



FORT HAYS STATE
UNIVERSITY



ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR 2023
ENDED JUNE 30, 2023



**FORT HAYS STATE
UNIVERSITY**

**FORT HAYS STATE UNIVERSITY
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023**

Dr. Tisa Mason, President

Kansas Board of Regents

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FORT HAYS STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

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 Government Accounting Standards Board (GASB) principles, with the exception of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units. 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). Its 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, 2023, were \$240.4 million, a decrease of \$7.2 million or 2.9%. Capital assets, net of depreciation, comprised \$192.3 million, or 80.0% of the total assets.

Total Liabilities were \$72.2 million at June 30, 2023, an increase of \$.9 million, or 1.2% compared to \$71.3 million at June 30, 2022. Long-term liabilities comprised \$44.0 million, or 60.9% of the total liabilities.

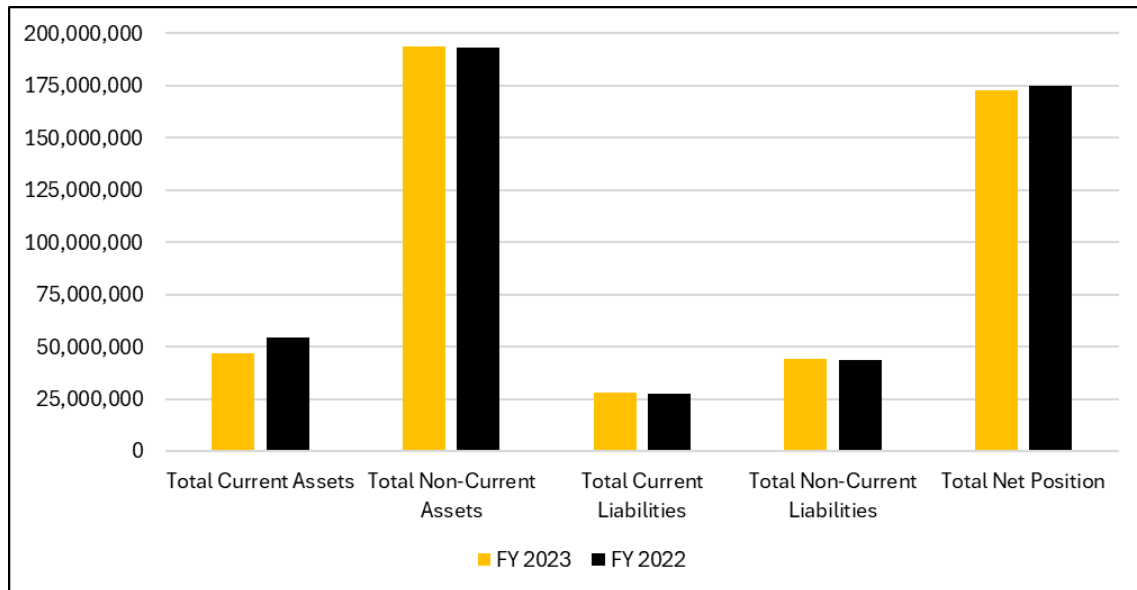
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Total Net Position at June 30, 2023, was \$172.9 million, a \$1.7 million decrease from the prior year, or a 1.0% decrease in Net Position.

The breakout of net position is shown below:

	June 30, 2023	June 30, 2022
Net investment in capital assets	\$153,360,334	\$156,207,093
Restricted net position	6,324,227	4,419,002
Unrestricted net position	13,233,137	14,081,894
Total Net position	\$172,917,698	\$174,707,989

The composition of current and non-current assets and liabilities and net position is displayed below for both 2023 and 2022 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. Its purpose is to assess the University's operating results.

Revenues

Operating revenues of the University for the year of June 30, 2023, increased by 8.4% over the previous fiscal year. The following is a brief summary of the significant changes:

Student tuition and fee revenues, after scholarship allowances, were \$57.9 million in 2023 compared to \$55.6 million in 2022. This increase is a result of a 7% increase in tuition rates and an inflation adjustment for mandatory course fees. State operating grants also increased \$1.6 million from \$2.9 million in 2022 to \$4.5 million in 2023. This increase was due, in large part, to a \$1.1 million "Need-Based Aid" grant the

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

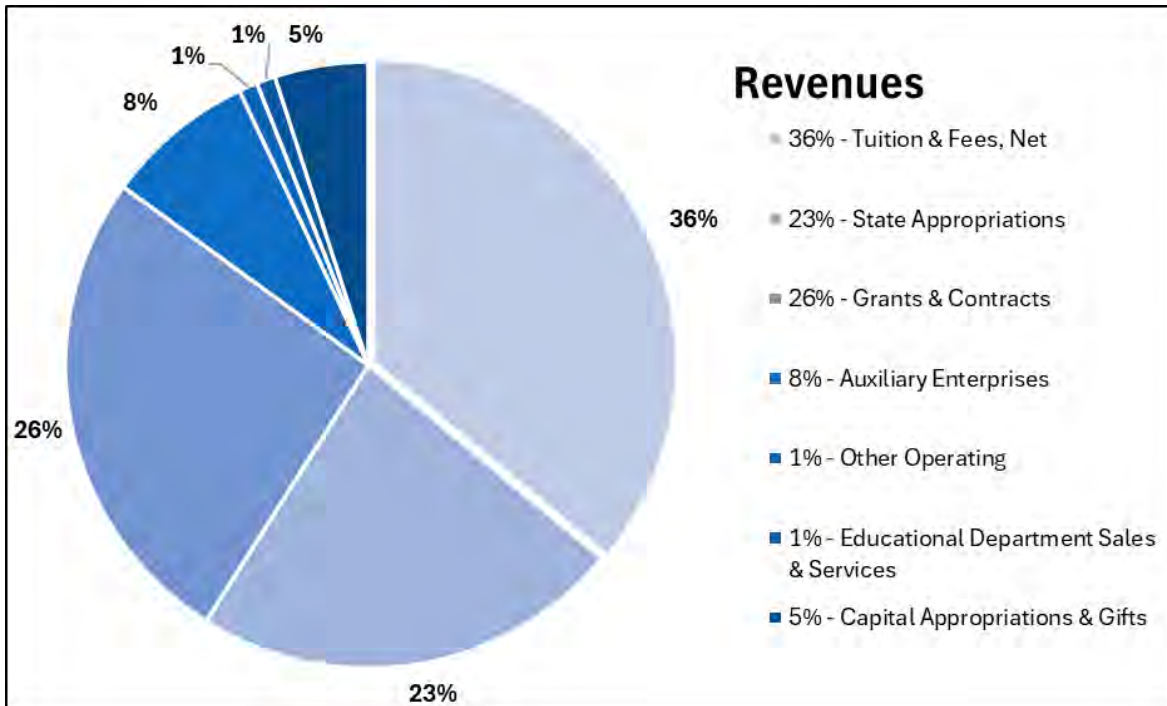
University received from the State of Kansas. Residential life revenues were \$9.9 million in 2023 compared to \$9.6 million in 2022, an increase of \$0.3 million. The University continues to see slight growth in residential hall occupancy rates as the effects from the Coronavirus pandemic become more distant. In March of 2020, residential halls were largely evacuated due to pandemic quarantine rules and the University moving to all online classes. In the years since then, residency rates have been returning to pre-pandemic levels.

