

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 7, 2026

NEW ISSUE

**Rating: Moody's: "Aa3"
See "BOND RATING" herein**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (1) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, and (2) is exempt from all Kansas state, county and municipal taxes, including income and property taxes (provided, however, that no opinion is expressed with respect to the applicability of the privilege tax imposed on banking institutions pursuant to K.S.A. 79-1107 and 79-1108). The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See the caption "TAX MATTERS" herein.



\$22,780,000*
KANSAS DEVELOPMENT FINANCE AUTHORITY
Revenue Bonds
Series 2026D
(Kansas State University Project)

Dated: Date of Delivery

Due: May 1, as shown on the inside cover page

The Series 2026D Bonds referenced above (the "Bonds") will be issued by the Kansas Development Finance Authority (the "Authority") as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The Depository Trust Company ("DTC"), will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. See "THE BONDS—Book-Entry Only System" herein.

Principal will be payable upon presentation and surrender of the Bonds by the Owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as bond registrar and paying agent (the "Bond Registrar" and "Paying Agent"). Interest on the Bonds will be payable on May 1 and November 1, beginning November 1, 2026, by check or draft of the Paying Agent mailed to the persons who are the Owners of the Bonds as of the close of business on the fifteenth day (whether or not a Business Day) of the calendar month preceding each Interest Payment Date (the "Record Date"). The Owner of Bonds in the principal amount of \$500,000 or more may request the payments of principal, redemption premium, if any, and interest on the Bonds to be made by electronic transfer upon written request of the Owner received by the Paying Agent no later than the Business Day preceding the Record Date for such Payment Date. Principal and semiannual interest on the Bonds will be paid directly to DTC by the Paying Agent, so long as DTC or its nominee, Cede & Co., is the Owner of the Bonds.

The Bonds will be issued pursuant to Bond Resolution No. 428 adopted by the Authority on April 7, 2026 (the "Bond Resolution").

MATURITY SCHEDULE LISTED ON INSIDE COVER PAGE

The principal of, redemption premium, if any, and interest on the Bonds are payable solely and only from the Trust Estate (as defined in the Bond Resolution), which includes, but is not limited to, all amounts and receipts derived by the Authority from Kansas State University (the "University") under the provisions of a Pledge of Revenues Agreement, dated as of April 1, 2026 (the "Pledge Agreement"), between the Authority and the University. Amounts paid to the Authority will be derived from the Revenues (as defined herein) of the University pledged pursuant to the Pledge Agreement.

THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE AUTHORITY, THE BOARD OF REGENTS OF THE STATE OF KANSAS (THE "BOARD"), THE STATE OF KANSAS (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, AND DO NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE BOARD, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

The Bonds are subject to redemption as described under the caption "THE BONDS—Redemption" herein.

The Bonds are offered when, as and if issued by the Authority, subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its counsel and disclosure counsel, Kutak Rock LLP, and for the University by its Office of General Counsel. It is expected that the Bonds will be available for delivery in New York, New York through the facilities of DTC on or about April 28, 2026.

The date of this Official Statement is April __, 2026.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$22,780,000*
KANSAS DEVELOPMENT FINANCE AUTHORITY
Revenue Bonds
Series 2026D
(Kansas State University Project)

SERIAL BONDS

Maturity May 1*	Principal Amount*	Interest Rate	Yield	Price	CUSIP⁽¹⁾
2027	\$7,770,000	%	%	%	
2028	3,935,000				
2029	2,355,000				
2030	2,170,000				
2031	405,000				
2032	1,115,000				
2033	1,170,000				
2034	1,230,000				
2035	1,290,000				
2036	1,340,000				

TERM BONDS

\$ _____ % Term Bonds Due May 1, 20__ Yield: ____ % Price: ____ % CUSIP⁽¹⁾: _____

* Preliminary; subject to change.

⁽¹⁾ The Authority and the University shall not be responsible for the use of the CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of readers of this Official Statement.

No dealer, broker, salesman or other person has been authorized by the University or the Authority to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor will there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the University or the Authority since the date hereof.

FORWARD-LOOKING STATEMENTS

This Official Statement, including under the headings “PLAN OF FINANCE” and “INVESTMENT CONSIDERATIONS” herein and in Appendices A and B hereto, contains forward-looking statements. These statements relate to future events or future financial performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “continues,” or the negative of these terms or other comparable terminology. Although the Authority and the University believe the expectations reflected in the forward-looking statements to be reasonable, neither the Authority nor the University can guarantee future results, levels of activity, performance or achievements. The Authority and the University do not plan to issue any updates or revisions to those forward-looking statements if or when the expectations on which such statements are based occur or fail to occur. Certain risks and other factors with respect to such events include those listed under the headings “PLAN OF FINANCE” and “INVESTMENT CONSIDERATIONS” herein and in Appendices A and B hereto and elsewhere in this Official Statement.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS ANY DOCUMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE TERMS OF THE OFFERING. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE ORIGINAL PURCHASERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The University maintains websites and certain social media accounts. Such websites and social media accounts are not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds, and are not part of this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended and in effect on the date hereof (“Rule 15c2-12”). References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12.

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(UNAUDITED)

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\$22,780,000*
KANSAS DEVELOPMENT FINANCE AUTHORITY
Revenue Bonds
Series 2026D
(Kansas State University Project)

INTRODUCTION

This Official Statement, including the cover page and appendices hereto (the “Official Statement”), is provided to furnish information with respect to the Kansas Development Finance Authority (the “Authority”) and the issuance and delivery of the \$22,780,000* aggregate original principal amount Revenue Bonds, Series 2026D (Kansas State University Project) (the “Bonds”). The Bonds are being issued pursuant to Bond Resolution No. 428 adopted by the Authority on April 7, 2026 (the “Bond Resolution”).

The Bonds are being issued for the purpose of (a) financing a portion of the costs of the construction, renovation, development and equipping of the animal science arena, the agronomy research and innovation center, the global center for grain and food innovation, and Call Hall and Weber Hall located on the Kansas State University campus in Manhattan, Kansas (the “Project”), as more fully described at the caption “PLAN OF FINANCE” herein, and (b) paying certain expenses incurred in connection with the issuance of the Bonds. See the caption “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Authority is a public body, politic and corporate, and an independent instrumentality of the State of Kansas (the “State”), exercising essential public functions, created in 1987 by K.S.A. 74-8901 *et seq.*, as amended. The Authority is authorized pursuant to Kansas law and the Bond Resolution to issue its revenue bonds to finance the costs of the Project. See the caption “THE AUTHORITY” herein.

Pursuant to the Pledge of Revenues Agreement, dated as of April 1, 2026 (the “Pledge Agreement”), by and between the Authority and Kansas State University (the “University”), the University has pledged the Revenues (defined herein) to the Authority and, pursuant to the Bond Resolution, the Authority has pledged to pay the principal of, redemption premium, if any, and interest on the Bonds from the Trust Estate, which includes, but is not limited to, all right, title and interest of the Authority in, to and under the Pledge Agreement, including the payments by the University to the Authority from the Revenues pledged under the Pledge Agreement. The Bonds are payable solely and only from the Trust Estate and not from any other fund or source of the Authority or the University.

The University has covenanted that it will transfer Revenues in an aggregate amount necessary to pay principal of and interest on the Bonds for deposit to the credit of the Principal and Interest Account not later than five Business Days prior to each Interest Payment Date, after giving effect to any amounts then on deposit in such Principal and Interest Account.

Certain capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings given to such terms under the caption “DEFINITIONS” in Appendix D attached hereto.

*Preliminary; subject to change.

PLAN OF FINANCE

The Project consists of the construction, renovation, development and equipping of (i) the Agronomy Research and Innovation Center, (ii) the Bilbrey Family Event Center, (iii) the Western Star Global Grain and Food Center, and (iv) Weber Hall and Call Hall.

The Agronomy Research and Innovation Center is a modern 59,851 square foot facility located in Manhattan, Kansas designed to support interdisciplinary research and collaboration, and advance the University's agronomy and agricultural systems. Construction of the facility was completed in Spring 2026.

The Bilbrey Family Event Center is a 76,507 square foot animal science event center located in Manhattan, Kansas which includes a new multispecies competition arena and will showcase livestock performance competitions, judging shows and large events. Construction of the facility was completed in Fall 2025.

The Western Star Global Grain and Food Center is a 171,230 square foot facility (including the upgrades to Weber Hall and Call Hall described below) located in Manhattan, Kansas which will support interdisciplinary research and innovation in food product development, food safety and food security. One-third of all space will be dedicated to interdisciplinary research and up to 10% of the space will be reserved for onsite collaboration between public resources and private enterprises. Construction of the facility began August 2024 and is expected to be completed in Fall 2026.

Weber Hall renovation will include an updated meat lab, a new learning pavilion, upgraded and accessible classrooms and learning spaces, modernized research labs and student collaboration space. Renovations began in May 2025 and are expected to be completed in December 2026. Weber Hall houses the Department of Animal Sciences and Industry teaching and research activities.

Call Hall renovation will include upgraded and accessible classrooms and learning spaces, student collaboration space, a renovated dairy processing plant and modernized research labs. Renovations began in May 2025 and are expected to be completed in January 2027. Call Hall currently houses teaching, research and dairy processing activities.

The total cost of the project is estimated to be approximately \$200 million, funded by approximately \$25 million of appropriations from the State of Kansas, \$55.5 million of federal funds, \$22 million of University funds, \$74 million of private gifts and \$23.5 million of Bond proceeds.

(Remainder of page intentionally left blank)

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds are estimated to be applied as follows:

Sources of Funds

Principal Amount of the Bonds	\$	
Net Original Issue Premium / (Discount)		_____
TOTAL		\$_____

Uses of Funds

Deposit to Project Fund	\$	
Costs of Issuance		
Underwriting Discount		_____
TOTAL		\$_____

THE BONDS

General

The Bonds will be issued as fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof. The Bonds will be dated the date of issuance and will mature, subject to prior redemption, in the years and amounts as shown on the inside cover page hereof and will bear interest from their dated date at the rates shown on the inside cover page. The principal of, redemption premium, if any, and interest on the Bonds will be payable in lawful money of the United States of America at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Bond Registrar”) and shall be paid (1) by check or draft of the Paying Agent mailed to such Owner, or (2) at the written request addressed to the Paying Agent by any Owner of the Bonds in the aggregate principal amount of at least \$500,000, by electronic transfer to the bank for credit to the account number filed with the Paying Agent no later than the Business Day preceding the Record Date. The principal of each Bond will be payable at maturity or earlier redemption upon presentation and surrender at the principal office of the Paying Agent. Interest on the Bonds will be payable on May 1 and November 1, beginning November 1, 2026 (each, an “Interest Payment Date”), by the Paying Agent to the persons who are the Owners of the Bonds as of the Record Date preceding each Interest Payment Date. Interest on each Bond will be payable to the Owners of the Bonds at the address of each Owner shown on the registration records maintained by the Bond Registrar as of the Record Date.

The Bonds will be transferable at the office of the Bond Registrar. The Authority has agreed to pay the fees, charges and expenses of the Bond Registrar, which fees, charges and expenses shall include all costs incurred in connection with the issuance, transfer, exchange, registration, redemption or payment of the Bonds, except (a) the reasonable fees and expenses in connection with the replacement of any Bond or Bonds mutilated, stolen, lost or destroyed, or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Bonds. Such additional costs shall be paid by the Owners. Neither the Authority nor the Bond Registrar shall be required to make any such exchange or transfer of Bonds during the 15 days immediately preceding a Payment Date or, in the

case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. Information with respect to the book-entry only system is contained in Appendix G attached hereto.

Security for the Bonds

The Trust Estate. The principal of, redemption premium, if any, and the interest on the Bonds shall be special, limited obligations of the Authority payable solely and only from, and are secured as to the payment of principal of, redemption premium, if any, and interest on the Bonds by a pledge by the Authority of, the Trust Estate, which consists of:

(a) All right, title and interest of the Authority in, to and under the Pledge Agreement; provided that the pledge and assignment thereby made shall not impair or diminish the obligations of the Authority under the provisions of the Pledge Agreement; and

(b) All moneys and securities from time to time held under the terms of the Bond Resolution (excluding funds held in or accruing to the Rebate Account), including, without limitation, Bond proceeds and income from the temporary investment thereof and proceeds from insurance and condemnation awards, and any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security for the Bonds by the Authority.

The Pledge Agreement. Pursuant to the Pledge Agreement, the University has pledged to the Authority the Revenues and not any other fund or source, as security for the Bonds.

The “Revenues” consist of all revenues of the University, excluding Restricted Revenues. “Restricted Revenues” means (i) fees, funds and other revenues restricted to a use other than payment of debt service on the Bonds by enactment of the Legislature, (ii) fees, funds and other revenues specifically pledged to secure the payment of revenue obligations of the Board or the University that are not available for payment of debt service on the Bonds and (iii) gifts, fees and other revenues restricted by the donor, the Board or the University to a use other than payment of debt service on the Bonds.

Pursuant to the Pledge Agreement, the University has covenanted that it will transfer Revenues in an aggregate amount necessary to pay principal of and interest on the Bonds for deposit to the credit of the Principal and Interest Account not later than five Business Days prior to each Interest Payment Date, after giving effect to any amounts then on deposit in such Principal and Interest Account.

In addition to the Bonds, the University has issued prior revenue obligations payable from the Revenues pledged to the payment of the Bonds. For a description of such prior revenue obligations, see the caption “FINANCIAL INFORMATION—University Debt Obligations—*Obligations Payable from Revenues Pledged*” in Appendix A to this Official Statement. The University may incur future obligations payable from the Revenues as described at the caption “INVESTMENT CONSIDERATIONS—Revenues May Be Further Pledged or Restricted; No Security Interest in Revenues” herein.

THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE AUTHORITY, THE BOARD, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF

ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, AND DO NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE BOARD, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

Redemption

Optional Redemption. The Bonds maturing in the years 2027 to 2034 inclusive shall become due without option of prior payment. At the option of the Authority, upon instructions from the University, the Bonds maturing in the years 2035 and thereafter may be called for redemption and payment prior to maturity on May 1, 2034, or thereafter, in whole or in part (selection of Bonds to be designated by the Authority in such equitable manner as it may determine) on any date, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the date of redemption.

Extraordinary Optional Redemption. The Bonds shall be subject to redemption and payment prior to the stated maturity thereof (1) in the event of a Change of Circumstances, at the option of the Authority upon instructions from the University or (2) if an Event of Default under the Pledge Agreement has occurred, at the option of the Authority with notice to the University, on any date, at the redemption price of 100% (expressed as a percentage of the principal amount) plus accrued interest thereon to the date of redemption, provided all of the Bonds are so redeemed and paid according to their terms.

Mandatory Redemption.* The Bonds maturing on May 1, 20__ shall be subject to mandatory redemption and payment prior to maturity at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption, on May 1 in each of the following years in the following principal amounts:

Year	Principal Amount
20__	\$
20__ [†]	

[†]Maturity date.

The Authority shall cause the Paying Agent, in each year in which the above-referenced Bonds (the “Term Bonds”) are to be redeemed pursuant to the above-described mandatory redemption provisions of the Bond Resolution, to make timely selection of such Term Bonds or portions thereof to be so redeemed by lot in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine and to give notice thereof as provided in the Bond Resolution without further instructions from the Authority. At the option of the Authority, pursuant to written instructions from the University, such option to be exercised on or before the 45th day next preceding each mandatory redemption date, the Authority may: (1) deliver to the Paying Agent for cancellation, Term Bonds in the aggregate principal amount desired; or (2) furnish to the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any of said Term Bonds from any Owner thereof in the open market at a price not in excess of 100% of the principal amount thereof; whereupon the Authority shall cause the Paying Agent to expend such funds for such purposes to such extent as may be practical; or (3) elect to receive a credit in respect to the mandatory redemption obligation described above for any Term Bonds of the same maturity which prior to such date

* Preliminary; subject to change.

have been redeemed (other than through the operation of the mandatory redemption requirements described above) and cancelled by the Paying Agent and not theretofore applied as a credit against any mandatory redemption obligation described above. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Term Bonds of the same maturity on the next mandatory redemption date applicable to Term Bonds of such maturity that is at least 45 days after receipt by the Paying Agent of such instructions from the Authority, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same maturity in chronological order or such other order as the Authority may designate, and the principal amount of Term Bonds of the same maturity to be redeemed by operation of the requirements of the mandatory redemption requirements shall be reduced accordingly.

Selection of Bonds to be Redeemed

Bonds shall be redeemed only in the principal amount of \$5,000 or integral multiples thereof. If less than all of the Outstanding Bonds are to be redeemed and paid prior to maturity, such Bonds shall be redeemed in such equitable manner as the Authority shall determine.

Paying Agent's and Bond Registrar's Duties to Redeem Bonds

The Paying Agent shall call Bonds for redemption and payment and shall give notice of redemption as provided in the Bond Resolution upon receipt by the Bond Registrar at least 30 days prior to the redemption date of a written request of the Authority together with the consent or request of the University, provided funds are on deposit with the Paying Agent and are available for such redemption on or prior to such redemption date. Such request shall specify the principal amount of and the respective maturities of the Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of the Bond Resolution pursuant to which such Bonds are to be called for redemption.

Notice of Redemption

Notice of the call for any redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Bond Registrar, in the name of the Authority, by mailing a copy of the redemption notice at least 20 days prior to the date fixed for redemption to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar; provided, however, that failure to give such notice by mailing as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds. Any notice of redemption shall state the date of redemption, the place or places at which such Bonds shall be presented for payment, the maturities and numbers of the Bonds, or portions of Bonds, to be redeemed and the principal amount thereof being redeemed, the redemption price, whether or not funds for the redemption are on deposit with the Paying Agent or the redemption is contingent upon the deposit of such funds, and shall state that interest on the Bonds described in such notice will cease to accrue from and after the redemption date if the conditions described herein under the caption "THE BONDS—Effect of Call for Redemption" are met.

Effect of Call for Redemption

Prior to the date fixed for redemption, funds or Defeasance Obligations shall be deposited with the Paying Agent in an amount sufficient to provide for the payment of the Bonds called for redemption, accrued interest thereon to the redemption date and the redemption premium, if any. Upon the deposit of such funds or Defeasance Obligations, and notice having been given as provided in the Bond Resolution, the Bonds or portions of Bonds thus called for redemption shall cease to bear interest on the specified redemption date and shall no longer be entitled to the protection, benefit or security of the Bond Resolution and shall not be deemed to be Outstanding under the provisions of the Bond Resolution.

Debt Service Requirements

Schedules of the principal and interest payable annually on the Bonds and on other debt obligations of the University payable from the Revenues of the University are set forth in Appendix C hereto. For a description of other debt obligations of the University payable from the Revenues, see the caption “FINANCIAL INFORMATION—University Debt Obligations—*Obligations Payable from Revenues Pledged*” in Appendix A hereto.

The University may incur future obligations payable from the Revenues as described at the caption “INVESTMENT CONSIDERATIONS—Revenues May Be Further Pledged or Restricted; No Security Interest in Revenues” herein.

THE AUTHORITY

The Authority is a public body, politic and corporate, and an independent instrumentality of the State, exercising essential public functions, created in 1987 by K.S.A. 74-8901 *et seq.*, as amended (the “K DFA Act”). The Authority was created for the primary purposes of enhancing the ability of the State to finance capital improvements and improving access to long-term financing for State agencies, political subdivisions, public and private organizations and businesses.

The powers of the Authority are vested in the Board of Directors, consisting of five public members appointed by the Governor subject to confirmation by the State Senate. The Governor also appoints a President who serves at the pleasure of the Governor. The President is an ex-officio, non-voting member of the Board of Directors. Not less than three members of the Board of Directors must be representative of the general public and not more than three members may be members of the same political party.

The names, offices, principal occupations and places of business of the voting members of the Authority’s Board of Directors and their terms are as follows:

(Remainder of page intentionally left blank)

NAME	OFFICE	TERM	PRINCIPAL OCCUPATION AND PLACE OF BUSINESS
Jonathan P. Small	Chair Member	11/3/25 to date 10/22/21 to 1/15/27	Attorney Topeka, Kansas
Kimberley Brown	Vice Chair Member	11/3/25 to date 8/13/25 to 1/15/29	Retired Insurance Executive Topeka, Kansas
Suchitra Padmanabhan	Vice Chair Chair Vice Chair Member	2/15/21 to 11/3/25 3/1/20 to 2/15/21 4/4/13 to 12/31/19 2/2/10 to 1/15/29	President, CBW Bank Topeka, Kansas
Moniqueka Holloway	Member	6/26/21 to 1/15/29	Senior Director of Compliance and Quality Improvement, Heartspring Wichita, Kansas
Elizabeth Miller	Member	2/17/26 to 1/15/27	Chartered Financial Analyst Lawrence, Kansas

Members of the Board of Directors serve until their successors are appointed by the Governor and confirmed by the State Senate. Rebecca Floyd serves as President of the Authority.

The Authority has the rights, powers and privileges and is subject to the duties provided by the KDFA Act creating it, including the acquisition and disposal of real and personal property for its corporate purposes; the borrowing of money and issuance of notes, bonds and other obligations; the making of secured or unsecured loans for any of the purposes for which it may issue bonds (except making loans directly to individuals to finance housing developments); the provision of technical assistance and advice to the State or political subdivisions of the State; and entering into contracts with the State or political subdivisions thereof to provide such services.

The Bonds offered hereby are separately secured from all other bonds and notes issued by the Authority. See the caption “THE BONDS—Security for the Bonds” herein. No recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Bond Resolution or any other Authority document contained, against any past, present or future officer, director, member, trustee, employee or agent of the Authority, or any officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Resolution and the issuance of any of the Bonds.

Except for information concerning the Authority under the captions “THE AUTHORITY” and “LITIGATION—The Authority” herein, none of the information in this Official Statement has been supplied or verified by the Authority and the Authority makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

KANSAS STATE UNIVERSITY

Information regarding the University is set forth in Appendix A. The unaudited Annual Financial Report of the University for the fiscal year ended June 30, 2025 is set forth in Appendix B.

FINANCIAL INFORMATION OF THE UNIVERSITY

The Annual Financial Report of the University for the fiscal year ended June 30, 2025, which was prepared by the University and has not been audited, is set forth as Appendix B hereto. Information from the Annual Financial Report of the University is included in certain audited financial statements of the State of Kansas which are a part of the State of Kansas's Annual Comprehensive Financial Report (the "State ACFR"). However, the State ACFR does not separately state financial information for the University. No separate audited financial statements have been prepared by the University in the past and none are anticipated to be available in the future.

Certain summary financial information of the University, including preliminary information regarding revenues for the six month period ended December 31, 2025 and budget information regarding revenues for the year ending June 30, 2026, is included in Appendix A hereto. Such summary financial information should not be considered indicative of the results that may be expected for any other interim period or for the full fiscal year. Such information should be read in connection with the Annual Financial Report of the University for the fiscal year ended June 30, 2025 set forth in Appendix B hereto.

INVESTMENT CONSIDERATIONS

THE PURCHASE OF THE BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, AND TO GIVE PARTICULAR ATTENTION TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF DEBT SERVICE ON THE BONDS, AND WHICH COULD ALSO AFFECT THE MARKET PRICE OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED. THIS DISCUSSION OF RISK FACTORS IS NOT, AND IS NOT INTENDED TO BE, EXHAUSTIVE.

No Pledge of Real or Personal Property

The pledge of the Trust Estate does not constitute a pledge of any real or personal property and the payment of debt service on the Bonds is not secured by a mortgage or any other security interest in the projects or assets financed or refinanced with proceeds of the Bonds. In the event of a default by the University under the Pledge Agreement, there is no right or ability of the Authority or any party on behalf of the holders of the Bonds to take possession of the projects or assets financed or refinanced with proceeds of the Bonds or terminate the rights of the University to possession of the projects or assets financed or refinanced with proceeds of the Bonds.

Revenues May Be Further Pledged or Restricted; No Security Interest in Revenues

The Revenues pledged by the University to payment of debt service requirements on the Bonds consist of all revenues of the University, excluding Restricted Revenues. The amount of Revenues of the University for the six months ended December 31, 2025 and for the fiscal years ended June 30, 2025 and June 30, 2024, as well as summary budgeted revenues for the fiscal year ending June 30, 2026, are described at the caption "FINANCIAL INFORMATION—Revenues Pledged" in Appendix A hereto.

The Revenues may be pledged by the University to the payment of any other future indebtedness of the Board or the University, which additional indebtedness may be on a parity with the Bonds. For a description of certain additional indebtedness expected to be incurred by the University, and to which the Revenues may be pledged, see the caption “FINANCIAL INFORMATION—Capital Projects and Planned Additional Debt Obligations” in Appendix A hereto. There is no covenant or other restriction on the amount of additional debt to which the Revenues may in the future be pledged by the Board or the University.

The amount of Revenues may be reduced in the future by any increase in the amount of Restricted Revenues. Restricted Revenues of the University include (i) fees, funds and other revenues restricted to a use other than payment of debt service on the Bonds by enactment of the Legislature, (ii) fees, funds and other revenues specifically pledged to secure the payment of revenue obligations of the Board or the University that are not available for payment of debt service on the Bonds and (iii) gifts, fees and other revenues restricted by the donor, the Board or the University to a use other than payment of debt service on the Bonds. The amount of Restricted Revenues can be increased by an act of the Legislature restricting the use of State appropriations for the benefit of the University or any other moneys to a purpose other than the payment of debt service on the Bonds. The amount of Restricted Revenues can also be increased by a pledge by the Board or the University of any specific portion of current or future funds or revenues to revenue obligations of the Board or the University or by any other action of the Board or the University restricting any amount of existing or future fees or other revenues to a use other than the payment of debt service on the Bonds. In addition, donors may restrict the use of gifts to the University to purposes other than payment of debt service on the Bonds. There is no statute, law or contractual obligation of the State with respect to any amount of future State appropriations that would prevent the Legislature from restricting future appropriations. Neither the Board nor the University is obligated to maintain any amount of Revenues free of restrictions that would cause revenues or receipts of the University to be included in Restricted Revenues and thereby excluded from the amount of Revenues pledged to the payment of the Bonds.

While the University has pledged its Revenues to the payment of debt service requirements on the Bonds as described at the caption “THE BONDS—Security for the Bonds—*The Pledge Agreement*,” the obligations of the University under the Pledge Agreement are not secured by a security interest in the Revenues of the University or any other revenues or funds of the University. In the event of a default by the University under the Pledge Agreement, the remedies available to the Authority or any party on behalf of the holders of the Bonds will be limited to contractual remedies under the Pledge Agreement and other remedies available in law or equity.

State Appropriations May Be Reduced

The State is not obligated in any manner to make future appropriations to the University in the amounts that have been appropriated in the past. See the caption “FINANCIAL INFORMATION—Overview” in Appendix A hereto for a description of recent State appropriations for the University. The amount of annual State appropriations to the University has been reduced in the past and may be reduced in the future, which would in turn reduce the amount of Revenues pledged to the payment of the Bonds.

During the 2025 legislative session, direct State General Fund support to the University for FY 2026 in the amount of \$240.9 million reflected a decrease of 1.6% or \$2.4 million from FY 2025. The Legislature passed a budget for FY 2027 at the end of March 2026. The budget included a 2.5% decrease in state general fund appropriations to the Manhattan campus of the University. The proposed budget will be presented to the Governor for passage into law.

The State Consensus Revenue Estimate in November 2025 increased the previous estimate of fiscal year 2026 revenues of the Kansas State General Fund by \$149.0 million, above the previous estimate made

in April 2025. The revised estimate of \$10.227 billion represents 2.0% above final fiscal year 2025 receipts. In its November report, the Consensus Revenue Estimating Group made its first official assessment of fiscal year 2027. The initial estimate for fiscal year 2027 is \$10.133 billion, or 0.9% below the revised fiscal year 2026 figure. The next State Consensus Revenue Estimate is anticipated to be finalized in April 2026.

The Legislature could take additional budget action for the current or future fiscal years, which could reduce current or future appropriations to the University. In addition, as described at the caption “FINANCIAL INFORMATION—State Appropriations and the Budget Process” in Appendix A hereto, other executive or allotment action could reduce state appropriations received by the University.

Federal Funding May Be Reduced

There can be no assurance that federal government funding, including for the University’s research and contract activity and student aid, and including commercial contracts with private entities that have engaged with the University for such federal research activity or contracts, will remain stable or increase in the future. Potential federal legislative and executive actions could adversely impact the University. The University is the beneficiary of direct and indirect federal funding, including federal grants and loans as well as student aid, that could be impacted by federal actions.

For example, in 2025, several federal agencies, including the National Institutes of Health (“NIH”), the National Science Foundation (“NSF”), the Department of Defense (“DOD”), and the Department of Energy (“DOE”) announced initiatives to limit indirect cost recovery rates to 15% on new and existing grants. Enforcement of these limits was enjoined by federal courts, with several appeals pending. In 2026 federal budget legislation was passed which prohibited changes to the existing indirect cost reimbursement policy, including for NIH, NSF, DOD, and DOE. The legislation also provided federal funding for several student aid programs at previous funding levels. There can be no assurance that similar limits will not be imposed in the future or other federal actions taken which could adversely affect the amount of federal funding obtained by or benefiting the University in future years.

The University received more than \$129.1 million in revenue from federal research grants and contracts in the fiscal year ended June 30, 2025, as set forth in the Annual Financial Report attached as Appendix B to this Official Statement. Any significant decrease in the federal funding of such grants and contracts, as well as other federal funding received by the University, could adversely affect the University’s results of operations and financial position.

General Factors Affecting Revenues

No assurance can be given that demand for the University’s educational programs will continue at current levels or will not decrease. A significant decrease in the University’s enrollment for any reason could adversely affect the University’s financial position and results of operations, including the amount of revenues available from tuition.

A substantial percentage of the University’s students receive some financial support in the form of state or federally supported loans and grants and institutional assistance. See the caption “FACULTY, ENROLLMENT, TUITION, FEES AND FINANCIAL ASSISTANCE—Financial Aid Assistance” in Appendix A hereto. There can be no assurance that the number of federally supported loans or the amounts of moneys available under these programs will remain stable or increase in the future. Any significant change in the availability of financial aid could adversely affect the University’s enrollment and, in turn, the University’s ability to pay principal of, premium, if any, and interest on the Bonds.

A significant portion of the University's current revenues is provided through tuition and related fees. See the caption "FINANCIAL INFORMATION—Sources of Revenue Summary" in Appendix A hereto. There can be no assurance that the University will be able to raise tuition if needed in the future to cover any reductions in other sources of revenues or increases in the costs of its operations. Tuition changes require approval of the Board. In addition, legislation is from time to time introduced in the Legislature that, if enacted, would restrict the ability of the University to raise tuition rates or mandate changes to the existing tuition rate structures that could materially affect tuition revenues of the University.

The University faces competition for students, faculty, and funding from other public and private higher education institutions in Kansas, nationally and internationally. No assurance can be given that such competition will not adversely affect the operations or financial condition of the University. In addition, circumstances which could affect resident and non-resident (including international) student enrollment include economic conditions both within and outside the State of Kansas and the United States and domestic and foreign governmental policies. Conditions or policies affecting international travel and immigration may impact international student enrollment at the University.

Other circumstances or events may adversely affect the operations of the University, including circumstances both within and beyond the control of the University. These factors may include, but are not limited to, matters affecting the general environment in which the University operates, such as the state, local and global economic conditions and climate change and the effects thereof, such as flood, drought, wildfire or severe storms, and events that may affect the operations of the University specifically, such as a breach of cyber or information security interrupting the University's information technology operations.

Business Disruption Risk

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the University's ability to conduct its operations. The outbreak of the COVID-19 coronavirus in March 2020 is an example of a past external disruption that was beyond the University's control. A prolonged disruption in the University's operations could have an adverse effect on the University's financial condition.

Information Technology Security

The University is increasingly reliant on information technology in all aspects of its operations, both on campus and off campus, including for online classes. The reliance on information technology imposes new expectations on faculty and staff to be adept in using and managing electronic systems. It also introduces risks to the security of systems and information of the University and its students. For a description of a recent cybersecurity incident and the University's response and recent developments regarding cybersecurity, see the caption "OTHER UNIVERSITY MATTERS—Information Technology Security" in Appendix A hereto.

Organizations such as the University have been the victims of ransomware attacks, in which hackers compromise an organization's computer network or information systems in an attempt to extort money in exchange for returning the organization's systems to normal. Organizations subject to breaches may be liable for potential regulatory fines and penalties, costs of remediating breaches, damages to individuals (or classes) whose information has been breached, reputational damage and business loss, and damage to the information technology infrastructure. These risks may be mitigated with periodic review of potential vulnerabilities and the ongoing implementation of security processes and updates when deemed appropriate by the University and within the limits of resources of the University made available for such purposes. However, standards and practices for security of information technology continue to change and there can be no assurance that the University will be successful in protecting its information technology

from security breaches. The University currently maintains cyber and information technology insurance. See the caption “OTHER UNIVERSITY MATTERS—Insurance” in Appendix A hereto.

Risk of Flood and Climate Change

Some areas in Manhattan, Kansas and Salina, Kansas lie in a flood plain and have experienced flooding in the past. The Manhattan campus is in an area of minimal flood hazard. The Salina campus is in an area of reduced flood risk due to levees, except that some portions are also in a zone that presents a 1% annual chance of flooding. Except for such classifications of flood risk zones, the risk of a flood event is unknown, and it may be affected by climate change and the effects thereof. A flood may result in damage to the University’s campuses and facilities and adversely affect the operations of the University. The University has property insurance which includes flood coverage with limits up to \$100,000,000 for almost all locations. The University has three locations utilized by animal sciences for agricultural use that have lower flood limits of \$10,000,000.

In addition, the effects of climate change may include increased risk of extreme heat and drought, wildfire or tornados and other severe storms. To the extent that climate change may increase incidents of extreme heat or drought affecting the University’s campuses, the University could see higher energy usage and costs.

Limitation of Liability

The Kansas Tort Claims Act (K.S.A. 75-6101 *et seq.*), limits the liability of the State of Kansas, its boards, commissions, departments, agencies, bureaus and institutions for damages caused by the negligent or wrongful act or omission of any of their employees while acting within the scope of their employment. Subject to certain exceptions contained within the Kansas Tort Claims Act, liability for claims within the scope of said Act cannot exceed \$500,000 for any number of claims arising out of a single occurrence or event. The directors, employees and officers of the Authority are also protected from personal liability, under K.S.A. 74-8910, for any reason arising from the issuance of bonds unless such person acted with willful, wanton or fraudulent misconduct or intentionally tortious conduct.

