collection of loans to students and employees	347,768	552,035
Other receipts	2,247,270	2,217,565
Net cash used by operating activities	(57,812,150)	(48,384,427)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
State appropriations	52,548,466	46,076,009
Other federal grants and contracts	16,167,635	12,961,151
Gifts	3,978,101	47,137
Deposits held in custody for others	58,210	(17,506)
Federal family education loan receipts	31,792,177	31,543,247
Federal family education loan disbursements	(31,792,177)	(31,543,247)
Other	48,404	41,325
Net cash provided by noncapital financing activities	72,800,816	59,108,116
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Capital appropriations	4,461,177	10,164,684
Capital grants and gifts	19,605,586	4,267,162
Purchases of capital assets	(32,283,608)	(10,785,538)
Proceeds from sale of capital assets	56,838	18,450
Principal paid on capital debt and leases	(5,110,459)	(11,864,224)
Interest paid on capital debt and leases	(931,813)	(1,127,975)
Other	(61,878)	(72,282)
Net cash used by capital financing activities	(14,264,157)	(9,399,723)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sales and maturities of investments	-	-
Investment income	1,253,232	1,311,253
Net cash provided by investing activities	1,253,232	1,311,253
Net increase (decrease) in cash	1,977,741	2,635,219
Cash - beginning of the year	41,015,495	38,380,276
Cash - end of year	\$ 42,993,236	\$ 41,015,495
<u>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)	\$ (68,071,871)	\$ (63,939,222)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	13,185,128	13,085,647
Changes in assets and liabilities:		
Accounts receivables, net	94,194	2,283,457
Loans to students, net	289,750	483,700
Inventories	(70,649)	(67,179)
Accounts payable and accrued liabilities	37,763	(1,744,470)
Other post employment healthcare benefits	11,026	(10,612)
Deferred revenue	(3,081,892)	(1,111,247)
Pension liability	(385,770)	2,611,691
Accrued compensated absences	180,171	23,808
Net cash provided (used) by operating activities:	\$ (57,812,150)	\$ (48,384,427)

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY FOUNDATION
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
As of June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 1,930,327	\$ 1,275,375
Certificates of deposit and money market funds	13,705,366	19,039,294
Student notes receivable and matching fund programs, net of allowance for doubtful accounts	236,574	284,063
Cash surrender value of life insurance	126,856	172,513
Total Current Assets	15,999,123	20,771,245
Noncurrent Assets		
Securities and limited partnerships	165,571,973	141,702,447
Art and coin collection	62,238	62,238
Rental investments	236,806	249,607
Land, buildings, equipment and oil royalties, less accumulated depreciation, depletion and reserve for impairment	12,322,034	12,155,781
Other	30,438	36,093
Total Noncurrent Assets	178,223,489	154,206,166
Total Assets	194,222,612	174,977,411
LIABILITIES AND NET ASSETS		
Current Liabilities		
Due to agency funds and other	8,505	2,945
Annuity contracts payable	245,379	271,058
Total Liabilities	253,884	274,003
NET ASSETS		
Without donor restrictions	29,014,999	24,040,230
With donor restrictions	164,953,729	150,663,178
Total Net Assets	193,968,728	174,703,408
Total Liabilities and Net Assets	\$ 194,222,612	\$ 174,977,411

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY FOUNDATION
STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains						
Total fundraising	\$ 615,211	\$ 12,270,215	\$ 12,885,426	\$ 620,969	\$ 9,578,225	\$ 10,199,194
Investment return	6,251,296	13,598,560	19,849,856	6,271,089	14,267,695	20,538,784
Oil and gas	333	210,939	211,272	449	237,020	237,469
Farm rent	60,974	129,326	190,300	80,761	95,032	175,793
Management fees	890,393	-	890,393	837,822	-	837,822
Other revenues, net of bad debts	669,439	83,056	752,495	855,854	23,044	878,898
Total Revenues and Net Gains	8,487,646	26,292,096	34,779,742	8,666,944	24,201,016	32,867,960
Net assets released from restrictions	11,121,385	(11,121,385)	-	6,934,382	(6,934,382)	-
Total Revenues and Net Gains	19,609,031	15,170,711	34,779,742	15,601,326	17,266,634	32,867,960
Expenses						
Program expenses						
University support and farm expenses	6,769,094	-	6,769,094	2,763,063	-	2,763,063
Farm expenses	56,374	-	56,374	48,469	-	48,469
Scholarships, grants, and awards	3,615,177	-	3,615,177	3,544,724	-	3,544,724
Management fees	889,996	-	889,996	837,442	-	837,442
Oil expenses	44,497	-	44,497	62,971	-	62,971
Total program expenses	11,375,138	-	11,375,138	7,256,669	-	7,256,669
Management and general expenses	1,912,429	-	1,912,429	1,871,073	-	1,871,073
Fundraising expenses	2,275,926	-	2,275,926	2,148,105	-	2,148,105
Total Expenses	15,563,493	-	15,563,493	11,275,847	-	11,275,847
Excess of Revenues Over Expenses	4,045,538	15,170,711	19,216,249	4,325,479	17,266,634	21,592,113
Other Changes						
Change in value and actuarial gain (loss) on annuity contracts	2,371	46,700	49,071	728	27,162	27,890
Transfers (to) from agency funds	926,860	(926,860)	-	64,655	(64,316)	339
Change in Net Assets	4,974,769	14,290,551	19,265,320	4,390,862	17,229,480	21,620,342
Net Assets - Beginning of Year	24,040,230	150,663,178	174,703,408	19,649,368	133,433,698	153,083,066
Net Assets - End of Year	\$ 29,014,999	\$ 164,953,729	\$ 193,968,728	\$ 24,040,230	\$ 150,663,178	\$ 174,703,408

See accompanying notes to financial statements

FORT HAYS TECH NORTH CENTRAL FOUNDATION
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
As of June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 132,975	\$ 208,532
Cash and cash equivalents with donor restrictions	1,914,590	1,370,973
Investments with donor restrictions	762,558	664,964
Rent receivable	28,577	28,577
Total Current Assets	2,838,700	2,273,046
Property and Equipment		
Buildings and improvements	2,660,073	2,660,073
Accumulated depreciation	(1,255,257)	(1,199,210)
Net Property and Equipment	1,404,816	1,460,863
Total Assets	4,243,516	3,733,909
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current maturities of long-term debt	64,008	126,300
Interest payable	21,810	23,206
Total Current Liabilities	85,818	149,506
Noncurrent Liabilities		
Notes Payable, net of current portion	785,468	784,069
Total Liabilities	871,286	933,575
NET ASSETS		
Without donor restrictions	695,082	764,397
With donor restrictions	2,677,148	2,035,937
Total Net Assets	3,372,230	2,800,334
Total Liabilities and Net Assets	\$ 4,243,516	\$ 3,733,909