Total non-operating revenues decreased 22.1%, when comparing \$55.4 million in 2023 to \$71.2 million in 2022. State appropriations increased significantly by 20.7% from \$36.3 million in 2022 to \$43.9 million in 2023. This large increase was the result of the state legislature approving a \$4.8 million increase to the state general fund for the University. Federal grants decreased \$20.1 million in 2023 compared to 2022. This decrease was the result of \$20.0 million of CARES Act funds received in fiscal year 2022 as part of a one-time pandemic assistance program. This money was not received again in 2023 resulting in a decrease in Federal grant income. Gift income decreased \$3.9 million. This decrease is due to a one-time \$3.0 million gift from the Fort Hays State University Foundation in fiscal year 2022 to assist with the construction of the Center for Student Success addition to the Memorial Union Building.

For the year ended June 30, 2023, the university reported investment income of \$1.0 million. In previous years, interest income earned by the university was not material enough to warrant being separately stated as a non-operating revenue. Due to average interest rates on university funds increasing from less than 1% to rates in excess of 2.75%, interest income on university funds increased nearly \$1.0 million dollars. Due to the material change in interest income, management felt it necessary to separately state interest income for the year ended June 30, 2023.

Finally, capital appropriations increased in 2023 from \$3.3 million to \$5.8 million, or an increase of \$2.5 million as a result of an increase in Capital Renewal funds and Educational Building funds from the state.

In summary, total revenues decreased by \$6.4 million, from \$156.5 million to \$150.1 million. The composition of FY2023 revenues is displayed in the following graph:



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For the Year Ended June 30, 2023

Expenses

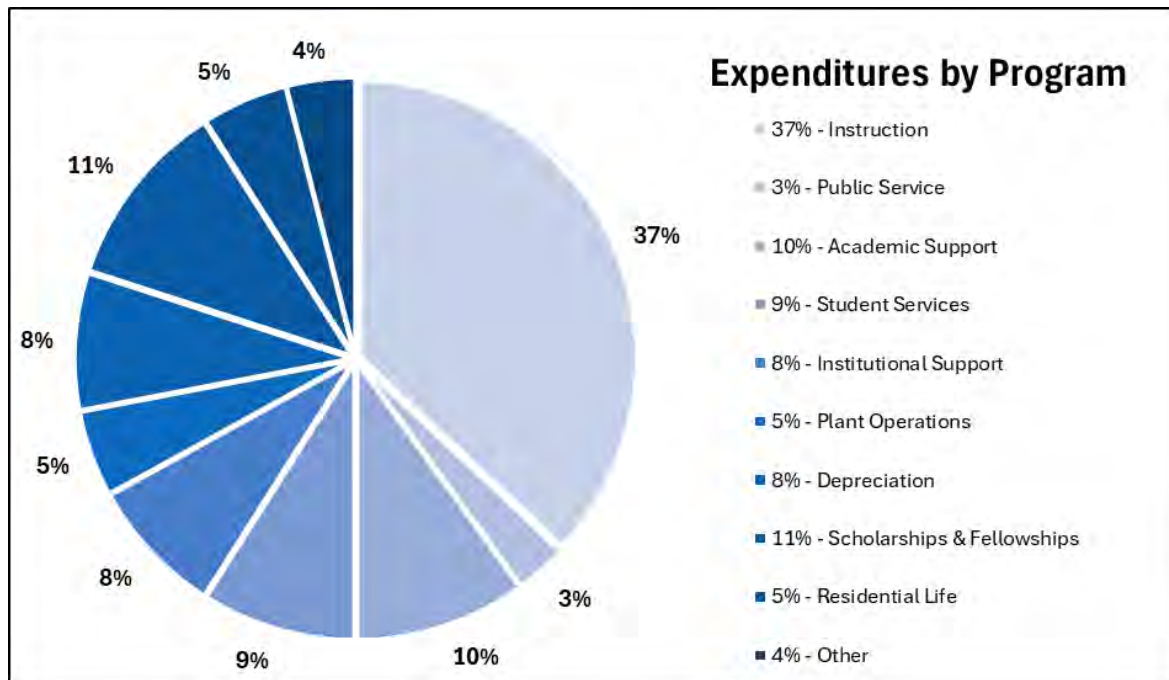
Operating expenses were \$150.3 million for the 2023 fiscal year compared to \$153.6 million for the 2022 fiscal year or a decrease of \$3.3 million. Education and general expenses decreased slightly in most categories due to tightening budgets and administrative cutbacks on spending. The exception is institutional support which increased from \$10.7 million in 2022 to \$11.8 million in 2023. Institutional support increased primarily due to a \$700 thousand advertising campaign undertaken by the University as part of the strategic plan as well as general inflationary pressures on supplies and services expenses of the University.

Depreciation increased in FY2023 due to the University's implementation of the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. This change in accounting method required the capitalization of lease payments that would have otherwise been expensed as operating expenses. The resulting asset was then depreciated resulting in a \$2.9 million increase in depreciation expense. See note 13 for more information on GASB 96.