Special Obligations

The Bonds are special, limited obligations of the Authority. Neither the principal of, redemption premium, if any, nor interest on the Bonds constitutes a debt or liability of, nor is the payment thereof guaranteed by the Authority, the Board, the State or any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Authority has no taxing power.

Construction Risks

No assurance can be given that the construction of the Project will be completed on schedule, within budget, or without material errors and defects. Risks that could affect the timely completion or costs of construction include defaults, bankruptcies or failures in performance of contractors and subcontractors, strikes, shortages or unavailability of materials, adverse weather conditions, delays, inflation, increased and unexpected costs, unknown subsurface conditions such as rock or environmental contaminants, adverse effects on adjacent facilities and other operations and other factors and contingencies unknown to or beyond the control of the University. There can be no assurance that the contractors under construction contracts will be able to comply with the terms of such contracts or that compliance by the contractors can be enforced

without costly or time-consuming litigation. Any failure to complete the Project on schedule and within budget could adversely affect the operating results of the University.

For a description of plans for construction of the Project, see the caption “PLAN OF FINANCE” herein.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The Authority and the University have covenanted in the Bond Resolution and the Pledge Agreement, respectively, and in other documents and certificates to be delivered in connection with the issuance of the Bonds, to comply with the provisions of the Code, including those which require the Authority or the University to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under “TAX MATTERS” assumes the compliance by the Authority and the University with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the Authority or the University to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income for federal income tax purposes as of the date of issuance.

Market for the Bonds

There is no established secondary market for the Bonds, and there is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of Bonds traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operations and financial results of the University. From time to time it may be necessary to suspend indefinitely secondary market trading in the Bonds as a result of the financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information regarding the Bonds, whether or not the Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

The University has covenanted to comply with the provisions of Rule 15c2-12, as amended, (the “SEC Rule”) of the Securities and Exchange Commission (the “SEC”). A failure by the University to comply with the SEC Rule will not constitute an Event of Default under the Bond Resolution (although the Authority may in its discretion proceed to protect and enforce compliance by a suit or suits in equity or at law). Nevertheless, such a failure must be reported in accordance with the SEC Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Tax Legislation and Other Matters

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Legal Matters

Various State and Federal laws, regulations and constitutional provisions apply to the operations of the Authority and the University. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Authority and the University.

Limitations on Remedies Available to Owners of the Bonds

The enforceability of the rights and remedies of the Owners of Bonds against the Authority or the University or of the Authority against the University, are subject to the following: applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose.

Because Kansas law is silent as to whether public entities in Kansas may file a petition under the municipal bankruptcy provisions (Chapter 9) of Title 11 of the United States Code (the "Bankruptcy Code"), the University and the Authority would not be eligible under the Bankruptcy Code to file a municipal bankruptcy petition. However, no assurance can be made that Kansas Law will not be changed in the future by authorizing a bankruptcy filing by municipalities, including, potentially, the University or the Authority. In addition, it is possible that in the future the Bankruptcy Code could be amended in a manner that would permit the University or the Authority to file for bankruptcy. Bankruptcy proceedings, or the exercise of powers by the Federal or State government, if initiated against the University or the Authority, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights and Owners of the Bonds could suffer losses. See the caption "SUMMARY OF PRINCIPAL FINANCING DOCUMENTS—Definitions—*Event of Default*" in Appendix D hereto for events which would constitute an event of default under the Pledge Agreement with respect to such matters.

Premium on the Bonds

Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to redemption at par under the various circumstances described under the caption "THE BONDS—Redemption" herein.

Suitability of Investment

An investment in the Bonds involves a certain degree of risk. The yields or prices borne by the Bonds (as compared to prevailing yields or prices on more secure bonds, such as those which constitute general obligations of fiscally sound municipalities) is intended to compensate the investor for assuming this element of risk. Furthermore, the tax-exempt feature of the Bonds is more valuable to high income tax

bracket investors than to investors who are in low income tax brackets, and so the value of the interest compensation to any particular investor will vary with income tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

NO REPRESENTATION OR ASSURANCE CAN BE MADE OR GIVEN THAT REVENUES WILL BE REALIZED BY THE AUTHORITY IN AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

THE FOREGOING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS.

Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement and additional information in the form of the complete documents summarized herein, copies of which are available from the Authority.

LITIGATION

The Authority

There is not now pending against the Authority any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or any proceedings or authority under which the Bonds are to be issued or the transactions contemplated by the Pledge Agreement or the Bond Resolution.

The University

No litigation, proceedings or investigations are pending or, to the knowledge of the University, threatened against the University, except litigation involving claims which, if adversely determined, will not, in the opinion of the counsel to the University, materially and adversely affect the financial condition of, the operations of, or revenues generated by, the University or the transactions contemplated by the Pledge Agreement or the validity of the Bonds or the Pledge Agreement.

BOND RATING

Moody's Ratings has assigned a rating to the Bonds of "Aa3" with a stable outlook. A report outlining the basis for the rating by the rating agency will be issued by the rating agency in connection with the issuance of such rating and a copy may be obtained by contacting the rating agency. Such rating reflects only the view of the issuing rating agency, and an explanation of the significance of the rating may be obtained from the rating agency. The rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that the rating will remain in effect for any given period of time or that the rating will not be revised, either downward or upward, or withdrawn entirely, by the rating agency if, in its judgment, circumstances warrant. Any downward revisions or withdrawal of such rating may have an adverse effect on the secondary market price and liquidity of the Bonds.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Undertaking, the form of which is attached hereto as Appendix E (the "Disclosure Undertaking"), the University will agree to provide certain financial

information and operating data of the University within 190 days after the end of each Fiscal Year beginning with the fiscal year ended June 30, 2026. Generally, such financial information will consist of the financial information and operating data included in this Official Statement in Appendices A and B attached hereto, updated annually. Such financial information, including the Kansas State University Annual Financial Report (June 30, 2025) attached as Appendix B hereto, has not been audited and the Annual Financial Reports for future years are not expected to be audited. In addition, as set forth in the Disclosure Undertaking, the University will agree to give notice of the occurrence of material events relating to the Bonds as required by the SEC Rule. The University will agree to transmit, or cause a dissemination agent to transmit, the financial information and operating data, together with notice of the occurrence of material events relating to the Bonds as provided in the Disclosure Undertaking, in an electronic format as prescribed by the Municipal Securities Rulemaking Board (the “MSRB”). The MSRB has designated its Electronic Municipal Market Access system, found at <http://emma.msrb.org>, as the repository for such information. The University will make such agreements in order to assist the original purchasers or underwriters of the Bonds in complying with the SEC Rule.

For the form of the Disclosure Undertaking, see Appendix E to this Official Statement.

In order to facilitate compliance with continuing disclosure undertakings, the University has designated personnel responsible for compliance with such undertakings and has designated Gilmore & Bell, P.C. as dissemination agent.

LEGAL MATTERS

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the Authority. The factual and financial information appearing herein and in the Appendices hereto has been supplied or reviewed by certain officials of the Authority and the University, as referred to herein, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned “THE BONDS,” “TAX MATTERS” and Appendix D and Appendix F hereto. The proposed form of Bond Counsel’s opinion is attached as Appendix F.

Certain legal matters will be passed upon for the Authority by its counsel and disclosure counsel, Kutak Rock LLP, and for the University by its Office of General Counsel.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for certain tax laws of the State of Kansas, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel Regarding the Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under the law existing as of the issue date of the Bonds:

Federal Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Kansas Tax Exemption. The interest on the Bonds is exempt from all Kansas state, county and municipal taxes, including income and property taxes; provided, however, that no opinion is expressed with respect to the applicability of the privilege tax imposed on banking institutions pursuant to K.S.A. 79-1107 and 79-1108.

Bank Qualification. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the Authority and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority and the University have each covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading “TAX MATTERS—Other Tax Consequences.”

The proposed form of Bond Counsel’s opinion is attached as Appendix F.

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of a bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID, if any.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (i.e., interest unconditionally

payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of Bonds of that maturity has been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium, if any.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

FINANCIAL ADVISOR

Columbia Capital Management, LLC, Merriam, Kansas, a registered municipal advisor, is serving as financial advisor to the Authority with respect to the Bonds. Columbia Capital Management, LLC, is a financial and investment advisory and consulting organization and is not engaged in the underwriting, marketing or trading of municipal securities or other negotiable instruments. Columbia Capital Management, LLC has assisted in various matters relating to the planning, structuring and issuance of the Bonds, including advice in the preparation of this Official Statement, but has not verified the accuracy or completeness of the factual information contained in this Official Statement.

UNDERWRITING

On _____, 2026 the Authority received ___ bids for the Bonds. The Bonds have been sold at public sale by the Authority to _____ (the “Original Purchaser”) on the basis of lowest true interest cost. The Original Purchaser has agreed, subject to certain conditions, to purchase the Bonds at a purchase price equal to the initial offering prices shown on the inside cover page hereof, less an underwriter’s discount of \$_____.

MISCELLANEOUS

The University has furnished all information in this Official Statement relating to its operations.

Except for information concerning the Authority under the captions “THE AUTHORITY” and “LITIGATION—The Authority” herein, none of the information in this Official Statement has been supplied or verified by the Authority and the Authority makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

The summaries or descriptions of provisions of the Bonds, the Bond Resolution, the Pledge Agreement and the Disclosure Undertaking, and all references to other materials not purporting to be quoted in full, are only brief outlines of provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof.

Any statement made in this Official Statement including all appendices hereto, involving matters of opinion or of estimates, whether or not expressly so stated, are set forth as such and not as representation of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority, the University, the Original Purchaser and the purchasers or Owners of any Bonds.

Requests for additional information with respect to the Authority and the Bonds may be addressed to the Kansas Development Finance Authority, 534 South Kansas Avenue, Suite 800, Topeka, KS 66603, Attention: Executive Director.

The preparation of this Official Statement and its distribution has been authorized by the Authority and the University as of the date on the cover page hereof.

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APPENDIX A

KANSAS STATE UNIVERSITY

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GENERAL INFORMATION

History and Academic Development

Founded in 1863, Kansas State University was established under the Morrill Act, which created land grant colleges. In 1991 the Legislature merged the former Kansas College of Technology with the University to establish the Kansas State University Polytechnic Campus, and in 2024 the campus was renamed Kansas State University Salina. The K-State Olathe Innovation Campus was established in 2007. The University's enrollment for the fall semester 2025 was 21,213, and the University employed in excess of 6,215 full-time equivalent faculty and staff.

Today, the University has a main campus of 664 acres, located in northern Manhattan, Kansas, which is approximately 125 miles west of Kansas City. The University also owns 18,000 acres throughout the State in four branch locations of the Agricultural Experiment Station and 8,600 acres in the Konza Research Prairie, a natural research area leased from Nature Conservancy and the Kansas State University Foundation, dedicated to the natural ecology of the bluestem prairie.

The University currently has nine colleges, including Agriculture, Architecture, Planning and Design, Arts and Sciences, Business Administration, Education, Engineering, Health and Human Sciences, Veterinary Medicine, Technology and Aviation, and the Graduate School. The University offers associate, bachelor, master, doctorate, and professional degrees. It is the only Kansas institution offering graduate degrees in Agriculture, Human Ecology/Home Economics, and Veterinary Medicine. The University had total extramural funding awards for research/scholarly activity of \$281 million during the fiscal year ending June 30, 2025. The Kansas State University Salina delivers programs in engineering technology, related science technology fields and aviation, offering associate and bachelor degrees. The K-State Olathe Innovation Campus is dedicated to application-based integrated research and education for a continuum of learners. K-State Olathe serves as a portal for the K-State Manhattan campus to reach and engage students and stakeholders in the greater Kansas City area.

External Relationships

The Kansas State University Foundation. The Kansas State University Foundation (the "Foundation") was organized in 1944. The Foundation is governed by a Board of Trustees representing geographic and educational constituencies.

The essential purpose of the Foundation is to provide funding unavailable through State appropriations or student fees to support the educational undertakings of the University. To that end, the Foundation encourages donations of and holds in trust any real or personal property contributed for the use of the University, its faculty and its students. The Foundation is charged with investing, managing, controlling and disbursing all such gifts. In the year ended June 30, 2025, the Foundation raised \$296.7 million, with the three-year annual fundraising average reaching \$238 million. It currently supports the University with almost \$131.4 million annually expended for grants, equipment and supplies, professorships and other faculty compensation, research, travel, public relations, construction costs, special projects, student recruitment and transfers to the Department of Intercollegiate Athletics, of which scholarships of more than \$27.3 million annually are provided through the Foundation.

The Foundation, together with Nature Conservancy, a nonprofit organization dedicated to preservation of the natural environment and ecology, currently leases prairie land to the University for use in its experimental agriculture program.

The Foundation is a separate entity from the University and is not obligated with respect to the Bonds. As of June 30, 2025, balance sheet net assets of the Foundation were in excess of \$1.7 billion. The separate financial statements of the Foundation are publicly available, including in the Kansas State University Annual Financial Report (for the fiscal year ended June 30, 2025) attached as Appendix B hereto and also as identified at the caption “GENERAL INFORMATION—Website Information” in this Appendix A.

The Kansas State University Alumni Association. The Kansas State University Alumni Association (the “Association”) was chartered in 1874. Its purpose is to provide a lifelong link between the University and its alumni and friends, through programs providing records maintenance, student recruitment, publications, programs throughout the nation, fund-raising activities, volunteer identification and honors for outstanding alumni. At the beginning of each Fiscal Year, the Association is granted an allotment of State funds by the University through a contract which provides the funding for the maintenance of the alumni database.

Website Information

The University maintains a public website on which it periodically posts certain financial and other information, including University budget information (available at <http://www.k-state.edu/budget>), annual financial reports of the University (available at <https://www.k-state.edu/finsvcs/financialreporting/annual-financial-reporting>), research award information (available at www.k-state.edu/research/faculty/awards) and information regarding the Foundation (available at <https://www.ksufoundation.org/about/reporting-and-governance>). None of the information included on these websites or any other websites mentioned in the Official Statement, including its appendices, or on the University’s or the Foundation’s website, is incorporated by reference into the Official Statement.

GOVERNANCE AND ADMINISTRATION

Governing Board

The Board of Regents of the State of Kansas (the “Board”) controls and supervises the University, with its campuses in Manhattan, Olathe and Salina. The Board also controls and supervises the University of Kansas, with its main campus at Lawrence, the Edwards Campus in Overland Park and the Medical Center with campuses at Kansas City and Wichita; Wichita State University; Emporia State University; Fort Hays State University; and Pittsburg State University.

The Board consists of nine regents appointed by the Governor and confirmed by the State Senate. The term of office for each regent is four years, with appointments staggered. Not more than five regents may be of the same political party. The Board is a constitutionally established board, responsible for formulating policy under which the State universities operate and for recommending to the State Legislature the amount of State funds to be made available to each institution. With respect to State universities, the Board has the power to make and execute contracts; acquire property; pledge or assign revenues; issue revenue bonds; construct, acquire or improve properties; fix, charge and collect rents, tuition and other fees; contract for services; and execute all acts necessary to the performance of its duties.

Revenue bonds for State universities under the control of the Board may be issued for various purposes. All outstanding revenue bonds are secured by either a pledge of a specific source of revenues, such as rentals, student fees, housing system or other revenues for various projects at the respective institutions, or by a pledge of generally available unencumbered revenues of an institution, and in some instances both.

Current members of the Board are:

Blake Benson, Chair	
Diana Mendoza, Vice Chair	
Pamela Clancy Ammar	Neelima Parasker
Matt Crocker	Peter Johnston
John B. Dicus	Kathy Wolfe Moore
Alysia Johnston	

University Administration

Richard Linton, President. Dr. Richard H. Linton serves as the 15th President of the University. He holds a Bachelor's degree in Biology (1988), a Master's degree in Food Science (1991), and a Ph.D. in Food Science (1994) all from Virginia Tech University. He participated in the Food Systems Leadership Institute from 2009-2011 and completed the Harvard Graduate School's Institutional Educational Management Program in 2018. Prior to coming to Kansas State in February of 2022, Linton served as Dean of the College of Agriculture and Life Sciences at North Carolina (NC) State University (2012-2022), as Department Chair of Food Science and Technology at The Ohio State University (2011-2012), and as a faculty member of the Department of Food Science at Purdue University (1994-2011). While at Purdue University, Linton also served as the Director (and founder) of the Center for Food Safety Engineering and as the Associate Director of Agricultural Research Programs. As Dean of the College of Agriculture and Life Sciences (CALs) at NC State University, Linton led a college of over 300 faculty, with more than 3,000 undergraduate students, and over 1,000 graduate students. Under his direction, the college developed a new strategic plan focused on building people, programs, and partnerships. Collaboration with industry and government were critical to the mission of the college, and Linton's dedication was demonstrated through the NC Plant Sciences Initiative and the NC Food Processing and Manufacturing Initiative, two endeavors that have the potential to create jobs, find solutions to global challenges in agriculture, and foster support for local growers. During his tenure at NC State University, competitive research for CALs reached \$100 million/year and his college raised \$482 million for the NC State Capital Campaign. Linton held many important leadership roles in addition to serving as Dean of CALs at NC State. He continues to serve as a member of the Food and Drug Administration's Science Advisory Board, as well as the Chair for the Binational (Israel/US) Ag Research and Development Fund (BARD), a role to which he was appointed in 2018 by the U.S. Secretary of Agriculture. He also previously chaired the NC Governor's Task Force on Food Manufacturing, and the APLU-Healthy Food Systems, Health People Steering Committee.

Ethan Erickson, Chief Financial Officer and Vice President for Administration and Finance and Chief Operating Officer. Erickson manages the University's operating budget and is responsible for providing strategic financial management and overseeing the campuswide budgeting processes and capital planning. He manages campus administrative and operations management. Erickson came to the University in 2014 as assistant vice president for budget planning after serving as director of fiscal services and operations at the Kansas Department of Education, and budget positions with Kansas Department of Transportation and the Kansas Division of the Budget. Erickson developed and implemented the University's new performance-based budget model and received the 2019 President's Award for Excellence for Unclassified Staff in the Distinguished Accomplishments category. Erickson was named the University's chief financial officer in 2019 and managed the University's federal COVID relief funding and led the refinancing of University debt during the market instability caused by the pandemic achieving millions in savings. In 2021, Erickson added interim vice president and chief operating officer to his title, launching grounds maintenance and campus beautification projects to assist student recruitment efforts. He also developed a five-year capital improvement plan for University construction and improvement projects to support the University's physical plant and infrastructure. He has a Master of Business Administration and a Bachelor of Science in business administration, both from the University.

FACULTY, ENROLLMENT, TUITION, FEES AND FINANCIAL ASSISTANCE

Faculty

The following table presents some historical information concerning the faculty at the University for the Fall semesters 2021 through 2025.

**Kansas State University Faculty Data
Fall Semesters, 2021-2025**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Number Full-Time Equivalent Faculty*	1,720	1,665	1,681	1,677	1,730
Number Full-Time Faculty	1,294	1,214	1,236	1,283	1,247
Number Part-Time Faculty	126	138	148	159	160
Number Tenured Faculty	764	691	660	696	678
Average Age of Faculty	49.7	49.1	49.1	49.1	49.2
Percent of Tenured Faculty	53%	51%	53%	48%	54%
Percent Holding Terminal Degrees	79%	78%	78%	81%	77%
Student-Faculty Ratio**	9.8	10.1	10.2	10.1	10.1

*Based on budgeted full time equivalent (“FTE”).

**Student-Faculty Ratio is derived by dividing total FTE students by FTE faculty.

Source: KSU Office of Data, Assessment and Institutional Research (DAIR).

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Student Body and Enrollment

The University has a coeducational student body with approximately 78% of students having resident status and 22% having nonresident status, based on Fall 2025 semester headcount. The following tables reflect headcount information, full-time equivalent (“FTE”) student information and applications and admissions information for the fall semesters of the years indicated.

The following table is a history of student headcount for the fall semesters, showing both resident vs. nonresident status and undergraduate vs. graduate status.

**Kansas State University Student Headcount
Fall Semesters, 2016-2025**

<u>Fall Semester</u>	<u>Total Students</u>	<u>Residents</u>	<u>Nonresidents</u>	<u>Undergraduate</u>	<u>Graduate</u>
2016	23,779	16,688	7,091	19,472	4,307
2017	22,795	16,003	6,792	18,488	4,307
2018	22,221	15,599	6,622	17,869	4,352
2019	21,719	15,119	6,600	17,210	4,509
2020	20,854	14,287	6,567	16,257	4,597
2021	20,229	13,674	6,555	15,619	4,610
2022	19,722	13,165	6,557	15,046	4,676
2023	19,745	13,420	6,325	15,113	4,632
2024	20,295	13,605	6,690	15,650	4,645
2025	21,213	14,275	6,938	16,555	4,658

Source: KSU Office of Data, Assessment and Institutional Research (DAIR).

Projected Student Headcount

The University recently experienced a sustained downward trend in enrollment. The University had a decrease in total enrollment of approximately 6% from the Fall Semester 2020 to the Fall Semester 2023. However, the University experienced an increase in enrollment for both the Fall Semester 2024 and Fall Semester 2025. The University expects student enrollment to increase, partially due to the out-of-state waiver program that reduces or eliminates out-of-state tuition differential based on the student academic profile and its strategic management initiative focusing on recruitment and enrollment. The University projects estimated total student headcount as set forth in the table below, representing a 2% annual growth in enrollment.

**Kansas State University Projected Student Headcount
Fall Semesters, 2026-2032**

<u>Fall Semester</u>	<u>Estimated Total Student Headcount</u>
2026	21,637
2027	22,070
2028	22,511
2029	22,961
2030	23,420
2031	23,888
2032	24,366

Source: KSU Budget Office.

Full Time Equivalent Student Enrollment

The following table is a history of full time equivalent (FTE) students for the Fall semesters 2016 through 2025.

Kansas State University Full Time Equivalent Student Enrollment Fall Semesters, 2016-2025

<u>Fall Semester</u>	<u>Total FTE Students</u>	<u>FTE Undergraduates</u>	<u>FTE Graduates</u>
2016	20,898	17,342	3,556
2017	20,162	16,499	3,663
2018	19,564	15,875	3,689
2019	18,260	15,257	3,003
2020	17,358	14,329	3,029
2021	16,835	13,744	3,091
2022	16,409	13,202	3,207
2023	16,494	13,280	3,214
2024	16,971	13,740	3,231
2025	17,720	14,529	3,190

Source: KSU Office of Data, Assessment and Institutional Research (DAIR).

The following table is a history of the freshmen undergraduate applications received by the University, the number of accepted applications and the number of new freshmen undergraduates registered at the University for the fall semesters of 2016 through 2025. Also shown are the composite American College Testing (“ACT”) scores of the enrolled students.

Kansas State University Applications, Admissions and American College Testing (ACT) Composite Scores of Freshman Undergraduate Students Fall Semesters, 2016-2025

<u>Fall Semester</u>	<u>Includes Transfer Students</u>			<u>ACT Composite Score^a</u>	<u>Transfer Students Only</u>		
	<u>Under-Graduate Applications^{a c}</u>	<u>Under-Graduates Accepted^{a c}</u>	<u>New Under-Graduates Registered^b</u>		<u>Applications^a</u>	<u>Accepted^a</u>	<u>Registered^b</u>
2016	11,667	10,902	5,096	25.0	2,599	2,345	1,491
2017	10,389	9,670	4,550	24.9	2,079	1,806	1,200
2018	11,093	10,083	4,652	25.0	2,408	1,971	1,185
2019	10,652	9,970	4,397	24.9	2,327	2,076	1,195
2020	11,664	10,584	4,055	24.7	2,456	1,915	1,069
2021	12,388	11,410	4,002	24.3	2,566	2,019	1,154
2022	12,108	11,306	4,080	24.3	2,402	2,072	1,171
2023+	16,702	12,800	4,398	24.5	3,239	2,111	1,206
2024	18,667	14,723	4,677	23.7	3,158	2,054	1,189
2025	18,664	15,757	5,006	23.8	3,004	2,099	1,227

^a Source: KSU Office of Data, Assessment and Institutional Research (DAIR).

^b Sum of IPEDS first-time freshmen total and all new transfer total from Registrar’s 20th day report totals.

^c Calculated based on IPEDS definition.

+ In 2022/2023, the University joined the “common application” system, resulting in an increase in the number of applications received.

Tuition and Fees

Kansas State University is in a peer group defined by the Board. In 2024, the Board revised the peer group for Kansas State University, which now includes the following universities: Auburn University, Iowa State University, Oklahoma State University, University of Arkansas-Fayetteville, and University of Nebraska-Lincoln. Immediately prior to the 2024 revision, the University’s peer group included the following universities: Auburn University, Clemson University, Colorado State University, Oklahoma State University, and University of Massachusetts-Amherst. The following tables show a history of the changes in tuition and fees of full-time students enrolled at Kansas State University since Fiscal Year 2020 and a comparison to the appropriate peer group for these years. Between the fiscal years 2020 and 2025, tuition and fees at Kansas State University have increased by a total of: 7.5% for resident undergraduates, 7.4% for resident graduates, 8.6% for non-resident undergraduates, and 7.2% for non-resident graduates. For a discussion of tuition approved by the Board for fiscal year 2026, see the caption “FINANCIAL INFORMATION—Overview” in this Appendix A.

Kansas State University to Peer Group Average Comparison Schedule of Annual Tuition and Fees Undergraduate Students – Manhattan Campus Fiscal Years Ending June 30, 2020-2025

Fiscal Year	KSU Resident	Peer Average Resident	KSU as % of Peer Average Resident	KSU Nonresident	Peer Average Nonresident	KSU as % of Peer Average Nonresident
2020	\$10,440	\$12,653	82.5%	\$26,316	\$31,274	84.1%
2021	10,466	12,872	81.3	26,342	32,109	82.0
2022	10,420	12,925	80.6	26,491	32,401	81.8
2023	10,448	13,471	77.6	26,519	33,756	78.6
2024†	10,942	10,625	103.0	27,816	28,780	96.7
2025	11,221	10,890	103.0	28,568	29,621	96.4

Undergraduate tuition is based on 24 semester credit hours.

† New peer institutions as of Fall 2023 (FY24) Auburn, Iowa State, Oklahoma State, University of Arkansas - Fayetteville, University of Nebraska - Lincoln.

Source: Kansas Board of Regents – U.S. Dept. of Education; IPEDS Institutional Characteristics Survey, KBOR Comprehensive Fee Schedule-2025 State University Data Book.

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**Kansas State University to Peer Group Average
Comparison Schedule of Annual Tuition and Fees
Graduate Students – Manhattan Campus
Fiscal Years Ending June 30, 2020-2025**

Fiscal Year	Peer Average		KSU as % of Peer Average	Peer Average		KSU as % of Peer Average
	<u>KSU Resident</u>	<u>Resident</u>	<u>Resident</u>	<u>KSU Nonresident</u>	<u>Nonresident</u>	<u>Nonresident</u>
2020	\$11,253	\$14,183	79.3%	\$24,091	\$32,088	75.1%
2021	11,253	14,844	75.8	24,091	33,135	72.7
2022	11,225	12,214	91.9	23,949	27,912	85.8
2023	11,252	10,018	112.3	23,977	25,581	93.7
2024†	11,786	10,879	108.3	25,147	27,669	90.9
2025	12,089	11,171	108.2	25,824	28,199	91.6

Graduate tuition is based on 9 semester credit hours.

† New peer institutions as of Fall 2023 (FY24) Auburn, Iowa State, Oklahoma State, University of Arkansas - Fayetteville, University of Nebraska - Lincoln.

Source: The Office of Planning and Analysis of Kansas State University, supplemented by information posted by peer institutions.

The tuition and fees of the six Board of Regents Institutions are shown in the following table.

**Kansas Board of Regents Institutions
and Their Peer Groups
Comparison Schedule of Full-time Tuition and Fees per Year
Effective Fiscal Year Ending June 30, 2025**

	<u>Kansas State University</u>	<u>University of Kansas</u>	<u>Wichita State University</u>	<u>Emporia State University</u>	<u>Pittsburg State University</u>	<u>Fort Hays State University</u>
Resident						
Undergraduate	\$11,221	\$12,102	\$9,684	\$7,105	\$8,400	\$5,924
Graduate	\$12,089	\$11,971	\$7,986	\$8,843	\$9,470	\$4,949
Peer Average:						
Undergraduate	\$10,890	\$14,102	\$10,625	\$9,302	\$10,313	\$9,311
Graduate	\$11,171	\$16,242	\$11,818	\$8,604	\$8,858	\$7,999
Nonresident						
Undergraduate	\$28,568	\$30,432	\$19,988	\$15,418	\$19,744	\$17,772
Graduate	\$25,824	\$27,146	\$16,873	\$19,154	\$20,302	\$12,745
Peer Average:						
Undergraduate	\$29,621	\$39,585	\$22,045	\$16,258	\$16,181	\$17,557
Graduate	\$28,199	\$33,894	\$21,300	\$13,946	\$12,500	\$11,809

Note: Undergraduate tuition is based on 30 semester credit hours (or 45 quarter hours) per year.

Note: Graduate tuition is based on 24 semester credit hours (or 36 quarter hours) per year.

Source: The Office of the Kansas Board of Regents – State University Comprehensive Fee Schedule Report & Data Book.

Financial Aid Assistance

The following table provides information about the recipients and amounts, by category, of financial aid assistance to students for the academic years ending 2022 through 2025. Most students who receive Federal financial assistance receive multiple types of Federal financial assistance. The total number of students receiving unduplicated financial aid assistance is shown below.

Kansas State University
Schedule of Financial Aid Assistance to Students
Actuals for Academic Years 2022–2025

	<u>2021-2022*</u>	<u>2022-2023*</u>	<u>2023-2024</u>	<u>2024-2025</u>
Total Students Enrolled (Headcount) ⁽¹⁾	20,229	19,722	19,745	20,295
Number of students receiving financial aid assistance, by category:				
Federal assistance recipients*	11,224	9,045	8,860	9,266
State assistance recipients	1,879	2,252	2,947	3,040
Institutional scholarship recipients	11,408	11,601	12,571	13,206
Other scholarship recipients	2,470	2,444	2,538	2,684
Total (unduplicated) number of students receiving financial aid assistance	16,740	16,132	16,553	17,190
Amount of assistance by category:				
Federal assistance*	\$132,347,358	\$123,030,099	\$123,336,583	\$118,064,232
State assistance	4,808,720	6,289,924	10,280,991	10,250,624
Institutional scholarships	53,936,131	58,742,464	63,129,402	66,351,182
Other scholarships and assistance	<u>7,989,676</u>	<u>8,222,969</u>	<u>9,046,351</u>	<u>9,825,994</u>
Total amount of assistance to students	<u>\$199,081,885</u>	<u>\$196,285,456</u>	<u>\$205,793,327</u>	<u>\$204,492,032</u>

(1) Headcount is based on fall student enrollment numbers for the academic year being reported (i.e. Academic Year 2022-2023 headcount is as of Fall 2022).

*Includes federal aid provided by the Higher Education Emergency Relief Fund (HEERF).

FINANCIAL INFORMATION

Overview

The fiscal operations of the University constitute an extensive business operation. State appropriations from the State General Fund for University operations totaled approximately \$234.4 million for the Fiscal Year ending June 30, 2024, and \$243.3 million for Fiscal Year ending June 30, 2025. The University's tuition and fees revenues, net of scholarship allowances, were \$207.96 million for the Fiscal Year ended June 30, 2025, and the University expects net tuition revenue to slightly increase for the Fiscal Year ending June 30, 2026. These are the two main sources of funds for general University operations. The total cash-based operating budget for the University for the fiscal year ending June 30, 2026 is \$1.09 billion. The total accrual-based revenue for the University, including Federal grants and contracts and auxiliary enterprises for the fiscal year ended June 30, 2025 was over \$1.142 billion, and the University expects Federal grants and contracts to decrease and auxiliary enterprises revenue to increase for the fiscal year ended June 30, 2026.

State appropriations for operations for fiscal year 2026 are currently set at \$240.9 million, which is a decrease of \$2.4 million from the Fiscal Year ending June 30, 2025. The Legislature passed a budget for the Fiscal Year ending June 30, 2027 at the end of March 2026. The budget included a 2.5% decrease in state general fund appropriations to the Manhattan campus of the University. The proposed budget will be presented to the Governor for passage into law. For a discussion of the Consensus Revenue Estimate of

State General Fund revenues, which may impact funding for the State budget, see the caption “INVESTMENT CONSIDERATIONS—State Appropriations May Be Reduced” in the Official Statement. See also the caption “State Appropriations and the Budget Process” below.

The table set forth below under the caption “Sources of Revenue Summary” below provides a comparison of revenue sources including tuition and fees, as well as state appropriations and all other sources of revenue, for the Fiscal Years ending June 30, 2019 through June 30, 2026 (fiscal year 2026 amounts are budgeted amounts). For fiscal year 2026, the University’s tuition rates, approved by the Board, increased 3.5%.

The “All Other Sources” of revenue column set forth in the “Sources of Revenue Summary” table below include sponsored research funding. Extramural funding awards (sponsored awards) in Fiscal Year 2025 totaled \$281 million; revenues from such awards will be received over multiple years. The total extramural funding awards (sponsored awards) in Fiscal Year 2024 totaled \$264.7 million. For Fiscal Year 2025, the Federal government was the source of 61.26% of all grants and contract awards; non-profit organizations provided about 7.72%, state and local government provided 28.71% and industry provided about 2.31% of total grants and contract awards dollars for such Fiscal Year.

Annual Financial Report

Kansas State University is one of six universities operated under the direction of the Board. An independent single audit of the State of Kansas includes the operations of these universities.

The Kansas State University Annual Financial Report for the fiscal year ended June 30, 2025 is attached as Appendix B to the Official Statement.

The Kansas State University Annual Financial Report attached as Appendix B to the Official Statement has not been audited and is not expected to be audited. See the caption “FINANCIAL INFORMATION OF THE UNIVERSITY” in the Official Statement.

This financial information is provided for background information only. Not all revenues of the University are pledged to the repayment of the Bonds. Only the Revenues, as defined in the Bond Resolution, are pledged to the payment of the Bonds.

State Appropriations and the Budget Process

The State of Kansas operates on a fiscal year basis, beginning on July 1 and ending the following June 30, and numbered for the calendar year in which it ends. The Legislature meets annually in early January and typically adjourns in May. The budget process is designed to provide the Legislature with accurate and detailed revenue projections, along with professionally prepared budgets for each State agency for the current and succeeding fiscal years.