See accompanying notes to financial statements

FORT HAYS TECH NORTH CENTRAL FOUNDATION
STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains						
Total fundraising	\$ 39,134	\$ 792,493	\$ 831,627	\$ 4,987	\$ 81,411	\$ 86,398
Investment return	5,353	93,254	98,607	3,000		3,000
Grants	-	-	-	32,982	468,189	501,171
Rent	114,029	-	114,029	105,119	-	105,119
Total Revenues, Gains, and Other Support	158,516	885,747	1,044,263	146,088	549,600	695,688
Net assets released from restrictions	244,536	(244,536)	-	227,316	(227,316)	-
Total Revenues, Gains, and Other Support	403,052	641,211	1,044,263	373,404	322,284	695,688
Expenses						
Program services	444,658	-	444,658	404,109	-	404,109
Management and general	27,709	-	27,709	27,335	-	27,335
Total Expenses	472,367	-	472,367	431,444	-	431,444
Change in Net Assets	(69,315)	641,211	571,896	(58,040)	322,284	264,244
Net Assets - Beginning of Year	764,397	2,035,937	2,800,334	822,437	1,713,653	2,536,090
Net Assets - End of Year	<u>\$ 695,082</u>	<u>\$ 2,677,148</u>	<u>\$ 3,372,230</u>	<u>\$ 764,397</u>	<u>\$ 2,035,937</u>	<u>\$ 2,800,334</u>

See accompanying notes to financial statements

FORT HAYS TECH NORTHWEST FOUNDATION
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
As of June 30, 2025 and 2024

ASSETS	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 758,683	\$ 579,950
Accrued income	10,064	2,878
Accounts receivable	122,913	193,738
Total Current Assets	<u>891,660</u>	<u>776,566</u>
Noncurrent Assets		
Invesments	815,142	697,906
Total Noncurrent Assets	<u>815,142</u>	<u>697,906</u>
Total Assets	<u>1,706,802</u>	<u>1,474,472</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	1,404	20,231
Total Liabilities	<u>1,404</u>	<u>20,231</u>
 NET ASSETS		
Without donor restrictions	417,332	(91,945)
With donor restrictions	1,288,066	1,546,186
Total Net Assets	<u>1,705,398</u>	<u>1,454,241</u>
 Total Liabilities and Net Assets	<u>\$ 1,706,802</u>	<u>\$ 1,474,472</u>

See accompanying notes to financial statements

FORT HAYS TECH NORTHWEST FOUNDATION
STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains						
Gifts and contributions	\$ 87,326	\$ 1,558,798	\$ 1,646,124	\$ 8,394	\$ 953,992	\$ 962,386
Fund raising events	211,207	-	211,207	230,979	-	230,979
Investment return	15,401	25,578	40,979	-	27,557	27,557
Unrealized appreciation on investments	28,102	-	28,102	59,095	-	59,095
Realized Gain	57	-	57	(5,753)	-	(5,753)
Total Revenues, Gains, and Other Support	342,093	1,584,376	1,926,469	292,715	981,549	1,274,264
Net assets released from restrictions	1,842,496	(1,842,496)	-	670,029	(670,029)	-
Total Revenues, Gains, and Other Support	2,184,589	(258,120)	1,926,469	962,744	311,520	1,274,264
Expenses						
Program services	520,707	-	520,707	-	-	-
Financial aid	897,980	-	897,980	647,228	-	647,228
Fund raising	120,555	-	120,555	111,693	-	111,693
Legal and accounting	16,119	-	16,119	11,385	-	11,385
Other	75,951	-	75,951	109,310	-	109,310
Total Expenses	1,631,312	-	1,631,312	879,616	-	879,616
Excess of Revenues Over Expenses	553,277	(258,120)	295,157	83,128	311,520	
Other Changes						
Transfers in from college	10,000	-	10,000	110,000	-	110,000
Transfers out to college	(54,000)	-	(54,000)	(100,000)	-	(100,000)
Change in Net Assets	509,277	(258,120)	251,157	93,128	311,520	404,648
Net Assets - Beginning of Year	(91,945)	1,546,186	1,454,241	(185,073)	1,234,666	1,049,593
Net Assets - End of Year	\$ 417,332	\$ 1,288,066	\$ 1,705,398	\$ (91,945)	\$ 1,546,186	\$ 1,454,241

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have not been audited.

Organization. Fort Hays State University (University) is a regional university principally serving western Kansas. The University's primary emphasis is undergraduate liberal arts education, which includes the humanities, the fine arts, the social/behavioral sciences, and the natural/physical sciences. The University, located in Hays, Kansas, has an on-campus enrollment of 3,804, an enrollment of 3,074 in our partner universities in China, and online enrollment of 5,971, for a total enrollment of 12,849 as of Fall 2025. The University is accredited by the Higher Learning Commission, is governed by the Kansas Board of Regents, and is an agency of the State of Kansas. As an agency of the State of Kansas, the University is included in the financial report of the State of Kansas.

Financial Reporting Entity. As required by accounting principles generally accepted in the United States of America, these financial statements present the financial position and financial activities of the University and its component units. The University has examined its relationship to other legally separate organizations (potential component units) to determine if their inclusion in the University's basic financial statements is necessary to fairly present the financial position of the University. The criteria used in this determination included an examination of the nature and significance of the organization's relationship with the University, financial benefit or burden to the University, the ability of the University to appoint members of the entity's governing board, and the level of influence the University has over the activities of the organization. The following organizations are reported as discretely presented component units:

- Fort Hays State Athletics Association
- Fort Hays Tech North Central
- Fort Hays Tech Northwest
- Fort Hays State University Foundation
- Fort Hays Tech North Central Foundation
- Fort Hays Tech Northwest Foundation

Financial activities and balances of the component units have been discretely presented within the University's financial statements. This discrete presentation is in conformity with GASB Statement No. 35 *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* and with GASB Statement No. 39 *Determining Whether Certain Organizations are Component Units*, as amended by GASB Statement No. 61, *The Financial Reporting Entity*.

In preparing the financial statements, all significant transactions and balances between the University and the component units have been eliminated to avoid overstatement of 1) revenues and expenses on the Statements of Revenues, Expenses, and Changes in Net Position, and 2) balances on the Statements of Net Position.

Each component unit is separately audited and prepares its own independent financial statements. Additional information about the component units is included in Note 17 to the financial statements and in the combining schedules included as supplementary information.

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

Cash Equivalents. For purposes of the Statements of Cash Flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments. The University accounts for its investments at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statements of Revenues, Expenses, and Changes in Net Position.

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

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

Inventories. Inventories are carried at cost.

Loans to Students. Loans to students consist of loans from the Federal Perkins Loan Fund. Loans receivable are allocated into current and noncurrent based upon sampled and historical balances collectible in less than one year and collectible in more than one year. (See Note 4)

Capital Assets. Capital assets are recorded at cost at the date of acquisition, or estimated acquisition value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$10,000 or more and estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if the related project cost exceeds \$100,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful life is 40 years for buildings, 25 years for infrastructure and land improvements, 8 years for equipment, 5 years for vehicles and 3 years for information technology equipment. Costs incurred during construction of long-lived assets are recorded as construction-in-progress and are not depreciated until placed in service.

Unearned Revenues. Under the accrual basis of accounting, revenues are recognized when earned and liabilities are recognized when incurred. Because the summer term crosses the end of the fiscal year, amounts received for tuition and fees in the current fiscal year that are deemed to have been earned in the following year are reported as Unearned Revenues in the Statements of Net Position. Unearned Revenues also include grant funds received in advance that are not earned as of the end of the fiscal year.

Compensated Absences. Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued compensated absences in the Statements of Net Position, and as an expense in the Statements of Revenues, Expenses, and Changes in Net Position.

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

Noncurrent Liabilities. Noncurrent liabilities consist of obligations with maturities extending beyond one year. These include principal amounts of revenue bonds payable, capital lease obligations, and subscription-based information technology arrangements. Also included are estimated amounts for accrued compensated absences, pension and other postemployment benefit liabilities not expected to be paid within the next fiscal year, and amounts due to the federal government under the Federal Perkins Loan Program.