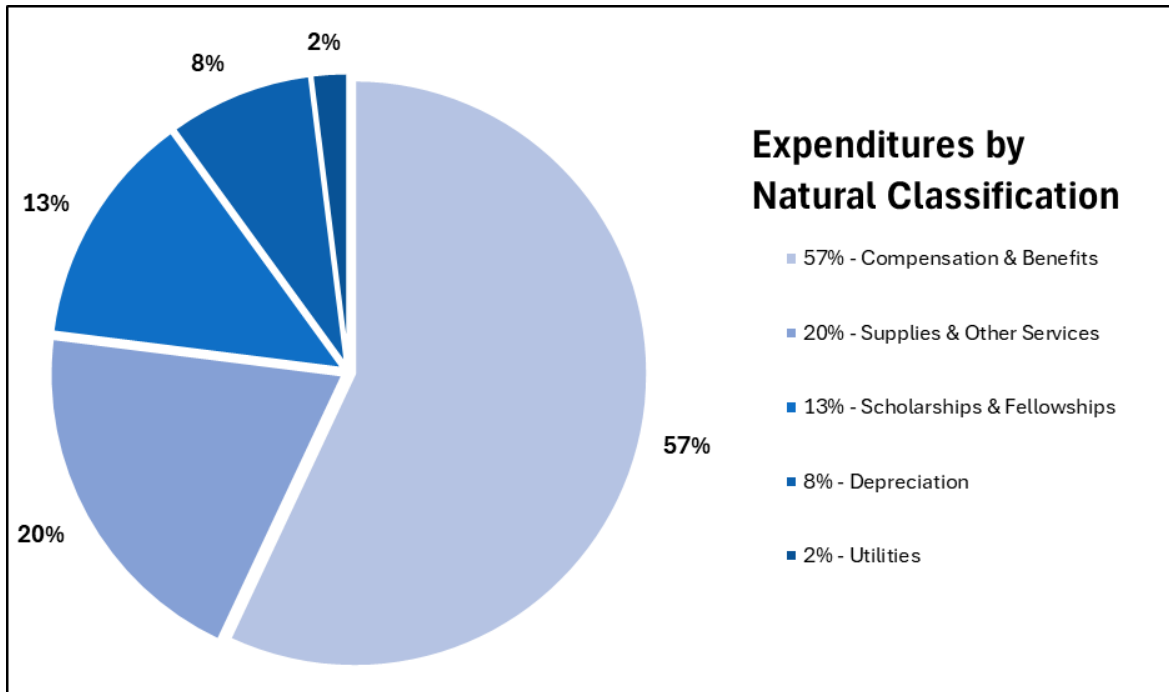
Scholarships decreased from \$23.0 million in 2022 to \$17.0 million in 2023. This decrease was primarily due to \$10.2 million dollars of CARES Act funds distributed to students in 2022 that was not received for the 2023 fiscal year.

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 are displayed in the following graph:



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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023



Foundation Expenses Paid on Behalf of 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, 2023, the Foundation made payments to the University of \$2.8 million. The Foundation also paid out \$3.3 million in scholarships on behalf of the University.

Net Position

Net position for the current year decreased by \$1.8 million. This decrease is primarily a result of the University receiving \$20.1 million of CARES Act funds in fiscal year 2022. Without this funding in fiscal year 2023, the Federal Grants and Contracts revenue was \$20.1 million less than the previous year. The University also received \$4.0 million less in gift revenue from the Fort Hays State University Foundation in 2023 than it did in 2022. In total, the operating income of the University increased \$10.0 million in fiscal year 2023 over fiscal year 2022. However, non-operating revenues decreased \$15.7 million as a result of one-time CARES Acts funds received in fiscal year 2022 that were not received in 2023.

FORT HAYS STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

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, 2023 and 2022:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Net cash provided (used) by:		
Operating activities	\$ (58,181,443)	\$ (62,417,616)
Noncapital financing activities	54,342,361	72,025,721
Capital and related financing activities	(6,012,915)	(11,654,842)
Investing activities	1,023,307	-
Net increase (decrease) in cash	<u>(8,828,690)</u>	<u>(2,046,737)</u>
Beginning cash and cash equivalent balances	47,208,966	49,255,703
Ending cash and cash equivalent balances	<u>\$ 38,380,276</u>	<u>\$ 47,208,966</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 since GASB requires 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 2023 fiscal year. Financial information regarding capital asset additions, retirements & depreciation is available in Note 5 to the financial statements. The following is a brief summary of major capital projects currently in process:

Major construction projects completed during the current fiscal year are: \$2.5 million replacement of generators in the Akers Energy Center building, and \$1.7 million roof repair and replacement for Cunningham Hall/Gross Memorial Coliseum.

The following major construction projects are in the planning and design phases at year-end: \$25.1 million remodel of Forsyth Library to be funded \$19 million by grant and \$6 million from University funds. \$11.4 million upgrade in HVAC for Gross Memorial Coliseum to be funded \$5 million by grant and \$6.4 million from University funds. \$11.0 million new athletic complex to be funded \$2.3 million by grants and \$8.7 million by private fundraising.

DEBT ADMINISTRATION

At June 30, 2023, the University had \$32.6 million in debt outstanding.

Debt in the amount of \$30.9 million was incurred during the 2016 fiscal year to finance Wiest Hall Replacement and Themed Housing Project in the amount of \$26.8 million; and refunding of the Memorial Union Renovation Project in the amount of \$4.1 million.

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Debt in the amount of \$10.5 million was incurred during the 2020 fiscal year to finance the Student Success Addition to the Memorial Union.

Capital lease payable in the amount of \$0.4 million was added in fiscal year 2022 as a result of implementing Governmental Accounting Standards Board Statement Number 87. The land was leased in fiscal year 2013. The University constructed two wind turbines on the leased land.

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

ECONOMIC OUTLOOK

The State of Kansas provided approximately 33.1% of the total resources for the University during fiscal year 2023. This was an increase from the 25.4% provided for fiscal year 2022. The approved fiscal year 2024 state appropriation budget is \$56.1 million, up from \$45.5 million for fiscal year 2023. Of the increase for FY2024, \$11.2 million 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 FY2024 is positive. Tax revenues have improved substantially over those collected in FY2023. Although the State's financial position continues to improve, it is uncertain as to whether higher education will see a funding increase. The University administration will 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 2023-24 year is expected to decrease. International enrollments are expected to decline during the academic year mainly due to the changing environment in China. The University continues to expand into new and strategic global markets. On campus enrollments continue to be pressured by decreasing populations in our market area and increased competition in the online market and are expected to decline. Funds provided by the State will provide relief to short-term fluctuations in operating revenues but cannot be relied upon to supplant future enrollment growth or tuition rate changes.

The Kansas Board of Regents approved a tuition increase for FY2024. This will help offset the revenue decrease from enrollment and we anticipate being slightly up overall. The University will make operating expense reductions to compensate for the reduction in revenue during FY2024 as necessary. The University has launched a number of initiatives to increase retention and student recruitment. The University continues to be committed to maintaining affordable tuition rates which are the lowest in the Kansas Regent's system.