The Higher Education Coordination Act provides that the Board shall serve “as the representative of the public postsecondary educational system before the governor and the Kansas legislature.” K.S.A. 74-3202c(b)(1). This provision lays the foundation for an approach to state funding that reflects the recurring theme of maintaining a unified state budget request for new resources and a system wide focus on requesting and advocating for increases in State General Fund appropriations for public postsecondary education.

In September of each year, the Board submits the unified budget request to the Division of Budget, which reflects increases (or decreases) to the budget for operating grants and enhancements for each of the six universities governed by the Board. In September, the state universities also submit a budget request

document for their base budget to the Division of the Budget for the succeeding fiscal year. Professional staff at the Division of the Budget analyzes and reviews the budget requests of the universities and other State agencies and presents the budgets to the Governor for preliminary gubernatorial approval. The Governor then presents a complete State budget, with funding recommendations, to the Legislature in January, during the first week of the legislative session.

In 2024, the Legislature approved the formation of a special committee dedicated to reviewing the State budget. The special committee is tasked with reviewing the budget, analyzing agency budget requests for fiscal years 2026 revised, 2027 and 2028 and making recommendations for inclusion in the budget bill that will be introduced in both the Senate and House at the beginning of the legislative session.

During the legislative session, both the Senate Ways and Means Committee and the House Appropriations Committee review individual agency budgets, including the state universities, making final recommendations for legislative approval. Staff support for the Legislature also includes professional budget analysts who again scrutinize the proposed budgets.

Once the complete proposed State budget is approved by the Legislature, it is again presented to the Governor for passage into law. The Governor has line-item veto power. The Governor's veto can only be overridden by a two-thirds majority vote of both the House and Senate. This portion of the budget process is completed prior to the beginning of the succeeding fiscal year.

The Kansas Constitution mandates that budgeted expenditures are limited to available funds from current revenue, or a combination of current revenue and available reserves. Once the budget is approved by the Legislature and Governor, State agencies, including the universities, have flexibility within their particular budgets to change line item amounts appropriately to compensate for necessary modifications due to internal or external reasons. This flexibility allows State agencies to react appropriately to either revenue variances or changing operational needs.

During the fiscal year for which the budget has been prepared, the Governor and Legislature review the budget in progress and have the ability to make necessary adjustments. Continuous expenditure review is performed by each university and other State agencies, as well as by the Division of the Budget. Also, current state general fund revenues are monitored by the Division of the Budget; Department of Revenue; the Legislative Research Department; the Governor; and three economists from the State's three largest Board of Regents' universities to ensure those making budget decisions or revisions have the most up to date information. An executive branch allotment system is applicable to reduce expenditures under certain circumstances for any fiscal year in which the resources of the state general fund or any special revenue fund appear likely to be insufficient to cover appropriations.

See the caption "FINANCIAL INFORMATION—Overview" above for additional information regarding the state appropriations to the University.

Sources of Revenue Summary

The following table sets forth a comparison of State appropriations to tuition and fees and other revenue for the seven most recent fiscal years and budgeted figures for the current fiscal year for the University. Examples of other revenue sources include revenues from auxiliary operations, sponsored research overhead, grants and contracts, and other miscellaneous sales and service activities.

**Comparison of State Appropriations to
Tuition and Fees and Other Revenue Sources
FY 2019 – FY 2026**

Fiscal Year Ended <u>June 30</u>	Revenue (millions)				As a % of Total Revenue		
	State <u>Appropriations</u>	Tuition & Fees ⁽¹⁾	All Other <u>Sources</u>	Total <u>Revenue</u>	State <u>Appropriations</u>	Tuition & Fees ⁽¹⁾	All <u>Other Sources</u>
2019 ⁽²⁾	\$162.3	\$235.7	\$517.8	\$915.8	17.7%	25.7%	56.5%
2020 ⁽³⁾	176.9	233.4	496.1	906.4	19.5	25.8	54.7
2021 ⁽⁴⁾	171.0	205.7	478.8	855.4	20.0	24.0	56.0
2022 ⁽⁵⁾	182.4	212.2	515.5	910.1	20.0	23.3	56.6
2023	210.7	207.7	535.9	954.2	22.1	21.8	56.2
2024	234.4	204.8	556.6	995.8	23.5	20.6	55.9
2025	243.3	211.5	686.1	1,141.1	21.3	18.5	60.1
2026 ⁽⁶⁾	240.9	244.9	601.1	1,086.9	22.2	22.5	55.3

⁽¹⁾ Tuition and Fees are net of scholarship allowances.

⁽²⁾ FY2019 realized \$30M extraordinary gain due to Hale Library fire insurance recovery.

⁽³⁾ FY2020 realized \$28M extraordinary gain due to Hale Library fire insurance recovery.

⁽⁴⁾ FY2021 realized \$13M extraordinary gain due to Hale Library fire insurance recovery.

⁽⁵⁾ FY2022 realized \$7M extraordinary gain due to Hale Library fire insurance recovery.

⁽⁶⁾ FY 2026 amounts are budgeted. Tuition and Fees are not net of scholarship allowances, and All Other Sources do not include Kansas State University’s component units.

Source: Statement of Revenues, Expenses, and Changes in Net Assets of the Kansas State University Annual Financial Report for the fiscal years stated above and Budget Fact Card.

Revenues Pledged

The financial information for the six months ended December 31, 2025 which follows is preliminary, and the financial information for the fiscal year ending June 30, 2026 which follows is budgeted. The financial information for the years ended June 30, 2025 and 2024 which follows is excerpted from the Kansas State University Annual Financial Report for the fiscal year ended June 30, 2025. For the complete Annual Financial Report for the fiscal year ended June 30, 2025 see Appendix B to the Official Statement.

The Revenues, as defined in the Bond Resolution, include the amounts identified in the “Unrestricted Revenues” column of the table below that are pledged to the payment of the Bonds. Amounts in the “Athletics Restricted Revenues” and “Other Restricted Revenues” columns are part of the Restricted Revenues, as defined in the Bond Resolution, and are not pledged to the payment of the Bonds.

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Kansas State University
Unrestricted Revenues Pledged and Restricted Revenues
Six Months Ended December 31, 2025[#]

	Total⁽¹⁾	Restricted Revenues⁽²⁾⁽⁴⁾	Unrestricted Revenues⁽³⁾
Operating Revenues			
Tuition and fees, <u>NOT</u> net of scholarship allowances	\$250,326,244	\$8,850,441 ⁽⁵⁾	\$241,475,803
Federal appropriations	6,444,362	6,444,362	-
Federal grants and contracts	80,825,536	80,825,536	-
State and local grants and contracts	13,918,631	13,918,631	-
Nongovernmental grants and contracts	18,699,750	18,699,750	-
Sales and services of educational activities	73,785,406	6,986,935	66,798,471
Auxiliary enterprises			
Housing revenues ⁽⁴⁾	23,683,256	-	23,683,256
Athletics revenues**	-	-	-
Parking revenues ⁽⁴⁾	2,880,131	-	2,880,131
Student health revenues ⁽⁴⁾	6,986,935	6,986,935	-
Child care center ⁽⁴⁾	664,484	-	664,484
Student Union revenues**	-	-	-
Other auxiliary revenues	-	-	-
Interest earned on loans to students	49,644	49,644	-
Other operating revenues	88,018,193	44	88,018,150
Contributions			
Nonoperating Revenues			
State appropriations	234,594,044	15,535,063	219,058,981
Local appropriations	-	-	-
Federal grants and contracts	-	-	-
Other nonoperating revenue	39,576,804	-	39,576,804
Investment income	5,120,923	5,120,923	-
Gain/Loss on disposal of assets	-	-	-
Student fees for capital projects ⁽⁵⁾	-	-	-
Capital appropriations ⁽⁶⁾	25,776,238	25,776,238	-
Capital grants and gifts	11,895	11,895	-
Additions to permanent endowment	-	-	-
Other additions/deductions, net	-	-	-
Total⁽¹⁾	<u>\$837,147,669</u>	<u>\$182,219,461</u>	<u>\$654,928,208</u>

[#] This summary financial information is preliminary and should not be considered indicative of the results that may be expected for any other interim period or for the full fiscal year. Such information should be read in connection with the Annual Financial Report of the University for the year ended June 30, 2025 set forth in Appendix B hereto.

**Athletics and Union are separate corporations. Mid-year preliminary numbers are not available. Their revenues are restricted. The lack of availability of this data does not impact the pledge of Revenues pursuant to the Pledge Agreement.

(1) Total revenues of the University as of December 31, 2025, without blended component units.

(2) The University has determined that these amounts are Restricted Revenues (as defined in the Bond Resolution).

(3) These amounts are the Revenues (as defined in the Bond Resolution) pledged by the University pursuant to the Pledge Agreement.

(4) All Housing, Parking, and Child care center revenues are available to be included in Revenues of the University. Student health revenues consist primarily of restricted student campus privilege fees, which are restricted by student government legislation. Athletics revenues are pledged for existing bond debt service and are restricted.

(5) Campus privilege fees are restricted by student government legislation.

(6) Capital appropriations are restricted by state legislation.

Kansas State University*
Unrestricted Revenues Pledged and Restricted Revenues
Year Ending June 30, 2026 Budget**

	Total	Restricted Revenues⁽¹⁾	Unrestricted Revenues⁽²⁾
Tuition and fees	\$244,822,581	\$14,845,443	\$229,977,138
State appropriations	240,900,000	15,535,063	225,364,937

⁽¹⁾ The University has determined that these amounts are Restricted Revenues (as defined in the Bond Resolution).

⁽²⁾ These amounts are the Revenues (as defined in the Bond Resolution) pledged by the University pursuant to the Pledge Agreement.

* Excludes blended component units (e.g. K-State Athletics, Incorporated, which are restricted revenues and as such do not affect the amount of Revenues).

** In addition to the Tuition and fees and State appropriations presented in this table, other Revenues and Restricted Revenues will be included in the University budget for the year ending June 30, 2026, similar to prior years. However, the budgeted amounts of these other Revenues and Restricted Revenues have not yet been determined by the University. The University utilizes cash basis to prepare university budgets.

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Kansas State University
Unrestricted Revenues Pledged and Restricted Revenues
Year Ended June 30, 2025

	Total⁽¹⁾	Athletics Restricted Revenues^{*(2)}	Total without Athletics	Other Restricted Revenues⁽²⁾⁽⁴⁾	Unrestricted Revenues⁽³⁾
Operating Revenues					
Tuition and fees, net of scholarship allowances	\$207,955,653	\$ -	\$207,955,653	\$5,688,205	\$202,267,448
Federal appropriations	12,519,030	-	12,519,030	12,519,030	-
Federal grants and contracts	104,249,213	-	104,249,213	104,249,213	-
State and local grants and contracts	38,060,168	-	38,060,168	38,060,168	-
Nongovernmental grants and contracts	58,201,230	-	58,201,230	58,201,230	-
Sales and services of educational activities	63,546,794	-	63,546,794	35,812,940	27,733,854
Auxiliary enterprises					
Housing revenues ⁽⁴⁾	51,912,866	-	51,912,866	-	51,912,866
Athletics revenues ⁽⁴⁾	118,505,469	118,505,469	-	-	-
Parking revenues ⁽⁴⁾	3,876,878	-	3,876,878	-	3,876,878
Student health revenues ⁽⁴⁾	7,698,200	-	7,698,200	7,698,200	-
Child care center ⁽⁴⁾	1,501,145	-	1,501,145	-	1,501,145
Student Union revenues	2,275,681	-	2,275,681	2,304,160	(28,479)
Other auxiliary revenues	14,747	-	14,747	-	14,747
Interest earned on loans to students	257,214	-	257,214	257,214	-
Other operating revenues	12,789,880	-	12,789,880	9,796,570	2,993,310
Contributions	-	-	-	-	-
Nonoperating Revenues					
State appropriations	243,330,037	-	243,330,037	17,730,213	225,599,824
Local appropriations	8,013,770	-	8,013,770	8,013,770	-
Federal grants and contracts	24,815,842	-	24,815,842	24,815,842	-
Other nonoperating revenue	19,985,964	-	19,985,964	-	19,985,964
Investment income	15,743	2,196,701	(2,180,958)	(2,180,958)	-
Gain/Loss on disposal of assets	17,589,069	-	17,589,069	-	17,589,069
Student fees for capital projects ⁽⁵⁾	3,584,391	-	3,584,391	3,584,391	-
Capital appropriations ⁽⁶⁾	18,537,000	-	18,537,000	18,537,000	-
Capital grants and gifts	121,837,558	5,439,253	116,398,305	116,398,305	-
Additions to permanent endowment	25,066	-	25,066	-	25,066
Other additions/deductions, net	-	-	-	-	-
Total	\$1,141,098,608	\$126,141,423	\$1,014,957,185	\$461,485,493	\$553,471,692

⁽¹⁾ Total revenues of the University from the Statement of Revenues, Expenses, and Changes in Net Position on page 11 of the Kansas State University Annual Financial Report for the fiscal year ended June 30, 2025 in Appendix B to the Official Statement, including blended component units (blended component units are included in Restricted Revenues in this table).

⁽²⁾ The University has determined that these amounts are Restricted Revenues (as defined in the Bond Resolution).

⁽³⁾ These amounts are the Revenues (as defined in the Bond Resolution) pledged by the University pursuant to the Pledge Agreement.

⁽⁴⁾ All Housing, Parking and Child care center revenues are available to be included in Revenues of the University. Student health revenues consist primarily of restricted student campus privilege fees, which are restricted by student government legislation. Athletics revenues are pledged for existing bond debt service and are restricted.

⁽⁵⁾ Campus privilege fees are restricted by student government legislation.

⁽⁶⁾ Capital appropriations are restricted by state legislation.

* These amounts represent revenues of K-State Athletics, Incorporated, which are not pledged to the payment of debt service on the Bonds.

Kansas State University
Unrestricted Revenues Pledged and Restricted Revenues
Year Ended June 30, 2024

	Total⁽¹⁾	Athletics Restricted Revenues^{*(2)}	Total without Athletics	Other Restricted Revenues⁽²⁾⁽⁴⁾	Unrestricted Revenues⁽³⁾
Operating Revenues					
Tuition and fees, net of scholarship allowances	\$201,210,720	\$ -	\$201,210,720	\$5,578,278	\$195,632,442
Federal appropriations	11,396,744	-	11,396,744	11,396,744	-
Federal grants and contracts	121,628,675	-	121,628,675	121,628,675	-
State and local grants and contracts	32,188,488	-	32,188,488	32,188,488	-
Nongovernmental grants and contracts	53,670,906	-	53,670,906	53,670,906	-
Sales and services of educational activities	66,211,917	-	66,211,917	35,831,952	30,379,965
Auxiliary enterprises					
Housing revenues ⁽⁴⁾	48,126,811	-	48,126,811	-	48,126,811
Athletics revenues ⁽⁴⁾	101,179,718	101,179,718	-	-	-
Parking revenues ⁽⁴⁾	3,704,350	-	3,704,350	-	3,704,350
Student health revenues ⁽⁴⁾	7,343,334	-	7,343,334	7,343,334	-
Child care center ⁽⁴⁾	1,236,089	-	1,236,089	1,236,089	-
Student Union revenues	2,275,123	-	2,275,123	2,275,123	-
Other auxiliary revenues	34,734	-	34,734	-	34,734
Interest earned on loans to students	164,045	-	164,045	164,045	-
Other operating revenues	17,148,217	-	17,148,217	11,351,658	5,796,559
Contributions	2,635	-	2,635	2,635	-
Nonoperating Revenues					
State appropriations	234,404,056	-	234,404,056	12,446,161	221,957,895
Local appropriations	8,775,023	-	8,775,023	8,775,023	-
Federal grants and contracts	21,514,808	-	21,514,808	21,514,808	-
Other nonoperating revenue	8,407,135	-	8,407,135	-	8,407,135
Investment income	18,514,663	3,623,222	14,891,441	14,891,441	-
Gain/Loss on disposal of assets	-	-	-	-	-
Student fees for capital projects ⁽⁵⁾	3,593,321	-	3,593,321	3,593,321	-
Capital appropriations ⁽⁶⁾	14,950,000	-	14,950,000	14,950,000	-
Capital grants and gifts	18,561,136	4,652,507	13,908,629	13,908,629	-
Additions to permanent endowment	25,929	-	25,929	-	25,929
Other additions/deductions, net	<u>139,244</u>	<u>-</u>	<u>139,244</u>	<u>-</u>	<u>139,244</u>
Total	<u>\$996,407,821</u>	<u>\$109,455,447</u>	<u>\$886,952,374</u>	<u>\$372,747,310</u>	<u>\$514,205,064</u>

(1) Total revenues of the University from the Statement of Revenues, Expenses, and Changes in Net Position on page 11 of the Kansas State University Annual Financial Report for the fiscal year ended June 30, 2025 in Appendix B to the Official Statement, including blended component units (blended component units are included in Restricted Revenues in this table).

(2) The University has determined that these amounts are Restricted Revenues (as defined in the Bond Resolution).

(3) These amounts are the Revenues (as defined in the Bond Resolution) pledged by the University pursuant to the Pledge Agreement.

(4) All Housing revenues and Parking revenues are available to be included in Revenues of the University. Student health revenues consist primarily of restricted student campus privilege fees, which are restricted by student government legislation. Athletics and Child care center revenues are pledged for existing bond debt service and are restricted.

(5) Campus privilege fees are restricted by student government legislation.

(6) Capital appropriations are restricted by state legislation.

* These amounts represent revenues of K-State Athletics, Incorporated, which are not pledged to the payment of debt service on the Bonds.

University Debt Obligations

General Description of University Debt Obligations. Information regarding outstanding long-term debt obligations of the University is set forth in the Kansas State University Annual Financial Report for the fiscal year ended June 30, 2025 attached as Appendix B to the Official Statement.

Obligations Payable from Revenues Pledged. In addition to the Bonds, obligations payable from the Revenues pledged to the payment of the Bonds (“Prior Obligations”) include the following:

Series 2015B Bonds. The \$61,865,000 original principal amount of Kansas Development Finance Authority Refunding Revenue Bonds, Series 2015B (Kansas State University Projects) (the “Series 2015B Bonds”) were issued on April 30, 2015. Debt service on the Series 2015B Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Series 2016A Bonds. The \$97,815,000 original principal amount Kansas Development Finance Authority Revenue Bonds, Series 2016A (Kansas State University Projects) (the “Series 2016A Bonds”) were issued on January 28, 2016. Debt service on the Series 2016A Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Series 2017B Bonds. The \$2,883,500 original principal amount Kansas Development Finance Authority Revenue Bonds, Series 2017A (Kansas State University Energy Conservation Projects – Salina Campus) (the “Series 2017B Bonds”) were issued on February 15, 2017. Debt service on the Series 2017B Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Series 2019C Bonds. The \$31,155,000 original principal amount Kansas Development Finance Authority Revenue Bonds, Series 2019C (Kansas State University Projects) (the “Series 2019C Bonds”) were issued on August 6, 2019. Debt service on the Series 2019C Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Series 2021A Bonds. The \$57,110,000 original principal amount Kansas Development Finance Authority Refunding Revenue Bonds, Series 2021A (Kansas State University Projects) (the “Series 2021A Bonds”) were issued on January 27, 2021. Debt service on the Series 2021A Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Series 2022A-1 Bonds. The \$9,320,000 original principal amount Kansas Development Finance Authority Revenue Bonds, Series 2022A-1 (Kansas State University Aerospace and Technology Campus Project) (the “Series 2022A-1 Bonds”) were issued on March 15, 2022. Debt service on the Series 2022A-1 Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Series 2022D Bonds. The \$84,465,000 original principal amount Kansas Development Finance Authority Refunding Revenue Bonds, Series 2022D (Kansas State University Projects) (the “Series 2022D Bonds”) were issued on March 31, 2022. Debt service on the Series 2022D Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Series 2024F Bonds. The \$25,215,000 original principal amount Kansas Development Finance Authority Revenue Bonds, Series 2024F (Kansas State University Project) (the “Series 2024F Bonds”) were issued on October 24, 2024. Debt service on the Series 2024F Bonds is payable from the Revenues pledged by the University and is included in the table of debt service requirements in Appendix C to this Official Statement.

Debt Service Payable on Revenue Bonds. For a schedule of the annual debt service payable on the Prior Obligations and the Bonds, see Appendix C to this Official Statement.

Capital Projects and Planned Additional Debt Obligations

The University currently has several capital improvement projects in various states of planning and construction. For a recent description of certain of those projects, see the caption “CAPITAL ASSETS” in the Management’s Discussion and Analysis contained at the beginning of the Kansas State University Annual Financial Report for the fiscal year ended June 30, 2025 set forth in Appendix B to this Official Statement.

Pension Obligations and OPEB

Pension Obligations. Certain University employees, representing approximately 19% of University employees, participate in the Kansas Public Employees Retirement System (“KPERS”), a defined benefit plan which is funded through contributions by employers and the individual employees. The employer rate of contributions is determined under State law and the University, as a participating employer, pays the statutorily mandated contribution amount. Kansas law places a cap on employer contributions to the KPERS plans, which has resulted in a statutory contribution rate for employers that has been below the actuarial required contribution rate for many years. For information regarding the University’s pension obligations, see “Note 15— Retirement Plans” in the University’s Annual Financial Report for the fiscal year ended June 30, 2025, attached as Appendix B to this Official Statement.

At June 30, 2025 the University reported a liability of \$47.9 million for its proportionate share of the net pension liability. For more information regarding KPERS’s funded status (pursuant to the KPERS Valuation Report as of December 31, 2024, the KPERS funded ratio was 74% on an actuarial basis and 73% on a market value basis), the University’s proportionate share of KPERS’ net pension liability and information regarding where additional information and financial reports of KPERS can be obtained, see “Note 16—Pension Plan—Kansas Public Employees Retirement System” in the University’s Annual Financial Report for the fiscal year ended June 30, 2025 attached as Appendix B to this Official Statement.

Other Post-employment Benefits. For information regarding the University’s other post-employment benefit obligations related to post-employment healthcare benefits and Death and Disability benefits, see “Note 17—Death and Disability OPEB Plan – Kansas Public Employees Retirement System” in the Kansas State University Annual Financial Report for the fiscal year ended June 30, 2025, attached as Appendix B to this Official Statement.

OTHER UNIVERSITY MATTERS

Litigation

As a result of the wide variety of the University’s activities, the University is a party to a number of legal proceedings and there can be expected to exist a variety of circumstances that have resulted in threatened legal proceedings or may result in additional claims and legal proceedings. However, no litigation, proceedings or investigations are pending or, to the knowledge of the University, threatened

against the University, except litigation involving claims which, if adversely determined, will not, in the opinion of the counsel to the University, materially and adversely affect the financial condition of, the operations of, or revenues generated by, the University.

The Kansas Tort Claims Act, K.S.A. 75-6101 et seq., limits the liability of the State of Kansas, its boards, commissions, departments, agencies, bureaus and institutions for damages caused by the negligent or wrongful act or omission of any of their employees while acting within the scope of their employment. Subject to certain exceptions contained within the Kansas Tort Claims Act, liability for claims within the scope of the Kansas Tort Claims Act generally cannot exceed \$500,000 for any number of claims arising out of a single occurrence or event.

Information Technology Security

The University relies on a complex technology environment to conduct its operations and faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. In January 2024, the University experienced a wide disruption to certain network systems as a result of a cybersecurity incident, however its core human resources, finance and student systems were not impacted. The University's information technology department took immediate steps to contain the incident, which included taking certain systems offline and initiating a comprehensive investigation process. The incident did not have a material impact on the University's operations and direct costs in excess of \$1 million were covered through the Board's cyber and information technology insurance. See the caption "Insurance" below.

The State of Kansas enacted legislation which took effect on July 1, 2024 mandating the use of the Cybersecurity Framework 2.0 established by the National Institute of Standards and Technology for much of state government. In April 2025, the Board adopted a new policy to follow suit with governance of cybersecurity and information technology at all higher education institutions in an effort to enhance cybersecurity, including at the University. Additionally, the University is investing additional resources, with nearly \$8 million dedicated to procuring enhanced network monitoring tools and additional personnel dedicated to enhancing network security.

Insurance

As of July 1, 2024, University property was insured with a \$1,000,000 deductible and a maximum policy limit of \$1,000,000,000 for the total of property damage and time element combined at scheduled locations. Coverage extends to buildings, machinery, equipment, and other contents (contents of buildings are covered at 10% of the value of the building) as well as business interruption. Property insurance is currently arranged through FM Global. The University, as an agency of the State of Kansas, is covered by the Kansas Tort Claims Act, which generally limits the University's liability for general liability and personal injury claims to \$500,000 for any number of claims arising out of a single occurrence or event. The University does not carry separate comprehensive general liability or personal injury insurance for the University as a whole. The University is also covered by the Board's insurance policy for automobile liability. Other insurance the University carries includes professional liability coverage for doctors at the University's student health center; coverage for employee crime and theft for the University's Division of Financial Services; aviation insurance to cover the liability and operations of Kansas State University Salina; coverage for some mobile equipment through an inland marine policy, and cybersecurity coverage has been procured in cooperation with the Board for the University and its controlled corporations and affiliates. Additionally, the University purchases international liability insurance and international travel accident insurance, and assistance services. The cyber and information technology insurance, up to \$30,000,000 per occurrence and annual aggregate for certain coverages, is provided by Arthur J Gallagher Risk Management Services Inc.

Unions

The University maintains a Memoranda of Agreement with the Kansas State University Association of Public Employees, Local 6400 representing approximately 460 maintenance and service employees.

Deferred Maintenance

The Board approved a Maintenance Assessment policy in 2021 which addresses deferred maintenance. Under the policy, beginning in FY 2023, and each year thereafter, each of the Board of Regents universities are to calculate a maintenance assessment as a percentage of the professionally estimated replacement cost of mission critical buildings of their campuses according to an assessment schedule culminating in a sustainable 2% of current replacement value (“CRV”) by Fiscal Year 2028, as approved by the Board on an annual basis. The University formed a project advisory committee to develop information about its deferred maintenance needs and associated costs and how best to implement and ramp up the Board’s Maintenance Assessment plan to reach the 2% CRV in Fiscal Year 2028. Based on the Board’s 2025 State University Facilities Annual Report, the CRV of the University’s mission critical buildings is nearly \$2.53 billion. As currently written, the Maintenance Assessment policy will require the University to spend approximately \$53 million per year on deferred maintenance by 2029. Pursuant to legislation enacted by the Kansas legislature in 2024, the University expects to receive \$53.8 million in state appropriations for deferred maintenance from Fiscal Years 2026 through 2031. To access these funds, universities must match state appropriations on a dollar-for-dollar basis. Accordingly, over this six-year period, the University also plans to invest \$34 million and anticipates receiving \$24 million in donations for deferred maintenance.

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APPENDIX B

**KANSAS STATE UNIVERSITY ANNUAL FINANCIAL REPORT (JUNE 30, 2025)
(UNAUDITED)**

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Kansas State University Annual Financial Report

for fiscal year ended June 30, 2025



**Kansas State University
Manhattan, Kansas**

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KANSAS BOARD OF REGENTS

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Kansas State University

Management's Discussion and Analysis

The following discussion and analysis provide an overview of the financial position and activities of Kansas State University (K-State) for the year ended June 30, 2025, with comparative totals for the year ended June 30, 2024. This discussion has been prepared to assist readers in understanding the accompanying financial statements and footnotes.

K-State's financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements, related footnote disclosures, and discussion and analysis are the responsibility of university management and have been prepared in accordance with Governmental Accounting Standards Board (GASB) principles for public colleges and universities.

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of K-State at the end of the fiscal year 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 considered regardless of when cash is received or paid. The statement as a whole provides information about the adequacy of resources to meet current and future operating and capital needs.

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

Net Position is divided into three categories:

1. **Net investment in capital assets** consists of equity in property, plant, and equipment owned by K-State, net of accumulated depreciation and outstanding debt obligations related to those capital assets.
2. **Restricted net position** is further divided into two subcategories, non-expendable and expendable. The corpus of non-expendable restricted resources is available only for investment purposes. Expendable restricted net position resources are available for expenditure, but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.
3. **Unrestricted net position** is available to use for any lawful purpose of the institution. Although unrestricted net position is not subject to externally imposed stipulations, substantially all of K-State's resources in this category have been designated for various academic and research programs and initiatives.

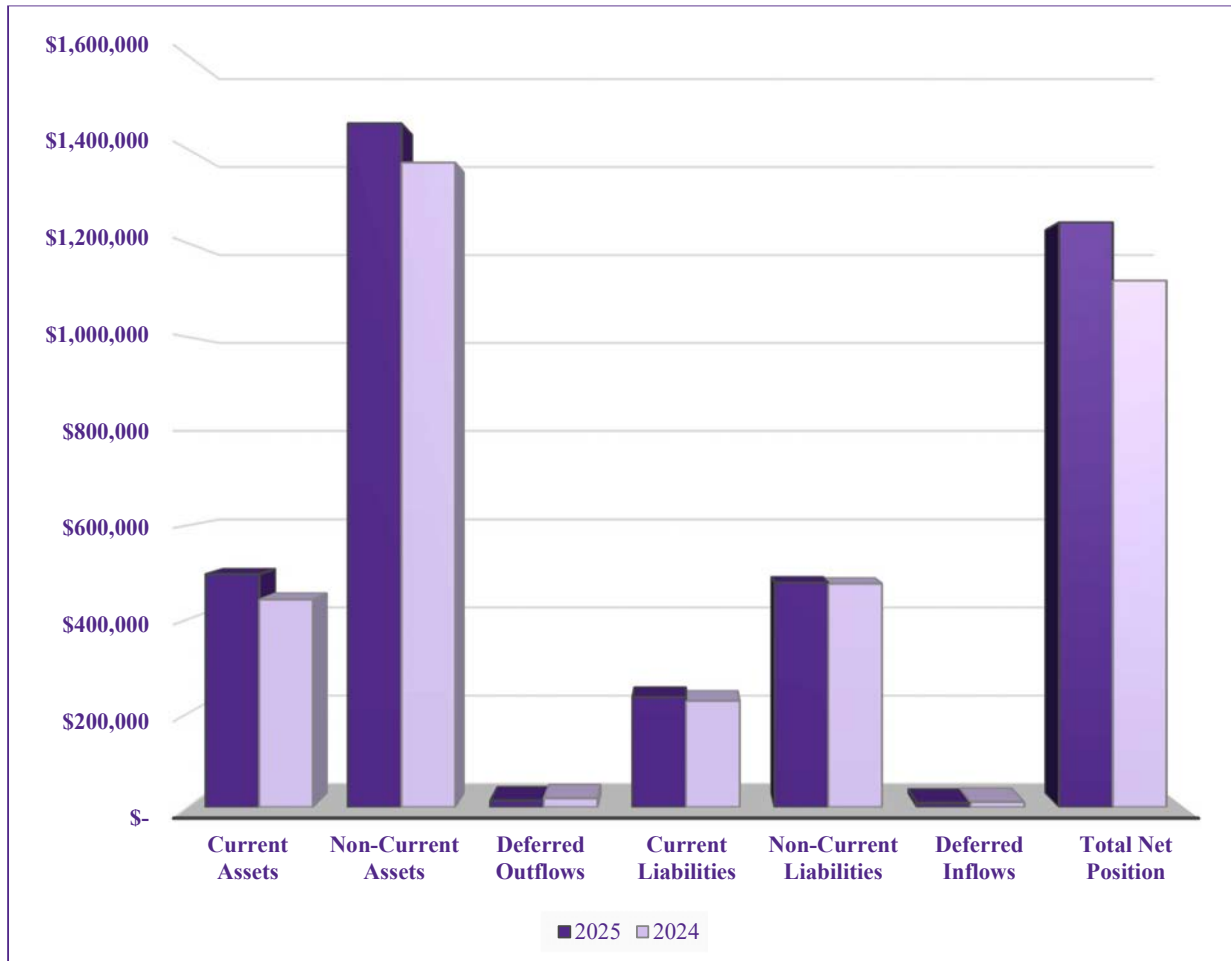
Total assets at June 30, 2025 were \$1.95 billion, compared to June 30, 2024 \$1.81 billion, an increase of 7.6%. Capital assets, net of depreciation, comprised 69%, or \$1.34 billion, of the total assets.

Total liabilities were \$711.7 million at June 30, 2025, compared to \$701.7 million at June 30, 2024, an increase of 1.4%. This increase was primarily a result of an increase in Accounts Payable. Long-term liabilities comprised 67.1%, or \$477.8 million, of the total liabilities.

Total net position at June 30, 2025 was \$1.24 billion, compared to \$1.12 billion at June 30, 2024, an increase of 11.1%. The breakout of net position is shown below:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Net investment in capital assets	\$ 881,226,755	\$ 800,588,718
Restricted net position	90,884,999	81,102,195
Unrestricted net position	<u>272,545,943</u>	<u>238,797,888</u>
	<u>\$ 1,244,657,697</u>	<u>\$ 1,120,488,801</u>

The composition of current and non-current assets and liabilities and net position is displayed below for fiscal year-end 2025 and 2024 (in thousands):



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position presents the total revenues earned and expenses incurred for operating, non-operating, and other related activities during the fiscal year. The purpose of this statement is to assess K-State's operating results.

Revenues

Operating revenues at K-State as of June 30, 2025 decreased by \$9.9 million, or 4.0%, to \$657.6 million compared to \$667.5 million the previous fiscal year. The following is a summary of the significant changes:

- Student fee revenues, after scholarship allowances, were \$186.64 million in 2025, compared to \$201.21 million in 2024, a decrease of 7.2%. The methodology for calculating scholarship allowances changed in 2025. The 2025 scholarship allowances were \$86.2 million compared to the 2024 amount of \$54.8 million, an increase of \$31.4 million or 57.4%.
- Grants and contracts revenue (federal, state and local, and non-governmental) were \$200.51 million in 2025, compared to \$207.49 million in 2024, a decrease of 3%. This category includes funds received for sponsored research, teaching, and public service activities.
- Auxiliary enterprises include Housing, Athletics, Parking Services, Student Health, the Student Union and the Center for Child Development, along with a variety of other smaller services. Auxiliary revenues were \$181.4 million in 2025, compared to \$163.9 million in 2024, an increase of 10.7%.
- Sales and services were \$63.5 million in 2025, compared to \$66.2 million in 2024, a decrease of 4%.
- Other operating revenues were \$12.8 million in 2025, compared to \$17.1 million in 2024, a decrease of 25.4%.