Pensions. In accordance with provisions of GASB 68, *Accounting and Financial Reporting for Pensions*, the University has reported its proportional share of the entire Kansas Public Employees Retirement System (KPERs) pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of KPERs, and additions to deductions from KPERs fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are at fair value.

Other Postemployment Benefit Plan. In accordance with provisions of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the University has reported its proportional share of other postemployment benefit (OPEB) liability. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB plan, and OPEB expense, an actuarial valuation was completed and the OPEB liability was measured at June 30, 2024. As the OPEB plan was measured at June 30, 2024, the current year contributions to the Plan by the University are recorded as deferred outflows.

Deferred Inflows/Outflows. Deferred outflows and deferred inflows result from the consumption or acquisition of net assets in one period that are applicable to future periods. These items are reported separately from assets and

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

liabilities. Deferred outflows and deferred inflows for June 30, 2025 refer to activity pertaining to the recognition of KPERs Pension liability per GASB 68 and Other Postemployment Benefits per GASB 75.

Net Position. The University's net position is classified as follows:

Net investment in capital assets: This represents the University's total investment in capital assets, net of outstanding debt obligations used to acquire those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

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

Restricted net position – nonexpendable: Restricted nonexpendable net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the University to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

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

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

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

Non-operating Revenues: Non-operating revenues include activities that have characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 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 discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Effective for the fiscal year ending June 30, 2025, the University changed its method of estimating scholarship discounts and allowances. This change was made in response to guidance issued by the National Association of College and University Business Officers (NACUBO) in Advisory Report 2023-01, which supersedes Advisory Report 2000-05. The updated guidance recommends more accurate estimation methodologies by leveraging student-level transaction data, replacing the previously used "alternate method," which applied a proportional allocation at the institutional level.

Although NACUBO advisories are not authoritative under generally accepted accounting principles (GAAP) or Governmental Accounting Standards Board (GASB) pronouncements, the University considers this change a

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

refinement in estimation methodology. Accordingly, the change has been accounted for as a change in accounting estimate and applied prospectively. Prior period amounts have not been restated.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents. The carrying amounts of the University's deposits with the State Treasurer and other financial institutions at June 30, 2025 and 2024 were \$42,993,223 and \$41,015,496, respectively. The University's deposits with the State Treasurer are pooled with the funds of other state agencies and then, in accordance with statutory limitations, placed in short-term investments with the exception of the bond funds. All bond proceeds are invested in conjunction with specifications stated in the bond resolutions.

K.S.A. 75-4215 requires the University to deposit the majority of its cash balances with the State Treasurer, who holds and invests the funds. These investments are managed by the Pooled Money Investment Board (PMIB), which maintains a published investment policy. The exceptions to this are any funds maintained in the University's imprest fund, organizational safe keeping, revenue bond project and reserve funds, and any funds held by external entities on behalf of the University as permitted by K.S.A. 75-4214.

Cash balances maintained by the State Treasurer are pooled and are held in a general checking account and other special purpose bank accounts. The available cash balances beyond immediate need are pooled for short-term investment purposes by PMIB and are reported at fair value, based on quoted market prices.

The majority of deposit balances not maintained by the State Treasurer are covered by FDIC or collateralized. The University does not have a formal deposit policy regarding custodial credit risk. However, management has evaluated the financial stability of the financial institution involved and believes the custodial credit risk is minimal.

Investments: As of June 30, 2025 and 2024, investments in certificates of deposit for student activity accounts were \$253,766 and \$250,154, respectively.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable, net of estimated uncollectible amounts, consisted of the following at June 30:

	2025	2024
Tuition, fees & other	\$ 3,498,651	\$ 4,114,594
Auxiliary enterprises	693,894	692,064
Grants & contracts	1,076,447	556,528
	\$ 5,268,992	\$ 5,363,186

NOTE 4 – LOANS TO STUDENTS

Student loans made through the Federal Perkins Loan Program comprise substantially all of the loans to students at June 30, 2025. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The federal government reimburses the University for amounts cancelled under these provisions.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2025 and 2024, the allowance for uncollectible loans was estimated to be \$38,205 and \$53,455, respectively.

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 and June 30, 2024 was as follows:

	2025			
	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 304,456	\$ -	\$ -	\$ 304,456
Construction in progress	7,573,177	30,952,681	12,373,307	26,152,551
Total non-depreciable capital assets	<u>7,877,633</u>	<u>30,952,681</u>	<u>12,373,307</u>	<u>26,457,007</u>
Depreciable Capital Assets				
Infrastructure	30,941,473	-	-	30,941,473
Land improvements	1,116,602	-	-	1,116,602
Buildings	242,909,867	12,653,822	-	255,563,689
Equipment	27,184,309	937,551	903,584	27,218,276
Intangibles	10,541,239	-	-	10,541,239
Vehicles	1,685,907	112,862	35,861	1,762,908
Leased Land	368,062	-	-	368,062
Subscription-based IT software	11,296,221	2,544,773	1,497,985	12,343,009
Total depreciable capital assets	<u>326,043,680</u>	<u>16,249,008</u>	<u>2,437,430</u>	<u>339,855,258</u>
Total capital assets cost	<u>333,921,313</u>	<u>47,201,689</u>	<u>14,810,737</u>	<u>366,312,265</u>
Accumulated Depreciation				
Infrastructure	13,687,726	1,096,968	-	14,784,694
Land improvements	22,332	44,664	-	66,996
Buildings	96,331,985	5,494,781	-	101,826,766
Equipment	16,808,402	1,797,957	896,903	17,709,456
Intangibles	5,615,029	1,417,595	-	7,032,624
Vehicles	1,429,614	97,814	35,861	1,491,567
Leased land	52,167	17,389	-	69,556
Subscription-based IT software	4,479,160	3,268,388	1,497,985	6,249,563
Total accumulated depreciation	<u>138,426,415</u>	<u>13,235,556</u>	<u>2,430,749</u>	<u>149,231,222</u>
Capital Assets, Net	<u>\$ 195,494,898</u>	<u>\$ 33,966,133</u>	<u>\$ 12,379,988</u>	<u>\$ 217,081,043</u>

FORT HAYS STATE UNIVERSITY
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	2024			
	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 304,456	\$ -	\$ -	\$ 304,456
Construction in progress	2,304,135	19,069,323	13,800,281	7,573,177
Total non-depreciable capital assets	2,608,591	19,069,323	13,800,281	7,877,633
Depreciable Capital Assets				
Infrastructure	30,941,473	-	-	30,941,473
Land improvements	-	1,116,602	-	1,116,602
Buildings	239,392,053	3,517,814	-	242,909,867
Equipment	26,650,863	814,363	280,917	27,184,309
Intangibles	10,525,576	15,663	-	10,541,239
Vehicles	1,697,150	52,554	63,797	1,685,907
Leased Land	368,062	-	-	368,062
Subscription-based IT software	7,615,321	5,026,669	1,345,769	11,296,221
Total depreciable capital assets	317,190,498	10,543,665	1,690,483	326,043,680
Total capital assets cost	319,799,089	29,612,988	15,490,764	333,921,313
Accumulated Depreciation				
Infrastructure	12,579,746	1,107,980	-	13,687,726
Land improvements	-	22,332	-	22,332
Buildings	91,037,763	5,294,222	-	96,331,985
Equipment	15,312,576	1,761,863	266,037	16,808,402
Intangibles	4,198,553	1,416,476	-	5,615,029
Vehicles	1,372,248	103,179	45,813	1,429,614
Leased land	34,778	17,389	-	52,167
Subscription-based IT software	2,924,327	3,362,206	1,807,373	4,479,160
Total accumulated depreciation	127,459,991	13,085,647	2,119,223	138,426,415
Capital Assets, Net	\$ 192,339,098	\$ 16,527,341	\$ 13,371,541	\$ 195,494,898