FORT HAYS STATE UNIVERSITY
STATEMENTS OF NET POSITION
As of June 30, 2023 and 2022

ASSETS			Component Units	
	2023	2022	2023	2022
Current assets				
Cash and cash equivalents	\$ 31,355,693	\$ 39,092,337	\$ 672,768	\$ 803,935
Restricted cash and cash equivalents	7,024,583	8,116,629	-	-
Accounts receivable, net	7,646,643	4,301,299	5,048	4,447
Restricted Investments	250,529	249,391	-	-
Loans to students, net - current portion	291,558	429,321	-	-
Inventories	345,365	292,592	-	4,746
Prepaid expenses	-	2,101,565	-	-
Total current assets	<u>46,914,371</u>	<u>54,583,134</u>	<u>677,816</u>	<u>813,128</u>
Noncurrent assets				
Restricted cash and cash equivalents	-	-	10,704,642	9,388,668
Investments, bond reserve	-	-	-	328,989
Loans to students, net	1,207,789	2,131,360	-	-
Right of use asset, net	333,284	350,673	-	-
SBITA assets, net	4,690,994	-	-	-
Capital assets, net	187,314,820	190,573,983	1,851,423	1,918,888
Total noncurrent assets	<u>193,546,887</u>	<u>193,056,016</u>	<u>12,556,065</u>	<u>11,636,545</u>
Total assets	<u>240,461,258</u>	<u>247,639,150</u>	<u>13,233,881</u>	<u>12,449,673</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions	6,338,244	2,183,011	-	-
Other post employment benefits	47,949	61,792	-	-
Total deferred outflows	<u>6,386,193</u>	<u>2,244,803</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 12,692,966	15,180,839	111,716	102,071
Unearned revenue	7,197,447	7,171,353	232,533	212,836
Accrued compensated absences - current portion	2,549,297	2,241,585	-	-
Capital leases payable - current portion	13,238	12,931	-	-
SBITA Liability - current portion	2,502,144	-	-	-
Revenue bonds payable - current portion	1,845,000	1,765,000	-	-
Note payable - current portion	-	-	88,499	84,891
Perkins loans payable - federal portion	644,719	429,321	-	-
Unamortized bond premium/discounts, current portion	72,851	72,851	-	-
Deposits held in custody for others	651,978	606,008	-	-
Total current liabilities	<u>28,169,640</u>	<u>27,479,888</u>	<u>432,748</u>	<u>399,798</u>
Noncurrent liabilities				
Accrued compensated absences	-	614,202	-	-
Capital leases payable	320,721	333,959	-	-
SBITA Liability	2,630,235	-	-	-
Revenue bonds payable	30,410,000	32,255,000	-	-
Note payable	-	-	393,010	481,859
Perkins loans payable - federal portion	854,628	2,196,531	-	-
Unamortized bond premium/discounts	579,665	652,516	-	-
Other postemployment healthcare benefits	205,974	301,319	-	-
Pension liability	9,083,634	7,487,072	-	-
Total noncurrent liabilities	<u>44,084,857</u>	<u>43,840,599</u>	<u>393,010</u>	<u>481,859</u>
Total liabilities	<u>72,254,497</u>	<u>71,320,487</u>	<u>825,758</u>	<u>881,657</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	1,493,464	3,744,074	-	-
Other post employment benefits	181,793	111,403	-	-
Total deferred Inflows	<u>1,675,257</u>	<u>3,855,477</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	153,360,334	156,207,093	1,851,423	-
Restricted for:				
Expendable:				
Loans	644,719	429,321	-	-
Debt service	3,026,508	2,994,985	-	-
Capital projects	2,653,000	994,696	-	-
Other purposes	-	-	10,704,642	9,388,668
Unrestricted	13,233,137	14,081,894	(147,942)	2,179,348
Total net position	<u>\$ 172,917,698</u>	<u>\$ 174,707,989</u>	<u>\$ 12,408,123</u>	<u>\$ 11,568,016</u>

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, 2023 and 2022

	Component Units			
	2023	2022	2023	2022
OPERATING REVENUES				
Tuition and fees (net of scholarship allowances of \$12,007,200 and \$11,532,991 in 2023 and 2022 respectively)	\$ 57,909,799	\$ 55,632,775	\$ -	\$ -
Federal grants and contracts	6,664,515	5,967,116	-	-
State and local grants and contracts	4,515,961	2,863,940	-	-
Sales and services of educational departments	1,597,737	1,630,809	-	-
Auxiliary enterprises:				
Residential Life	9,925,568	9,567,564	-	-
Athletics	-	-	4,918,574	5,648,164
Parking	281,201	431,206	-	-
Student union	1,936,012	1,978,319	-	-
University health services	628,843	681,844	-	-
Interest earned on loans to students	98,076	106,012	-	-
Other operating revenues	3,752,060	1,673,001	122,745	48,512
Total operating revenues	<u>87,309,773</u>	<u>80,532,586</u>	<u>5,041,319</u>	<u>5,696,676</u>
OPERATING EXPENSES				
Educational and General				
Instruction	54,271,104	55,062,322	-	-
Research	617,501	543,831	-	-
Public service	4,732,671	5,029,740	-	-
Academic support	15,192,478	15,584,877	-	-
Student services	13,415,683	13,558,210	-	-
Institutional support	11,823,892	10,671,033	-	-
Operations and maintenance of plant	7,795,926	8,049,972	-	-
Depreciation	12,442,256	8,686,663	211,831	199,455
Scholarships and fellowships	16,986,688	22,959,743	-	-
Auxiliary enterprises:				
Residential Life	8,137,758	8,530,867	-	-
Athletics	-	-	3,460,909	3,264,224
Parking	92,457	95,596	-	-
Student union	1,886,908	1,742,556	-	-
University health services	793,271	1,566,926	-	-
Other operating expenses	2,136,394	1,481,891	528,472	125,792
Total operating expenses	<u>150,324,987</u>	<u>153,564,227</u>	<u>4,201,212</u>	<u>3,589,471</u>
Operating Income (Loss)	<u>(63,015,214)</u>	<u>(73,031,641)</u>	<u>840,107</u>	<u>2,107,205</u>
NON-OPERATING REVENUES (EXPENSES)				
State appropriations	43,878,871	36,367,679	-	-
Federal grants and contracts	11,881,515	32,044,351	-	-
Gifts	289,304	4,184,696	-	-
Investment income	1,023,307	-	-	-
Other non-operating revenue (expenses)	(410,261)	(196,404)	-	-
Interest expense	(1,198,614)	(1,173,532)	-	-
Net nonoperating revenues (expenses)	<u>55,464,123</u>	<u>71,226,790</u>	<u>-</u>	<u>-</u>
Income before other revenues, expenses, gains, or losses	<u>(7,551,091)</u>	<u>(1,804,851)</u>	<u>840,107</u>	<u>2,107,205</u>
Capital appropriations	<u>5,760,800</u>	<u>3,335,200</u>	<u>-</u>	<u>-</u>
Increase (Decrease) In Net Position	<u>(1,790,291)</u>	<u>1,530,349</u>	<u>840,107</u>	<u>2,107,205</u>
NET POSITION				
Net Position - beginning of year	<u>174,707,989</u>	<u>173,177,640</u>	<u>11,568,016</u>	<u>9,460,811</u>
Net Position - end of year	<u>\$ 172,917,698</u>	<u>\$ 174,707,989</u>	<u>\$ 12,408,123</u>	<u>\$ 11,568,016</u>