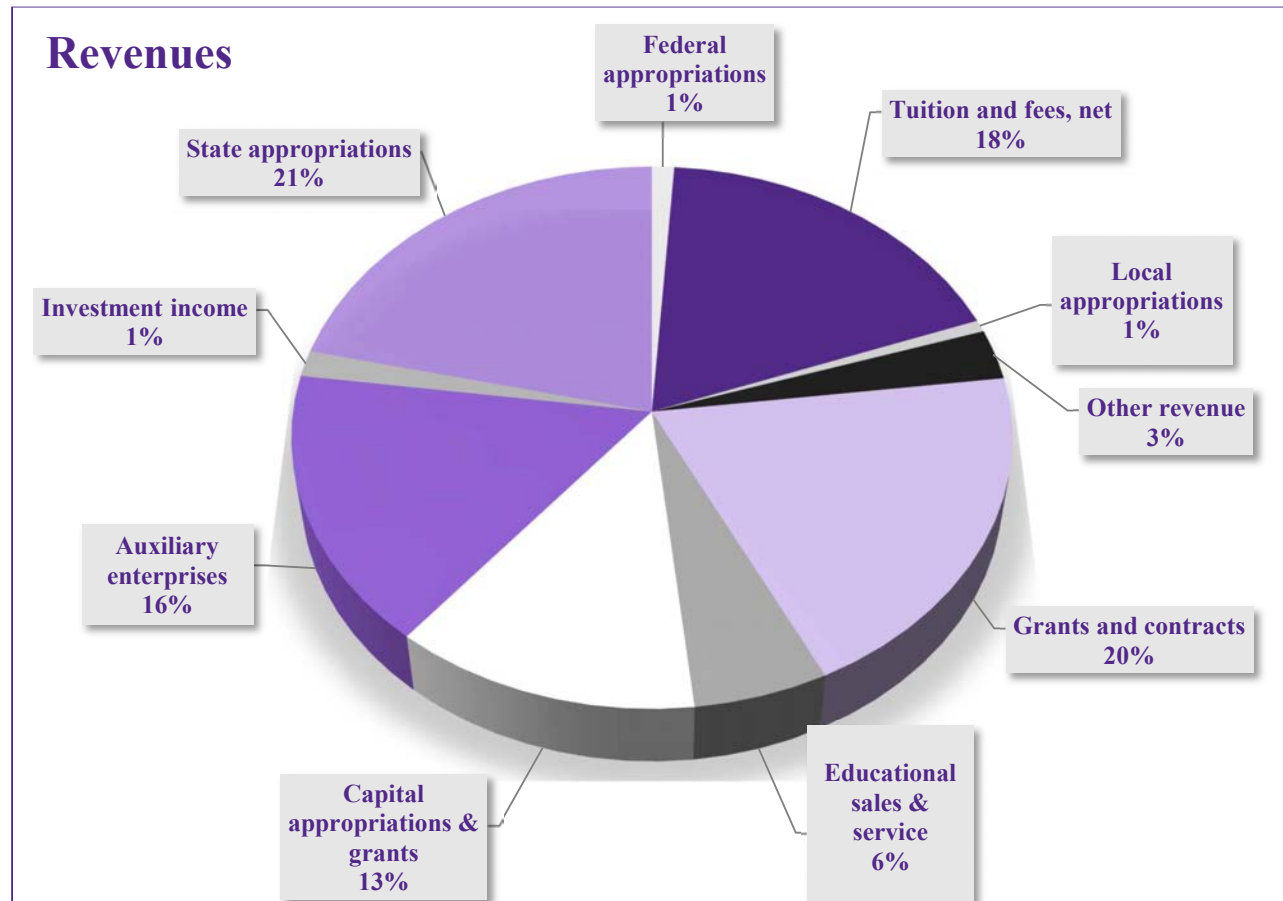
Total nonoperating revenues were up 7.8% from the prior year, going to \$318.25 million in 2025 from \$295.21 million in 2024. The following is a summary of the significant changes:

- State appropriations were \$243.33 million in 2025, compared to \$234.4 million in 2024, an increase of 3.8%.
- Local appropriations were \$8.01 million in 2025, compared to \$8.78 million in 2024, a decrease of 8.7%.
- Federal grants and contracts were \$24.8 million, compared to \$21.5 million in 2024, an increase of 15.3%
- Other nonoperating revenue was \$19.9 million in 2025, compared to \$8.4 million in 2024, an increase of 137.7%.

Other revenues included the following changes and trends:

- Capital appropriations were \$18.54 million in 2025, compared to \$14.95 million in 2024, an increase of 24%.
- Capital grants and gifts were \$121.84 million in 2025, compared to \$18.56 million in 2024, an increase of 556.4%.

In summary, total revenues increased by \$119.87 million to \$1.12 billion in 2025 from \$996.4 million in 2024. The composition of the total for 2025 is displayed in the following graph:



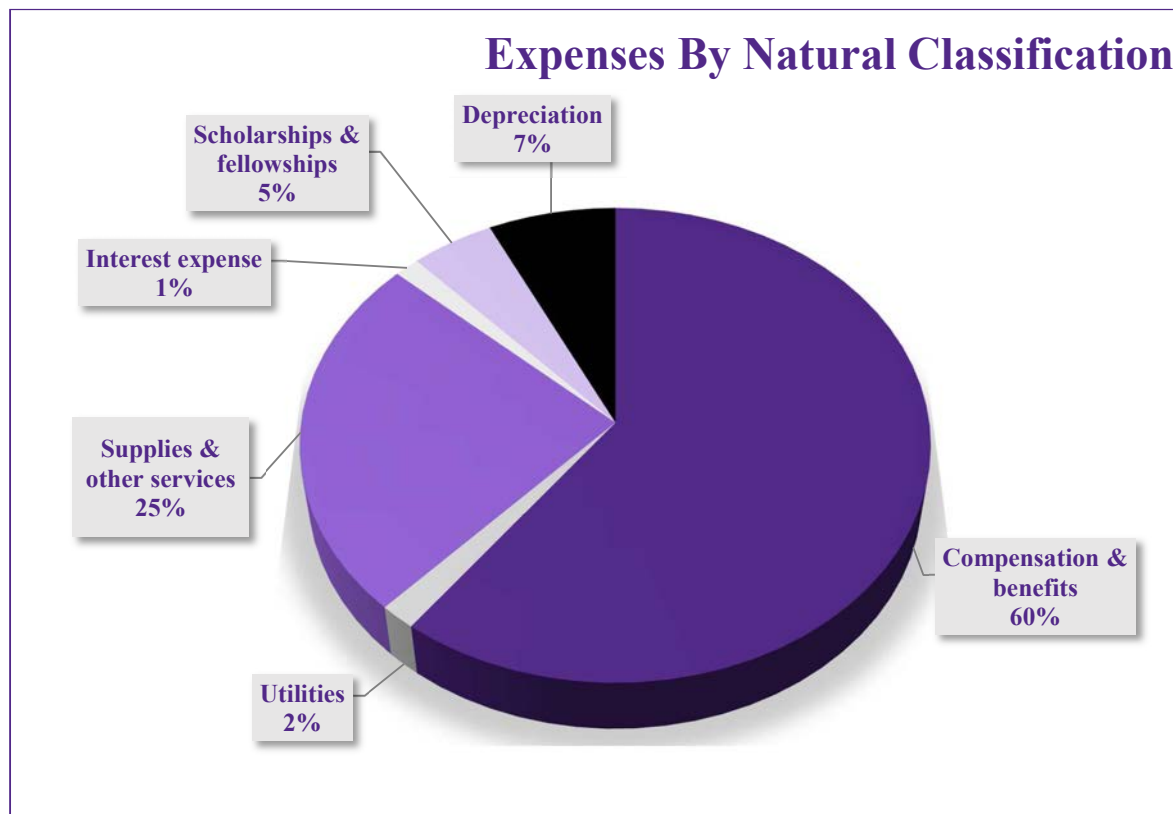
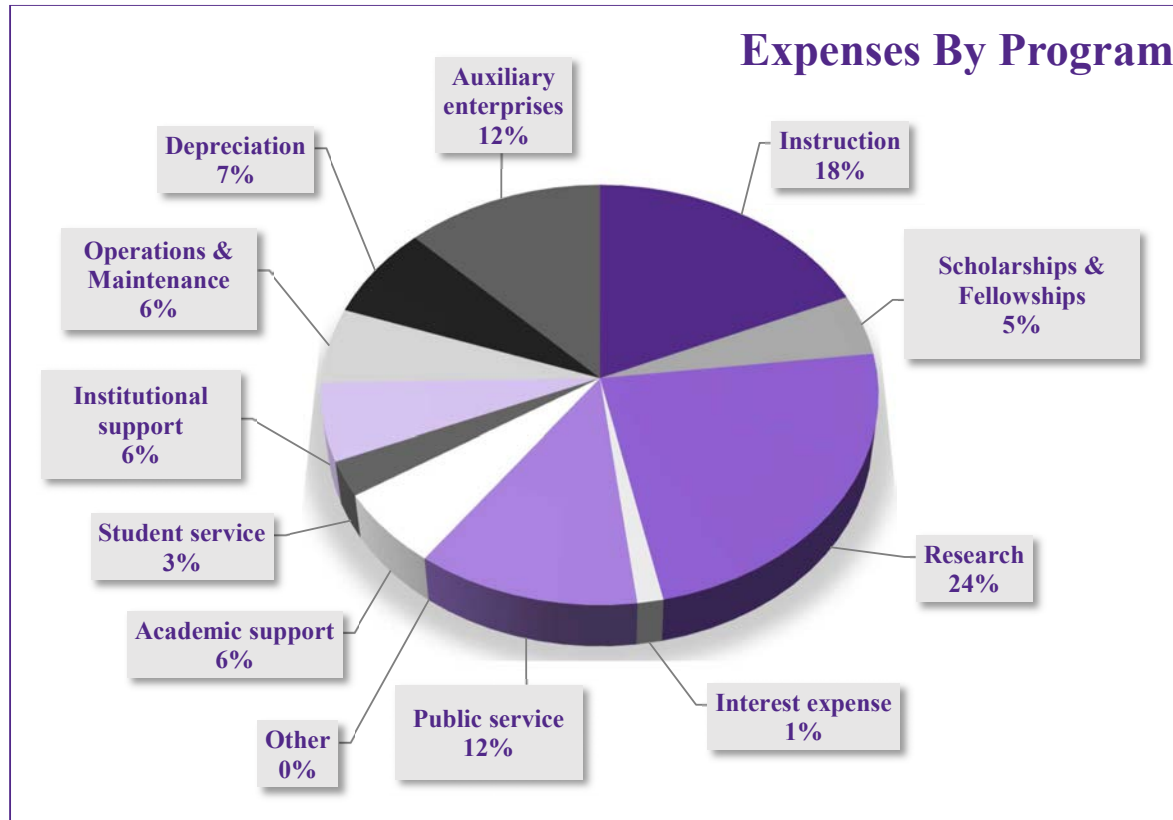
Expenses

Operating expenses were \$977.54 million for the 2025 fiscal year compared to \$972.02 million for the 2024 fiscal year. This was an increase of 0.6%. The following is a summary of the changes for 2025:

- Expenses related to K-State’s mission of instruction, research and public service were \$549.1 million in 2025, compared to \$533.7 million in 2024, an increase of 2.9%.
- Auxiliary services expenses were \$126.3 million in 2025, compared to \$131.9 million in 2024, a decrease of 4.2%.
- Expenses related to academic support, student services, and institutional support were \$148.4 million in 2025, compared to \$135.1 million in 2024, an increase of 9.8%.
- Operations & maintenance of plant expenditures were \$59 million in 2025, compared to \$56.7 million in 2024, an increase of 4.1%.
- Depreciation expenses were \$72.8 million in 2025, compared to \$70.2 million in 2024, an increase of 3.6%.
- Scholarship & fellowship expenses were \$21.9 million in 2025, compared to \$44.3 million in 2024, a decrease of 50.5%. The methodology for calculating scholarship allowances changed in 2025. The 2025 scholarship allowances were \$86.2 million compared to the 2024 amount of \$54.8 million, an increase of \$31.4 million or 57.4%.

Non-operating expenses, represented by interest expense and other deductions, were \$14.5 million in 2025, compared to \$15.9 million in 2024, a decrease of 8.6%.

The composition of total expenses for 2025, including operating and non-operating, are displayed below:



STATEMENT OF CASH FLOWS

The Statement of Cash Flows presents cash receipts and payments during the fiscal year. Its purpose is to assess K-State's ability to generate future net cash flows and meet its obligations as they come due.

SUMMARY OF THE STATEMENT OF CASH FLOWS (in thousands of dollars):

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Net cash provided (used) by:		
Operating activities	\$ (258,708)	\$ (200,317)
Non-capital financing/appropriations	294,895	268,694
Capital and related financing/appropriations	(14,407)	(69,599)
Investing activities	<u>23,205</u>	<u>20,415</u>
Net increase in cash	\$ 44,985	\$ 19,193
Beginning cash and cash equivalent balances	<u>310,130</u>	<u>290,937</u>
Ending cash and cash equivalent balances	<u>\$ 355,115</u>	<u>\$ 310,130</u>

Cash provided by operating activities includes tuition and fees, grant and contract revenues. Cash used for operating activities includes payments to employees and suppliers. Cash provided by non-capital financing/appropriations includes state and local appropriations, federal grants and contracts, and the receipts and disbursements of the federal direct student loan program and the federal Pell student aid grant program. Cash provided for capital and related financing activities represents proceeds from debt, principal and interest payments towards debt, capital appropriations and grants, and the purchase and construction of capital assets. Cash provided by investing activities includes purchases and sales of investments as well as investment income earnings and losses realized.

CAPITAL ASSETS

K-State made significant investments in capital during the 2025 fiscal year. Detailed information regarding capital asset additions, retirements & depreciation is available in Note 9 to the financial statements.

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

- Various deferred building maintenance projects totaling \$24 million
- A \$26.6 million Animal Science Arena will feature a multispecies competition arena to support teaching, youth and extension efforts in equine and livestock sciences. The arena will include bleacher seating for 3,000, stock pens with bucking chutes and roping boxes, a covered wash area, meeting room, an open lobby featuring concessions and beverage sales and a second-floor VIP area with windows overlooking the arena and staging area. Construction began March 2024 and was completed August 2025.

Additionally, several construction projects were in progress or in the planning and design phase at year-end:

- A \$9.2 million renovation project is underway for the GE Johnson Department of Architectural Engineering and Construction Science within West Seaton Hall. The project includes replacing and modernizing HVAC systems, updating the building with energy efficient windows, installing a 72-seat lecture classroom, refreshing and upgrading lighting, carpet, paint throughout the department, and installing a fire sprinkler system. The renovation began in March 2023 and is expected to be complete in Fall 2025.
- The new Agronomy Research & Innovation Center will be a focal point of the new Ag Innovation Hub as part of the Edge Collaboration District. The 59,000 SF facility will replace the existing Farm Research Center and provide modern facilities for interdisciplinary research and collaboration to accelerate agronomy and agricultural systems research innovation capabilities for the College of Agriculture and the university, a focus of K-State's Pillar 3

economic prosperity initiative. The \$23 million construction project began July 2024 and is expected to be completed in Fall 2025.

- The Global Center for Grain Science and Food Innovation will foster new collaborations across the University and beyond. One-third of all space will be dedicated to interdisciplinary research and up to 10% of the space will be reserved for onsite collaboration between public resources and private enterprises. This unique structure will create high-tech space for collaborative partnerships and modernize hands-on learning experiences. The \$130.5 million project began August 2024 and be completed Fall 2026.
- A \$13 million renovation project for Call Hall will feature upgraded and accessible classrooms and learning spaces, student collaboration space, a renovated dairy processing plant and modernized research labs. The renovation began May 2025 and is expected to be complete January 2027.
- The Weber Hall renovation project will include an updated meat lab a new learning pavilion, upgraded and accessible classrooms and learning spaces, modernized research labs and student collaboration space. The \$19.6 million project began May 2025 and is expected to be complete December 2026.
- A \$37.8 million project will consist of updating, construction, renovation, furnishing and equipping of the Strong Complex of residence Halls, consisting of the Van Zile, Boyd and Putnam Halls. Construction began September 2024 and is expected to be complete January 2027.
- The new Aerospace Education Hub will house the Kansas AAM Flight Test and Training Center, the Advanced Composites Laboratory and the Aviation Maintenance Training Center on the Salina campus. The \$27.7 million construction project will begin December 2025 and is expected to be completed in January 2027.
- K-State Salina is partnering with Pure Imagination Labs in construction of the K-AIRES Center that will house education, research and innovation in the evolving industry of spatial computing. In addition to the Pure Imagination Labs headquarters the facility will also leverage immersive environments and provide learning and experiential opportunities to students. The \$41 million project began in August 2025 and is expected to be complete Fall 2026.
- A \$10M renovation project is in process for Fairchild Hall. Renovations will increase available office space on campus, improve code and ADA compliance, improve building functionality and reduce overall deferred maintenance. Construction began October 2025 and is expected to be complete July 2026.

DEBT ADMINISTRATION

At June 30, 2025, K-State had \$469.39 million in debt outstanding, including lines of credit and amortization, compared to \$464.15 million at June 30, 2024. Excluding lines of credit and amortization, K-State had \$403.42 million in debt outstanding at June 30, 2025 and \$400.71 at June 30, 2024. K-State paid \$48.25 million in principal payments related to all outstanding debt.

Standard & Poor's Ratings Services currently rates K-State "AA-" Stable. Moody's Investors Service currently rates K-State "Aa3" Stable. More detailed information about the long-term liabilities is available in Notes 7, 8, 10, 11, 12, 13 and 14 to the financial statements.

ECONOMIC OUTLOOK

K-State has made meaningful progress on its Next-Gen Strategic Plan since its launch in 2023, focusing on leading the nation as a next-generation land grant university by 2030. Key achievements include increased student and learner enrollment, higher research funding and greater investments in its people and facilities.

Fall student headcount for the 2025-2026 academic year rose by 4.5% from the previous year with student credit hours up 4.6%. This marks the third consecutive year of increased student enrollment. This positive trend can be attributed to K-State's strategic enrollment management initiative, focusing on expanding access to education and enhancing support across Kansas and beyond. The university is also continuing efforts to improve and align current activities related to all facets of the student journey with K-State, from recruitment and admissions through the educational experience and post-graduation.

Kansas State continues to build momentum in research and endowment performance that supports its Next-Gen strategic goals. Over the past year, the university has taken steps to strengthen interdisciplinary research capabilities and drive toward the plan's goal of \$300 million in annual research expenditures, building on current year expenditures of ~\$265 million. The university's endowment balance, which benefits key areas for faculty, staff and students, was at \$1.072 billion at the end of FY 2025, up from \$1.019 billion in FY 2024. The university's alumni, friends, corporate partners, students, faculty, and staff provided total gifts of \$296.8 million. Annual fundraising continues to top \$100 million.

The 2025 Kansas Legislature made investments in higher education and K-State consistent with last year's levels, reflecting confidence in the university's direction and impact. The legislature appropriated new funds for several targeted initiatives, such as the Campus Restoration Act and National Institute of Student Success, as well as recurring appropriations for biosecurity, water, and aviation. The 2025 legislature also certified funding for a 2.5% increase to employee compensation. However, the state's overall flat appropriation and other inflationary pressures contributed to university leadership's decision to increase tuition rates by 3.5% for all campuses and careers effective fall 2025.

Over the past year, the university has made measurable progress in addressing deferred maintenance through renovations, demolition, and disposals of buildings. Building on this momentum, the Kansas Board of Regents gave its approval for K-State's Campus Master Plan to guide future development. The Plan provides a blueprint for transforming campuses in Manhattan, Salina, and Olathe to support both current needs and strategic priorities over the next decade.

While there is room for some cautious optimism, we know that macroeconomic factors such as demographic enrollment cliff, flat or declining state and federal support, as well as inflation present budget pressures that are not unique across higher education. Management will diligently monitor the state, national, and university economic conditions as part of its financial planning to protect the long-term health of the institution. The University is not aware of any additional known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond unknown variables.

Kansas State University
Statement of Net Position
For the Year Ended June 30, 2025

<u>ASSETS</u>	University Funds	
	2025	2024
Current Assets		
Cash and cash equivalents	\$ 308,999,276	\$ 269,648,778
Restricted cash and cash equivalents	46,114,745	40,480,804
Accounts receivable, net	113,421,798	108,369,021
Insurance recovery receivable	-	-
Pledges receivable, net	10,782,770	7,103,644
Investments	10,053,358	9,345,126
Loans to students, net	1,817,297	2,234,886
Inventories	4,445,974	4,237,698
Prepaid expenses	181,560	509,709
Total Current Assets	495,816,778	441,929,666
Noncurrent Assets		
Restricted cash and cash equivalents	-	-
Accounts receivable, net	526,266	702,590
Pledges receivable, net	26,028,255	16,500,889
Investments	71,727,438	78,026,732
Loans to students, net	2,937,641	2,457,549
Other assets	20,913	10,463
SBITA assets, net	6,896,264	7,834,501
Right to use assets, net	1,260,544	708,493
Capital assets, net	1,346,415,804	1,265,921,096
Total Noncurrent Assets	1,455,813,125	1,372,162,313
Total Assets	1,951,629,903	1,814,091,979
 DEFERRED OUTFLOWS		
Deferred amounts on refunding	-	-
Pension contributions	11,545,490	16,418,551
Asset Retirement Obligation	1,589,543	1,765,374
OPEB Death & Disability	615,043	622,051
Total Deferred Outflows of Resources	13,750,076	18,805,976
 LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	71,767,131	58,186,712
Due to other agencies	-	-
Unearned revenue	73,915,030	79,514,864
Accrued compensated absences	23,737,528	23,253,588
Capital leases payable	251,829	263,219
Other loans payable	31,085,304	30,449,513
SBITA liability	3,148,441	3,397,983
Revenue bonds payable	24,169,284	23,837,920
Other liabilities	72,000	72,135
Deposits held in custody for others	5,264,879	6,218,235
Refundable advances from governmental grants	545,452	915,275
Total Current Liabilities	233,956,878	226,109,444
Noncurrent Liabilities		
Accrued compensated absences	6,290,058	4,058,099
Accrued other postemployment benefits	-	-
Unearned revenue	5,638,813	6,561,074
Capital leases payable	769,229	432,421
Other loans payable	17,607,595	13,557,007
SBITA liability	2,685,311	4,443,081
Revenue bonds payable	389,671,151	387,765,279
Other liabilities	1,408,253	1,141,168
Refundable advances from governmental grants	1,411,701	1,607,951
OPEB death & disability liability	2,597,138	2,082,484
Asset retirement obligation liability	1,840,809	1,979,674
Net pension liability	47,855,079	51,948,878
Total Noncurrent Liabilities	477,775,137	475,577,116
Total Liabilities	711,732,015	701,686,560
 DEFERRED INFLOWS		
Deferred amounts on refunding	1,470,545	1,578,498
Leases	497,510	655,786
OPEB Death & Disability	504,804	586,660
Pension contributions	6,517,409	7,901,650
Total Deferred Inflows of Resources	8,990,268	10,722,594
 NET POSITION		
Net investment in capital assets	881,226,757	800,588,718
Restricted for:		
Nonexpendable	24,664,780	23,664,916
Expendable		
Scholarships, research, instruction, public service, & other	25,248,807	23,382,038
Loans	4,920,435	5,040,354
Capital projects	52,300,728	28,017,144
Debt service	1,609,427	997,743
Unrestricted	254,686,763	238,797,888
Total Net Position	\$ 1,244,657,697	\$ 1,120,488,801

Kansas State University
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	University Funds	
	2025	2024
Operating Revenues:		
Tuition and fees, net of scholarship allowances of \$60,501,510	\$ 207,955,653	\$ 201,210,720
Federal appropriations	12,519,030	11,396,744
Federal grants and contracts	104,249,213	121,628,675
State and local grants and contracts	38,060,168	32,188,488
Nongovernmental grants and contracts	58,201,230	53,670,906
Sales and services of educational activities	63,546,794	66,211,917
Auxiliary enterprises		
Housing revenues	51,912,866	48,126,811
Athletics revenues	118,505,469	101,179,718
Parking revenues	3,876,878	3,704,350
Student health revenues	7,698,200	7,343,334
Child care center revenues	1,501,145	1,236,089
Union revenues	2,275,681	2,275,123
Other auxiliary revenues	14,747	34,734
Interest earned on loans to students	257,214	164,045
Other operating revenues	12,789,880	17,148,217
Contributions	-	2,635
	Total Operating Revenues	667,522,506
	683,364,168	667,522,506
Operating Expenses:		
Instruction	187,587,626	184,712,349
Research	239,150,280	228,254,102
Public Service	122,324,213	120,735,150
Academic Support	60,223,652	57,396,230
Student Service	27,478,508	26,093,796
Institutional Support	60,712,067	51,641,413
Operations & Maintenance of Plant	58,961,745	56,661,930
Depreciation & amortization	72,756,076	70,204,051
Scholarships & Fellowships	47,689,386	44,308,188
Auxiliary Enterprises	126,311,130	131,908,661
Other Expenses	88,139	105,975
	Total Operating Expenses	972,021,845
	1,003,282,822	972,021,845
	Operating Income (Loss)	(304,499,339)
	(319,918,654)	(304,499,339)
Nonoperating Revenues (Expenses)		
State appropriations	243,330,037	234,404,056
Local appropriations	8,013,770	8,775,023
Federal grants and contracts	24,815,842	21,514,808
Other nonoperating revenue	19,985,964	8,407,135
Contributions	15,743	-
Investment income	17,589,069	18,514,663
Interest expense	(14,271,573)	(14,947,937)
Gain/loss on disposal of assets	913,658	(947,863)
Student fees for capital projects	3,584,391	3,593,321
	Net Nonoperating Revenues	279,313,206
	303,976,901	279,313,206
	Income (Loss) Before Other Revenues, Expenses, Gains and Losses	(25,186,133)
	(15,941,753)	(25,186,133)
Other Revenues, Expenses, Gains and Losses		
Capital appropriations	18,537,000	14,950,000
Capital grants and gifts	121,837,558	18,561,136
Additions to permanent endowment	25,066	25,929
Other additions/deductions, net	(252,009)	139,244
Asset Retirement Obligation	(36,966)	(40,947)
	Other Revenues, Expenses, Gains and Losses	33,635,362
	140,110,649	33,635,362
	Increase (Decrease) in Net Assets	8,449,229
	124,168,896	8,449,229
Net Position		
Net Position -- Beginning of Year, as previously reported	1,120,488,801	1,112,039,572
Prior Period Adjustment	-	-
Net Position -- End of Year	\$ 1,244,657,697	\$ 1,120,488,801

Kansas State University
Statement of Cash Flows
For the Year Ended June 30, 2024

	University Funds	
	2025	2024
Cash Flows from Operating Activities		
Tuition and fees	\$ 208,963,162	\$ 200,748,310
Endowment income	-	2,635
Sales and services of educational activities	63,203,960	65,387,859
Auxiliary enterprise charges		
Housing	51,912,866	48,148,123
Other	111,641,687	140,496,516
Grants and contracts	202,112,603	211,202,384
Federal appropriations	12,808,935	10,759,048
Payments to suppliers	(312,199,633)	(315,654,103)
Compensation & benefits	(610,422,238)	(579,206,522)
Loans issued to students and employees	222,659	486,033
Other receipts (payments)	13,047,094	17,312,262
	<hr/>	<hr/>
Net Cash Flows from Operating Activities	(258,708,905)	(200,317,455)
Cash Flows from Noncapital Financing Activities		
State appropriations	243,568,476	229,707,867
Local appropriations	8,013,770	8,775,023
Federal/State student aid	24,849,360	21,757,199
Repayment of perkins funds to ED	(915,233)	(1,155,236)
Funds held for others	(953,356)	722,043
Nonoperating grants	20,332,655	8,887,797
	<hr/>	<hr/>
Net Cash Flows from Noncapital Financing Activities	294,895,672	268,694,693
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	50,403,430	10,161,403
Proceeds from sale of capital assets	2,591,995	868,883
Proceeds from insurance recovery	-	500,000
Capital appropriations	13,333,864	11,921,564
Capital grants and gifts	121,837,558	18,561,136
Student fees for capital projects	3,584,391	3,593,321
Purchases of capital assets	(141,082,591)	(64,785,150)
Principal paid on capital debt and leases	(50,286,360)	(35,225,682)
Principal paid by revenue bond defeasance	-	-
Interest paid on capital debt and leases	(14,537,802)	(14,833,857)
Other	(252,009)	(360,756)
	<hr/>	<hr/>
Net Cash Flows from Capital and Related Financing Activities	(14,407,524)	(69,599,138)
Cash Flows from Investing Activities		
Investment income	21,066,422	18,550,882
Purchase of investments	2,412,655	(4,661,950)
Redemption of investments	(273,880)	6,525,828
	<hr/>	<hr/>
Net Cash Flows from Investing Activities	23,205,197	20,414,760
Net change in cash and cash equivalents	44,984,440	19,192,860
Prior Period Restatement	-	-
Cash and cash equivalents -- beginning of year	310,129,582	290,936,722
	<hr/>	<hr/>
Cash and cash equivalents -- end of year	<u>\$ 355,114,022</u>	<u>\$ 310,129,582</u>

Kansas State University
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2024

	University Funds	
	2025	2024
Reconciliation		
Operating income (loss)---SRECNP	\$ (319,918,654)	\$ (304,499,339)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	72,756,076	70,204,051
Changes in assets and liabilities:		
Accounts receivable, net	(13,151,766)	(2,733,575)
Loans to students, net	222,659	486,033
Inventories	(218,726)	566,597
Prepaid expenses	328,149	1,409,825
Accounts payable and accrued liabilities	5,244,726	3,683,999
Deferred revenue	(6,522,095)	29,268,206
Accrued compensated absences	2,715,899	4,223,109
OPEB obligations	439,806	(289,991)
Pension contributions	(604,979)	(2,636,370)
	<u>\$ (258,708,905)</u>	<u>\$ (200,317,455)</u>
Net cash used in operating activities---Cash Flow	<u>\$ (258,708,905)</u>	<u>\$ (200,317,455)</u>

Kansas State University Foundation
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 70,503,849	\$ 50,029,183
Cash restricted for future investment	12,509,337	10,450,324
Investments	1,478,811,594	1,385,328,495
Pledges receivable – net of allowance and discounts	146,836,265	126,248,258
Receivables from estates	6,642,500	3,171,129
Property and equipment, net of accumulated depreciation; 2025 - \$6,591,688, 2024 - \$6,664,966	14,259,604	13,037,354
Golf Course property and equipment, net of accumulated depreciation; 2025 - \$7,038,105, 2024 - \$6,543,737	7,539,537	7,572,408
Notes receivable	7,085,400	17,459,400
Cash surrender value of life insurance policies	9,593,786	9,412,387
Other assets and accrued investment income	35,754,916	34,398,385
Total Assets	\$ 1,789,536,788	\$ 1,657,107,323
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable, deposits and other liabilities	\$ 5,584,934	\$ 6,204,947
Accrued liabilities	4,758,284	4,562,105
Assets held for others	21,201,423	21,879,988
Unitrust and annuity liabilities	17,948,081	17,576,233
Long-term debt and lines of credit	78,739,394	94,624,651
Total Liabilities	128,232,116	144,847,924
Net Assets		
Net assets without donor restrictions	134,427,263	131,090,735
Net assets with donor restrictions	1,526,877,409	1,381,168,664
Total Net Assets	1,661,304,672	1,512,259,399
Total Liabilities and Net Assets	\$ 1,789,536,788	\$ 1,657,107,323

**Kansas State University Foundation
Consolidated Statement of Activities
Year Ended June 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses) and Other Support			
Contributions	\$ 5,539,890	\$ 170,527,697	\$ 176,067,587
Provision for bad debts	-	(4,616,406)	(4,616,406)
Contribution revenue, less provision for bad debts	5,539,890	165,911,291	171,451,181
Investment return (loss), net	(7,950,914)	558,439	(7,392,475)
Net realized and unrealized gains on investments	15,431,538	97,979,694	113,411,232
Other support			
Operational service charges, management fees and other	25,178,311	760,917	25,939,228
Receipts for grants, research, supplies, travel and other			
University departmental activities and funding allotments, etc.	932,609	2,907,362	3,839,971
Actuarial gains on unitrusts and annuity obligations	-	3,059,546	3,059,546
Net assets released from restrictions and change in donor designation	125,468,504	(125,468,504)	-
Total Revenues, Gains (Losses) and Other Support	164,599,938	145,708,745	310,308,683
Expenses and Support			
Direct University support			
Scholarships and other student awards	27,339,089	-	27,339,089
Academic support	27,643,845	-	27,643,845
Administrative support	67,247,039	-	67,247,039
Capital improvements	9,173,872	-	9,173,872
Subtotal	131,403,845	-	131,403,845
Management and general	12,745,314	-	12,745,314
Fundraising and development	17,114,251	-	17,114,251
Total Expenses and Support	161,263,410	-	161,263,410
Change in Net Assets	3,336,528	145,708,745	149,045,273
Net Assets, Beginning of Year	131,090,735	1,381,168,664	1,512,259,399
Net Assets, End of Year	\$ 134,427,263	\$ 1,526,877,409	\$ 1,661,304,672

**Kansas State University Foundation
Consolidated Statement of Activities
Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses) and Other Support			
Contributions	\$ 5,800,204	\$ 121,262,042	\$ 127,062,246
Provision for bad debts	-	(6,360,752)	(6,360,752)
Contribution revenue, less provision for bad debts	5,800,204	114,901,290	120,701,494
Investment return (loss), net	(8,988,903)	1,042,663	(7,946,240)
Net realized and unrealized gains on investments	22,544,124	74,681,711	97,225,835
Other support			
Operational service charges, management fees and other	22,910,835	318,102	23,228,937
Receipts for grants, research, supplies, travel and other			
University departmental activities and funding allotments, etc.	406,900	3,367,947	3,774,847
Actuarial losses on unitrusts and annuity obligations	-	235,748	235,748
Net assets released from restrictions and change in donor designation	109,485,651	(109,485,651)	-
Total Revenues, Gains (Losses) and Other Support	152,158,811	85,061,810	237,220,621
Expenses and Support			
Direct University support			
Scholarships and other student awards	24,123,937	-	24,123,937
Academic support	17,448,442	-	17,448,442
Administrative support	68,579,533	-	68,579,533
Capital improvements	3,405,347	-	3,405,347
Subtotal	113,557,259	-	113,557,259
Management and general	12,587,689	-	12,587,689
Fundraising and development	16,661,423	-	16,661,423
Total Expenses and Support	142,806,371	-	142,806,371
Change in Net Assets	9,352,440	85,061,810	94,414,250
Net Assets, Beginning of Year	121,738,295	1,296,106,854	1,417,845,149
Net Assets, End of Year	\$ 131,090,735	\$ 1,381,168,664	\$ 1,512,259,399

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Kansas State University (K-State) is a comprehensive, research, federal land grant institution, governed by the Kansas Board of Regents, and is an agency of the State of Kansas. Accordingly, K-State is included in the audited comprehensive annual financial report of the State of Kansas.