NOTE 6 – CHANGES IN NON-CURRENT LIABILITIES

Non-current liability activity for the year ended June 30, 2025 and June 30, 2024 was as follows:

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases payable	\$ 320,720	\$ -	\$ 13,551	\$ 307,169	\$ 13,875
Revenue bonds payable	24,820,000	-	1,640,000	23,180,000	1,155,000
Bond premium	579,665	-	63,362	516,303	34,897
Compensated absences	2,573,105	2,192,537	2,012,366	2,753,276	2,090,175
Perkins loan program	956,438	-	293,800	662,638	333,662
Post employment benefits	195,362	164,017	8,187	351,192	-
Net pension liability	7,132,191	24,533	958,741	6,197,983	-
Subscription-based IT lease	5,743,062	2,544,773	3,456,907	4,830,928	2,866,737
Total long-term liabilities	\$ 42,320,543	\$ 4,925,860	\$ 8,446,914	\$ 38,799,489	\$ 6,494,346

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	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases payable	\$ 333,959	\$ -	\$ 13,239	\$ 320,720	\$ 13,552
Revenue bonds payable	32,255,000	-	7,435,000	24,820,000	1,640,000
Bond premium	652,516	-	72,851	579,665	63,363
Compensated absences	2,549,297	1,881,050	1,857,242	2,573,105	2,573,105
Perkins loan program	1,499,347	-	542,909	956,438	291,491
Post employment benefits	205,974	37,105	47,717	195,362	-
Net pension liability	9,083,634	1,096,999	3,048,442	7,132,191	-
Subscription-based IT lease	5,132,379	5,026,669	4,415,986	5,743,062	2,823,343
Total long-term liabilities	\$ 51,712,106	\$ 8,041,823	\$ 17,433,386	\$ 42,320,543	\$ 7,404,854

NOTE 7 – REVENUE BONDS OUTSTANDING

Bonds payable as of June 30, 2025 consist of the following:

Kansas Development Finance Authority Memorial Union Student Success Series 2020C \$ 3,155,000
\$10,480,000 issued April 1, 2020 with a final maturity date of April 1, 2039.
Interest ranging from 3.125% to 5.0%, payable semi-annually.

Kansas Development Finance Authority Wiest Hall Replacement Bonds Series 2016B \$ 20,025,000
\$26,750,000 issued April 1, 2016 with a final maturity date of April 01, 2041.
Interest ranging from 3.0% to 4.0%, payable semi-annually.

NOTE 8 – REVENUE BONDS MATURITY SCHEDULE:

Maturities of principal and interest requirements on revenue bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 1,155,000	\$ 780,174	\$ 1,935,174
2027	1,195,000	742,124	1,937,124
2028	1,235,000	702,674	1,937,674
2029	1,275,000	661,824	1,936,824
2030	1,310,000	623,324	1,933,324
2031-2035	7,200,000	2,469,050	9,669,050
2036-2040	8,225,000	1,153,544	9,378,544
2041-2045	1,585,000	56,268	1,641,268
	\$ 23,180,000	\$ 7,188,982	\$ 30,368,982

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NOTE 9 – LEASE OBLIGATION

Fort Hays State University leases land under a long-term, non-cancelable lease agreement with a third-party vendor. The fixed and implicit interest rate is 2.35%. The lease expires in 2042. The lease provides for renewal by mutual agreement of the parties prior to the expiration of the initial term. In accordance with GASB 87, Fort Hays State University records a right-of-use asset and lease liability based on the present value of the expected payments over the lease term. The expected payments are discounted using an estimated incremental borrowing rate. Fort Hays State University used guidance from the State Department of Administration and the Kansas Development Finance Authority in determining the interest rate by which expected payments should be discounted since it is not stated in the lease agreement. The lease payments are tied to the Consumer Price Index for All Urban Consumers in the Midwest area. The lease is not subject to a residual value guarantee. See Note 5 for information on the leased asset and associated accumulated amortization.

Future commitments for the lease having an initial term in excess of one year as of June 30, 2025 are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 13,875	\$ 7,296	\$ 21,171
2027	14,204	6,967	21,171
2028	14,542	6,629	21,171
2029	14,887	6,284	21,171
2030	15,241	5,930	21,171
2031-2035	81,809	24,048	105,857
2035-2040	91,999	13,858	105,857
2041-2043	60,611	2,903	63,514
	<u>\$ 307,168</u>	<u>\$ 73,915</u>	<u>\$ 381,083</u>

NOTE 10 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended June 30, 2025, the University leased certain Subscription-Based Information Technology Arrangements (SBITAs) from external parties. A SBITA is defined as a contract that conveys control of the right to use another party's IT software, as specified in the contract, for a period of time. In accordance with GASB Statement No. 96, the University records a right-of-use asset and related subscription liability based on the present value of expected future cash flows over the term of the software subscription. Future payments are discounted at the University's estimated incremental cost of borrowing ranging from 1.95% to 2.68%. Software agreements which are a year or less in duration and agreements for which the present value of expected future cash flows is less than \$100,000 are expensed as incurred.

Amounts reported for SBITA right-of-use assets and related SBITA liabilities for the year ended June 30 are as follows:

	2025	2024
SBITA Right-of-Use Asset	\$ 12,343,009	\$ 11,296,221
Less: Accumulated Amortization	(6,249,563)	(4,479,160)
SBITA Right-of-Use Asset, Net	<u>\$ 6,093,446</u>	<u>\$ 6,817,061</u>
SBITA Liability, Current Portion	\$ 2,866,737	\$ 2,823,343
SBITA Liability, Noncurrent Portion	1,964,191	2,919,719
SBITA Liability, Total	<u>\$ 4,830,928</u>	<u>\$ 5,743,062</u>

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Future commitments scheduled under the subscription agreements in excess of one year are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 2,866,736	\$ 91,734	\$ 2,958,470
2027	1,280,333	37,344	1,317,677
2028	359,316	12,294	371,610
2029	324,543	1,193	325,736
	\$ 4,830,928	\$ 142,565	\$ 4,973,493

NOTE 11 – PENSION AND RETIREMENT PLANS

University employees participate in two separate retirement programs. University Support Staff (USS) employees participate in the "Kansas Public Employees Retirement System" (KPERS). This defined benefit program is funded through contributions by the University and the individual employees. The University contributed \$618,351 and \$671,629 during fiscal years 2025 and 2024, respectively, and individual employees contributed \$300,547 and \$305,240. Unclassified and some USS employees participate in the "Board of Regents Retirement Program". This defined contribution program is funded through contributions by the University and the individual employees. The University contributed \$4,462,443 and \$4,392,169 during fiscal years 2025 and 2024, respectively, and individual employees contributed \$2,883,502 and \$2,834,255.

General Information about the Pension Plan

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

Benefits provided: KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees with ten or more years of credited service may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points." Police and firemen participating in KPERS may retire as early as age 50 with 20 years of service with a reduced benefit. Full retirement for Police and Firemen is 60 with 15 years of service, 55 with 20 years of service, 50 with 25 years of service, or any age with 36 years of service.