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Tuition and fees	\$ 54,590,549	\$ 57,869,538
Sales and services of educational activities	1,597,737	(343,722)
Auxiliary enterprises:		
Residential Life	1,787,810	1,036,697
Parking	188,744	335,610
Student union	49,104	235,763
University health services	(164,428)	(885,082)
Grants and contracts	11,180,477	10,563,443
Payments to suppliers	(23,669,849)	(24,895,045)
Payments to utilities	(1,159,407)	(1,073,215)
Compensation and benefits	(85,555,517)	(82,434,112)
Payments for scholarships and fellowships	(19,801,739)	(25,255,922)
Loans issued to students and employees	-	-
Collection of loans to students and employees	1,061,334	649,418
Other receipts (payments)	1,713,742	1,779,013
Net cash used by operating activities	(58,181,443)	(62,417,616)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
State appropriations	43,878,871	36,367,679
Other federal grants and contracts	11,881,515	32,044,351
Gifts	289,304	4,184,696
Deposits held in custody for others	44,832	(3,323)
Federal family education loan receipts	32,484,611	35,222,642
Federal family education loan disbursements	(32,484,611)	(35,222,642)
Other	(1,752,161)	(567,682)
Net cash provided by noncapital financing activities	54,342,361	72,025,721
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Capital appropriations	5,760,800	4,035,204
Purchases of capital assets	(8,741,708)	(12,877,513)
Proceeds from sale of capital assets	-	(307,895)
Proceeds from issue of bonds	-	350,673
Principal paid on capital debt and leases	(1,760,542)	(1,587,793)
Interest paid on capital debt and leases	(1,198,614)	(1,194,667)
Other	(72,851)	(72,851)
Net cash used by capital financing activities	(6,012,915)	(11,654,842)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sales and maturities of investments	-	-
Investment income	1,023,307	-
Purchase of investments	-	-
Net cash provided by investing activities	1,023,307	-
Net increase (decrease) in cash	(8,828,690)	(2,046,737)
Cash - beginning of the year	47,208,966	49,255,703
Cash - end of year	\$ 38,380,276	\$ 47,208,966
<u>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)	\$ (63,015,214)	\$ (73,031,641)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	12,442,256	8,686,663
Changes in assets and liabilities:		
Accounts receivables, net	(3,345,344)	1,068,831
Loans to students, net	1,061,334	649,418
Inventories	(52,773)	(87,084)
Prepaid expenses	2,101,565	33,998
Accounts payable and accrued liabilities	(2,272,475)	845,569
Other post employment healthcare benefits	(95,345)	(38,689)
Deferred revenue	26,094	780,104
Pension liability	(4,725,051)	(1,247,718)
Accrued compensated absences	(306,490)	(77,067)
Net cash provided (used) by operating activities:	\$ (58,181,443)	\$ (62,417,616)

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY FOUNDATION
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS
(Prepared On A Cash Basis)

Year ended June 30, 2023 and 2022

ASSETS	2023	2022
Cash and cash equivalents	\$ 823,828	\$ 595,776
Certificates of deposit and money market funds	12,162,327	8,839,623
Securities and limited partnerships	127,198,409	114,713,124
Student notes receivable and matching fund programs, net of allowance for doubtful accounts	317,911	243,520
Art and coin collection	64,738	85,190
Coins held for sale	-	79,672
Rental investments	262,407	379,929
Cash surrender value of life insurance	169,798	160,166
Oil working interests, less accumulated depletion	-	-
Land, buildings, equipment and oil royalties, less accumulated depreciation, depletion and reserve for impairment	12,314,296	12,372,338
Other	31,579	29,989
TOTAL ASSETS	<u>\$ 153,345,293</u>	<u>\$ 137,499,327</u>
LIABILITIES AND NET ASSETS		
Due to agency funds and other	\$ 3,535	\$ 4,331
Annuity contracts payable	258,692	306,019
TOTAL LIABILITIES	<u>262,227</u>	<u>310,350</u>
NET ASSETS		
Without donor restrictions	\$ 19,649,368	\$ 16,263,658
With donor restrictions	133,433,698	120,925,319
TOTAL NET ASSETS	<u>153,083,066</u>	<u>137,188,977</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 153,345,293</u>	<u>\$ 137,499,327</u>

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY FOUNDATION
STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS
(Prepared On A Cash Basis)

Year ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND GAINS (LOSES)						
Fundraising						
Estates & planned gifts	\$ 4,891	\$ 2,360,358	\$ 2,365,249	\$ 134,227	\$ 2,425,510	\$ 2,559,737
Major gifts	357,721	4,910,795	5,268,516	50,000	8,319,335	8,369,335
Other	87,814	2,339,180	2,426,994	125,625	1,789,401	1,915,026
Total fundraising	450,426	9,610,333	10,060,759	309,852	12,534,246	12,844,098
Investment return	4,790,971	9,380,291	14,171,262	(1,417,106)	(11,733,045)	(13,150,151)
Oil and gas	604	283,538	284,142	535	271,043	271,578
Farm rent	76,579	95,273	171,852	91,493	140,706	232,199
Management fees	827,689	-	827,689	805,786	-	805,786
Other revenues, net of bad debts	565,695	80,689	646,384	373,791	191,180	564,971
TOTAL REVENUES AND NET GAINS (LOSSES)	6,711,964	19,450,124	26,162,088	164,351	1,404,130	1,568,481
Net assets released from restrictions	6,816,379	(6,816,379)	-	6,563,702	(6,563,702)	-
TOTAL REVENUES, GAINS (LOSSES) AND OTHER SUPPORT	13,528,343	12,633,745	26,162,088	6,728,053	(5,159,572)	1,568,481
EXPENSES						
Program expenses						
University support and farm expenses	2,758,553	-	2,758,553	2,896,855	-	2,896,855
Farm expenses	72,105	-	72,105	56,143	-	56,143
Scholarships, grants, and awards	3,339,382	-	3,339,382	3,017,539	-	3,017,539
Management fees	827,224	-	827,224	805,198	-	805,198
Oil expenses	62,950	-	62,950	73,433	-	73,433
Total program expenses	7,060,214	-	7,060,214	6,849,168	-	6,849,168
Management and general expenses	1,568,222	-	1,568,222	1,389,823	-	1,389,823
Fundraising expenses	1,689,783	-	1,689,783	1,494,352	-	1,494,352
TOTAL EXPENSES	10,318,219	-	10,318,219	9,733,343	-	9,733,343
EXCESS OF REVENUES OVER (UNDER) EXPENSES	3,210,124	12,633,745	15,843,869	(3,005,290)	(5,159,572)	(8,164,862)
OTHER CHANGES						
Change in value and actuarial gain (loss) on annuity contracts	(595)	48,624	48,029	3,032	(135,682)	(132,650)
Transfers (to) from agency funds	176,181	(173,990)	2,191	243,353	(243,353)	-
CHANGE IN NET ASSETS	3,385,710	12,508,379	15,894,089	(2,758,905)	(5,538,607)	(8,297,512)
NET ASSETS AT BEGINNING OF YEAR	16,263,658	120,925,319	137,188,977	19,022,563	126,463,926	145,486,489
NET ASSETS AT END OF YEAR	<u>\$ 19,649,368</u>	<u>\$ 133,433,698</u>	<u>\$ 153,083,066</u>	<u>\$ 16,263,658</u>	<u>\$ 120,925,319</u>	<u>\$ 137,188,977</u>