K-State is currently classified as a Doctoral/Research University – Extensive under the Carnegie Classification system and is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. Undergraduate, graduate and post-graduate degrees are available from nine colleges: Agriculture, Architecture, Planning & Design, Arts & Sciences, Business Administration, Education, Engineering, Health and Human Sciences, Veterinary Medicine, and Salina Aerospace and Technology (formerly K-State Polytechnic).

Other major operating units of K-State are the Agricultural Experiment Station and the statewide Cooperative Extension Service. K-State provides teaching, research, public service and related activities in the cities of Manhattan, Salina, and Olathe, Kansas. Additional sites include 18,000 acres of the Agricultural Experiment Station located in research centers at Hays, Garden City, Colby, Tribune and Parsons, and 8,600 acres in the Konza Prairie Research Natural Area, which is jointly operated by the Agricultural Experiment Station and the Division of Biology.

Financial Reporting Entity

As required by the accounting principles generally accepted in the United States of America, and as prescribed by the Governmental Accounting Standards Board (GASB), these financial statements present the consolidated financial position and financial activities of K-State and the component units listed below. These financial statements have not been audited.

Blended Component Units

The following blended component units are legally separate entities for which the university is financially accountable:

K-State Olathe Innovation Campus, Inc. is a not-for-profit corporation under the laws for the State of Kansas. Located in Olathe, Kansas, it is a place of academic research and focuses primarily on commercially viable applied research and technology discovery in animal health, plant science, food safety and security, bioenergy, and other relevant areas. It is a Type 1 Supporting Organization of Kansas State University under section 509 (a)(3) of the Internal Revenue Code.

K-State Athletics, Inc. is a not-for-profit entity under the laws of the State of Kansas. It provides an intercollegiate athletic program for the students, faculty, alumni, guests, and visitors of Kansas State University. The primary source of revenue is derived from athletic event ticket sales, conference distributions and game guarantees. K-State Athletics, Inc. has agreed to operate as a department of the university and be subject to the regulations and administrative policies of K-State.

Kansas State University in Italy is a not-for-profit entity established under Italian law in order to carry out education programs for students of K-State in Italy with recognition of a non-taxable entity status by Italian authorities.

The K-State Union Corporation is a not-for-profit entity under the laws of the State of Kansas, formed for the purpose of providing services and maintaining facilities for the operation of a student union at K-State.

Diagnostic Services of Kansas State, Inc. is a not-for-profit corporation under the laws of the State of Kansas. Its purpose is to conduct diagnostic tests and analytical services on a national and international basis on behalf of Kansas State University in order to support and enhance the educational, research and service mission of Kansas State University.

Kansas State University Veterinary Clinical Outreach, Inc. is a not-for-profit corporation under the laws of the State of Kansas. Its purpose is to provide veterinary and clinical training operations (general practice and specialty clinic) for the College of Veterinary Medicine.

Kansas State University Research Foundation (dba Kansas State University Innovation Partners) is a not-for-profit corporation under the laws of the State of Kansas. The business and purposes of this corporation are to promote, encourage, and aid scientific investigation, research, and technology transfer at Kansas State University.

Kansas State University

Notes to Financial Statements

For the Year Ended June 30, 2025

Discrete Component Unit

The Kansas State University Foundation (the Foundation) is legally separate from K-State and based on the nature and significance of the relationship to K-State is discretely presented.

The Foundation is a not-for-profit corporation under the laws of the State of Kansas. It was organized to promote the development and welfare of Kansas State University in its educational and scientific purposes. As a private, nonprofit organization, its financial reports are prepared in accordance with Financial Accounting Standards Board (FASB) standards, including FASB Statement Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*. Due to the differences between K-State and the Foundation's reporting models, the Foundation's financial statements are not included in the consolidated statements, but instead are separately presented with no modifications. A complete copy of their audited financial statements, including notes, is available on their website:

<https://www.found.ksu.edu/financials/audit/index.html>.

Basis of Accounting

For financial reporting purposes, K-State is considered a special-purpose government engaged only in business-type activities. Accordingly, K-State'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 the purposes of the Statement of Cash Flows, K-State considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities, fixed income securities, and mutual funds are carried at fair value. Fair value is determined using quoted market prices.

Accounts Receivable

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

Inventories

Inventories are stated at cost.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, K-State's capitalization policy includes all items with a unit cost of \$5,000 or more and an 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 is \$100,000 or greater. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Costs incurred during construction of long-lived assets are recorded as construction-in-progress and are not depreciated until placed in service.

Depreciation is computed using the straight-line method and half-year convention over the estimated useful lives of the assets, generally 40 years for buildings, 25 years for infrastructure and land improvements, 8 years for equipment, 5 years for vehicles, 3 years for information processing and computer systems, and 5 to 40 years for componentized buildings and building improvements.

Kansas State University

Notes to Financial Statements

For the Year Ended June 30, 2025

Works of art have been capitalized at cost at the date of acquisition or fair market value at the date of donation. These are considered inexhaustible and are not subject to depreciation. It is the intent of K-State that all art works and historical objects be held for the purpose of exhibition to the public to further education and research. If any items are sold from any collection, the proceeds from such disposition are intended to be set aside for future acquisitions for the collections.

Unearned Revenues

Unearned revenues consist primarily of summer school tuition not earned during the current year, amounts received from grant and contract sponsors that have not yet been earned, and athletic ticket sales.

Compensated Absences

Employee vacation and comp time pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded as accrued compensated absences in the Statement of Net Position, and as an expense in the Statement 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' moneys and amounts due for various study abroad programs.

Refundable Advances from Governmental Grants

In accordance with GASB Statement 33, K-State has recognized a liability for the federal portion of its Perkins Loan portfolio that is expected to be repaid to the Department of Education. Given that the Perkins Loan Program was not renewed and the wind-down procedures for the program require that the Federal funds be returned on an annual basis for the Department of Education's portion of the cash received each year, a liability has been recognized and an allocation is made between current and noncurrent based on expected repayment requirements in accordance with the current Department of Education guidelines.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of revenue bonds and loans payable, capital lease obligations with contractual maturities greater than one year, estimated amounts for accrued compensated absences, accrued other postemployment benefits, and other liabilities that will not be paid within the next fiscal year.

Deferred Outflow/Inflows of Resources

Deferred outflows and deferred inflows result from the consumption or acquisition of net position in one period that is applicable to future periods. Deferred outflows related to debt defeasance are amortized over the remaining life of the debt refunded. Deferred outflows and deferred inflows related to the pension plan are described in more detail in Note 13. Deferred outflows and deferred inflows related to the KPERS Death and Disability benefits plan are described in more detail in Note 14.

Net Position

K-State's net position is classified as follows:

Net investment in capital assets: This component represents capital assets, net of accumulated depreciation and outstanding principal debt balances related to the acquisition, construction or improvement of those assets.

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

Restricted net position – expendable: Restricted expendable net position includes resources in which K-State is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Kansas State University

Notes to Financial Statements

For the Year Ended June 30, 2025

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of K-State, and may be used at the discretion of the governing board 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

K-State is classified as exempt from federal income tax under Section 115(a) and under Section 501(a) of the Internal Revenue Code, as an organization described in Section 501(c)(3). Certain revenues generated from activities unrelated to K-State's exempt purpose may be subject to federal income tax under Internal Revenue Code Section 511(a)(2)(B).

Classification of Revenues

Revenues are classified 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) federal appropriations, 3) sales and services of auxiliary enterprises or educational activities, 4) most federal, state and local grants and contracts, and 5) interest on institutional student loans.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts, contributions, certain federal and state grants, and other revenue sources that are defined as non-operating revenues by GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Scholarship Discounts/Allowances – Student tuition and fee revenues net of scholarship discounts and allowance are reported in the statements of revenues, expenses and changes in net position. Scholarship discounts and allowances represent the difference between the full cost of goods and services and the amount students pay or third parties pay on the students' behalf. Federal, state, and nongovernmental student aid grants are recorded as operating revenues, except for Federal Pell Grants, which are classified as non-operating revenues. To the extent that revenues from such programs are used to satisfy student fees and related charges, the University has recorded a scholarship discount or allowance. Effective Fiscal Year 2025, the University shifted its method of calculating scholarship allowances from an estimated approach to an actual identification method. Previously, the University used an alternative method that allocated institutional aid proportionally between scholarship discounts and student aid expenses. The University is now leveraging improved information systems that are capable of matching student aid with student charges. The system uses ordering rules for applying aid which provide the actual scholarship allowance versus an estimate. In accordance with GASB statement No. 100, *Accounting Changes and Error Corrections*, this change is being made on a prospective basis, meaning this change was not made for the scholarship allowance reported for the year ended June 30, 2024.

Pensions

K-State's proportional share of the Kansas Public Employees Retirement System (KPERs) is reported in accordance with the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. For purposes of measuring the net pension liability, deferred outflows 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 reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Kansas State University

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 2 – Deposits and Investments

A summary of deposits and investments at June 30 is as follows:

	2025	2024
Cash deposits with State Treasury	\$ 290,718,811	\$ 279,171,297
Cash deposits with financial institutions	64,395,211	30,958,285
Investments at K-State Foundation	45,686,252	43,554,876
Other investments	36,094,544	43,816,982
	<u>\$ 436,894,818</u>	<u>\$ 397,501,440</u>

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

	2025	2024
Cash and cash equivalents (current)	\$ 308,999,277	\$ 269,648,778
Restricted cash and cash equivalents (current)	46,114,745.00	40,480,804
Investments (current)	10,053,358.00	9,345,126
Investments (non-current)	71,727,438.00	78,026,732
	<u>\$436,894,818</u>	<u>\$397,501,440</u>

Deposits

The total carrying amount of cash and cash equivalents on deposit with the State Treasurer and other financial institutions at June 30, 2025 was \$355,114,022. K-State's deposits with the State Treasurer are pooled with the funds of other state agencies and, with the exception of the bond funds, placed in short-term investments in accordance with statutory limitations with the exception of the bond funds. All bond proceeds are invested in conjunction with specifications stated in the bond resolutions.

State law requires K-State 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 imprest fund, organizational safekeeping, and any funds held by external entities on behalf of K-State.

Cash balances maintained by the State Treasurer are pooled and 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 the Pooled Money Investment Board and are reported at fair value, based on quoted market prices.

Deposit balances not maintained by the State Treasurer are covered by FDIC or collateralized. K-State does not have a formal deposit policy regarding custodial credit risk. However, management has evaluated the financial stability of the financial institutions involved and feels the deposit custodial credit risk is minimal.

Kansas State University

Notes to Financial Statements

For the Year Ended June 30, 2025

Investments

Pooled Money Investment Board (PMIB): The investment policy of the PMIB is governed by state statutes. The primary objectives are to attain safety, liquidity, and yield. Allowable investments for state pooled monies are as follows:

- Certificates of deposit in Kansas banks, which are fully collateralized.
- Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America, or any agency thereof.
- Obligations and securities of United States sponsored enterprises that under federal law may be accepted as security for public funds. Monies available for investment shall not be invested in mortgage-backed securities of such enterprises, which include the Government National Mortgage Association.
- Repurchase and reverse purchase agreements with a bank or a primary government securities dealer that reports to the Market Reports Division of the Federal Reserve Bank of New York.
- Loans as mandated by the Kansas Legislature limited to not more than the greater of 10 percent or \$140,000,000 of total investments.
- Certain Kansas agency bonds and SKILL or IMPACT act projects and bonds.
- Corporate bonds that have received one of the two highest credit ratings by a nationally recognized investment rating firm, not to exceed maturities of two years.
- High grade commercial paper that does not exceed 270 days to maturity and have received one of the two highest credit ratings by a nationally recognized investment rating firm.

Kansas Development Finance Authority (KDFA): For investments related to K-State's revenue bonds, state statutes permit cash balances to be invested as permitted by bond documents and bond covenants. KDFA manages K-State's revenue bond investments. Allowable investments include:

- U.S. Government obligations
- Obligations of government-sponsored agencies
- Federal funds, unsecured certificates of deposit, time deposits and banker's acceptances
- Deposits – fully insured by FDIC
- Certain state or municipal debt obligations
- Certain pre-refunded municipal obligations
- Commercial paper
- Investments in money market funds
- Repurchase agreements
- Stripped securities
- Investments in the Municipal Investment Pool Fund
- Investment agreements

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

Kansas State University Foundation (the Foundation)

The Foundation is authorized by state statute to act as the investing agent for the state agricultural university fund. Allowable investments include:

- Time deposit, open accounts for periods of not less than 30 days, or certificates of deposit for periods of not less than 90 days, in commercial banks located in Kansas.
- United States treasury bills or notes with maturities as the investing agent shall determine.
- The permanent endowment fund of the endowment association or foundation.

The Foundation is also the investing agent for K-State Athletics, Inc. The investment policies of the Foundation are governed by policies and procedures established by their Asset Management Committee, which is a committee of the Board of Directors, in collaboration with staff and consultants. The Foundation staff implements policies through: (1) the selection of investment strategies, (2) the hiring, monitoring, and changing of investment managers, and (3) rebalancing the portfolios. Investment results are monitored by the committee quarterly through manager and portfolio performance and due diligence reporting, and annually through outside auditing of the Foundation's accounts and procedures. The specific return objectives, risk parameters, and spending policies of K-State Athletics, Inc. are adopted in compliance with the Foundation's policies and procedures for endowment and investment management.

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

PMIB minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities.

For revenue bond investments managed by KDFA, due to the tax-exempt status of the bonds, it is generally the practice of KDFA and K-State to match reserve fund interest rates to the arbitrage yield on the bonds and the term of the investments to the maturity of the bonds. For invested loan funds, KDFA generally invests to maximize the interest rate and set a term of investment based on estimated expenditures, which is generally 3-5 years.

The state agricultural university funds are invested in the Foundation's pooled endowment fund and are subject to their investment policy.

As of June 30, 2025, K-State had investments with the following maturities:

Investment Type	Fair Value	Investment Maturities				Undetermined Maturity Dates
		< 1 yr.	1-5 yrs.	6-10 yrs.	> 10 yrs.	
K-State Foundation Investment Pool	\$ 45,686,252	-	-	-	-	\$ 45,686,252
Other Long Term Investments	36,094,544	-	-	-	-	36,094,544
Grand Total	<u>\$ 81,780,796</u>	-	-	-	-	<u>\$ 81,780,796</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to K-State. K-State's investments may have credit risk, since the underlying securities may include securities other than those that take the form of U.S. Treasuries or obligations explicitly guaranteed by the U.S. government. Certain investments have an underlying collateral agreement.

Kansas State University

Notes to Financial Statements

For the Year Ended June 30, 2025

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, K-State will not be able to recover the value of the investments that are in the possession of an outside party. K-State's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the university's name, and are held by either the counterparty or the counterparty's trust department or agent.

K-State does not have a formal investment policy that addresses custodial credit risk. However, K-State's custodial credit risk is estimated to be minimal based on the expressed investment policies of PMIB, KDFA and the Foundation.

Concentration of credit risk is the risk of loss attributed to the magnitude of K-State's investment in a single issuer that exceeds 5% or more of its total investments. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Information about concentrations of investments with a single issuer is not provided by the State Treasurer or PMIB and therefore K-State cannot provide this information. The financial statements of the State of Kansas provide additional information about the risk associated with the State Treasurer's and PMIB's investment portfolios.

Fair Value Measurement

GASB Statement 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities on a recurring basis recognized in the accompanying Statement of Net Position and the corresponding level within the fair value hierarchy on June 30, 2025. Information to determine the June 30, 2025, levels for investments held by the Foundation for K-State Athletics, Inc. was not available as of the date of their audit report and therefore not included in the table below.

	June 30, 2025			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market mutual funds	\$ 20,284,778	\$ 20,284,778	\$ -	\$ -
U.S. Treasury securities	7,401,208	7,401,208	-	-
Corporate bonds	1,201,476	1,201,476	-	-
Equity Securities	13,855,385	3,033,773	10,303,815	517,797
External investment pools	9,004,286	5,803,427	309,052	2,891,807
	<u>\$ 51,747,133</u>	<u>\$ 37,724,662</u>	<u>\$ 10,612,867</u>	<u>\$ 3,409,604</u>

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 3 – Accounts Receivable

Accounts Receivable are shown net of allowances for doubtful accounts in the accompanying Statement of Net Position.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Tuition and Fees	\$ 17,850,278	\$ 16,143,485
Auxiliary Enterprises	-	2,150,410
Grants and Contracts	50,954,668	50,101,540
Unspent state appropriations	30,668,403	25,703,706
Federal appropriations	1,317,783	1,607,688
Other	14,386,572	14,077,256
	<u>\$115,177,704</u>	<u>\$ 109,784,085</u>
Less: Allowance for uncollectible amounts	1,229,641	712,474
Net Accounts Receivable	<u>\$113,948,063</u>	<u>\$ 109,071,611</u>

Note 4 – Pledges Receivable

Pledges receivable are shown net of allowances for uncollectible accounts in the accompanying Statement of Net Position.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Due within one year	\$ 11,900,447	\$ 7,649,840
Due in one to five years	30,024,935	19,168,409
More than five years	3,533,377	1,181,238
	<u>\$ 45,458,759</u>	<u>\$ 27,999,487</u>
Less: Unamortized discount	6,863,095	3,532,076
Less: Allowance for uncollectible amounts	1,784,639	862,878
Net Pledges Receivable	<u>\$ 36,811,025</u>	<u>\$ 23,604,533</u>

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 5 – Loans to Students

Student loans made through the Federal Perkins Loan Program and the Health Professions Student Loan Program comprise substantially all of the loans to students at June 30, 2025 and 2024. The programs provide 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.

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

Effective October 1, 2018, the United States Department of Education (U.S. ED) did not renew the Federal Perkins Loan Program. As a result, after a brief transition period, no new loans could be disbursed to students. The current guidance provided by U.S. ED stipulates that as cash is collected by the university from loans disbursed prior to October 1, 2018, such funds are to be remitted back to U.S. ED on a proportional basis (the Perkins program was originally funded by U.S. ED with a small percentage matched by the university). Given this recent guidance, K-State has determined that it is probable that U.S. ED, as the provider of the original resource, will require the return of the resources originally received under this program. At the time of the receipt, K-State recorded non-exchange revenues, and thereby, the balance of the resources provided by U.S. ED previously resided in the university's restricted net position.

Pursuant to guidance provided by GASB Statement 33 and based on K-State's estimate that the return of these resources is probable, a liability of \$1,957,153 has been recorded on the university's financial statements for the fiscal year ended June 30, 2025.

Note 6 – Leases Receivable

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 1, 2021, Kansas State University entered into a 49 month lease as Lessor for the use of Sections 24&25 of Township 11 South, Range 17 West - Hays, KS. An initial lease receivable was recorded in the amount of \$35,354. As of June 30, 2025, the value of the lease receivable is \$0 and the value of the short-term lease receivable is \$0. The lessee is required to make annual fixed payments of \$8,964. The lease has an interest rate of 0.8930%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2025 was \$722, and Kansas State University recognized lease revenue of \$8,658 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On August 1, 2022, Kansas State University entered into a 120 month lease as Lessor for the use of CLM 5253 Vanguard Wireless -Manhattan, KS. An initial lease receivable was recorded in the amount of \$296,450. As of June 30, 2025, the value of the lease receivable is \$228,191 and the value of the short-term lease receivable is \$26,374. The lessee is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 2.9270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2025 was \$209,986, and Kansas State University recognized lease revenue of \$29,645 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

On January 1, 2024, Kansas State University entered into a 72 month lease as Lessor for the use of CLM 6839 KSU Salina Extension Building - Salina, KS. An initial lease receivable was recorded in the amount of \$386,690. As of June 30, 2025, the value of the lease receivable is \$291,588 and the value of the short-term lease receivable is \$62,216. The lessee is required to make semi-annual fixed payments of \$34,300. The lease has an interest rate of 2.3120%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2025 was \$290,018, and Kansas State University recognized lease revenue of \$64,448 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

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Notes to Financial Statements

For the Year Ended June 30, 2025

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 88,590	\$ 12,712	\$ 101,302
2027	91,813	10,470	102,283
2028	95,153	8,919	104,072
2029	98,613	5,722	104,335
2030	67,898	3,209	71,107
2031 - 2033	77,712	2,509	80,221
	<u>\$ 519,779</u>	<u>\$ 43,541</u>	<u>\$ 563,320</u>

Note 7 – Right-to-Use Assets/Leases Payable

The primary objective of GASB Statement No. 87, Leases, is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 01, 2021, Kansas State University entered into a 930 month lease as Lessee for the use of CLM 426 Land 2382 NW 20th St. - Columbus, KS. An initial lease liability was recorded in the amount of \$78,871. As of June 30, 2025, the value of the lease liability is \$76,513, and the value of the short-term lease liability is \$364. Kansas State University is required to make annual fixed payments of \$2,340. The lease has an interest rate of 2.5830%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$78,871 with accumulated amortization of \$4,071 is included with Land on the Lease Class activities table found below.

On August 10, 2021, Kansas State University entered into a 60 month lease as Lessee for the use of CLM 300 Ricoh Copiers - 26 Umberger Hall - Manhattan, KS. An initial lease liability was recorded in the amount of \$93,118. As of June 30, 2025, the value of the lease liability is \$20,556, and the value of the short-term lease liability is \$18,967. Kansas State University is required to make monthly fixed payments of \$1,591. The lease has an interest rate of 1.0030%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$93,118 with accumulated amortization of \$72,477 is included with Equipment on the Lease Class activities table found below. Kansas State University has the option to purchase the Equipment for \$1.

On July 01, 2021, Kansas State University entered into a 43 month lease as Lessee for the use of CLM 420 Land Konza Prairie Research Natural Area - Manhattan, KS. An initial lease liability was recorded in the amount of \$143,326. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make annual fixed payments of \$40,000. The lease has an interest rate of 0.8930%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Land on the Lease Class activities table found below.

On July 01, 2021, Kansas State University entered into a 51 month lease as Lessee for the use of CLM 6784 Skid Steer Lease (5 components) - Manhattan, KS. An initial lease liability was recorded in the amount of \$110,473. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make annual fixed payments of \$28,050. The lease has an interest rate of 0.8930%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$110,473 with accumulated amortization of \$103,974 is included with Equipment on the Lease Class activities table found below. Kansas State University has 3 extension option(s), each for 12 months.

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

On July 01, 2021, Kansas State University entered into a 60 month lease as Lessee for the use of CLM 6389 KSU Communications - Pittsburgh, PA. An initial lease liability was recorded in the amount of \$23,768. As of June 30, 2025, the value of the lease liability is \$4,855, and the value of the short-term lease liability is \$4,855. Kansas State University is required to make quarterly fixed payments of \$1,222. The lease has an interest rate of 1.0590%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$23,768 with accumulated amortization of \$19,015 is included with Equipment on the Lease Class activities table found below. Kansas State University has 3 extension option(s), each for 12 months.

On July 01, 2021, Kansas State University entered into a 47 month lease as Lessee for the use of CLM 154 Xerox Color Copier Lease - Manhattan, KS. An initial lease liability was recorded in the amount of \$20,288. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make monthly fixed payments of \$439. The lease has an interest rate of 0.8930%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Equipment on the Lease Class activities table found below.

On October 01, 2022, Kansas State University entered into a 60 month lease as Lessee for the use of CLM 5501 Facility Office Area - Stockton, KS. An initial lease liability was recorded in the amount of \$32,955. As of June 30, 2025, the value of the lease liability is \$15,462, and the value of the short-term lease liability is \$6,730. Kansas State University is required to make monthly fixed payments of \$595. The lease has an interest rate of 3.3050%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$32,955 with accumulated amortization of \$18,125 is included with Buildings on the Lease Class activities table found below.

On September 01, 2022, Kansas State University entered into a 24 month lease as Lessee for the use of CLM 428 Office 600 W. Woodside 09-01-2022 - McPherson, KS. An initial lease liability was recorded in the amount of \$13,069. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make annual fixed payments of \$6,600. The lease has an interest rate of 2.0240%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Buildings on the Lease Class activities table found below.

On February 01, 2023, Kansas State University entered into a 51 month lease as Lessee for the use of CLM 436 Office Space 120 N Main Street Copy - Wakeeney, KS. An initial lease liability was recorded in the amount of \$14,513. As of June 30, 2025, the value of the lease liability is \$6,135, and the value of the short-term lease liability is \$3,470. Kansas State University is required to make quarterly fixed payments of \$900. The lease has an interest rate of 2.6760%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$14,513 with accumulated amortization of \$8,252 is included with Buildings on the Lease Class activities table found below. Kansas State University has 1 extension option(s), each for 24 months.

On September 25, 2022, Kansas State University entered into a 60 month lease as Lessee for the use of 2nd Floor of Monica Hall Bldg Copy. An initial lease liability was recorded in the amount of \$35,253. As of June 30, 2025, the value of the lease liability is \$17,019, and the value of the short-term lease liability is \$7,319. Kansas State University is required to make monthly fixed payments of \$587. The lease has an interest rate of 2.3660%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$35,253 with accumulated amortization of \$19,507 is included with Buildings on the Lease Class activities table found below.

On November 01, 2023, Kansas State University entered into a 24 month lease as Lessee for the use of CLM 6719 Research Field Site Housing - Lindsborg, KS. An initial lease liability was recorded in the amount of \$32,994. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make annual fixed payments of \$16,800. The lease has an interest rate of 3.7420%. The Buildings estimated useful life was 24 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$32,994 with accumulated amortization of \$27,495 is included with Buildings on the Lease Class activities table found below.

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Notes to Financial Statements
For the Year Ended June 30, 2025

On November 01, 2023, Kansas State University entered into a 24 month lease as Lessee for the use of CLM 6753 Research Housing - Hays, KS. An initial lease liability was recorded in the amount of \$37,608. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make annual fixed payments of \$3,200. The lease has an interest rate of 3.7420%. The Buildings estimated useful life was 24 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$37,608 with accumulated amortization of \$31,340 is included with Buildings on the Lease Class activities table found below.

On November 01, 2023, Kansas State University entered into a 24 month lease as Lessee for the use of CLM 6760 Research Housing - Americus, KS. An initial lease liability was recorded in the amount of \$34,015. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make annual fixed payments of \$17,320. The lease has an interest rate of 3.7420%. The Buildings estimated useful life was 24 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$34,015 with accumulated amortization of \$28,346 is included with Buildings on the Lease Class activities table found below.

On October 01, 2023, Kansas State University entered into a 36 month lease as Lessee for the use of CLM 6761 Office Space - Pittsburg, KS. An initial lease liability was recorded in the amount of \$36,932. As of June 30, 2025, the value of the lease liability is \$16,215, and the value of the short-term lease liability is \$12,893. Kansas State University is required to make monthly fixed payments of \$1,050. The lease has an interest rate of 3.6310%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$36,932 with accumulated amortization of \$21,543 is included with Buildings on the Lease Class activities table found below.

On October 01, 2023, Kansas State University entered into a 60 month lease as Lessee for the use of CLM 6413 Geary County Annex Building - Junction City, KS. An initial lease liability was recorded in the amount of \$8,410. As of June 30, 2025, the value of the lease liability is \$5,042, and the value of the short-term lease liability is \$1,623. Kansas State University is required to make annual fixed payments of \$1,800. The lease has an interest rate of 3.5110%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$8,410 with accumulated amortization of \$2,943 is included with Buildings on the Lease Class activities table found below.

On August 28, 2024, Kansas State University entered into a 36 month lease as Lessee for the use of CLM 7733 Scantron Copy Machines. An initial lease liability was recorded in the amount of \$18,134. As of June 30, 2025, the value of the lease liability is \$0, and the value of the short-term lease liability is \$0. Kansas State University is required to make annual fixed payments of \$18,134. The lease has an interest rate of 3.1100%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$18,134 with accumulated amortization of \$5,088 is included with Equipment on the Lease Class activities table found below.

On December 01, 2024, Kansas State University entered into a 60 month lease as Lessee for the use of CLM 7771 1960 Kimball LLC Suite 135 140 145. An initial lease liability was recorded in the amount of \$524,323. As of June 30, 2025, the value of the lease liability is \$465,393, and the value of the short-term lease liability is \$101,132. Kansas State University is required to make monthly fixed payments of \$9,260. The lease has an interest rate of 2.3810%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$524,323 with accumulated amortization of \$61,171 is included with Buildings on the Lease Class activities table found below.

On November 01, 2024, Kansas State University entered into a 36 month lease as Lessee for the use of CLM 7772 1960 Kimball LLC Room 185. An initial lease liability was recorded in the amount of \$79,005. As of June 30, 2025, the value of the lease liability is \$61,807, and the value of the short-term lease liability is \$26,072. Kansas State University is required to make monthly fixed payments of \$2,271. The lease has an interest rate of 2.3640%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$79,005 with accumulated amortization of \$17,557 is included with Buildings on the Lease Class activities table found below.

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For the Year Ended June 30, 2025

On March 01, 2025, Kansas State University entered into a 36 month lease as Lessee for the use of CLM 8168 Limestone Cottage KS - Research Housing Hill City. An initial lease liability was recorded in the amount of \$42,005. As of June 30, 2025, the value of the lease liability is \$27,605, and the value of the short-term lease liability is \$13,607. Kansas State University is required to make annual fixed payments of \$14,400. The lease has an interest rate of 2.8720%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$42,005 with accumulated amortization of \$4,667 is included with Buildings on the Lease Class activities table found below.

On March 01, 2025, Kansas State University entered into a 36 month lease as Lessee for the use of CLM 8170 Ben Leah Giger-Research Housing Elmdale. An initial lease liability was recorded in the amount of \$52,506. As of June 30, 2025, the value of the lease liability is \$34,506, and the value of the short-term lease liability is \$17,009. Kansas State University is required to make annual fixed payments of \$18,000. The lease has an interest rate of 2.8720%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$52,506 with accumulated amortization of \$5,834 is included with Buildings on the Lease Class activities table found below.

On April 01, 2025, Kansas State University entered into a 17 month lease as Lessee for the use of CLM 8442 Old Stone House - Wildcat Landing-KSU DFS Office Space. An initial lease liability was recorded in the amount of \$222,760. As of June 30, 2025, the value of the lease liability is \$183,672, and the value of the short-term lease liability is \$157,043. Kansas State University is required to make monthly fixed payments of \$13,364. The lease has an interest rate of 2.9630%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2025 of \$222,760 with accumulated amortization of \$39,311 is included with Buildings on the Lease Class activities table found below.

Right-to-Use asset activity for the year ended June 30, 2025 is summarized as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
Leased Buildings and Improvements	\$ 245,717	\$ 920,599	\$ 13,069	\$ 1,153,247
Leased Equipment and Furnishings	247,647	18,134	20,288	245,493
Leased Land	222,198	-	143,327	78,871
Total Right-to-Use Assets	\$ 715,562	\$ 938,733	\$ 176,684	\$ 1,477,611
Less: Accumulated Depreciation				
Leased Buildings and Improvements	\$ 86,176	\$ 212,988	\$ 13,073	\$ 286,091
Leased Equipment and Furnishings	161,592	59,252	20,290	200,554
Leased Land	121,668	25,729	143,326	4,071
Total Depreciation	\$ 369,436	\$ 297,969	\$ 176,689	\$ 490,716
Right-to-Use Assets, net	\$ 346,126	\$ 640,764	\$ (5)	\$ 986,895
K-State Athletics, Inc.				86,279
K-State Veterinary Clinical Outreach, Inc.				187,370
				<u>\$ 1,260,544</u>

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Right-to-Use asset activity for the year ended June 30, 2024 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Leased Buildings and Improvements	\$ 327,767	\$ 149,959	\$ 232,009	\$ 245,717
Leased Equipment and Furnishings	247,647	-	-	247,647
Leased Land	222,198	-	-	222,198
Total Right-to-Use Assets	\$ 797,612	\$ 149,959	\$ 232,009	\$ 715,562
Less: Accumulated Depreciation				
Leased Buildings and Improvements	\$ 171,549	\$ 146,636	\$ 232,009	\$ 86,176
Leased Equipment and Furnishings	107,055	54,537	-	161,592
Leased Land	81,112	40,556	-	121,668
Total Depreciation	\$ 359,716	\$ 241,729	\$ 232,009	\$ 369,436
Right-to-Use Assets, net	\$ 437,896	\$ (91,770)	\$ -	\$ 346,126
K-State Athletics, Inc.				127,655
K-State Veterinary Clinical Outreach, Inc.				234,711
				<u>\$ 708,492</u>

Leases Payable Maturity Schedule:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 371,085	\$ 19,812	\$ 390,897
2027	212,696	11,582	224,278
2028	120,970	7,135	128,105
2029	109,005	4,449	113,454
2030	46,426	2,212	48,638
2031 - 2035	2,175	9,525	11,700
2036 - 2040	2,471	9,229	11,700
2041 - 2045	2,807	8,893	11,700
2046 - 2050	3,189	8,511	11,700
2051 - 2055	3,622	8,078	11,700
2056 - 2060	4,115	7,585	11,700
2061 - 2065	4,675	7,025	11,700
2066 - 2070	5,310	6,390	11,700
2071 - 2075	6,033	5,667	11,700
2076 - 2080	6,853	4,847	11,700
2081 - 2085	7,785	3,915	11,700
2086 - 2090	8,844	2,856	11,700
2091 - 2095	10,047	1,653	11,700
2096 - 2099	6,672	348	7,020

Kansas State University
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Note 8 – Subscription-Based Information Technology Arrangements

For the year ended June 30, 2025, the financial statements include GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On July 1, 2022, Kansas State University, KS entered into a 42 month subscription for the use of CLM 198 Medical Practice Software. An initial subscription liability was recorded in the amount of \$367,793. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$126,801. The subscription has an interest rate of 2.2800%. The value of the right to use asset as of June 30, 2025 of \$386,293 with accumulated amortization of \$331,109 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 42 month subscription for the use of CLM 200 HCS management solution Software. An initial subscription liability was recorded in the amount of \$167,721. As of June 30, 2025, the value of the subscription liability is \$45,866, and the value of the short-term subscription liability is \$45,866. Kansas State University, KS is required to make annual fixed payments of \$40,524. The subscription has an interest rate of 2.2800%. The value of the right to use asset as of June 30, 2025 of \$170,221 with accumulated amortization of \$145,904 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 50 month subscription for the use of CLM 256 Student Organization Management Software. An initial subscription liability was recorded in the amount of \$135,808. As of June 30, 2025, the value of the subscription liability is \$34,456, and the value of the short-term subscription liability is \$34,456. Kansas State University, KS is required to make annual fixed payments of \$35,242. The subscription has an interest rate of 2.2800%. The value of the right to use asset as of June 30, 2025 of \$145,179 with accumulated amortization of \$104,529 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 54 month subscription for the use of CLM 296 IT Service Management Software. An initial subscription liability was recorded in the amount of \$561,825. As of June 30, 2025, the value of the subscription liability is \$151,409, and the value of the short-term subscription liability is \$151,409. Kansas State University, KS is required to make annual fixed payments of \$141,845. The subscription has an interest rate of 2.3700%. The value of the right to use asset as of June 30, 2025 of \$561,825 with accumulated amortization of \$374,550 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 51 month subscription for the use of CLM 329 SoftDocs Workflow Platform. An initial subscription liability was recorded in the amount of \$351,489. As of June 30, 2025, the value of the subscription liability is \$93,536, and the value of the short-term subscription liability is \$93,536. Kansas State University, KS is required to make annual fixed payments of \$87,550. The subscription has an interest rate of 2.2800%. The value of the right to use asset as of June 30, 2025 of \$351,489 with accumulated amortization of \$245,066 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 25 month subscription for the use of CLM 522 523 Application Integration Software. An initial subscription liability was recorded in the amount of \$130,058. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$65,790. The subscription has an interest rate of 2.0200%. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

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On August 12, 2022, Kansas State University, KS entered into a 36 month subscription for the use of CLM 5084 Mental Health Platform. An initial subscription liability was recorded in the amount of \$445,636. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$151,760. The subscription has an interest rate of 2.1800%. The value of the right to use asset as of June 30, 2025 of \$445,636 with accumulated amortization of \$428,718 is included with Software on the Subscription Class activities table found below. Kansas State University, KS has 2 extension option(s), each for 12 months.