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

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas. The retirement benefits are distributed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

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

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

Contributions: K.S.A. 74-4919 and K.S.A. 74-4920 establish the KPERS member-employee contributions rates. Effective July 1, 2009, KPERS has two benefit structures and contribution rates depend on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing member hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 and 6% of covered salary for Tier 2 members through December 31, 2014. On January 1, 2015, Kansas law increased the KPERS member-employee contribution rate to 6% of covered salary for Tier 1 members; however, the Tier 2 member-employee contribution rate remained at 6% of covered salary. The member-employee contribution rate for Police and Firemen is 7.15% of covered salary. Member employee's contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rates for the year ended June 30, 2025 are as follows:

	Actuarial employer rate	Statutory employer capped rate
State employees	9.38%	12.57%
Police and Firemen	23.10%	23.10%

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

At June 30, 2025, Fort Hays State University reported a liability of \$6,197,983 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. Fort Hays State University proportion of the net pension liability was based on the ratio of Fort Hays State University actual contributions to KPERS, relative to the total employer and non-employer contributions of the State/School and Police and Fire subgroups within KPERS for the fiscal year ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2024, Fort Hays State University proportion was 0.081010%, which was a decrease of .008892% from its proportion measured as of June 30, 2023. As of June 30, 2024, the University's proportion of the total contributions made to the Police and Fire group was .056639%, which was an increase of .001651% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025 and 2024, Fort Hays State University recognized pension expense of \$354,262 and \$342,269, respectively. At June 30, 2025 Fort Hays State University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 414,277	\$ -
Net difference between projected and actual earnings on pension plan investments	51,571	-
Changes in proportion	51,517	1,683,449
Changes in assumptions	403,718	136,386
Contributions subsequent to measurement date	618,351	-
Total	<u>\$ 1,539,434</u>	<u>\$ 1,819,835</u>

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

Year ended June 30:		
2025	\$	(429,715)
2026		41,352
2027		(366,896)
2028		(143,493)
2029		-
	<u>\$</u>	<u>(898,752)</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The actuarial valuation was determined used the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Price Inflation	2.75 Percent
Salary Increases	3.50 to 15.50 percent, including inflation
Investment rate of return	7.00 percent

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPERS investment consultant, are summarized in the following table:

Asset Class	Long-term target allocation	Long-term Expected real rate of return
Non-U.S. Equities	43.00%	8.20%
Core Fixed Income	13.00	2.20
Yield Driven	12.00	5.30
Infrastructure	3.00	6.80
Real Estate	15.00	5.70
Alternatives	11.00	12.00
Short-Term Investments	3.00	.30
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The discount rate used to measure total pension liability at the prior measure date of June 30, 2023 was also 7.00%.

In KPERS, the Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate. However, the State/School groups do not necessarily do so. Based on legislation first passed in 1993, the employer contribution rates certified by KPERS Board may not increase by more than the statutory cap. Subsequent legislation in 2012 set the statutory cap at 0.90 percent for Fiscal Year 2014, 1.00 percent for Fiscal Year 2015, 1.10 percent for Fiscal Year 2016 and 1.20 percent for Fiscal Years 2017 and beyond.

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In recent years, the Legislature has made several changes to the statutory rates that deviate from the scheduled contribution increases set under the statutorily capped rates. In 2015, S.B. 4 reduced the previously certified State/School statutory rate from 11.27 percent to 8.65 percent for the last half of Fiscal Year 2015. That same session, S.B. 228 recertified statutory rates to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of \$1.0 billion in pension obligation bonds.

In 2016, S.B. 161 provided for the delay of up to \$100.0 million in State and School contributions to the Pension Plan for Fiscal Year 2016. At the same time, H. Sub for S.B. 249 provided that the delayed contributions would be paid in full, with interest at 8.00 percent by June 30, 2018. However, legislation passed in 2017, removed the repayment provisions included in S.B. 161. In addition, 2017 S. Sub for H.B. 2052 delayed \$64.0 million in Fiscal Year 2017 contributions, to be paid over 20 years in level dollar installments. The first-year payment of \$6.4 million was paid in full at the beginning of Fiscal Year 2018, and appropriations for Fiscal Year 2018 were made for the State/School group at the statutory contribution rate of 12.01 percent for that year.

Additional legislation in the 2017 Session (S. Sub for H.B. 2002) provided for a reduction of \$194.0 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as receivables by the System.

The 2018 Legislature passed H. Sub for S.B. 109 that provided additional contributions to the school group of \$56.0 million in Fiscal Year 2018 and \$82.0 million in Fiscal Year 2019.

The 2019 Legislature passed S.B. 9 that provided additional contributions to the school group of \$115.0 million in Fiscal Year 2019. H. Sub for S.B. 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in Fiscal Year 2020 of \$51.0 million.

The 2021 Legislature passed H.B. 2405, which authorizes the state of Kansas to issue bonds with net proceeds of \$500.0 million to fund a portion of the School's unfunded actuarial liability. S.B. 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09 percent to 13.33 percent and Fiscal Year 2024 from 13.86 percent to 13.11 percent. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed S.B. 421, which authorized the state of Kansas to transfer \$1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first \$253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining \$871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, \$600.0 million was transferred to the System. S.B. 421 authorized two additional transfers totaling \$271.0 million in Fiscal Year 2024 (reflected in the projected cash flows of the System).

The 2023 Legislature passed HB 2196, which expanded the Deferred Retirement Option Plan (DROP) in KP&F to include all of that System's employers as of April 27, 2023. Under that same Bill, the Kansas Department of Wildlife and Parks (KDWP) became an affiliated KP&F employer making certain law enforcement positions in the Agency eligible for KP&F future service participation as of July 1, 2023. HB 2100 was also passed, defining and establishing limits on environmental, social and governance factors when entering into contracts (including investment contracts) and when making proxy votes on behalf of the System. This latter change was not expected to materially affect the asset allocation. Neither act impacted the valuation results.

The 2024 Legislature passed HB 2711 that increased both the lump sum retiree death benefit from \$4,000 to \$6,000 and employer contribution rates for State/School for FY 2025 and FY 2026 and for Local employers for CY 2025 to fund this benefit improvement. The Bill also increased the employer contribution threshold for the 30% Working After Retirement (WAR) rate from \$25,000 to \$40,000; and the earnings limit for KP&F retirees from \$25,000 to \$40,000; while creating an exemption from employer contributions for nurses and direct support workers at Community Development Disability Organizations (CDDOs). Further, the Bill increased the alternative investment cap from 15% to 25% and requires the System to divest all publicly traded securities held in funds by countries of concern. None of the changes from this legislation had any impact on the valuation.

Based on the employer contribution history described above, it is a reasonable assumption that the State/School group's contribution rate may not be certified at the statutory rate at some point in the future. It has been assumed that the contribution rates will be made within the same range as have been seen in the past few years. Using this

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assumption, actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of Fort Hays State University’s proportionate share of the net pension liability to changes in the discount rate: The following presents Fort Hays State University proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what Fort Hays State University proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Fort Hays State University Proportionate Share of the Net Pension Liability	\$9,034,581	\$6,197,983	\$3,822,406

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 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Death and Disability Plan

Plan Description: The University participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust’s assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Benefits provided: Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-term disability benefit: Monthly benefit is 60% of the member’s monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security, primary disability or retirement benefits, worker’s compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member’s 65th birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member’s previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance plan.

Members covered by benefit terms: At June 30, 2025, there were 96 active members and 2 disabled member receiving benefits.