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY FOUNDATION
STATEMENTS OF CASH FLOWS
(Prepared On A Cash Basis)

Year ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,894,089	\$ (8,297,512)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and depletion	192,966	230,730
Adjustments to the allowance for uncollectible loans to student (net of recoveries)	(77,973)	(13,728)
Cancellation of loans to students meeting service requirements	126,405	110,505
Adjustments to annuities payable, net	36,844	37,717
Decrease (increase) in cash surrender value of life insurance policies	(9,632)	42,655
(Decrease) increase in due to agency funds and other	(796)	(116,047)
(Decrease) increase in contribution in process	-	(1,200)
Contributions of securities	(607,654)	(3,461,509)
Contributions of artwork and coins	-	(33)
Contributions of equipment and real estate	(59,991)	(859,647)
Contributions restricted for long-term investment	(2,866,042)	(2,465,151)
Net realized and unrealized losses (gains) on investments and annuity contracts	(8,859,442)	17,459,851
Net loss on disposition of equipment	66,767	525
Net loss on sale of real estate	-	2,037,447
Net gain on sale of rental properties	(42,971)	(47,960)
Net gain on sale of oil properties	-	(5,002)
Net loss on disposition of artwork and coins	40,389	1,444
Other	(1,590)	(1,135)
	3,831,369	4,651,950
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	26,515,846	52,442,080
Proceeds from sales of real estate	7,910	1,929,236
Proceeds from sales of rental properties	146,475	144,480
Proceeds from sales of oil properties	-	6,500
Proceeds from sales of artwork and coins	59,735	460
Proceeds from sales of other equipment	1,099	-
Purchase of investments	(29,534,035)	(58,531,732)
Net (increase) decrease in certificates of deposit and savings	(3,322,704)	(2,479,020)
Disbursements of loans to students	(140,650)	(142,350)
Repayments of loans to students	17,827	22,995
Purchase of land, building, and equipment	(136,691)	(41,284)
	(6,385,188)	(6,648,635)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for long-term investments	2,866,042	2,465,151
Payments to gift annuitants	(48,156)	(51,534)
Liquidation of annuities	(36,015)	(7,012)
	2,781,871	2,406,605
NET CASH PROVIDED BY OPERATING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS	228,052	409,920
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	595,776	185,856
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 823,828	\$ 595,776

See accompanying notes to financial statements

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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), with the exception of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units. 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 3,631, an enrollment of 3,210 in our partner universities in China, and online enrollment of 6,002, for a total enrollment of 12,843 as of Fall 2023. The University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, 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 Fort Hays State University Alumni Association and the Fort Hays State University Athletic Association. Each discretely presented component unit is independently audited.

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

The financial activity and balances of the Fort Hays State University Foundation (FHSUF) are not included in the financial statements of the University as the Foundation is a legally separate entity and the University does not appoint a voting majority of the Foundation's governing body. The FHSUF financial statements may be found following the University's financial statements.

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.

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.

Accounts Receivable. Accounts receivable consists 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.

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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 \$5,000 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 half-year convention method over the estimated useful lives of the assets. Useful life is 40 years for buildings, 25 years for infrastructure and land improvements, 8 years for equipment, 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. Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include summer school tuition not earned during the current year and amounts received from grant and contract sponsors that have not yet been earned.

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 consists primarily of student organizations' monies administered by the University.

Noncurrent Liabilities. Noncurrent liabilities include principal amounts of revenue bonds payable, capital lease obligations associated with energy savings projects on University buildings with contractual maturities greater than one year, and estimated amounts for accrued compensated absences, pensions and other postemployment benefits that will not be paid within the next fiscal year.

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, 2022. As the OPEB plan was measured at June 30, 2022, 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 liabilities. Deferred outflows and deferred inflows for June 30, 2022, refer to activity pertaining to the recognition of KPERs Pension liability per GASB 68 and Other Postemployment Benefits per GASB 75.

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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

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.

Summer Session. Revenues and expenses for the summer session are reported within the fiscal year in which the summer session is predominately conducted. Accordingly, revenues and expenses for the 2023 summer session are reported in the Statements of Revenues, Expenses and Changes in Net Position as revenues and expenses for FY 2024. Summer session revenues received prior to June 30, 2023, are reported as unearned revenues in the Statements of Net Position. Expenses for the summer session paid prior to June 30, 2023, are reported as prepaid expenses. Kansas Board of Regents officials determined this methodology and believe the departure from generally accepted accounting principles will not have a material effect on the University's financial position.

Reclassification. Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 financial statement presentation.

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 2 – Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents: The carrying amount of the University’s deposits with the State Treasurer and other financial institutions at June 30, 2023 and 2022 was \$30,380,276 and \$47,208,966, 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.

State law 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.

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, 2023 and 2022, investments in certificates of deposit for student activity accounts were \$250,529 and \$249,321, respectively.

NOTE 3 - Accounts Receivable

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

	2023	2022
Tuition, fees & other	\$ 5,350,529	\$ 2,025,575
Auxiliary enterprises	584,643	441,234
Grants & contracts	1,711,471	839,795
Appropriated funds	0	994,696
	\$ 7,646,643	\$ 4,301,300

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, 2023. 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, 2023 and 2022, the allowance for uncollectible loans was estimated to be \$74,967 and \$128,034, respectively.