On July 1, 2022, Kansas State University, KS entered into a 36 month subscription for the use of CLM 5108 Student Financial Platform. An initial subscription liability was recorded in the amount of \$382,641. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$122,900. The subscription has an interest rate of 2.1800%. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below. Kansas State University, KS has 2 extension option(s), each for 12 months.

On July 1, 2022, Kansas State University, KS entered into a 60 month subscription for the use of CLM 5401 Canvas LMS Software. An initial subscription liability was recorded in the amount of \$1,133,256. As of June 30, 2025, the value of the subscription liability is \$475,635, and the value of the short-term subscription liability is \$231,410. Kansas State University, KS is required to make annual fixed payments of \$228,772. The subscription has an interest rate of 2.3700%. The value of the right to use asset as of June 30, 2025 of \$1,133,256 with accumulated amortization of \$679,953 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 31 month subscription for the use of CLM 5113 Cobblestone Software. An initial subscription liability was recorded in the amount of \$242,227. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$124,020. The subscription has an interest rate of 2.1800%. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

On December 1, 2022, Kansas State University, KS entered into a 36 month subscription for the use of CLM 5255 OMNI CMS License. An initial subscription liability was recorded in the amount of \$135,781. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$44,971. The subscription has an interest rate of 3.2400%. The value of the right to use asset as of June 30, 2025 of \$135,781 with accumulated amortization of \$116,922 is included with Software on the Subscription Class activities table found below.

On September 16, 2022, Kansas State University, KS entered into a 36 month subscription for the use of CLM 5333 Othot Enrollment Suite Software. An initial subscription liability was recorded in the amount of \$146,823. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$50,000. The subscription has an interest rate of 2.1800%. The value of the right to use asset as of June 30, 2025 of \$171,823 with accumulated amortization of \$159,890 is included with Software on the Subscription Class activities table found below. Kansas State University, KS has 1 extension option(s), each for 36 months.

On July 1, 2022, Kansas State University, KS entered into a 36 month subscription for the use of CLM 5376 Cloud Based Digital Signage Software. An initial subscription liability was recorded in the amount of \$126,074. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$42,934. The subscription has an interest rate of 2.1800%. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

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On July 1, 2022, Kansas State University, KS entered into a 43 month subscription for the use of CLM 5404 Qualtrics Cloud Service Research Suite License. An initial subscription liability was recorded in the amount of \$216,699. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$65,000. The subscription has an interest rate of 2.2800%. The value of the right to use asset as of June 30, 2025 of \$216,699 with accumulated amortization of \$181,422 is included with Software on the Subscription Class activities table found below.

On August 15, 2022, Kansas State University, KS entered into a 36 month subscription for the use of CLM 5633 Sierra Cedar Cloud Managed Services. An initial subscription liability was recorded in the amount of \$709,822. As of June 30, 2025, the value of the subscription liability is \$20,313, and the value of the short-term subscription liability is \$20,313. Kansas State University, KS is required to make monthly fixed payments of \$20,350. The subscription has an interest rate of 2.1800%. The value of the right to use asset as of June 30, 2025 of \$709,822 with accumulated amortization of \$680,904 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 37 month subscription for the use of CLM 269 Oracle. An initial subscription liability was recorded in the amount of \$4,408,791. As of June 30, 2025, the value of the subscription liability is \$1,113,844, and the value of the short-term subscription liability is \$1,113,844. Kansas State University, KS is required to make annual fixed payments of \$1,138,170. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2025 of \$4,408,791 with accumulated amortization of \$4,289,634 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, Kansas State University, KS entered into a 36 month subscription for the use of CLM 304 Cayuse. An initial subscription liability was recorded in the amount of \$242,819. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make semi-annual fixed payments of \$37,500. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2025 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

On July 01, 2023, Kansas State University, KS entered into a 36 month subscription for the use of CLM 560 (5239) Payment Processing Administration (Cashnet) and Installment Payment Plan . An initial subscription liability was recorded in the amount of \$280,834. As of June 30, 2025, the value of the subscription liability is \$99,199, and the value of the short-term subscription liability is \$99,199. Kansas State University, KS is required to make annual fixed payments of \$90,848. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 30, 2025 of \$280,834 with accumulated amortization of \$187,223 is included with Software on the Subscription Class activities table found below.

On April 1, 2024, Kansas State University, KS entered into a 60 month subscription for the use of CLM 240 Study Abroad Software . An initial subscription liability was recorded in the amount of \$100,045. As of June 30, 2025, the value of the subscription liability is \$62,417, and the value of the short-term subscription liability is \$19,496. Kansas State University, KS is required to make annual fixed payments of \$19,359. The subscription has an interest rate of 2.3120%. The value of the right to use asset as of June 30, 2025 of \$100,045 with accumulated amortization of \$25,011 is included with Software on the Subscription Class activities table found below.

On February 24, 2024, Kansas State University, KS entered into a 36 month subscription for the use of CLM 203 Tenable security management services - SHI International Corp.. An initial subscription liability was recorded in the amount of \$124,280. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make annual fixed payments of \$124,280. The subscription has an interest rate of 2.4260%. The value of the right to use asset as of June 30, 2025 of \$124,280 with accumulated amortization of \$56,041 is included with Software on the Subscription Class activities table found below.

On February 1, 2024, Kansas State University, KS entered into a 72 month subscription for the use of CLM 6832 Microsoft 3-Year Campus EES . An initial subscription liability was recorded in the amount of \$3,216,773. As of June 30, 2025, the value of the subscription liability is \$2,143,580, and the value of the short-term subscription liability is \$517,641. Kansas State University, KS is required to make annual fixed payments of \$567,265. The subscription has an interest rate of 2.3150%. The value of the right to use asset as of June 30, 2025 of \$3,216,773 with accumulated amortization of \$759,516 is included with Software on the Subscription Class activities table found below.

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On July 30, 2023, Kansas State University, KS entered into a 36 month subscription for the use of CLM 6402 Adobe Enterprise License SHL. An initial subscription liability was recorded in the amount of \$608,644. As of June 30, 2025, the value of the subscription liability is \$202,826, and the value of the short-term subscription liability is \$202,826. Kansas State University, KS is required to make annual fixed payments of \$208,710. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 30, 2025 of \$608,644 with accumulated amortization of \$389,419 is included with Software on the Subscription Class activities table found below.

On February 7, 2024, Kansas State University, KS entered into a 48 month subscription for the use of CLM 7049 Mediasite Cloud Migration and Services. An initial subscription liability was recorded in the amount of \$577,718. As of June 30, 2025, the value of the subscription liability is \$288,781, and the value of the short-term subscription liability is \$142,714. Kansas State University, KS is required to make annual fixed payments of \$149,500. The subscription has an interest rate of 2.3500%. The value of the right to use asset as of June 30, 2025 of \$577,718 with accumulated amortization of \$202,201 is included with Software on the Subscription Class activities table found below.

On January 1, 2025, Kansas State University, KS entered into a 36 month subscription for the use of CLM 6313 PEARS Support Services - Canopy A Public Benefit LLC. An initial subscription liability was recorded in the amount of \$101,673. As of June 30, 2025, the value of the subscription liability is \$84,722, and the value of the short-term subscription liability is \$33,291. Kansas State University, KS is required to make quarterly fixed payments of \$8,750. The subscription has an interest rate of 2.3640%. The value of the right to use asset as of June 30, 2025 of \$101,673 with accumulated amortization of \$16,945 is included with Software on the Subscription Class activities table found below.

On August 1, 2024, Kansas State University, KS entered into a 60 month subscription for the use of CLM 7676 Palo Alto Networks for Biosecurity Research Institute. An initial subscription liability was recorded in the amount of \$110,336. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make one-time fixed payments of \$110,336. The subscription has an interest rate of 3.0490%. The value of the right to use asset as of June 30, 2025 of \$110,336 with accumulated amortization of \$19,897 is included with Software on the Subscription Class activities table found below.

On January 1, 2025, Kansas State University, KS entered into a 24 month subscription for the use of CLM 7902 PEARS Subscription for KSRE. An initial subscription liability was recorded in the amount of \$178,260. As of June 30, 2025, the value of the subscription liability is \$88,072, and the value of the short-term subscription liability is \$88,072. Kansas State University, KS is required to make annual fixed payments of \$90,188. The subscription has an interest rate of 2.4030%. The value of the right to use asset as of June 30, 2025 of \$178,260 with accumulated amortization of \$44,565 is included with Software on the Subscription Class activities table found below.

On May 1, 2024, Kansas State University, KS entered into a 38 month subscription for the use of CLM 7362 Atrium Campus Card. An initial subscription liability was recorded in the amount of \$246,946. As of June 30, 2025, the value of the subscription liability is \$131,526, and the value of the short-term subscription liability is \$64,370. Kansas State University, KS is required to make annual fixed payments of \$69,080. The subscription has an interest rate of 2.8650%. The value of the right to use asset as of June 30, 2025 of \$246,946 with accumulated amortization of \$88,647 is included with Software on the Subscription Class activities table found below.

On May 10, 2024, Kansas State University, KS entered into a 33 month subscription for the use of CLM 7419 CrowdStrike DirSec LLC. An initial subscription liability was recorded in the amount of \$1,840,733. As of June 30, 2025, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Kansas State University, KS is required to make one-time fixed payments of \$1,840,733. The subscription has an interest rate of 0.0000%. The value of the right to use asset as of June 30, 2025 of \$1,840,733 with accumulated amortization of \$821,958 is included with Software on the Subscription Class activities table found below.

On December 2, 2024, Kansas State University, KS entered into a 36 month subscription for the use of CLM 8062 EdSights Inc Conversational AI Services Platform. An initial subscription liability was recorded in the amount of \$154,113. As of June 30, 2025, the value of the subscription liability is \$101,537, and the value of the short-term subscription liability is \$50,176. Kansas State University, KS is required to make annual fixed payments of \$52,576. The subscription has an interest rate of 2.3640%. The value of the right to use asset as of June 30, 2025 of \$154,113 with accumulated amortization of \$29,824 is included with Software on the Subscription Class activities table found below.

Kansas State University

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On January 21, 2025, Kansas State University, KS entered into a 60 month subscription for the use of CLM 7728 Compulink Management Center, Inc. - Laserfiche. An initial subscription liability was recorded in the amount of \$335,624. As of June 30, 2025, the value of the subscription liability is \$264,574, and the value of the short-term subscription liability is \$63,311. Kansas State University, KS is required to make annual fixed payments of \$71,050. The subscription has an interest rate of 2.9250%. The value of the right to use asset as of June 30, 2025 of \$335,624 with accumulated amortization of \$29,833 is included with Software on the Subscription Class activities table found below.

On May 15, 2025, Kansas State University, KS entered into a 36 month subscription for the use of CLM 8259 LawVu - LawVu Practive Management Platform. An initial subscription liability was recorded in the amount of \$110,850. As of June 30, 2025, the value of the subscription liability is \$74,654, and the value of the short-term subscription liability is \$35,862. Kansas State University, KS is required to make annual fixed payments of \$36,196. The subscription has an interest rate of 2.8720%. The value of the right to use asset as of June 30, 2025 of \$110,850 with accumulated amortization of \$4,721 is included with Software on the Subscription Class activities table found below.

On December 13, 2024, Kansas State University, KS entered into a 36 month subscription for the use of CLM 8124 Harris Insights and Analytics. An initial subscription liability was recorded in the amount of \$141,433. As of June 30, 2025, the value of the subscription liability is \$93,183, and the value of the short-term subscription liability is \$46,047. Kansas State University, KS is required to make annual fixed payments of \$48,250. The subscription has an interest rate of 2.3640%. The value of the right to use asset as of June 30, 2025 of \$141,433 with accumulated amortization of \$25,929 is included with Software on the Subscription Class activities table found below.

On May 8, 2025, Kansas State University, KS entered into a 36 month subscription for the use of CLM 8598 HubSpot Inc Computer Software For Marketing Contacts. An initial subscription liability was recorded in the amount of \$239,429. As of June 30, 2025, the value of the subscription liability is \$157,349, and the value of the short-term subscription liability is \$77,561. Kansas State University, KS is required to make annual fixed payments of \$82,080. The subscription has an interest rate of 2.8720%. The value of the right to use asset as of June 30, 2025 of \$239,429 with accumulated amortization of \$11,750 is included with Software on the Subscription Class activities table found below.

On May 1, 2025, Kansas State University, KS entered into a 60 month subscription for the use of CLM 8329 Kinetic Software. An initial subscription liability was recorded in the amount of \$148,799. As of June 30, 2025, the value of the subscription liability is \$117,299, and the value of the short-term subscription liability is \$28,069. Kansas State University, KS is required to make annual fixed payments of \$31,500. The subscription has an interest rate of 2.9250%. The value of the right to use asset as of June 30, 2025 of \$148,799 with accumulated amortization of \$4,960 is included with Software on the Subscription Class activities table found below.

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Right-to-Use asset activity for the year ended June 30, 2025 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Software as a Service	\$ 14,327,744	\$ 4,185,914	\$ 1,160,353	\$ 17,353,305
Total SBITA Right-to-Use Assets	\$ 14,327,744	\$ 4,185,914	\$ 1,160,353	\$ 17,353,305
Less: Amortization				
Software as a Service	\$ 6,493,243	\$ 5,124,151	\$ 1,160,353	\$ 10,457,041
Total Amortization	\$ 6,493,243	\$ 5,124,151	\$ 1,160,353	\$ 10,457,041
SBITA Right-to-Use Assets, net	\$ 7,834,501	\$ (938,237)	\$ -	\$ 6,896,264

Right-to-Use asset activity for the year ended June 30, 2024 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Software as a Service	\$ 11,085,136	\$ 4,330,578	\$ 1,087,970	\$ 14,327,744
Total SBITA Right-to-Use Assets	\$ 11,085,136	\$ 4,330,578	\$ 1,087,970	\$ 14,327,744
Less: Amortization				
Software as a Service	\$ 3,568,146	\$ 4,013,064	\$ 1,087,967	\$ 6,493,243
Total Amortization	\$ 3,568,146	\$ 4,013,064	\$ 1,087,967	\$ 6,493,243
SBITA Right-to-Use Assets, net	\$ 7,516,990	\$ 317,514	\$ 3	\$ 7,834,501

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,148,441	\$ 140,775	\$ 3,289,216
2027	1,353,074	64,924	1,417,998
2028	678,172	31,791	709,963
2029	654,065	15,749	669,814
	\$ 5,833,752	\$ 253,239	\$ 6,086,991

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Note 9 – Capital Assets

Capital asset activity for the year ended June 30, 2025 is summarized as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Land and Improvements	\$ 16,485,286	\$ 14,416	\$ -	\$ 16,499,702
Art Collections	3,209,711	34,000	-	3,243,711
Construction in Progress	41,453,123	119,622,236	41,046,423	120,028,936
Buildings & Improvements	1,700,071,312	32,071,476	170,320	1,731,972,468
Land Improvements	41,103,196	1,572,768	-	42,675,964
Infrastructure	90,637,459	1,859,873	-	92,497,332
Equipment and Furnishings	216,000,069	13,418,465	6,742,734	222,675,800
Vehicles	36,186,992	13,381,618	2,280,952	47,287,658
Intangibles	9,769,498	134,518	417,590	9,486,426
IT Info Processing Equipment	5,879,826	-	135,434	5,744,392
			-	
Total Capital Assets	\$ 2,160,796,472	\$ 182,109,370	\$ 50,793,453	\$ 2,292,112,389
Less: Accumulated Depreciation				
Building & Improvements	\$ 668,460,250	\$ 43,887,503	\$ 59,612	\$ 712,288,141
Land Improvements	24,350,815	1,274,254	-	25,625,069
Infrastructure	37,989,997	3,471,835	-	41,461,832
Equipment and Furnishings	169,398,217	10,618,118	6,221,743	173,794,592
Vehicles	24,853,321	4,306,309	1,498,142	27,661,488
Intangibles	9,167,424	170,187	408,612	8,928,999
IT Info Processing Equipment	5,869,576	4,100	135,434	5,738,242
Total Depreciation	\$ 940,089,600	\$ 63,732,306	\$ 8,323,543	\$ 995,498,363
Capital Assets, net	\$ 1,220,706,872	\$ 118,377,064	\$ 42,469,910	\$ 1,296,614,026
K-State Olathe Innovation Campus, Inc.				29,399,466
K-State Athletics, Inc.				13,380,831
K-State Union Corporation				4,165,336
K-State Veterinary Clinical Outreach, Inc				2,488,154
Diagnostic Services of Kansas State, Inc				367,163
Kansas State University Research Foundation				828
				<u>\$ 1,346,415,804</u>

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Capital asset activity for the year ended June 30, 2024 is summarized as follows:

Land and Improvements	\$ 13,525,437	\$ 2,989,849	\$ 30,000	\$ 16,485,286
Art Collections	3,198,298	11,413	-	3,209,711
Construction in Progress	27,252,018	37,156,341	22,955,236	41,453,123
Buildings & Improvements	1,669,674,002	33,558,360	3,161,050	1,700,071,312
Land Improvements	40,308,506	794,690	-	41,103,196
Infrastructure	90,689,798	-	52,339	90,637,459
Equipment and Furnishings	219,998,637	13,188,036	17,186,604	216,000,069
Vehicles	35,790,348	3,100,878	2,704,233	36,186,992
Intangibles	10,957,723	52,546	1,240,771	9,769,498
IT Info Processing Equipment	6,072,179	12,300	204,653	5,879,826
Total Capital Assets	\$ 2,117,466,946	\$ 90,864,413	\$ 47,534,886	\$ 2,160,796,472
Less: Accumulated Depreciation				
Building & Improvements	\$ 628,704,321	\$ 42,916,979	\$ 3,161,050	\$ 668,460,250
Land Improvements	23,151,194	1,199,620	-	24,350,815
Infrastructure	34,562,413	3,448,520	20,936	37,989,997
Equipment and Furnishings	174,807,445	10,162,798	15,572,026	169,398,217
Vehicles	24,209,739	3,229,815	2,586,233	24,853,321
Intangibles	9,887,350	498,955	1,218,881	9,167,424
IT Info Processing Equipment	6,067,532	6,697	204,653	5,869,576
Total Depreciation	\$ 901,389,994	\$ 61,463,385	\$ 22,763,779	\$ 940,089,600
Capital Assets, net	\$ 1,216,076,951	\$ 29,401,028	\$ 24,771,107	\$ 1,220,706,872
K-State Olathe Innovation Campus, Inc.				25,738,217
K-State Athletics, Inc.				14,890,295
K-State Union Corporation				3,166,398
K-State Veterinary Clinical Outreach, Inc				1,415,689
Kansas State University Research Foundation				3,625
				<u>\$ 1,265,921,096</u>

K-State has elected not to capitalize its library book collections. These collections adhere to K-State's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep encumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at the time of purchase rather than be capitalized.

Kansas State University
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For the Year Ended June 30, 2025

Note 10 – Unearned Revenue

Unearned revenues consist primarily of summer session tuition and fees, advance collections on grants and contracts, and athletic ticket sales. The breakdown of unearned revenues is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Tuition & Fees	\$ 9,617,633.00	\$ 7,420,495.00
Grants and Contracts	33,870,165.00	31,415,046.00
Athletic Tickets and Other	36,066,045.00	47,240,397.00
	<u>\$ 79,553,843.00</u>	<u>\$ 86,075,938.00</u>

Note 11 – Changes in Non-Current Liabilities

Liability activity for the year ended June 30, 2025, consists of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Non-Current Portion
Accrued compensated absences	\$ 27,311,686	\$ 30,027,586	\$ 27,311,686	\$ 30,027,586	\$ 23,737,528	\$ 6,290,058
Accrued other postemployment benefits	2,082,484	728,899	214,245	2,597,138	-	2,597,138
Capital leases payable	695,639	938,733	613,314	1,021,058	251,829	769,229
SBITA liability	7,841,064	4,185,914	6,193,226	5,833,752	3,148,441	2,685,311
Other loans payable	44,006,521	24,304,132	19,617,754	48,692,899	31,085,304	17,607,595
Revenue bonds payable	411,603,201	26,099,298	23,862,064	413,840,435	24,169,284	389,671,151
Other liabilities	5,716,203	1,480,253	1,918,241	5,278,215	617,452	4,660,763
Net pension liability	51,948,878	-	4,093,799	47,855,079	-	47,855,079
Total Liabilities	<u>\$ 551,205,676</u>	<u>\$ 87,764,815</u>	<u>\$ 83,824,329</u>	<u>\$ 555,146,162</u>	<u>\$ 83,009,838</u>	<u>\$ 472,136,324</u>

Liability activity for the year ended June 30, 2024, consists of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Non-Current Portion
Accrued compensated absences	\$ 23,088,578	\$ 27,311,686	\$ 23,088,578	\$ 27,311,686	\$ 23,253,588	\$ 4,058,098
Accrued other postemployment benefits	2,323,449	-	240,965	2,082,484	-	2,082,484
Capital leases payable	885,063	149,958	339,382	695,639	263,219	432,420
SBITA liability	7,363,944	4,330,576	3,853,456	7,841,064	3,397,983	4,443,081
Other loans payable	44,152,324	10,161,403	10,307,206	44,006,521	30,449,514	13,557,007
Revenue bonds payable	432,328,835	-	20,725,634	411,603,201	23,837,920	387,765,281
Other liabilities	6,769,768	1,273,369	2,326,934	5,716,203	987,410	4,728,793
Net pension liability	54,875,359	-	2,926,481	51,948,878	-	51,948,878
Total Liabilities	<u>\$ 571,787,320</u>	<u>\$ 43,226,992</u>	<u>\$ 63,808,636</u>	<u>\$ 551,205,676</u>	<u>\$ 82,189,634</u>	<u>\$ 469,016,042</u>

Kansas State University
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Note 12 – Revenue Bonds Outstanding

Revenue bonds payable consisted of the following at June 30, 2025:

	<u>Principal Outstanding June 30, 2025</u>	<u>Principal Outstanding June 30, 2024</u>
<p>Kansas Development Finance Authority Revenue Bonds – Series 2024F (Kansas State University Project) issued on October 24, 2024, in the original amount of \$25,215,000. Due in annual installments with the final maturity on April 1, 2049. Interest ranging from 4% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$25,215,000	\$0
<p>Kansas Development Finance Authority Revenue Bonds – Series 2023C (The K-State Athletics, Inc. of Kansas State University Project) issued on March 14, 2023, in the original amount of \$45,640,000. Due in annual installments with the final maturity on July 1, 2043. Interest ranging from 4% to 4.25% payable semi-annually, collateralized by a pledge of operating and nonoperating unrestricted gross revenues, gains, and net assets released from restrictions.</p>	\$45,640,000	\$45,640,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2022D (Kansas State University 2014D-2 Housing Residential/Dining Refunding Project) issued on February 1, 2022, in the original amount of \$55,450,000. Due in annual installments with the final maturity on April 1, 2044. Interest ranging from 3% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$50,655,000	\$52,335,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2022D (Kansas State University 2014D-2 2005A Refunding Project) issued on February 1, 2022, in the original amount of \$20,285,000. Due in annual installments with the final maturity on April 1, 2034. Interest ranging from 4% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$16,270,000	\$17,675,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2022D (Kansas State University 2014D-2 2007A Refunding Project) issued on February 1, 2022, in the original amount of \$8,730,000. Due in annual installments with the final maturity on April 1, 2032. Interest of 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$6,545,000	\$7,310,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2021A (Kansas State University 2010G-2 (BAB) Student Recreation Complex Expansion Refunding Project) issued on January 13, 2021, in the original amount of \$16,300,000. Due in annual installments with the final maturity on May 1, 2040. Interest ranging from 2% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$13,720,000	\$14,410,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2021A (Kansas State University 2010U-1 Qualified Energy Conservation Refunding Project) issued on January 13, 2021, in the original amount of \$5,445,000. Due in annual installments with the final maturity on May 1, 2028. Interest 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	2,445,000	\$3,490,000

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<p>Kansas Development Finance Authority Revenue Bonds – Series 2021A (Kansas State University 2010U-2 Energy Conservation Refunding Project) issued on January 13, 2021, in the original amount of \$1,830,000. Due in annual installments with the final maturity on May 1, 2029. Interest 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$1,830,000	\$1,830,000
	<u>Principal Outstanding June 30, 2025</u>	<u>Principal Outstanding June 30, 2024</u>
<p>Kansas Development Finance Authority Revenue Bonds – Series 2021A (Kansas State University 2012F Energy Conservation Refunding Project) issued on January 13, 2021 in the original amount of \$10,310,000. Due in annual installments with the final maturity on May 1, 2033. Interest ranging from 2% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$7,470,000	\$8,235,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2021A (Kansas State University 2012H (2003C Portion) Scientific R&D Facilities Refunding Project) issued on January 13, 2021, in the original amount of \$19,900,000. Due in annual installments with the final maturity on May 1, 2033. Interest ranging from 2% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$15,545,000	\$17,135,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2021C (The K-State Athletics, Inc. of Kansas State University 2012B-2 Refunding Project) issued on March 24, 2021, in the original amount of \$11,350,000. Due in annual installments with the final maturity on July 1, 2040. Interest ranging from 2.4% to 2.8% payable semi-annually, collateralized by a pledge of operating and nonoperating unrestricted gross revenues, gains, and net assets released from restrictions.</p>	\$11,350,000	\$11,350,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2021C (The K-State Athletics, Inc. of Kansas State University 2016D Refunding Project) issued on March 24, 2021, in the original amount of \$6,830,000. Due in annual installments with the final maturity on July 1, 2040. Interest ranging from 2.4% to 2.8% payable semi-annually, collateralized by a pledge of operating and nonoperating unrestricted gross revenues, gains, and net assets released from restrictions.</p>	\$6,830,000	\$6,830,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2019H (K-State Olathe Innovation Campus, Inc 2009L Olathe Refunding Project) issued on September 19, 2020, in the original amount of \$23,275,000. Due in annual installments with the final maturity on September 1, 2039. Interest ranging from 2% to 5% payable semi-annually, collateralized by a pledge of sales tax revenue.</p>	\$18,860,000	\$19,780,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2019C (Kansas State University 2011G Landfill Refunding Project) issued on July 9, 2020, in the original amount of \$2,930,000. Due in annual installments with the final maturity on May 1, 2041. Interest ranging from 3% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$2,345,000	\$2,445,000

Kansas State University

Notes to Financial Statements

For the Year Ended June 30, 2025

	Principal Outstanding <u>June 30, 2025</u>	Principal Outstanding <u>June 30, 2024</u>
<p>Kansas Development Finance Authority Revenue Bonds – Series 2019C (Kansas State University 2011G Housing Refunding Project) issued on July 9, 2020, in the original amount of \$9,545,000. Due in annual installments with the final maturity on May 1, 2041. Interest ranging from 3% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$7,650,000	\$7,990,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2019C (Kansas State University 2009K1 Child Care Refunding Project) issued on July 9, 2020, in the original amount of \$9,545,000. Due in annual installments with the final maturity on May 1, 2041. Interest ranging from 3% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$3,775,000	\$3,970,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2019C (Kansas State University Derby Dining Center Project) issued on July 9, 2020, in the original amount of \$14,465,000. Due in annual installments with the final maturity on May 1, 2044. Interest ranging from 3% to 5% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$12,060,000	\$12,485,000
<p>Kansas Development Finance Authority Direct Placement Revenue Bonds – Series 2017B (Kansas State University Energy Conservation Project – Salina Campus) issued on February 15, 2017, in the original amount of \$2,883,500. Due in annual installments with the final maturity on January 15, 2032. Interest of 2.52% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$1,568,000	\$1,770,500
<p>Kansas Development Finance Authority Revenue Bonds – Series 2016D (The K-State Athletics, Inc. of Kansas State University 2011A-1 Refunding Project) issued on April 5, 2016, in the original amount of \$15,615,000. Due in annual installments with final maturity on July 1, 2031. Interest ranging from 2.4% to 5% payable semi-annually, collateralized by the pledge of revenues of the corporation.</p>	\$7,765,000	\$8,800,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2016D (The K-State Athletics, Inc. of Kansas State University 2012B-1 Refunding Project) issued on April 5, 2016, in the original amount of \$32,495,000. Due in annual installments with final maturity on July 1, 2032. Interest ranging from 2.4% to 5% payable semi-annually, collateralized by the pledge of revenues of the corporation.</p>	\$25,655,000	\$25,880,000

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

	<u>Principal Outstanding June 30, 2025</u>	<u>Principal Outstanding June 30, 2024</u>
<p>Kansas Development Finance Authority Revenue Bonds – Series 2016A (Kansas State University Student Union Project) issued on January 7, 2016, in the original amount of \$24,275,000. Due in annual installments with final maturity on March 1, 2036. Interest ranging from 2.0% to 4.0% payable semi-annually, collateralized by a pledge of the K-State’s unrestricted revenues.</p>	\$15,285,000	\$16,425,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2016A (Kansas State University Seaton Hall Project) issued on January 7, 2016, in the original amount of \$59,000,000. Due in annual installments with final maturity on March 1, 2040. Interest ranging from 2.0% to 4.0% payable semi-annually, collateralized by a pledge of the K-State’s unrestricted revenues.</p>	\$41,255,000	\$43,505,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2016A (Kansas State University 2007H Parking Refunding Project) issued on January 7, 2016, in the original amount of \$14,540,000. Due in annual installments with final maturity on March 1, 2036. Interest ranging from 2.0% to 4.0% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$9,160,000	\$9,840,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2015B (Kansas State University Chill Plant Project) issued on April 30, 2015, in the original amount of \$53,650,000. Due in annual installments with final maturity on May 1, 2035. Interest ranging from 3.0% to 5.0% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$32,365,000	\$34,990,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2015B (Kansas State University 2005A Housing Refunding Project) issued on April 30, 2015, in the original amount of \$800,000. Due in annual installments with final maturity on May 1, 2034. Interest ranging from 3.0% to 5.0% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$445,000	\$490,000
<p>Kansas Development Finance Authority Revenue Bonds – Series 2015B (Kansas State University 2007A Housing Refunding Project) issued on April 30, 2015, in the original amount of \$7,415,000. Due in annual installments with final maturity on May 1, 2037. Interest ranging from 3.0% to 5.0% payable semi-annually, collateralized by a pledge of K-State’s unrestricted revenues.</p>	\$6,635,000	\$6,650,000
<p>Kansas Development Finance Authority Revenue Bonds-Series 2012B-2 (K-State Athletics, Inc. of Kansas State University Project) issued on March 1, 2012, in the original amount of \$23,640,000. Due in annual installments with final maturity on July 1, 2025. Interest ranging from 1.088% to 4.233% payable annually, collateralized by the pledge of revenues of the corporation.</p>	\$2,140,000	\$4,680,000

Kansas State University
Notes to Financial Statements
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	<u>Principal Outstanding June 30, 2025</u>	<u>Principal Outstanding June 30, 2024</u>
Kansas Development Finance Authority Revenue Bonds-Series 2008D (The Kansas Board of Regents – Kansas State University Student Life Center Project, Salina Campus) issued on June 15, 2008, in the original amount of \$1,600,000. Due in one installment from the Trust Estate May 1, 2038. Interest at 5.10% payable semi-annually, collateralized by a pledge of student fees.	\$1,600,000	\$1,600,000

Note 13 – Revenue Bonds Maturity Schedule

Future debt service requirements for all bonds outstanding at June 30, 2025 are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 22,117,500	\$ 14,094,856	\$ 36,212,356
2027	23,067,500	13,154,859	36,222,359
2028	23,828,000	12,166,491	35,994,491
2029	24,833,500	11,172,616	36,006,116
2030	24,774,500	10,149,652	34,924,152
2031-2035	127,847,000	37,215,398	165,062,398
2036-2040	89,440,000	18,266,595	107,706,595
2041-2045	50,125,000	5,544,016	55,669,016
2046-2049	6,045,000	616,200	6,661,200
Total	<u>\$392,078,000</u>	<u>\$122,380,683</u>	<u>\$ 514,458,683</u>

In prior years, K-State defeased certain revenue bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the defeased bonds and the related trust balances are not reflected in the financial statements. Additionally, the above listing does not include unamortized premiums & discounts outstanding.