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Total OPEB Liability: The university's total OPEB liability of \$206,388 was determined by an actuarial valuation as of December 31, 2023, calculated based on the discount rate and actuarial assumptions below, and was rolled forward to the measurement date of June 30, 2024.

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

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50% to 10%, including price inflation
Discount rate	3.93%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit costs	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the June 30, 2024 valuation were based on actuarial experience study for the period July 1, 2019 – June 30, 2022. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the June 30, 2023 KPERS pension valuation.

Changes in the Total OPEB Liability

Balance as of June 30, 2023	\$ 195,362
Changes for the year:	
Service cost	12,884
Interest	7,349
Effect of economic/demographic gains or losses	7,876
Effect of assumptions changes or inputs	(3,159)
Benefit payments	(13,924)
Net changes	11,026
Balance as of June 30, 2024	<u>\$ 206,388</u>

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate increased from 3.65% on June 30, 2023 to 3.93% on June 30, 2024.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.93%)</u>	<u>Current Rate</u> <u>(3.93%)</u>	<u>1% Increase</u> <u>(4.93%)</u>
Total OPEB liability	\$ 218,111	\$ 206,388	\$ 195,546

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

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

For the year ended June 30, 2025, the University recognized OPEB expense of \$(4,698). At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 7,099	\$ 116,160
Changes in assumptions	10,126	35,224
Benefit payments subsequent to the measurement date	13,924	-
Total	<u>\$ 31,149</u>	<u>\$ 151,384</u>

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$33,483 consist of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended June 30, 2025. Other amounts reported as deferred outflows of sources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:

2025	\$ (24,931)
2026	(24,547)
2027	(22,110)
2028	(18,086)
2029	(16,661)
Thereafter	(27,824)
	<u>\$ (134,159)</u>

Healthcare Benefits Plan

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

Benefits Provided: The State provides medical, prescription drug, and dental coverage benefits to retirees. Retiree spouses are eligible for the same benefits as the retiree. Retirees and their spouses may continue their medical and prescription coverage until age 65. Dental coverage is available for the life of the retiree and their spouse. The State does not pay retiree benefits directly. They are paid implicitly over time through employer subsidization of active premiums

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

	2025	2024
Estimated in active employees or beneficiaries currently receiving benefits	209	N/A
Active employees	907	N/A
	<u>1,116</u>	<u>N/A</u>

Total OPEB Liability: The University's total OPEB liability of \$144,804 was determined from an actuarial valuation as of January 1, 2024 rolled forward to a measurement date of June 30, 2024.

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

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Price inflation	2.75%
Salary increases, including inflation	3.50% to 10%, including price inflation
Discount rate	3.93%
Healthcare cost trend rates	
Medical	5.47% for the first year, then 5.25% decreasing by 0.25% over 3 years to an ultimate rate of 4.50%
Prescription Drug	8.47% for the first year, then 8.25% decreasing by 0.25% over 15 years to an ultimate rate of 4.5%
Dental, Administrative costs	7.12% (dental) and 2.00% (admin) for the first year, 3.00% (dental) and 2.00% (admin) thereafter

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.

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

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

Changes in the Total OPEB Liability

	For the Year Ended	
	June 30, 2025	June 30, 2024
Balance, beginning of year	\$ -	\$ -
Benefit changes	144,804	-
Balance, end of year	<u>\$ 144,804</u>	<u>\$ -</u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	<u>1% Decrease (2.93%)</u>	<u>Current Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
Total OPEB liability	\$ 152,170	\$ 144,804	\$ 138,210

The following presents the total OPEB liability of the University, as well as the estimated University's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 137,530	\$ 144,804	\$ 153,254

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

For the year ended June 30, 2025 and 2024, the University recognized OPEB expense of \$144,804 and \$0, respectively. At June 30, 2025, there are no deferred outflows or deferred inflows for this plan.

Summary of OPEB Plans

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

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For the Years Ended June 30, 2025 and 2024

	For the Year Ended	
	June 30, 2025	June 30, 2024
Total OPEB liability	\$ 351,192	\$ 195,362
Deferred outflows of resources	\$ 31,149	\$ 24,360
Deferred inflows of resources	\$ 151,384	\$ 176,103
OPEB expense	\$ 140,106	\$ (2,068)

NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

At June 30, 2025, the University had outstanding commitments under construction contracts totaling \$21,937,076.

The University has no outstanding legal liabilities and is not currently a defendant in any lawsuit.

The University, as an agency of the State of Kansas, is subject to the State of Kansas self-insurance program with regard to comprehensive general liability and personal injury insurance. The University is covered by the Kansas Board of Regents' umbrella insurance policies for automobile liability and property insurance. The University maintains specific insurance coverage as allowed by the State of Kansas and as required by outstanding revenue bond issues. Also, the University is self-insured relative to worker's compensation, medical and unemployment insurance. The University is not aware of any outstanding claims as of June 30, 2025.

In the normal course of operations, the University receives grants and other forms of reimbursement from various Federal and State agencies. These activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. University officials believe that the liability, if any, for any reimbursement that may arise as the result of audits, would not be material.

NOTE 14 – EXPENSES BY NATURAL AND FUNCTIONAL CLASSIFICATIONS

Operating expenses by natural classification for the years ended June 30, 2025 and June 30, 2024 was as follows:

	2025					
	Compensation and Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Total
Educational and General:						
Instruction	\$ 50,525,235	582,982	35	5,216,284	-	\$ 56,324,536
Research	334,063	38,520	-	484,840	-	857,423
Public service	2,628,215	756,411	77	3,937,552	-	7,322,255
Academic support	10,862,724	10,061	45,512	3,800,872	-	14,719,169
Student services	9,919,759	399,647	7,170	3,928,911	-	14,255,487
Institutional support	5,827,185	651,676	2,054	5,226,779	-	11,707,694
Operations and maintenance of plant	5,861,279	-	914,177	1,458,642	-	8,234,098
Depreciation	-	-	-	-	13,185,128	13,185,128
Scholarships and fellowships	49,698	8,764,977	-	-	-	8,814,675
Auxiliary enterprises:						
Residential life	2,090,621	12,680	966,174	6,625,922	-	9,695,397
Parking	41,228	-	-	93,888	-	135,116
Student unions	981,589	60,006	169,028	818,138	-	2,028,761
Health services	605,505	-	525	139,186	-	745,216
Other operating expenses	492,691	-	394	608,184	-	1,101,269
Total operating expenses	\$ 90,219,792	11,276,960	2,105,146	32,339,198	13,185,128	\$149,126,224

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NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

	2024					
	Compensation and Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Total
Educational and General:						
Instruction	\$ 49,764,336	559,005	878	5,698,705	-	\$ 56,022,924
Research	232,895	58,692	-	404,081	-	695,668
Public service	2,580,401	808,523	-	2,721,540	-	6,110,464
Academic support	10,920,724	19,466	53,642	3,491,323	-	14,485,155
Student services	9,549,836	337,532	5,127	4,213,852	-	14,106,347
Institutional support	5,658,248	603,601	1,659	4,413,917	-	10,677,425
Operations and maintenance of plant	5,554,380	-	888,531	2,814,271	-	9,257,182
Depreciation	-	-	-	-	13,085,647	13,085,647
Scholarships and fellowships	32,807	16,608,279	-	-	-	16,641,086
Auxiliary enterprises:						
Residential life	1,806,381	18,898	953,523	6,104,525	-	8,883,327
Parking	28,098	-	-	321,123	-	349,221
Student unions	993,568	14,130	179,917	682,189	-	1,869,804
Health services	606,052	-	473	125,056	-	731,581
Other operating expenses	520,120	-	108	734,384	-	1,254,612
Total operating expenses	\$ 88,247,846	19,028,126	2,083,858	31,724,966	13,085,647	\$154,170,443

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, Fort Hays State University received \$15 million in capital appropriations for the remodel and expansion of Stroup Hall. The authorizing legislation included reappropriation language allowing funds unspent by year-end to carry forward to the next fiscal year. At year-end, a significant portion of these appropriations remained unspent, prompting management to review the accounting treatment for funds with reappropriation authority.