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 5 – Capital Assets

Capital asset activity for the year ended June 30, 2023 and June 30, 2022 was as follows:

	2023			
	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 304,456	\$ -	\$ -	\$ 304,456
Construction in progress	3,336,924	5,446,631	6,479,420	2,304,135
Total non-depreciable capital assets	<u>3,641,380</u>	<u>5,446,631</u>	<u>6,479,420</u>	<u>2,608,591</u>
Depreciable Capital Assets				
Infrastructure	29,771,096	1,170,377	-	30,941,473
Buildings	235,527,140	3,864,912	-	239,392,053
Equipment	24,896,580	2,113,649	359,366	26,650,863
Intangibles	10,525,576	-	-	10,525,576
Vehicles	1,556,820	146,564	6,235	1,697,150
Leased Land	368,062	-	-	368,062
Subscription based IT software	-	7,615,321	-	7,615,321
Total depreciable capital assets	<u>302,645,274</u>	<u>14,910,825</u>	<u>365,601</u>	<u>317,190,498</u>
Total capital assets cost	<u>306,286,654</u>	<u>20,357,456</u>		
Accumulated Depreciation				
Infrastructure	11,470,512	1,109,234	-	12,579,746
Buildings	85,862,508	5,175,255	-	91,037,763
Equipment	13,917,906	1,732,697	338,027	15,312,576
Intangibles	2,833,026	1,365,527	-	4,198,553
Vehicles	1,260,657	117,826	6,235	1,372,248
Leased land	17,389	17,389	-	34,778
Subscription based IT software	-	2,924,327	-	2,924,327
Total accumulated depreciation	<u>115,361,998</u>	<u>12,442,255</u>	<u>344,262</u>	<u>127,459,991</u>
Capital Assets, Net	<u>\$ 190,924,656</u>	<u>\$ 7,915,201</u>	<u>\$ 6,500,759</u>	<u>\$ 190,339,098</u>

FORT HAYS STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

	2022			
	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 304,456	\$ -	\$ -	\$ 304,456
Construction in progress	16,127,129	11,214,179	24,004,384	3,336,924
Software	6,090,332	-	6,090,332	-
Total non-depreciable capital assets	22,521,917	11,214,179	30,094,716	3,641,380
Depreciable Capital Assets				
Infrastructure	28,365,282	1,405,814	-	29,771,096
Buildings	212,844,692	22,682,448	-	235,527,140
Equipment	24,663,519	1,333,752	1,100,691	24,896,580
Intangibles	4,339,958	6,185,618	-	10,525,576
Vehicles	1,602,721	150,419	196,320	1,556,820
Leased Land	-	368,062	-	368,062
Total depreciable capital assets	271,816,172	32,126,113	1,297,011	302,645,274
Total capital assets cost	294,338,089	43,340,292	31,391,727	306,286,654
Accumulated Depreciation				
Infrastructure	10,392,105	1,078,407	-	11,470,512
Buildings	81,042,567	4,819,941	-	85,862,508
Equipment	12,896,891	1,714,611	693,596	13,917,906
Intangibles	1,903,930	929,096	-	2,833,026
Vehicles	1,326,012	127,219	192,574	1,260,657
Leased land	-	17,389	-	17,389
Total accumulated depreciation	107,561,505	8,686,663	886,170	115,361,998
Capital Assets, Net	\$ 186,776,584	\$ 34,653,629	\$ 30,505,557	\$ 190,924,656

NOTE 6 - Changes In Non-current Liabilities

Non-current liability activity for the year ended June 30, 2023 and June 30, 2022 was as follows:

	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases payable	\$ 346,890	-	12,931	333,959	13,238
Revenue bonds payable	34,020,000	-	1,765,000	32,255,000	1,845,000
Bond premium	725,367	-	72,851	652,516	72,851
Compensated absences	2,855,787	-	306,490	2,549,297	2,549,297
Perkins loan program	2,625,852	-	1,126,505	1,499,347	644,719
Post employment benefits	301,319	-	95,345	205,974	-
Net pension liability	7,487,072	1,596,562	-	9,083,634	-
Subscription based IT lease	-	7,615,321	2,482,942	5,132,379	2,502,144
Total long-term liabilities	\$ 48,362,287	9,211,883	5,862,064	51,712,106	7,627,249

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2022

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases payable	\$ 229,683	\$ 368,062	\$ 250,855	\$ 346,890	\$ 12,931
Revenue bonds payable	35,725,000	-	1,705,000	34,020,000	1,765,000
Bond premium	798,218	-	72,851	725,367	72,851
Compensated absences	2,932,854	-	77,067	2,855,787	2,241,585
Perkins loan program	3,237,709	-	611,857	2,625,852	429,321
Post employment benefits	340,008	-	38,689	301,319	-
Net pension liability	10,859,753	-	3,372,681	7,487,072	-
Total long-term liabilities	<u>\$ 54,123,225</u>	<u>\$ 368,062</u>	<u>\$ 6,129,000</u>	<u>\$ 48,362,287</u>	<u>\$ 4,521,688</u>

NOTE 7 – Revenue Bonds Outstanding

Bonds payable as of June 30, 2022 consist of the following:

Kansas Development Finance Authority Memorial Union Student Success Series 2020C \$ 9,330,000
\$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 \$ 21,900,000
\$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.

Kansas Development Finance Authority Memorial Union Renovation Revenue Bonds, Refunded Series 2016B. \$ 1,025,000
\$4,095,000. Issued April 1, 2016, with a final maturity date of April 01, 2025.
Interest ranging from 2.0% 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
2024	1,845,000	1,134,167	2,979,167
2025	1,915,000	1,056,168	2,971,168
2026	1,445,000	989,917	2,434,917
2027	1,500,000	937,368	2,437,368
2028	1,555,000	882,668	2,437,668
2029-2033	8,550,000	3,613,219	12,163,219
2034-2038	10,090,000	2,077,056	12,167,056
2039-2041	5,355,000	358,127	5,713,127
	<u>\$ 32,255,000</u>	<u>\$ 11,048,690</u>	<u>\$ 43,303,690</u>

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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, 2023 are as follows:

Year Ending June 30	Principal	Interest	Total
2024	13,238	7,933	21,171
2025	13,553	7,618	21,171
2026	13,875	7,296	21,171
2027	14,204	6,967	21,171
2028	14,542	6,629	21,171
2029-2033	78,057	27,800	105,857
2034-2038	87,779	18,078	105,857
2039-2043	98,711	7,145	105,856
	<u>\$ 333,959</u>	<u>\$ 89,466</u>	<u>\$ 423,425</u>

NOTE 10 – 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 \$723,843 and \$885,799 during fiscal years 2023 and 2022, respectively, and individual employees contributed \$318,966 and \$381,551. 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 \$4,167,840 and \$4,158,856 during fiscal years 2023 and 2022, respectively, and individual employees contributed \$2,684,932 and \$2,676,745.

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 Comprehensive Annual 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".

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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.