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Note 14 – Loan Obligations

<u>Loans Payable</u>	Balance Outstanding <u>6/30/25</u>
<p>In November 2017, K-State and the City of Manhattan, Kansas entered into a 15-year financing agreement for the purpose of purchasing the Kansas State University Institute of Commercialization building in the amount of \$4,543,277. Annual lease payments were due beginning November 17, 2016.</p>	\$2,211,275
<p>In March 2022, K-State and KSU Real Estate Fund, LLC entered into a 31-year financing agreement for the purpose of purchasing a residence hall on the Kansas State University Aerospace and Technology campus in the amount of \$9,480,000. Annual lease payments are due beginning May 1, 2024. The liability is limited to the amount of Construction in Progress until the building is constructed.</p>	\$9,135,000
<p>K-State is obligated for the purchase of certain equipment funded through issuance of blanket financing agreements.</p>	\$8,001,634

Loans Payable Maturity Schedule:

<u>Year Ending June 30:</u>	<u>Loan Payments</u>
2026	\$ 2,107,519
2027	2,109,243
2028	2,167,011
2029	1,710,248
2030	1,693,804
2031-2035	2,725,082
2036-2040	1,550,000
2041-2045	1,795,000
2046-2050	2,080,000
2051-2053	1,410,000
Total	<u>\$ 19,347,907</u>

Kansas State University
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Other Loans Payable

In fiscal year 2010, \$2,538,649 of special assessment bonds were issued in Johnson County to pay for the infrastructure of the K-State Olathe Innovation Campus, Inc., with an additional amount issued in fiscal year 2011 of \$427,368. The City of Olathe reevaluated property boundaries used to allocate special assessment bonds, resulting in a decrease in the liability by \$338,105. During the year ended June 30, 2022, K-State Olathe Innovation Campus, Inc. donated 11.58 acres of land to the City of Olathe. As a result, future maturities were amended and the outstanding balance at June 30, 2025 is \$466,315.

K-State Athletics, Inc. has an available \$32,000,000 revolving loan agreement of \$20,000,000 with a banking institution with an interest rate equal to the sum of Term SOFR plus eighty basis points and a maturity at June 30, 2026, of which KSA has an outstanding balance of \$18,000,000 and \$0 at June 30, 2025 and 2024, respectively. Pledged as collateral are assets owned by KSA.

K-State Athletics, Inc. has a non-revolving line of credit with a banking institution with an interest rate equal to the monthly reset term of the secured overnight financing rate plus 1.6 % and a maturity at July 1, 2025, of which KSA has an outstanding balance of \$10,878,675 and \$29,132,875 at June 30, 2025 and 2024, respectively. Pledged as collateral are all uncollected pledges associated with the baseball and soccer capital campaign, and all pledges designated for the Vanier Family Football Complex.

Other Loans Payables summary:

K-State Olathe special assessment bonds	\$	466,315
Athletics Line of Credit		28,878,675
	\$	29,344,990

Note 15 – Retirement Plans

K-State participates in one cost-sharing multiple-employer defined benefit pension plan, one defined contribution pension plan, and one federal pension plan.

Defined Benefit Plan

University Support Staff employees participate in the Kansas Public Employees Retirement System (KPERs). Benefit provisions are established by state statute and provide retirement, disability, and death benefits to benefits eligible employees. See Note 16 for detailed information.

Defined Contribution Plan

Eligible faculty and professional staff employees are required to participate in the Kansas Board of Regents (Regents) defined contribution retirement plan, which was authorized by K.S.A. 74-4925. The Regents have selected the following companies to provide investment options to participants: 1) Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and 2) Voya Financial. Benefits under these plans depend solely on the contributed amounts and the returns earned on the investment of those contributions. All contributions are fully vested with the first contribution.

For the fiscal year ended June 30, 2025, active members were required by statute to contribute 5.5% and the university to contribute 8.5% of the employees' covered payroll. The Kansas Legislature establishes and may amend active plan members' and the university's contribution rates. K-State contributed \$25,329,437 during fiscal year 2025 and \$23,372,052 during fiscal year 2024. Individual employees contributed \$16,314,469 during fiscal year 2025 and \$15,051,573 during fiscal year 2024.

Federal Retirement Plan

Some Cooperative Extension Service employees at K-State participate in federal benefit programs. Prior to December 31, 1986, federal appointees were required to participate in the Federal Civil Service Retirement System (CSRS), a defined benefit plan. CSRS employees are subject to the hospital insurance portion of FICA, the CSRS employee deduction of 7.0%, and the employer contribution of 7.0%.

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The Federal Employees Retirement System (FERS), also a defined benefit plan, was created beginning January 1, 1987. Employees hired after December 31, 1983 were automatically converted to FERS. Other federal employees not covered by FERS had a one-time option to transfer to FERS through December 31, 1987. Current FERS employees contribute 0.8% with an employer contribution rate of 1%. They also participate in a Thrift Savings Plan with an automatic employer contribution of 18.4%. Employees may also contribute to this plan at variable rates, in which case the employer contributes at a variable rate up to 5%. CSRS employees are also eligible for participation in the Thrift Savings Plan, but without employer contributions. Acceptance of new member participation was terminated effective July 1, 1986.

For the fiscal years ended June 30, 2025 and June 30, 2024, K-State contributed \$89,198 and \$135,746 respectively. Individual employees contributed \$34,220 and \$59,294 to these plans for fiscal years 2025 and 2024, respectively.

Voluntary Tax-Sheltered Annuity Program

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

Note 16 – Pension Plan – Kansas Public Employees Retirement System

General Information about the Pension Plan

Plan description: 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 state's 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."

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

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

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Contributions: Member contribution rates are established by state law and are paid by the employee 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 for each of the three statewide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers, which includes the state and the school employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2025.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows: State employees' actuarial employer rate: 9.38%; statutory employer capped rate: 12.57%; Police and firemen actuarial employer rate: 23.10%; statutory employer capped rate: 23.10%. Contributions to the pension plan from K-State were \$4,845,828 for the year ended June 30, 2025.

Member contribution rates as a percentage of eligible compensation in fiscal year 2025 are 6.00% for public employees and 7.15% for police and firemen.

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

At June 30, 2025, K-State reported a liability of \$47,855,079 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. K-State's proportion of the net pension liability was based on the ratio of the university's actual contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup 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 the K-State proportion was 0.69117700%, which was a decrease of 0.0142000% from its proportion measured as of June 30, 2023. At June 30, 2024, K-State Police and Fire Group proportion was 0.1679330%, which was a decrease of 0.0124030% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, K-State recognized pension expense of \$4,240,849. At June 30, 2025, deferred outflows of resources and deferred inflows of resources were reported related to pensions from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Difference between expected and actual experience	\$ 3,100,112	\$ -
Net difference between projected and actual earnings on pension plan investments	416,046	-
Changes in proportionate share	6,682	5,353,764
Changes in assumptions	3,176,822	1,163,645
University contributions subsequent to measurement date	<u>4,845,828</u>	<u>-</u>
Total	<u>\$ 11,545,490</u>	<u>\$ 6,517,409</u>

\$11,545,490 reported as deferred outflows of resources related to pensions resulting from K-State's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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For the Year Ended June 30, 2025

Year ended June 30:	
2025	\$ (1,128,313)
2026	2,456,059
2027	(554,533)
2028	(590,965)
2029	-
Thereafter	-
Total	<u>\$ 182,248</u>

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

Inflation	2.75 percent
Salary increases, including wage increases	3.50 to 15.50 percent, including inflation
investment expense and including price inflation	7.00 percent

Mortality rates were based on the PUB 2010 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-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 and by adding expected inflation. 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	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	0.30
Total	100%	

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from K-State will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

Sensitivity of K-State's proportionate share of the net pension liability to changes in the discount rate: The following presents K-State's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what K-State's 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%)
Proportionate share of the net pension liability	\$ 70,206,517	\$ 47,855,077	\$ 29,134,118

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 17 – Death and Disability OPEB Plan – Kansas Public Employees Retirement System

Description

K-State 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 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.

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

Members covered by benefit terms. At June 30, 2025, the following members were covered by the benefit terms:

Active Members	862
Disabled Members	<u>34</u>
Total	896

Total OPEB Liability

The total OPEB liability of \$2,082,484 was measured as of June 30, 2024 and was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to 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 period 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 cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal 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 2023. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2023 KPERS pension valuation.

Changes in the Total OPEB Liability

Balance at fiscal year-end June 30, 2023	\$ 2,082,484
<u>Changes for the year:</u>	
Service Cost	\$ 102,287
Interest	72,161
Effect of liability gains or losses	48,996
Effect of assumption changes or inputs	(18,401)
Benefit payments	(419,288)
Net changes	<u>(214,245)</u>
Balance at fiscal year-end June 30, 2024	\$ 1,868,239

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

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 K-State, 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:

1% Decrease	Current Discount Rate	1% Increase
2.93%	3.93%	4.93%
\$ 1,934,100	\$ 1,868,239	\$ 1,804,182

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, K-State recognized OPEB expense of \$112,329. At June 30, 2025, K-State 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
Difference between expected and actual experience	\$ 112,028	\$ 282,165
Changes in assumptions	83,727	222,639
Benefit payments subsequent to the measurement date	419,288	-
Total	\$ 615,043	\$ 504,804

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$615,043 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 resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred Outflows (Inflows) of Resources

Year ended June 30:

2026	\$ (62,119)
2027	\$ (58,384)
2028	\$ (45,814)
2029	\$ (40,133)
2030	\$ (50,659)
Thereafter	(51,940)
	\$ (309,049)

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Note 18 – State of Kansas State Employee Retiree and Dental Insurance OPEB Plan

Description

The University participates in a multiple-employer cost-sharing OPEB plan which is administered by the State of Kansas that is used to provide postemployment benefits other than pensions for permanent full-time general employees. The State has not elected to advance fund the OPEB Plan but rather maintains the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds.

Benefits provided

The State provides medical, prescription drug, and dental coverages benefits to all eligible retirees. Retiree spouses are eligible for the same benefits as the retiree. Eligible retirees and their spouses may continue their medical and prescription coverage until age 65. Dental coverage is available for the life of the eligible retiree and their spouse. Medical coverage is provided until Medicare eligibility, after which a retiree can elect Medicare Advantage plan, but will be responsible for 100% of the cost.

Covered Employees

The State plan has the following number of participants covered by the OPEB Plan as of January 1, 2024:

Retired members or beneficiaries currently receiving benefits	9,022
Active members	<u>39,150</u>
Total	48,172

The total covered payroll for the OPEB Plan for the year ended June 30, 2024 (measurement date) was \$2,870,856,209. The University’s portion of the covered payroll for the year ended June 30, 2024 was \$413,588,141, which was 11.661% of the total covered payroll for the OPEB Plan.

Total OPEB Liability

At June 30, 2025 the total OPEB liability recognized by the State of Kansas that was attributable to the University was \$728,899. The plan was measured for the first time for the year ended June 30, 2025 and therefore no liability was recognized at June 30, 2024.

Actuarial assumptions and other inputs. The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, which was rolled forward to June 30, 2024 (the measurement date) for the year ended June 30, 2025, using the following actuarial assumptions:

Price inflation	2.75%
Salary increases	3.50%
Discount rate (based on the Bond Buyer 20-GO Index)	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 4.5%
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
Actuarial cost method	Entry age normal

Mortality rates for active employees was based on the Pub-2010 General Employee Below-Median Mortality Table, set back 1 year for males, Pub-2010 Safety Employee Mortality Table, set forward 1 year for females, projected generationally with Scale MP-2021. Mortality rates for healthy retirees was based on the Pub-2010 General Healthy Annuitant Below-Median Mortality Table, set back 1 year for males, Pub-2010 Safety Healthy Annuitant Mortality Table, set forward 1 year for females, projected generationally with Scale MP-2021. Mortality rates for disabled retirees was based on Pub-2010 Non-

Kansas State University
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For the Year Ended June 30, 2025

Safety Disabled Annuitant Mortality Table, set back 1 year for males, Pub-2010 Safety Disabled Annuitant, set forward 1 year for females, projected generationally with Scale MP-2021.

The majority of the demographic assumptions are the same as used in the KPERS actuarial valuation report as of December 31, 2023.

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 \$728,899. There were no deferred outflows or deferred inflows recognized associated with the OPEB Plan at June 30, 2025.

Changes to the Total State Plan OPEB Liability

Balance at fiscal year-end June 30, 2024		\$	-
<u>Changes for the year:</u>			
Service Cost		\$	-
Interest			-
Changes of benefit terms			6,250,740
Difference between expected and actual experience			-
Changes in assumptions or other inputs			-
Benefit payments			-
Net Changes			<u>6,250,740</u>
Balances at June 30, 2025			<u>\$ 6,250,740.00</u>

The University's portion of the total OPEB Plan liability was \$728,899 at June 30, 2025.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the University's portion of the OPEB liability, calculated using the discount rate of 3.93%, as well as what the University's portion of the 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:

1% Decrease	Current Discount Rate	1% Increase
2.93%	3.93%	4.93%
\$ 765,980	\$ 728,899	\$ 695,708

Sensitivity of the University's OPEB liability to changes in the healthcare cost trend rates

The following presents the University's portion of the OPEB liability, as well as what the University's portion of the 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:

1% Decrease	Current Discount Rate	1% Increase
2.93%	3.93%	4.93%
\$ 92,285	\$ 728,899	\$ 771,437

Kansas State University
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 19 – Asset Retirement Obligations

K-State measures its asset retirement obligations (AROs) based on the best estimate of the current value of costs associated with future retirement activities that are legally required when retiring certain assets. The university measures its estimate based on recent historical costs for similar retirement activities, cost estimates provided by vendors, and other inputs based on review of similar transactions internally and at other institutions. The following summary provides a general description of the major AROs reported on June 30, 2025, as well as a reference to the legal requirements that generated the ARO and the remaining useful life of the associated tangible capital asset:

<u>Description</u>	<u>Asset</u>	<u>Regulation</u>	<u>Remaining useful life</u>	<u>ARO measured at 6/30/2025</u>
Decommission costs, including disposal of radioactive materials, labor, energy & other costs	TRIGA Mark II nuclear reactor teaching facility	10 CFR 50.75, "Reporting & Recordkeeping for Decommissioning Planning"	44 yrs	\$ 1,840,809
				\$ 1,840,809
Total Asset retirement obligations at June 30, 2024				

Deferred outflows of resources relate to the ARO totaled \$1,589,543 as of June 30, 2025. The expected future expense recognition associated with deferred outflows of resources related to the ARO over the next 5 years and thereafter is as follows:

Deferred Outflows (Inflows) of Resources		
Year Ended June 30:		
2026	\$	39,231
2027		39,231
2028		39,231
2029		39,231
2030		39,231
Thereafter		1,393,388
		\$ 1,589,543

Legally required funding and assurance provisions have been met with a statement of intent submitted to the U.S. Nuclear Regulatory Commission (NRC), in compliance with 10 CFR 50.75(e)(1)(iv). The statement assures the NRC that funds for decommissioning will be obtained, when necessary, through a request for a legislative appropriation of funds or other means, to provide funds sufficiently in advance of decommissioning to prevent delay of required activities.

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For the Year Ended June 30, 2025

Note 20 – Pollution Remediation

The following disclosures are made in accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*:

A chemical waste landfill was created with approval of the U.S. Atomic Energy Commission and utilized from the mid-1960's to 1987 as a burying ground for tritium, carbon-14 and other short-lived radioactive elements. The university also disposed of some chemicals at the site from 1979 to 1983. The Kansas Board of Regents approved the plan to clean up the site, which commenced in FY2011 and was completed as of July 2012. Monitoring groundwater, sampling and reporting will continue as mandated by KDHE.

Seven monitoring wells have been installed and a quarterly sampling schedule is in effect related to the removal of diesel and gasoline underground storage tanks at the Ashland Bottoms Agronomy farm in Riley County. All remediation costs are covered by the State through the KDHE Petroleum Storage Tank Release Trust Fund, less a \$4,000 deductible paid by the university. KSU completed the required monitoring period and KDHE closed this file in approximately September 2022.

A 1500 gallon urea ammonium nitrate spill occurred at the Ashland Bottoms Agronomy farm on October 20, 2017. The on-going cleanup is being conducted and paid for by Kansas State University. Expenses to date total \$63,421. Future expenses are estimated at \$2,500.

Note 21 – Commitments and Contingencies

At June 30, 2025, K-State had outstanding commitments on various construction projects and contracts totaling approximately \$1.6 million.

K-State is a defendant in several lawsuits. However, university officials are of the opinion, based on advice of in-house legal counsel, that the ultimate outcome of all litigation will not have a material effect on the future operations or financial position of the university.

As of July 1, 2025, university property was insured with a \$1,000,000 deductible and a maximum policy limit of \$1,000,000,000 for the total of property damage and time element combined at scheduled locations. Coverage extends to buildings, machinery, equipment, and other contents (contents of buildings are covered at 10% of the value of the building) as well as business interruption. Property insurance is currently arranged through FM. K-State, as an agency of the State of Kansas, is covered by the Kansas Tort Claims Act, which generally limits the university's liability for general liability and personal injury claims to \$500,000 for any number of claims arising out of a single occurrence or event. K-State does not carry separate comprehensive general liability or personal injury insurance for the university as a whole. K-State is also covered by the Regent's insurance policy for automobile liability. Other insurance the university carries includes professional liability coverage for doctors at the university's student health center; coverage for employee crime and theft for the Division of Financial Services; Aviation Insurance to cover the liability and operations of K-State Polytechnic; coverage for some mobile equipment through an Inland Marine policy, and cybersecurity coverage has been procured in cooperation with the Kansas Board of Regents for K-State and its controlled corporations and affiliates. Additionally, the university purchases international liability insurance and International Travel Accident insurance, and assistance services.

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

Kansas State University
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Note 22 – Component Unit Disclosures

Discretely Presented Component Unit

Kansas State University Foundation (the Foundation) – The purpose of the Foundation is to encourage, receive and hold in trust any real or personal property given for the use of K-State, its faculty and students; and to invest, disburse, manage and control all such gifts in accordance with donor intent and to provide those services to K-State which are not or cannot be provided through state appropriations or student fees. Due to the differences between K-State and the Foundation’s reporting models, the Foundation’s financial statements are separately presented immediately following K-State’s statements, with no modifications.

The Foundation’s endowment consists of approximately 4,500 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). In accordance with generally accepted accounting principles, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The following is the composition of net assets by type of endowment fund, excluding associated liabilities under split-interest agreements as of June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted endowments	-	\$ 678,166,846	\$ 678,166,846
Accumulated investments gains	-	196,586,293	196,586,293
Board designated endowments	21,652,157	-	21,652,157
Board policy designated to address underwater endowments	39,131,331	-	39,131,331
Term endowments	-	111,783,631	111,783,631
Net Assets	<u>\$ 60,783,488</u>	<u>\$ 986,536,770</u>	<u>\$ 1,047,320,258</u>

Kansas State University
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The Foundation's investments include debt and equity securities for liquidity, donated assets and real estate, as well as a managed portfolio of long-term investments. The Foundation's investments at June 30, 2025 were as follows:

	June 30, 2024	2024 Fair Value Measurements		
		Level 1	Level 2	Level 3
Investments by fair value level				
Equity securities	\$ 156,307,714	\$ 156,307,714	\$ -	\$ -
Mutual funds	82,540,547	82,540,547	-	-
U.S. Government and agency obligations	75,621,378	-	75,621,378	-
Corporate bonds	59,754	-	59,754	-
Futures contracts	-	-	-	-
Closely held common stock	170,499,359	-	-	170,499,359
Real estate held for investment	142,772,349	-	-	142,772,349
Total investments by fair value level	<u>\$ 627,801,101</u>	<u>\$ 238,848,261</u>	<u>\$ 75,681,132</u>	<u>\$ 313,271,708</u>
Investments measured at the net asset value (NAV)				
Absolute return hedge funds	\$ 216,513,020			
Equity securities	322,625,726			
Venture capital	125,627,202			
Domestic private equity	116,418,666			
International private equity	22,672,317			
Private capital distressed debt	20,996,726			
Natural resources	35,673,054			
Fixed income	38,024,231			
Other securities and investments	15,997			
Real estate funds	34,984,101			
Total investments measured at the NAV	<u>\$ 933,551,040</u>			
Total investments	<u>\$ 1,561,352,141</u>			

For the fiscal year ended June 30, 2025, the total return of the Endowment Pool was 6.63%.

Kansas State University
Notes to Financial Statements
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The Foundation holds certain assets for the benefit of K-State which do not provide a market rate of return on funds invested. Some examples of these investments include:

University Real Estate Fund – Certain real estate holdings vital to the mission of K-State were purchased and are held for current and potential university use.

Smith Scholarship House – The Foundation has provided the building rent-free in order to maintain the house in operation for the benefit of the students.

Holiday Inn – The hotel located adjacent to the university was built on land acquired by the Foundation to meet the needs of public lodging and service facilities close to the university.

Faculty and Accommodation Loans – The Foundation provides faculty loans at favorable interest rates to K-State faculty and staff to enable them to conduct business travel pending reimbursement from the university. Non-interest-bearing accommodation loans are available to faculty and staff when their salary payment cannot be processed by the university by payday.

Blended Component Units

Transactions between K-State and the following blended units have been eliminated from the financial statements. All other balances and transactions are blended with those of K-State and reported as if they were balances and transactions of the university.

K-State Olathe Innovation Campus, Inc. (Olathe) – On the Statement of Revenues, Expenses and Changes in Net Position, the Change in Net Position is recorded as \$994,758. Payments were made to K-State and its affiliates totaling \$4,204,623 during the fiscal year ending June 30, 2025. Investments held by Olathe at fiscal year-end total \$12,395,015.

K-State Italy – Revenues received from K-State totaled \$92,479.

K-State Athletics, Inc. (Athletics) – K-State owns all land used by Athletics, and any purchases and/or construction of permanent real property (i.e. buildings, land and improvements) on the land are recorded as leasehold improvements. On the Statement of Revenues, Expenses and Changes in Net Position, the Change in Net Position is recorded as \$12,130,964. Payments made to K-State and its affiliates totaled \$22,049,703 during the fiscal year ending June 30, 2025. Revenue received from K-State was \$9,074,208. Investments held by Athletics at fiscal year-end totaled \$50,436,869 on the Statement of Net Position. Net pledges receivable, which consist of unconditional promises to give cash and other assets, totaled \$36,799,806. Pledges are accrued at estimated fair value at the date each promise is received. An allowance for doubtful collections is estimated by identifying specific pledges that are in doubt and applying a historical percentage to the remaining pledges.

Kansas State University Research Foundation (KSURF) – As of June 30, 2025, KSURF had investments totaling \$13,855,385 on the Statement of Net Position. The Change in Net Position on the Statement of Revenues, Expenses and Changes in Net Position for KSURF totaled \$699,850 for the fiscal year.

Kansas State University Veterinary Clinical Outreach, Inc. (KSUVCO) – The Change in Net Position is \$2,209,244 on the June 30, 2025 Statement of Revenues, Expenses and Change in Net Position.

Diagnostic Services of Kansas State, Inc (KSDS) - The Change in Net Position is \$1,433,021 on the June 30, 2025 Statement of Revenues, Expenses and Change in Net Position.

The K-State Union Corporation (the Union) – The Union is operated from facilities owned by K-State without charge. Included in the Change in Net Position amount of \$473,158 on the June 30, 2025 Statement of Revenue, Expenses and Change in Net Position are revenues received from K-State and related entities in the amount of \$3,042,227. Investments at fiscal year-end total \$41,267 on the Statement of Net Position.

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Note 23 – Operating Expenses by Natural Classification

	Compensation & Benefits	Supplies & Other Services	Utilities	Scholarships & Fellowships	Depreciation	Total
Instruction	\$ 159,653,416	\$ 27,928,460	\$ 5,750	\$ -	\$ -	\$ 187,587,626
Research	168,635,674	69,299,046	1,215,560	-	-	239,150,280
Public Service	86,512,931	35,506,832	304,450	-	-	122,324,213
Academic Support	42,390,953	17,831,745	954	-	-	60,223,652
Student Service	19,528,674	7,949,057	777	-	-	27,478,508
Institutional Support	38,140,182	22,557,988	13,897	-	-	60,712,067
Operations and Maintenance of Plant	18,240,444	28,766,959	11,954,342	-	-	58,961,745
Depreciation & Amortization	-	-	-	-	72,756,076	72,756,076
Scholarships and Fellowships	-	-	-	21,950,753	-	21,950,753
Auxiliary Enterprises	79,870,690	42,397,759	4,042,681	-	-	126,311,130
Other	-	88,139	-	-	-	88,139
Total Operating Expenses	\$ 612,972,964	\$ 252,325,985	\$ 17,538,411	\$ 21,950,753	\$ 72,756,076	\$ 977,544,189

Note 24 – Change in Accounting Principle

During fiscal year 2025, the University implemented GASB Statement No. 101, Compensated Absences. The new statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is required to be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The impact of this new standard is not material and balances reported in previous periods were not changed as a result of the implementation of this new standard.

Note 25 – Subsequent Events

No subsequent events to report.

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.

Kansas State University
Annual Financial Report
For the fiscal year ended June 30, 2025
is available at:

<http://www.k-state.edu/finsvcs/financialreporting/annual-financial-reporting/>

Kansas State University prohibits discrimination on the basis of race, color, ethnicity, national origin, sex (including sexual harassment and sexual violence), sexual orientation, gender identity, religion, age, ancestry, disability, genetic information, military status, or veteran status, in the University's programs and activities as required by applicable laws and regulations. The person designated with responsibility for coordination of compliance efforts and receipt of inquiries concerning nondiscrimination policies is the University's Title IX Coordinator: the Director of the Office of Institutional Equity, equity@k-state.edu, 828 Mid-Campus Drive, Kedzie Hall, Suite 220A, Kansas State University, Manhattan, Kansas 66506-4801, 785-532-6220. The campus ADA Coordinator is the Director of Employee Relations, charlott@k-state.edu, who may be reached at 111 Dykstra Hall, Kansas State University, Manhattan, Kansas 66506-4801, 785-532-6277.



APPENDIX C

DEBT SERVICE REQUIREMENTS

The table below shows the principal and interest payable annually, net of capitalized interest, on the debt obligations of the University that are or may be payable from Revenues, including the Bonds.

Fiscal Year Ending June 30,	Prior Obligations ⁽¹⁾		Series 2026D Bonds		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	
2026	\$17,412,500	\$10,871,891	\$	\$	\$
2027	18,182,500	10,140,130			
2028	18,758,000	9,367,938			
2029	19,593,500	8,575,462			
2030	19,369,500	7,754,024			
2031	20,070,500	7,060,753			
2032	20,816,500	6,357,818			
2033	21,495,000	5,676,306			
2034	18,935,000	5,026,256			
2035	17,265,000	4,411,494			
2036	14,000,000	3,866,269			
2037	10,960,000	3,431,650			
2038	10,505,000	3,129,763			
2039	10,830,000	2,845,763			
2040	7,925,000	2,552,131			
2041	6,300,000	2,356,063			
2042	5,705,000	2,205,363			
2043	5,890,000	2,067,013			
2044	6,075,000	1,927,663			
2045	1,750,000	1,787,263			
2046	1,815,000	1,776,063			
2047	1,885,000	1,762,363			
2048	1,955,000	1,751,013			
2049	2,030,000	1,736,444			
2050	440,000	59,006			
2051	455,000	45,256			
2052	470,000	31,038			
2053	<u>485,000</u>	<u>15,763</u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$281,373,000</u>	<u>\$108,587,953</u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

⁽¹⁾ For a description of the Prior Obligations included in this table (the Series 2015B Bonds, the Series 2016A Bonds, the Series 2017B Bonds, the Series 2019C Bonds, the Series 2021A Bonds, the Series 2022A-1 Bonds, the Series 2022D Bonds, and the Series 2024F Bonds), see the caption "FINANCIAL INFORMATION—University Debt Obligations—*Obligations Payable from Revenues Pledged*" in Appendix A to the Official Statement.

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APPENDIX D

SUMMARY OF PRINCIPAL FINANCING DOCUMENTS

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APPENDIX D

SUMMARY OF PRINCIPAL FINANCING DOCUMENTS

The following are summaries of certain provisions of the Bond Resolution and the Pledge Agreement, as well as definitions of certain terms used therein and in this Official Statement. The summaries do not purport to be complete, and reference is made to the full text of the Bond Resolution and the Pledge Agreement, respectively, for a complete recital of their terms, as well as a complete recital of the defined terms used therein.

DEFINITIONS

In addition to the words and terms defined elsewhere in this Official Statement, the following words and terms as used in the Bond Resolution, the Pledge Agreement and the Disclosure Undertaking shall have the following meanings, unless some other meaning is plainly intended:

“Act” means K.S.A. 74-8901 et seq. and Chapter 117, Section 175(f) of the 2025 Session Laws of Kansas, all as may be amended and supplemented.

“Annual Budget” means the budget required by the Pledge Agreement.

“Authority” means the Kansas Development Finance Authority, a public body politic and corporate and an independent instrumentality of the State organized and existing under the laws of the State.

“Authorized University Representative” means the President, the Vice President of Administration and Finance, the Chief Financial Officer, the Associate Vice President of Financial Services or the Director of Operations of the University, or such other person at the time designated by the President to act on behalf of the University.

“Beneficial Owner” of the Bonds includes any Owner of the Bonds and any other Person who directly or indirectly has the investment power with respect to such Bonds.

“Board” means the Board of Regents of the State of Kansas, as provided for in Article 6 of the Constitution and in the statutes of the State, or, if said Board shall be abolished, the board, body, commission or authority succeeding to the principal functions thereof or to whom the powers given under K.S.A. 76-6a12 to 76-6a25, inclusive, or K.S.A. 74-3201a *et seq.* to the Board shall be given by law.

“Bond” or **“Bonds”** means the Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project) dated the Closing Date, authorized and delivered under the Bond Resolution.

“Bond Counsel” means the firm of Gilmore & Bell, P.C. or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Authority.

“Bond Registrar” means the State Treasurer, and any successors and assigns.

“Bond Resolution” means jointly, Bond Resolution No. 428, as amended and supplemented, and any Supplemental Bond Resolutions adopted in accordance with the provisions of Bond Resolution No. 428.

“Business Day” means a day which is not a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature and on which banks in the State are not authorized to be closed.

“Change of Circumstances” means that as a result of changes in the Constitution, or legislation adopted or imposed by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Pledge Agreement shall become void or unenforceable, or impossible of

performance without unreasonable delay, or in any other way, by reason of such changes of circumstances, unreasonable burdens or excessive liabilities are imposed upon the University.

“Closing Date” means the date of delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations (whether proposed, temporary or final) under the Code and the statutory predecessor of the Code, and any successor provisions to the provisions of the Code and those regulations and any official rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds.

“Costs of Issuance” means any and all expenses of whatever nature incurred in connection with the issuance and sale of the Bonds, including but not limited to bond and other printing expenses, costs associated with obtaining bond insurance, administrative fees, fees of the Bond Registrar and Paying Agent, legal fees and expenses of Bond Counsel and other legal counsel, underwriting discount and any other fees of the original purchaser, fees of the financial advisor and any expenses incurred in connection with determining yield on the Bonds, or investment of the proceeds of the Bonds.

“Costs of Issuance Account” means the Costs of Issuance Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project) authorized and established in the Bond Resolution.

“Debt Service Requirements” means, for the period of time for which calculated, the aggregate principal payments (whether at maturity, or upon mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest payments required to be made during such period on Outstanding Indebtedness; provided that such payments shall be excluded from Debt Service Requirements to the extent that such payments were paid or are payable from Escrowed Deposits deposited in trust, escrowed or otherwise set aside for such payment or are payable from the proceeds of refunding Indebtedness or other Indebtedness (*e.g.*, accrued and capitalized interest).

“Defeasance Obligations” means:

- (a) cash; or
- (b) Investment Obligations described in *Sections (a), (f), (j)(1), (j)(2) and (j)(3)* of the definition thereof, which are not subject to redemption or repayment in whole or in part in advance of their maturity, except at the option of the holder thereof.

“Disclosure Undertaking” means the Continuing Disclosure Undertaking dated as of April 1, 2026, executed and delivered by the University, as may be amended from time to time, relating to certain matters within the scope of the SEC Rule, in accordance with its terms.

“DTC” means the Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depository duly appointed.

“Escrowed Deposits” means Defeasance Obligations (including, where appropriate, the earnings or other increment to accrue thereon) that are irrevocably deposited in trust or in escrow with the Paying Agent or a third party escrow agent and are required to be applied to pay all or a portion of the principal of, redemption premium, if any, and interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding and provided that such amounts so required to be applied are sufficient to pay such principal, redemption premium, if any, and interest on such Indebtedness.

“Event of Default” with respect to the Bond Resolution means one of the following events:

- (a) Default by the Authority in the due and punctual payment of any interest on any Bond;
- (b) Default by the Authority in the due and punctual payment of the principal of or redemption premium, if any, on any Bond;
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in the Bond Resolution or in the Bonds contained, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the Authority by (1) the University or (2) the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is initiated by the Authority within such period and diligently pursued until such default is corrected; or
- (d) An Event of Default (as defined in the Pledge Agreement) by the University has occurred.

“Event of Default” with respect to the Pledge Agreement, means one of the following events:

- (a) the transfers required to be made to the Principal and Interest Account pursuant to the Pledge Agreement shall not be made as required; or
- (b) the University shall for any reason be rendered incapable of fulfilling its obligations under the Pledge Agreement; or
- (c) failure of the University to pay any installment of interest or principal, or any redemption premium, on any Indebtedness when the same shall become due and payable, whether at maturity or upon any date fixed for prepayment or by acceleration or otherwise; or
- (d) failure of the University to observe or perform any of the other covenants, conditions or provisions of the Pledge Agreement (other than the covenants relating to continuing disclosure) or to make any other payment required to be made under the Pledge Agreement and failure to remedy such default after written notice thereof from the Authority to the University; provided that if such default is correctable, it shall not constitute an Event of Default if corrective action is promptly instituted by the University and diligently pursued until the default is corrected, provided that such default is remedied in not more than 180 days, unless an extension is approved by the Authority, which approval shall not be unreasonably withheld; or
- (e) any representation or warranty made by the University in the Pledge Agreement or any other Transaction Document or in any statement or certificate furnished by the University to the Authority or the original purchaser in connection with the sale of any Bonds, or furnished by the University pursuant to the Pledge Agreement, which proves untrue in any material respect as of the date of the issuance or making thereof and shall not be made good within 180 days after written notice thereof to the University by the Authority; or
- (f) default (other than the payment of any installment of interest or principal, or any redemption premium) under any mortgage, agreement or other instrument under or pursuant to which any Indebtedness in excess of \$500,000 is issued, and continuance of such default beyond the period of grace, if any, allowed with respect thereto; or
- (g) admission by the University of insolvency or bankruptcy or its inability or failure to pay its debts as they become due, or the University makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the University; or
- (h) appointment by a court of competent jurisdiction of a trustee, custodian or receiver for the University and failure to obtain discharge of such within 60 days after such appointment; or

(i) institution of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors by or against the University (other than bankruptcy proceedings instituted by the University against third parties), and, if instituted against the University, allowance against the University or the University consents to such proceedings or fails to obtain dismissal, stay or other nullification within 60 days after such institution.