In prior years, state capital appropriations were recognized as cash and appropriation revenue in the year received. At year-end, unspent funds with reappropriation authority were considered cash held in the state treasury and included in restricted cash and cash equivalents on the face of the financial statements.

Upon further review, management discovered that, for appropriated funds unspent at year-end with reappropriation authority, the State rescinds the unspent appropriations on June 30 and subsequently reappropriates the funds on July 1 of the following fiscal year. Therefore, management determined that these funds do not constitute cash held in the state treasury at year-end. Furthermore, because reappropriated funds require enabling legislation, they do not meet the definition of a receivable under GASB Concepts Statement No. 4. These funds do not constitute an exchange transaction, and the University has no enforceable legal claim to the appropriation until it is formally granted.

As a result, University management believes that the proper recognition for these transactions is to recognize only the amount of appropriations that are received and expended in a given fiscal year. Unspent appropriations are no longer reported as cash and revenue at year-end. Reappropriated funds will subsequently be recognized in the year in which the reappropriation is received and spent.

This change in accounting principle has been applied retrospectively, and prior-year financial statements have been restated to reflect the new treatment. The effects of this change on prior-year amounts are summarized in the following table:

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	Balance June 30, 2024, as Previously Stated	Change in Accounting Principle	Balance June 30, 2024, Restated
Cash and Cash Equivalents	\$7,833,433	\$(1,141,316)	\$6,692,117
Net Position	\$183,997,371	\$(1,141,316)	\$182,856,055
Capital Appropriations	\$11,306,000	\$(1,141,316)	\$10,164,684

NOTE 16 – Scholarship Discounts and Allowances

During the year ended June 30, 2025, the University adopted a new methodology for estimating scholarship discounts and allowances. Prior to fiscal year 2025, the University applied the “alternate method” as outlined in NACUBO Advisory Report 2000-05, which allocated scholarship discounts based on proportions of aid types at the university level. In April 2023, NACUBO issued Advisory Report 2023-01, urging educational institutions to adopt a more precise method utilizing improved student information systems that are now capable of matching student aid directly to student charges.

Beginning in fiscal year 2025, the University transitioned to the Direct Method A presented in AR 2023-01. This method aligns with updated best practices to calculate scholarship discounts and scholarship expenses. It leverages detailed transaction data by student and by term to identify aid applied directly to charges (discount) versus aid paid to students (expense). Under GASB 100 and AR 2023-01, this change represents a change in accounting principle and is being applied prospectively, meaning prior years have not been restated.

As a result of the new methodology, scholarship discounts and allowances related to tuition and fees increased approximately \$10 million compared to the prior approach. Additionally, a portion of the discount was allocated to Housing auxiliary revenues, which was not done in prior fiscal years, resulting in an approximately \$4.2 million reduction in net Residential Life revenue. These increases in scholarship discounts were offset by a corresponding decrease in scholarship expenses. Therefore, there was no impact on change in net position.

NOTE 17 – COMPONENT UNITS

The following disclosure meets the requirements in GASB Statement 14, The Financial Reporting Entity, paragraph 61 and GASB Statement 34, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments, paragraph 128. It also complies with GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, which is an amendment of GASB Statement No. 14.

Fort Hays State Athletic Association

The Fort Hays State Athletic Association was created to promote and encourage the physical education, development, and well-being of the students of the University through the development and operation of an intercollegiate athletics program. The association is organized under section 501(c)(3) of the internal revenue code and is a legally separate entity from the University.

The Athletic Board of Directors consists of the President of the University, the Director of Athletics, and the Vice President for Administration and Finance for the University. Day-to-day operations of the athletic association are delegated to the Director of Athletics. The Director of Athletics in turn reports to the University President.

As a separate entity, the Fort Hays State Athletic Association prepares its own financial statements independent of the University. These financial statements are prepared as a business-type activity in conformity with the applicable pronouncements of the Governmental Accounting Standards Board (GASB). Accordingly, the association’s financial statements have been presented utilizing the accrual basis of accounting. Complete financial statements for the Fort Hays State Athletic Association are available upon request.

Fort Hays Tech North Central

Effective July 1, 2024 Fort Hays State University executed an affiliation agreement with Fort Hays Tech North Central, formerly known as North Central Kansas Technical College. The affiliation was authorized by the State of Kansas pursuant to K.S.A 74-32,469. Fort Hays Tech North Central is a public, two-year post-secondary educational institution, organized under the laws of the State of Kansas, and is governed by an elected Board of Trustees. It was established in 1963 to be a leader in workforce development by maximizing value for students, employers and communities through

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

educational excellence. Beginning in July 2024, Fort Hays Tech North Central is a component unit of Fort Hays State University.

The accounting and reporting policies of the college conform to accounting principles generally accepted in the United States of America (GAAP) applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As such, Fort Hays Tech North Central's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. A full copy of the audited financial statements for Fort Hays Tech North Central are available upon request.

Fort Hays Tech Northwest

Effective July 1, 2024 Fort Hays State University executed an affiliation agreement with Fort Hays Tech Northwest, formerly known as Northwest Kansas Technical College. The affiliation was authorized by the State of Kansas pursuant to K.S.A 74-32,469. It is a public, two-year post-secondary educational institution, organized under the laws of the State of Kansas and is governed by an elected Area Advisory Board. The college was established in 1964. Beginning in July 2024, Fort Hays Tech Northwest is a component unit of Fort Hays State University.

The accounting and reporting policies of the college conform to accounting principles generally accepted in the United States of America (GAAP) applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As such, Fort Hays Tech Northwest's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. A full copy of the audited financial statements for Fort Hays Tech Northwest are available upon request.

Fort Hays State University Foundation

The Fort Hays State University Foundation is a legally separate nonprofit corporation organized to raise funds to support educational undertakings at Fort Hays State University, and to receive and hold in trust any property transferred to the Foundation for the benefit of the University, or any student or employee of the University, managing all property received according to the uses specified by the donors or, in case the gift is a general one, to such uses as may be agreed upon by the Board of Trustees.

Fort Hays State University does not appoint a voting majority of the Foundation's governing body. However, the Foundation is a component unit of FHSU according to the criteria set forth in GASB Statement No. 39 as amended by GASB Statement No. 61. The Foundation follows generally accepted accounting principles put forth by the Financial Accounting Standards Board (FASB). As such, certain accounting and presentations differ from those following GASB standards. For these reasons, the financial statements of the Foundation are presented separately following the financial statements of the University rather than as a discretely presented component unit. Full audited financial statements for the Fort Hays State University Foundation are available upon request.

Fort Hays Tech North Central Foundation

The Fort Hays Tech North Central Foundation is a legally separate, tax-exempt component unit of Fort Hays Tech North Central. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the college in support of its programs. Although Fort Hays Tech North Central does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the college by the donors. 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 Fort Hays Tech North Central. Because Fort Hays Tech North Central is a component unit of Fort Hays State University, the financial statements for the Fort Hays Tech North Central Foundation are also included in this report.