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. 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, 2023 are as follows:

	Actuarial employer rate	Statutory employer capped rate
State employees	9.97%	13.33%
Police and Firemen	22.99	22.99

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

At June 30, 2023, Fort Hays State University reported a liability of \$9,083,634 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022 Fort Hays State University proportion was 0.108608%, which was a decrease of .010047% from its proportion measured as of June 30, 2021. As of June 30, 2022, the University's proportion of the total contributions made to the Police and Fire group was .091743% which was an increase of .007695% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023 and 2022, Fort Hays State University recognized pension (revenue)/expense of \$279,496 and \$(403,747), respectively. At June 30, 2023 Fort Hays State University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 228,161	\$ 3,371
Net difference between projected and actual earnings on pension plan investments	744,378	-
Changes in proportion	110,500	1,490,093
Changes in assumptions	1,362,962	-
Contributions subsequent to measurement date	-	-
Total	\$ 2,466,001	\$ 1,493,464

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:

2023	\$ 73,663
2024	227,565
2025	22,549
2026	616,170
2027	12,586
	<u>\$ 952,533</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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 12.00 percent, including inflation
Investment rate of return	7.00 percent

Mortality rates were based on the RP-2014 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-2016.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the three year period beginning January 1, 2016 and ending December 31, 2018.

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 7, 2020, as provided by KPERS investment consultant, are summarized in the following table:

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

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, 2021 was 7.25%. The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Fort Hays State University Proportionate Share of the Net Pension Liability	\$12,785,873	\$9,083,634	\$5,991,429

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 11 – Postemployment Benefits Other Than Pensions (OPEB)

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% (prior to January 1, 2006, 66 2/3%) 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

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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, 2023 there were 130 active members and no inactive members covered by the benefit term.

Total OPEB Liability: The university's total OPEB liability of \$205,974 was determined by an actuarial valuation as of December 31, 2021, calculated based on the discount rate and actuarial assumptions below, and was rolled forward to the measurement date of June 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2021 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	3.54%
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, 2022 valuation were based on actuarial experience study for the period July 1, 2016 – June 30, 2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the June 30, 2021 KPERS pension valuation.

Changes in the Total OPEB Liability

Balance as of June 30, 2021	<u>\$ 301,319</u>
Changes for the year:	
Service cost	27,203
Interest	6,736
Effect of economic/demographic gains or losses	(55,582)
Effect of assumptions changes or inputs	(40,219)
Benefit payments	<u>(33,483)</u>
Net changes	<u>(95,345)</u>
Balance as of June 30, 2022	<u><u>\$ 205,974</u></u>

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate decreased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.

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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

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	1% Decrease (2.54%)	Current Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 218,338	\$ 205,974	\$ 194,572

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, 2023, the University recognized OPEB expense of \$10,698. At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 139,246
Changes in assumptions	14,466	42,547
Benefit payments subsequent to the measurement date	33,483	-
Total	\$ 47,949	\$ 181,793

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, 2024. 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:	
2023	\$ (23,241)
2024	(23,241)
2025	(23,241)
2026	(22,857)
2027	(20,420)
Thereafter	(54,327)
	\$ (167,327)

NOTE 12 - Commitments and Contingent Liabilities

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.

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.

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Note 13 – Change in Accounting Principle: Subscription-Based Information Technology Arrangements

For the year ended June 30, 2023, the University implemented a new accounting standard in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. In the course of business, the University leases certain software under subscription arrangements from external parties. Payments to parties for the lease of software were previously accounted for as a lease expense in the operating expenses of the University. GASB 96 instead requires that a right-of-use asset and related subscription liability be recorded based on the present value of the 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%. Fort Hays State University relied on guidance from the Kansas State Department of Administration and the Kansas Development Finance Authority in the implementation of GASB Statement No. 96.

The effects of the GASB 96 implementation on the Statements of Net Position is Summarized as follows:

SBITA Right-of-Use Asset	\$ 7,615,321
Less: Accumulated Amortization	<u>(2,924,327)</u>
SBITA Right-of-Use Asset, net	<u>\$ 4,690,994</u>
SBITA Subscription Liability	\$ 7,615,321
Less: Payments	<u>(2,482,942)</u>
SBITA Liability – Current Portion	\$ 2,502,144
SBITA Liability – Noncurrent Portion	<u>\$ 2,630,235</u>

NOTE 14 – Expenses by Natural and Functional Classifications

Operating expenses by natural classification for the years ended June 30, 2023 and June 30, 2022 was as follows:

	2023					
	Compensation and Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Total
	Educational and General:					
Instruction	\$ 48,614,284	856,432	5,363	4,795,029	-	\$ 54,271,108
Research	210,492	40,300	-	366,709	-	617,501
Public service	2,241,187	9,970	678	2,480,836	-	4,732,671
Academic support	10,190,966	7,613	65,231	4,928,668	-	15,192,478
Student services	8,989,861	643,799	4,593	3,777,430	-	13,415,683
Institutional support	6,121,467	484,262	-	5,218,163	-	11,823,892
Operations and maintenance of plant	5,792,514	-	1,083,543	919,869	-	7,795,926
Depreciation	-	-	-	-	12,442,256	12,442,256
Scholarships and fellowships	25,964	16,960,724	-	-	-	16,986,688
Auxiliary enterprises:						
Residential Life	1,634,245	8,249	1,133,601	5,361,663	-	8,137,758
Parking	26,696	-	-	65,761	-	92,457
Student unions	985,501	10,445	230,355	660,607	-	1,886,908
Health services	643,596	-	777	148,898	-	793,271
Other operating expenses	531,366	-	-	1,605,028	-	2,136,394
Total operating expenses	<u>\$ 86,008,139</u>	<u>19,021,794</u>	<u>2,524,141</u>	<u>30,328,661</u>	<u>12,442,256</u>	<u>\$150,324,991</u>

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	2022					
	Compensation and Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Total
Educational and General:						
Instruction	\$ 48,272,922	856,432	-	5,932,968	-	\$ 55,062,322
Research	221,601	40,300	-	281,930	-	543,831
Public service	2,191,456	9,970	-	2,828,314	-	5,029,740
Academic support	9,802,449	7,613	56,851	5,717,964	-	15,584,877
Student services	8,978,535	643,800	8,494	3,927,381	-	13,558,210
Institutional support	5,959,401	484,262	-	4,227,370	-	10,671,033
Operations and maintenance of plant	5,883,694	-	1,007,870	1,158,408	-	8,049,972
Depreciation	-	-	-	-	8,686,663	8,686,663
Scholarships and fellowships	35,502	22,845,999	-	78,242	-	22,959,743
Auxiliary enterprises:						
Residential Life	1,811,053	8,249	1,020,335	5,691,230	-	8,530,867
Parking	30,651	-	-	64,945	-	95,596
Student unions	957,654	10,445	208,454	566,003	-	1,742,556
Health services	653,904	-	578	912,444	-	1,566,926
Other operating expenses	529,359	-	-	952,532	-	1,481,891
Total operating expenses	\$ 85,328,181	24,907,070	2,302,582	32,339,731	8,686,663	\$153,564,227