The Fort Hays Tech North Central Foundation follows generally accepted accounting principles put forth by the Financial Accounting Standards Board (FASB). As such, certain accounting and presentations differ from those following GASB standards. For these reasons, the financial statements of the Foundation are presented separately following the financial statements of the University rather than as a discretely presented component unit. Full audited financial statements for the Fort Hays Tech North Central Foundation are available upon request.

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For the Years Ended June 30, 2025 and 2024

Fort Hays Tech Northwest Foundation

The Fort Hays Tech Northwest Foundation is a legally separate, tax-exempt component unit of Fort Hays Tech Northwest. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. Although Fort Hays Tech Northwest does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the college by the donors. 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 Fort Hays Tech Northwest. Because Fort Hays Tech Northwest is a component unit of Fort Hays State University, the financial statements for the Fort Hays Tech Northwest Foundation are also included in this report.

The Fort Hays Tech Northwest Foundation follows generally accepted accounting principles put forth by the Financial Accounting Standards Board (FASB). As such, certain accounting and presentations differ from those following GASB standards. For these reasons, the financial statements of the Foundation are presented separately following the financial statements of the University rather than as a discretely presented component unit. Full audited financial statements for the Fort Hays Tech Northwest Foundation are available upon request.

NOTE 18 – SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions after June 30, 2025, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2025. Management has performed their analysis through December 20th, the date the financial statements were issued.

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

REQUIRED SUPPLEMENTARY INFORMATION

FORT HAYS STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
As of June 30, 2025

	FHSU Athletic Association	Fort Hays Tech North Central	Fort Hays Tech Northwest	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 296,202	\$ 8,264,481	\$ 4,105,321	\$ 12,666,004
Accounts receivable, net	28,300	224,834	1,428,032	1,681,166
Inventories	-	139,070	126,628	265,698
Prepaid expenses	26,727	86,209	-	112,936
Total current assets	<u>351,229</u>	<u>8,714,594</u>	<u>5,659,981</u>	<u>14,725,804</u>
Noncurrent assets				
Restricted cash and cash equivalents	10,028,921	-	-	10,028,921
Right of use asset, net	-	1,731,095	-	1,731,095
Capital assets, net	2,649,006	9,031,799	13,257,583	24,938,388
Other assets	-	200,000	-	200,000
Total noncurrent assets	<u>12,677,927</u>	<u>10,962,894</u>	<u>13,257,583</u>	<u>36,898,404</u>
Total assets	<u>13,029,156</u>	<u>19,677,488</u>	<u>18,917,564</u>	<u>51,624,208</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions	-	-	28,625	28,625
Total deferred outflows	<u>-</u>	<u>-</u>	<u>28,625</u>	<u>28,625</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	112,093	979,342	692,526	1,783,961
Unearned revenue	229,822	-	-	229,822
Accrued compensated absences - current portion	-	52,681	-	52,681
Lease liability - current portion	-	136,797	-	136,797
Note payable - current portion	96,179	-	145,474	241,653
Deposits held in custody for others	-	58,032	-	58,032
Total current liabilities	<u>438,094</u>	<u>1,226,852</u>	<u>838,000</u>	<u>2,502,946</u>
Noncurrent liabilities				
Accrued compensated absences	-	60,184	-	60,184
Lease liability	-	1,594,298	-	1,594,298
Note payable	517,629	-	967,880	1,485,509
Total noncurrent liabilities	<u>517,629</u>	<u>1,654,482</u>	<u>967,880</u>	<u>3,139,991</u>
Total liabilities	<u>955,723</u>	<u>2,881,334</u>	<u>1,805,880</u>	<u>5,642,937</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	-	-	68,393	68,393
Total deferred inflows	<u>-</u>	<u>-</u>	<u>68,393</u>	<u>68,393</u>
NET POSITION				
Net investment in capital assets	2,035,198	9,031,798	13,257,583	24,324,579
Restricted for:				
Expendable:				
Capital projects	-	5,097,411	-	5,097,411
Other purposes	10,028,921	2,335,712	-	12,364,633
Unrestricted	9,314	331,233	3,814,333	4,154,880
Total net position	<u>\$ 12,073,433</u>	<u>\$ 16,796,154</u>	<u>\$ 17,071,916</u>	<u>\$ 45,941,503</u>

FORT HAYS STATE UNIVERSITY
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2025 and 2024

	<u>FHSU Athletic Association</u>	<u>Fort Hays Tech North Central</u>	<u>Fort Hays Tech Northwest</u>	<u>Total</u>
<u>OPERATING REVENUES</u>				
Tuition and fees, net of scholarship allowances	\$ -	\$ 3,411,556	\$ 1,880,852	\$ 5,292,408
Federal grants and contracts	-	1,547,565	-	1,547,565
State and local grants and contracts	-	-	3,329,611	3,329,611
Sales and services of educational departments	-	-	1,172,392	1,172,392
Auxiliary enterprises:				
Residential life	-	742,194	888,125	1,630,319
Athletics	2,108,715	-	-	2,108,715
Student union	-	495,103	476,657	971,760
Other operating revenues	-	181,273	71,842	253,115
Total operating revenues	<u>2,108,715</u>	<u>6,377,691</u>	<u>7,819,479</u>	<u>16,305,885</u>
<u>OPERATING EXPENSES</u>				
Educational and General				
Instruction	-	5,634,644	2,972,504	8,607,148
Academic support	-	188,972	143,899	332,871
Student services	-	450,539	3,691,701	4,142,240
Institutional support	-	2,169,855	1,873,520	4,043,375
Operations and maintenance of plant	-	1,287,987	1,376,920	2,664,907
Depreciation and Amortization	181,349	964,891	1,275,953	2,422,193
Scholarships and fellowships	-	607,474	-	607,474
Auxiliary enterprises:				
Residential Life	-	654,196	-	654,196
Athletics	4,296,207	-	-	4,296,207
Student union	-	528,840	-	528,840
Other operating expenses	-	531,771	851,577	1,383,348
Total operating expenses	<u>4,477,556</u>	<u>13,019,169</u>	<u>12,186,074</u>	<u>29,682,799</u>
Operating Income (Loss)	<u>(2,368,841)</u>	<u>(6,641,478)</u>	<u>(4,366,595)</u>	<u>(13,376,914)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
State appropriations	-	6,148,245	3,593,956	9,742,201
Federal grants and contracts	-	1,403,273	639,344	2,042,617
Gifts	-	750,000	44,000	794,000
Investment income	-	354,716	124,178	478,894
Other non-operating revenue (expenses)	-	595,805	7,306	603,111
Interest expense	-	-	(53,995)	(53,995)
Net nonoperating revenues (expenses)	<u>-</u>	<u>9,252,039</u>	<u>4,354,789</u>	<u>13,606,828</u>
Income before other revenues, expenses, gains, or losses	<u>(2,368,841)</u>	<u>2,610,561</u>	<u>(11,806)</u>	<u>229,914</u>
Capital appropriations	-	901,743	-	901,743
Increase (Decrease) In Net Position	<u>(2,368,841)</u>	<u>3,512,304</u>	<u>(11,806)</u>	<u>1,131,657</u>
<u>NET POSITION</u>				
Net Position - beginning of year	<u>14,442,274</u>	<u>13,283,850</u>	<u>17,083,722</u>	<u>44,809,846</u>
Net Position - end of year	<u>\$ 12,073,433</u>	<u>\$ 16,796,154</u>	<u>\$ 17,071,916</u>	<u>\$ 45,941,503</u>