“Fiscal Year” means the period commencing on July 1 of any year and ending on June 30 of the following year, and numbered for the year in which it ends.

“Funds and Accounts” means any of the funds and accounts authorized and established in the Bond Resolution, or authorized and established by any Supplemental Bond Resolution.

“Government Obligations” means obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America.

“Indebtedness” means (a) the Bonds and (b) all other indebtedness or obligations payable from the Revenues; provided that Indebtedness shall not include any portion of any Indebtedness that is payable from Escrowed Deposits and is deemed to be discharged or defeased in accordance with the terms of the instrument or instruments creating or evidencing such Indebtedness.

“Interest Payment Dates” means May 1 and November 1 of each year, commencing November 1, 2026.

“Investment Obligations” means,

- (a) Government Obligations;
- (b) Obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. government including, but not limited to:

- (1) Federal Home Loan Mortgage Corp. (FHLMC)
Senior debt obligations
- (2) Federal National Mortgage Association (FNMA)
Senior debt obligations
- (3) Federal Home Loan Banks (FHL Banks)
Senior debt obligations
- (4) Resolution Funding Corp. (REFCORP)
Debt obligations;

(c) Federal funds, unsecured certificates of deposit, time deposits, and banker’s acceptances (having maturities of not more than 360 days after date of purchase) of any domestic commercial bank, the short-term obligations of which are rated not lower than “A-1” by S&P or not lower than “P-1” by Moody’s;

(d) Deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC), including Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF) or collateralized by Government Obligations;

(e) State or municipal debt obligations rated in the same or higher Rating Category as Government Obligations by Moody's and S&P (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(f) Pre-refunded municipal obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and which are rated based on an irrevocable escrow account or fund (the "escrow"), in the same or higher Rating Category as the full faith and credit of the United States of America by S&P and Moody's or any successors thereto;

(g) Commercial paper rated not lower than "A-1" by S&P or not lower than "P-1" by Moody's, maturing in not more than 270 days after the date of purchase;

(h) Investment in money market funds rated in one of the two highest categories by at least one nationally recognized statistical rating organization;

(i) Repurchase agreements:

(1) with a term of not more than 365 days with any transferor which has an unsecured, uninsured and unguaranteed short-term obligation rating not lower than "A-1" by S&P or not lower than "P-1" by Moody's, or guaranteed by a parent corporation or holding company of the transferor with an uninsured, unsecured and unguaranteed short-term obligation rating meeting such requirements; or

(2) with a term of greater than 365 days with any transferor which has an unsecured, uninsured and unguaranteed short-term obligation rating not lower than "AA-" by S&P or not lower than "Aa3" by Moody's, or guaranteed by a parent corporation or holding company of the transferor with an uninsured, unsecured and unguaranteed short-term obligation rating meeting such requirements;

(j) Stripped securities:

(1) United States Treasury STRIPS,

(2) REFCORP STRIPS (stripped by the Federal Reserve Bank of New York),

(3) Financing Corp. (FICO) STRIPS (stripped by the Federal Reserve Bank of New York which have CUSIP prefixes 317705, 31771J, and 31771K) and

(4) Any stripped securities assessed or rated "AAA" by S&P or "Aaa" by Moody's;

(k) Investments in the Municipal Investment Pool Fund pursuant to K.S.A. 12-1677a;

(l) Investment agreements with a financial institution or entity, government securities dealer, insurance company, financial corporation or similar organization (jointly, a "Provider"), which has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated not lower than "AA-" by S&P or not lower than "Aa3" by Moody's, or guaranteed by a parent corporation or holding company of the Provider with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements; and

(m) Any other investments authorized by State law that will not adversely affect the then current ratings on the Bonds by S&P and Moody's, if any.

“Legislature” means the Legislature of the State created in Article 2 of the Kansas Constitution.

“Moody’s” means Moody’s Ratings, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with notice to the University.

“Outstanding” means:

(a) when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

(1) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation pursuant to the Bond Resolution;

(2) Bonds for the payment or redemption of which moneys or investments have been deposited with the Paying Agent in accordance with the provisions of the Bond Resolution;

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Bond Resolution;

(4) for purposes of any consent or other action to be taken by the Owners of a specified percentage of Bonds under the Bond Resolution or the Pledge Agreement, Bonds owned or held by or for the account of the Authority, the University or any Person controlling, controlled by or under common control with either of them; and

(5) Bonds for which Defeasance Obligations have been deposited in accordance with the Bond Resolution; and

(b) when used in connection with Indebtedness other than Bonds, all Indebtedness except Indebtedness with respect to which the obligation to make payments has been discharged in accordance with the terms of the instrument or instruments creating or evidencing such Indebtedness.

“Owner” means the registered owner of any Bond as shown on the bond register maintained by the Bond Registrar.

“Participant” means brokers, dealers, banks and other financial institutions and other Persons for whom from time to time DTC effects book-entry transfers and pledges of securities deposited with DTC.

“Paying Agent” means the State Treasurer, and any successors and assigns.

“Payment Date” means each Principal Payment Date and each Interest Payment Date.

“Pledge Agreement” means the Pledge of Revenues Agreement dated as of April 1, 2026 between the University and the Authority, and any agreement or agreements duly executed by the University and the Authority amending or supplementing the Pledge Agreement.

“Pooled Money Investment Board” means the pooled money investment board of the State of Kansas established pursuant to K.S.A. 75-4221a.

“Principal and Interest Account” means the Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project) authorized and established in the Bond Resolution.

“Principal Payment Date” means May 1 of each year, including each May 1 on which principal shall have been called for mandatory sinking fund payment, commencing May 1, 2027.

“Project” means the construction, renovation, development and equipping of the animal science arena, agronomy research and innovation center, global center for grain and food innovation, Call Hall and Weber Hall on the Manhattan campus of the University, as authorized by Chapter 117, Section 175(f) of the 2025 Session Laws of Kansas.

“Project Account” means the Project Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project), authorized and established in the Bond Resolution.

“Project Costs” means costs permitted under the Act (and the Code, if applicable) to be paid out of proceeds of the Bonds or other available funds with respect to the Project, including the total of all reasonable or necessary expenses incidental to the acquisition, construction, reconstruction, repair, alteration, equipping, improvement and extension of the Project, including without limitation: the expenses of studies and surveys, land title and mortgage title policies, architectural and engineering services and the cost of legal, organization or marketing services; financial and underwriting fees and expenses; the cost of acquiring or demolishing existing structures and developing the site of and constructing and equipping new facilities constituting a part of the Project; rehabilitating, reconstructing, repairing, remodeling or equipping existing facilities, including removal of any hazardous materials, constituting a part of the Project; and all other necessary and incidental expenses, including interest during construction on Bonds issued to finance the Project to a date not greater than six months subsequent to the estimated date of completion thereof, and any other costs permitted by the Act.

“Rating Agency” means Moody’s and any other company, agency or entity that provides ratings for the Bonds.

“Rating Category” shall mean a generic securities rating category assigned by a Rating Agency, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

“Rebate Account” means the Rebate Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project) authorized and established in the Bond Resolution.

“Record Date” means the 15th day (whether or not a Business Day) of the calendar month next preceding the month in which an interest payment on any Bond is to be made.

“Restricted Revenues” means (i) fees, funds and other revenues restricted to a use other than payment of debt service on the Bonds by enactment of the Legislature, (ii) fees, funds and other revenues specifically pledged to secure the payment of revenue obligations of the Board or the University that are not available for payment of debt service on the Bonds, and (iii) gifts, fees and other revenues restricted by the donor, the Board or the University to a use other than payment of debt service on the Bonds.

“Revenues” means all revenues of the University, excluding Restricted Revenues.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with notice to the University.

“SEC Rule” means Rule 15c2-12 of the Securities and Exchange Commission, an agency of the United States Government.

“State” means the State of Kansas.

“State Treasurer” means the Treasurer of the State of Kansas or, if the functions and duties of the State Treasurer under the Bond Resolution shall be given by law to any other person or entity, such person or entity.

“Supplemental Bond Resolution” means any resolution supplemental or amendatory to the Bond Resolution adopted by the Authority pursuant to the Bond Resolution.

“Supplemental Pledge Agreement” means any agreement supplemental or amendatory to the Pledge Agreement executed by the Authority and the University pursuant to the terms of the Pledge Agreement.

“Tax Compliance Agreement” means the Tax Compliance Agreement, dated as of April 1, 2026, between the Authority and the University, relating to certain matters within the scope of the Code, as the same may be amended or supplemented in accordance with its terms.

“Transaction Documents” means the Bond Resolution, the Bonds, the Pledge Agreement, the Official Statement, the Tax Compliance Agreement, the Disclosure Undertaking and any and all other documents or instruments that evidence or are a part of the transactions referred to in the Bond Resolution or in this Official Statement or contemplated by the Bond Resolution or this Official Statement; and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing; provided, however, that when the words “Transaction Documents” are used in the context of the authorization, execution, delivery, approval or performance of Transaction Documents by a party thereto, the same shall mean only those Transaction Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

“Trust Estate” means:

(a) All right, title and interest of the Authority in, to and under the Pledge Agreement; provided that the pledge and assignment made by the Bond Resolution shall not impair or diminish the obligations of the Authority under the provisions of the Pledge Agreement; and

(b) All moneys and securities from time to time held under the terms of the Bond Resolution (excluding funds held in or accruing to the Rebate Account), including, without limitation, Bond proceeds and income from the temporary investment thereof and proceeds from insurance and condemnation awards, any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security for the Bonds by the Authority.

“University” means Kansas State University.

SUMMARY OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution. This summary does not purport to be complete, and reference is made to the full text of the Bond Resolution for a complete recital of its terms, as well as a complete recital of the defined terms used therein.

Security for the Bonds; Limited Nature of Obligations

The principal of, redemption premium, if any, and the interest on the Bonds shall be special limited obligations of the Authority payable solely from a pledge by the Authority of the Trust Estate, in favor of the Owners of the Bonds, as provided in the Bond Resolution.

The Bonds are equally and ratably secured with respect to the payment of principal of, redemption premium, if any, and interest from the Trust Estate and in all other respects with any other Bonds issued under the Bond Resolution. The covenants and agreements of the University and the Authority contained in the Bond Resolution, the Pledge Agreement and in the Bonds shall be for the equal benefit, protection, and security of the legal Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds pledged in the Bond Resolution to the payment of the principal of, redemption premium, if any, and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution.

The Bonds do not constitute a debt or liability of the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and do not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The Authority has no taxing power.

No provision, covenant or agreement contained in the Bond Resolution, the Pledge Agreement or the Bonds, or any obligation therein imposed upon the Authority, or the breach thereof, shall constitute or give rise to or impose upon the Authority a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in the Bond Resolution, the Authority has not obligated itself except with respect to the Pledge Agreement and the application of the Revenues and receipts therefrom as provided in the Bond Resolution. Neither the officers, directors, agents or employees of the Authority nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Pledge of Trust Estate

The Authority pledges the Trust Estate for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Funds and Accounts

There have been authorized and established pursuant to the Bond Resolution, with the State Treasurer, the following separate Funds and Accounts:

- (1) Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project), which shall constitute a special revenue fund pursuant to the Act.
- (2) Costs of Issuance Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project).
- (3) Project Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project).

There has also been authorized and established pursuant to the Bond Resolution in the name of the Authority, the Rebate Account for Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project).

The Funds and Accounts established pursuant to the Bond Resolution described in the first paragraph above shall be maintained and administered by the State in the custody of the State Treasurer on behalf of the University and the Authority solely for the purposes and in the manner as provided in the Bond Resolution. The Rebate Account established pursuant to the Bond Resolution described in the second paragraph above shall be maintained and administered by the Authority in accordance with the provisions of the Bond Resolution.

Disbursements from the Project Account

The moneys in the Project Account shall be disbursed for the payment of Project Costs in accordance with the provisions of the Pledge Agreement.

Pursuant to the Pledge Agreement, the Authority shall cause the University to keep and maintain adequate records pertaining to the Project Account and all receipts into and disbursements therefrom, and upon the request of the Authority shall make such records available to the Authority. After the Project has been completed and payment of all costs and expenses incident thereto shall be evidenced by the filing of a certificate of completion as provided in the Pledge Agreement, the Authority shall cause the University to make available a final statement of receipts and disbursements for the Project Account.

Disposition of Moneys in the Project Account Upon Completion of the Project

The completion of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Authority by the University of the certificate of completion required by the Pledge Agreement. As soon thereafter as practicable, any balance remaining in the Project Account (other than amounts retained by the University referred to in said certificate and amounts required to be deposited into the Rebate Account), without further authorization, shall be deposited in the Principal and Interest Account.

Principal and Interest Account

Except as provided in the two immediately succeeding paragraphs, moneys in the Principal and Interest Account shall be expended solely for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same mature and become due or upon the redemption thereof prior to maturity and to provide sufficient funds to pay the fees of the Bond Registrar and Paying Agent when the same become due. The Authority authorizes and directs the withdrawal of sufficient funds from the Principal and Interest Account for the purposes set forth in this paragraph not later than the Business Day preceding the Payment Date and to make said funds so withdrawn available to the Paying Agent for such purposes.

The Authority, upon written direction of the University, shall use any moneys in the Principal and Interest Account to redeem all or part of the Bonds Outstanding, and to pay interest accrued thereon prior to such redemption, in accordance with and to the extent permitted by the Bond Resolution so long as the University is not in default with respect to any payments under the Pledge Agreement and to the extent said moneys are in excess of the amount required for payment of such Bonds theretofore matured or called for redemption and any unpaid past due interest in all cases when such Bonds have not been presented for payment. The University may cause such excess money in the Principal and Interest Account or such part thereof or other moneys of the University to be applied by the Authority for the purchase of Bonds in the open market for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery for cancellation.

Any amount remaining in the Principal and Interest Account after the payments on the Bonds shall have been paid in full or provision made therefor in accordance with the provisions of the Bond Resolution, shall be transferred to the University.

Costs of Issuance Account

Moneys held in the Costs of Issuance Account shall be used by the Authority on behalf of the University to pay Costs of Issuance. Any moneys remaining in the Costs of Issuance Account 30 days prior to the initial Payment Date shall be transferred to the Principal and Interest Account, as provided in the Bond Resolution.

Rebate Account

There shall be deposited in the Rebate Account such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. All money at any time deposited in the Rebate Account shall be held in trust, to the extent required to pay rebatable arbitrage to the United States. No Owner of any Bonds shall have any rights in or claim to such money. Computations of rebatable arbitrage shall be performed by or on behalf of the Authority in accordance with the Tax Compliance Agreement. Pursuant to the Tax Compliance Agreement and the Pledge Agreement, the Authority shall remit rebate installments and the final rebate payments to the United States from moneys in the Rebate Account (including any moneys required to be deposited therein by the University). The Authority shall not have any obligation to pay any amounts required to be rebated pursuant to the Bond Resolution and the Tax Compliance Agreement, other than from moneys held in the Rebate Account or otherwise provided by the University. Any moneys remaining in the Rebate Account after redemption and payment of the Bonds and payment and satisfaction of any rebatable arbitrage, or provision made therefor, shall be applied for any lawful purpose at the direction of the University.

Investment of Moneys

Except as hereinafter provided under this caption "Investment of Moneys", moneys held for the credit of the Funds and Accounts authorized and established in the Bond Resolution shall, pursuant to the written approval of the Authorized University Representative be invested and reinvested by the Authority in Investment Obligations which shall mature, or which shall be subject to redemption by the owner thereof at the option of such owner, not later than the dates when the moneys held for the credit of said Funds or Accounts will be required for the purposes intended; provided, however, that such moneys shall not be invested in such manner as will violate the provisions of the Bond Resolution.

Investment Obligations so purchased as an investment of money in any such Fund or Account shall be deemed at all times to be a part of such Fund or Account. Investment earnings on all Funds and Accounts (except the Project Account, the Costs of Issuance Account and amounts required to be deposited into the Rebate Account in accordance with the Tax Compliance Agreement) shall be credited to such Fund or Account, except required deposits to any rebate account established pursuant to a Supplemental Bond Resolution, and any loss resulting from any such investment shall be charged to such Fund or Account. Investment earnings on investments held in the Project Account and the Costs of Issuance Account (except required deposits to the Rebate Account) shall be transferred to the Principal and Interest Account. Whenever the cash balance in any Fund or Account is insufficient for the purposes of such Fund or Account, a sufficient amount of Investment Obligations therein shall be sold and reduced to cash. In determining the balance in any Fund or Account, the Authority shall determine the Value of Investment Obligations in such Fund or Account as frequently as deemed necessary by the Authority, but not less frequently than annually nor more frequently than monthly. Neither the State Treasurer, the Authority, the University, the Pooled Money Investment Board nor any member, employee or officer thereof shall be liable or responsible for any loss resulting from any such investment.

Money held for the credit of the Funds and Accounts authorized and established in the Bond Resolution may be invested in conformity with any applicable statute through the Pooled Money Investment Board or other instrumentality of the State, subject to the provisions of the Bond Resolution to the extent such provisions are not in conflict with any such statute.

Tax Covenants

The Authority covenants and agrees that to the extent within its power and control, (1) it will comply with all applicable provisions of the Code, including §§103 and 141 through 150, necessary to maintain the excludability from gross income for federal income tax purposes of the interest on the Bonds, and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the Authority nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the excludability from federal gross income of the interest on the Bonds. The Authority will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excludable from federal gross income, to the extent any such actions can be taken by the Authority.

The Authority covenants and agrees that to the extent within its power and control, (1) it will comply with all requirements of Code §148 to the extent applicable to the Bonds, (2) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (3) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority in any manner, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Code §148(a).

The Authority covenants and agrees that to the extent within its power and control, it will not use any portion of the proceeds of the Bonds, including any investment earnings on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a “private activity bond” within the meaning of Code §141(a).

The Authority covenants and agrees that to the extent within its power and control, it will pay or otherwise provide for the payment from moneys available in the Rebate Account from time to time of all amounts required to be rebated to the United States pursuant to Code §148(f) and any Treasury Regulations applicable to the Bonds from time to time. The Authority specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Tax Compliance Agreement. Notwithstanding anything to the contrary contained in the Bond Resolution, the Tax Compliance Agreement may be amended or replaced if, in the opinion of Bond Counsel such amendment or replacement will not adversely affect the excludability from gross income for federal income tax purposes of interest on the Bonds. This covenant shall survive payment in full or defeasance of the Bonds.

Enforcement of Rights Under Pledge Agreement

The Authority covenants and agrees that it shall enforce all of its rights and all of the obligations of the University (at the expense of the University) under the Pledge Agreement to the extent necessary to protect the rights of the Owners under the Bond Resolution with respect to the pledge and assignment of the Revenues and receipts coming due under the Pledge Agreement.

Notice of Default and Acceleration of Maturity in Event of Default

If an Event of Default shall have occurred and be continuing, the Authority shall request the Bond Registrar to promptly notify the Owners of such default.

If an Event of Default shall have occurred and be continuing, the Authority may, and shall upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding by notice in writing delivered to the Authority and the University, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

If, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal and interest on the Bonds, together with the reasonable and proper expenses of the Bond

Registrar and Paying Agent, and all other sums then payable by the Authority under the Bond Resolution shall either be paid or provision shall be made for such payment, then and in every such case the Authority shall, but only with the approval of the Owners of not less than 50% in aggregate principal amount of the Bonds Outstanding, rescind such declaration and annul such default in its entirety.

In case of any rescission, then and in every such case the Authority, the University and the Owners shall be restored to their former position and rights under the Bond Resolution respectively, but no such rescission shall extend to any subsequent Event of Default or impair any right consequent thereon.

Remedies

Upon the happening and continuance of any Event of Default, then and in every such case, any Owner may proceed, subject to the provisions of this section, to protect and enforce the rights of the Owners by a suit, action or special proceeding in equity, or at law, either for the specific performance of any covenant or agreement contained in the Bond Resolution, or in aid or execution of any power granted in the Bond Resolution, or for the enforcement of any proper legal or equitable remedy as such Owner shall deem most effectual to protect and enforce such rights.

Anything in the Bond Resolution to the contrary notwithstanding, if at any time the moneys in the Principal and Interest Account shall not be sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this section or otherwise, shall be applied as follows:

(a) If the principal of all the Bonds shall not have become due and payable, all such moneys shall be applied:

first: to the payment to the Persons entitled thereto of all installments of interest then due and payable on the Bonds in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installments, then to the payment, ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

second: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Resolution), in the order of their due dates, with interest on the principal amount of such Bonds at the respective rates specified therein from the respective dates upon which such Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference.

(b) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

first: to the payment to the Persons entitled thereto of all installments of interest due and payable on or prior to maturity of Bonds, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds, and then to the payment of any interest due and payable after maturity on the

Bonds, ratably, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

second: to the payment of the principal of the Bonds, ratably, to the Persons entitled thereto, without preference or priority of any Bond over any other Bond.

Whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such times, and from time to time, as the Authority in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent in trust for the proper purpose shall constitute proper application by the Authority; and the Authority shall incur no liability whatsoever to any Owner or to any other Persons for any delay in applying any such moneys, so long as the Authority acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Bond Resolution as may be applicable at the time of such application. Whenever the Authority shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Authority shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Authority shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be surrendered to the Paying Agent for appropriate endorsement, or for cancellation if fully paid.

In case any proceeding taken by any Owner on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Authority and the Owners shall be restored to their former positions and rights under the Bond Resolution, respectively, and all rights and remedies of the Owners shall continue as though no such proceedings had been taken.

No Owner of any of the Bonds shall have any right in any manner whatever to affect, disturb or prejudice the security of the Bond Resolution or to enforce any right under the Bond Resolution, except in the manner provided in the Bond Resolution. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners.

No remedy conferred in the Bond Resolution on the Owners is intended to be exclusive of any other remedy or remedies, and each and every remedy conferred shall be cumulative and shall be in addition to every other remedy given under the Bond Resolution and under the Act or now or hereafter existing at law or in equity or by statute.

No delay or omission of any Owner to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Bond Resolution to the Owners may be exercised from time to time and as often as may be deemed expedient.

Exercise of Remedies

If an Event of Default shall have occurred and be continuing, the Authority shall pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding, or exercise such one or more of the rights and powers conferred by the Bond Resolution as the Authority, being advised by counsel, shall deem most expedient in the interests of the Owners to enforce the payment of the principal of and interest on the Bonds then Outstanding.

All rights of action under the Bond Resolution or under any of the Bonds may be enforced by the Bond Registrar without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Authority shall be brought in its name without necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of all the Owners of the Outstanding Bonds.

Limitation on Exercise of Remedies by Owners

No Owner of any Bond shall have any right (other than granted in the Bond Resolution) to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Resolution or for the execution of any trust under the Bond Resolution or for the appointment of a receiver or any other remedy under the Bond Resolution, unless (a) an Event of Default shall have occurred, (b) the Owners of 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Authority, shall have offered it reasonable opportunity either to proceed to exercise the powers granted in the Bond Resolution or to institute such action, suit or proceeding in its own name, and (c) the Authority shall thereafter fail or refuse to exercise the powers granted in the Bond Resolution or to institute such action, suit or proceeding in its own name; and such actions or events are declared in every case, at the option of the Authority, to be conditions precedent to the execution of the powers and trusts of the Bond Resolution, and to any action or cause of action for the enforcement of the Bond Resolution, or for the appointment of a receiver or for any other remedy under the Bond Resolution, it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the Bond Resolution by its, his or their action or to enforce any right thereunder except in the manner provided in the Bond Resolution, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Bond Resolution and for the equal benefit of the Owners of all Bonds then Outstanding. Notwithstanding anything in this paragraph to the contrary, no suit, action or proceeding shall be undertaken with respect to the Bonds unless the Owners of 25% in aggregate principal amount of the Bonds then Outstanding shall act as described in *clause (b)* above. Nothing in the Bond Resolution contained shall, however, affect or impair the right of any Owner to payment of the principal of, redemption premium, if any, and interest on any Bond at and after the maturity thereof; or the obligation of the Authority to pay the principal of, redemption premium, if any, and interest on each of the Bonds issued under the Bond Resolution to the respective Owners thereof at the time, place, from the source and in the manner expressed in the Bond Resolution and in the Bonds.

Right of Owners to Direct Proceedings

Anything in the Bond Resolution to the contrary notwithstanding, the Owners of 50% in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Registrar, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Bond Resolution, or for the appointment of a receiver or any other proceedings under the Bond Resolution; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Bond Resolution.

Supplemental Bond Resolutions Not Requiring Consent of Owners

The Authority may from time to time, without the consent of or notice to any of the Owners, adopt such Supplemental Bond Resolution or Supplemental Bond Resolutions as shall not be inconsistent with the terms and provisions of the Bond Resolution, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Bond Resolution or to make any other change that shall not materially adversely affect the rights of the Owners under the Bond Resolution;
- (b) To grant to or confer upon the Bond Registrar for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners;
- (c) To more precisely identify the Project or add additional property thereto; and
- (d) To subject to the Bond Resolution additional revenues, properties or collateral.

Supplemental Bond Resolutions Requiring Consent of Owners

Exclusive of Supplemental Bond Resolutions described above under the heading “Supplemental Bond Resolutions Not Requiring Consent of Owners,” and subject to the terms and provisions contained in the Bond Resolution, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Bond Resolution to the contrary notwithstanding, to consent to and approve the adoption by the Authority of such other Supplemental Bond Resolution or Supplemental Bond Resolutions as shall be deemed necessary and desirable by the Authority for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Bond Resolution or in any Supplemental Bond Resolution; provided, however, that nothing contained in the Bond Resolution shall permit or be construed as permitting (1) an extension of the maturity of the principal of or the interest on any Bond issued under the Bond Resolution, or (2) a reduction in the principal amount of any Bond or the rate of interest thereon, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (4) a reduction in the percentage of the aggregate principal amount of Outstanding Bonds for which the Owners are required to consent with respect to any Supplemental Bond Resolution without the written consent of the Owners of 100% in aggregate principal amount of Bonds outstanding. Any provision of the Bond Resolution may be amended with the written consent of the Owners of 100% in aggregate principal amount of Bonds Outstanding.

University Consent to Supplemental Bond Resolutions

Anything in the Bond Resolution to the contrary notwithstanding, a Supplemental Bond Resolution which affects any rights of the University shall not become effective unless and until the University shall have consented in writing to the execution and delivery of such Supplemental Bond Resolution.

Opinion of Bond Counsel

Notwithstanding anything to the contrary in the Bond Resolution, before the Authority adopts any Supplemental Bond Resolution pursuant to the Bond Resolution, there shall have been delivered to the Authority and University an opinion of Bond Counsel stating that such Supplemental Bond Resolution is authorized or permitted by the Bond Resolution and the Act, complies with their respective terms, will upon the execution and delivery thereof be valid and binding upon the Authority in accordance with its terms, and will not adversely affect the validity of the Bonds or the excludability from federal gross income of interest on the Bonds.

Satisfaction and Discharge of the Bond Resolution

When the principal of, redemption premium, if any, and interest on all the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in the Bond Resolution, and provision shall also be made for paying all other sums payable under the Bond Resolution, including the fees and expenses of the Bond Registrar and Paying Agent to the date of retirement of the Bonds and any rebatable arbitrage to the United States as required by the Bond Resolution, then the right, title and interest of the Owners under the Bond Resolution shall thereupon cease, determine and be void, and thereupon the Authority shall cancel, discharge and release the covenants of the Bond Resolution and shall execute, acknowledge and deliver such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge and shall assign and deliver to the University any property at the time subject to the Bond Resolution which may then be in its possession, except funds or securities in which such funds are invested and held by the Authority for the payment of the principal of, redemption premium, if any, and interest on the Bonds or held in the Rebate Account for payment of rebatable arbitrage to the United States.

Bonds Deemed to be Paid

Bonds shall be deemed to be paid within the meaning of the Bond Resolution when payment of the principal of, redemption premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether

such due date be by reason of maturity or upon redemption as provided in the Bond Resolution, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms of the Bond Resolution, or (2) shall have been provided for by depositing with the Paying Agent, or a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and subject to supervision or examination by federal or state authority at or prior to the maturity or redemption date of said Bonds, in trust for and irrevocably set aside exclusively for such payment, Defeasance Obligations insuring the availability of sufficient moneys without reinvestment to make such payment. At such time as a Bond shall be deemed to be paid under the Bond Resolution, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Bond Resolution, except for the purposes of any such payment from such Defeasance Obligations.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (2) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with the Bond Resolution, or irrevocable instructions shall have been given to the Bond Registrar and Paying Agent to give such notice.

Notwithstanding any provision of the Bond Resolution which may be contrary to the provisions of this section, all Defeasance Obligations set aside and held in trust pursuant to the provisions of this section for the payment of Bonds (including redemption premium thereon, if any) and interest thereon shall be applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) and interest thereon with respect to which such Defeasance Obligations have been so set aside in trust.

SUMMARY OF THE PLEDGE OF REVENUES AGREEMENT

The following is a summary of certain provisions of the Pledge Agreement. This summary does not purport to be complete, and reference is made to the full text of the Pledge Agreement for a complete recital of its terms, as well as a complete recital of the defined terms used therein.

Pledge of Revenues

The University pledges the Revenues and not any other fund or source, to the Authority, as security for the payment of the Debt Service Requirements on the Bonds and certain fees, expenses and deposits of the Authority relating to the Bonds as described in the Pledge Agreement and the Bond Resolution. By this pledge the University acknowledges that the Authority intends to pledge its rights under the Pledge Agreement to the Owners of the Bonds.

The University may pledge the Revenues as security for the payment of future indebtedness of the Board or the University, including, without limitation, bonds issued by the Authority on behalf of the Board or the University under one or more separate bond resolutions, which additional indebtedness may be on a parity with the Bonds.

Application of Moneys in the Project Account

Moneys in the Project Account shall be used by the University for the sole purpose of paying Project Costs in accordance with the provisions of the Act.

The University agrees to cause the Project to be diligently and continuously prosecuted and to be completed with reasonable dispatch.

The Authority shall cause the State Treasurer to disburse moneys on deposit in the Project Account from time to time to pay, or as reimbursement for payment made for, Project Costs, after receipt of documentation

prepared and processed in accordance with procedures established by the State for payment of costs of State projects, for which payment is being requested.

Annual Budget

The University covenants that on or before the commencement of each Fiscal Year it shall adopt an Annual Budget, together with a schedule for Debt Service Requirements for such ensuing Fiscal Year, copies of which shall be made available to the Authority. The University may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year. The Annual Budget so amended or supplemented shall be treated as the Annual Budget under the provisions of this paragraph. Copies of any such amended or supplemental Annual Budget as adopted shall be filed with and furnished to the same entities as the original Annual Budget.

Principal and Interest Account

Not later than five (5) Business Days prior to each Interest Payment Date, the University covenants that it will transfer or cause to be transferred to the credit of the Principal and Interest Account Revenues in an aggregate amount necessary to pay principal of and interest on the Bonds on such Interest Payment Date, after giving effect to any amounts then on deposit in the Principal and Interest Account. Moneys in the Principal and Interest Account shall, pending disbursement, be held in the custody of the State Treasurer and shall be accounted for separate and apart from all other funds of the University and the State. Moneys in the Principal and Interest Account shall be expended and used only in the manner and order specified in the Pledge Agreement and in the Bond Resolution. All moneys in the Principal and Interest Account shall be held by the State Treasurer in trust and applied as provided in the Pledge Agreement and in the Bond Resolution, and pending such application, shall be subject to a prior lien and charge in favor of the Owners of the Bonds and for the further security of such Owners until paid out or withdrawn as provided in the Pledge Agreement.

Tax Covenants

The University covenants and agrees that to the extent within its power and control, (A) it will comply with all applicable provisions of the Code, including §§103 and 141 through 150, necessary to maintain the excludability from gross income for federal income tax purposes of the interest on the Bonds, and (B) it will not use or permit the use of any proceeds of any Bonds or any other funds of the Authority nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the excludability from federal gross income of the interest on the Bonds. In addition, the University will take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excludable from federal gross income, to the extent any such actions can be taken by the University.

The University covenants and agrees that to the extent within its power and control, (A) it will comply with all requirements of Code § 148 to the extent applicable to the Bonds, (B) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (C) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or the University in any manner, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Code § 148(a).

The University covenants and agrees that to the extent within its power and control, it will not use any portion of the proceeds of the Bonds, including any investment earnings on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a “private activity bond” within the meaning of Code § 141(a).

The University covenants and agrees that so long as any of the Bonds remain Outstanding, except as otherwise provided in the Tax Compliance Agreement, the University will not enter into or renew any management contract or service contract for a term of more than 50 days with any person or entity other than a state or local government unit with respect to the management or operation of all or any portion of the Project

financed or refinanced with the proceeds of the Bonds, without first obtaining and delivering to the Authority an opinion of Bond Counsel addressed to the University and the Authority that such management contract will not adversely affect the excludability of interest on the Bonds from gross income for federal tax purposes.

The University covenants and agrees that so long as the Bonds remain Outstanding, except as otherwise provided in the Tax Compliance Agreement, the University will not enter into or renew a lease of all or any portion of the facilities financed or refinanced with proceeds of the Bonds with any tenant that is not a state or local government unit without first obtaining and delivering to the Authority an opinion of Bond Counsel addressed to the University and the Authority that such lease will not adversely affect the tax-exempt status of the interest on the Bonds. To the extent provided in the Code, the provisions of this paragraph shall not apply to the portions of such facilities used by members of the general public who occupy such facilities on a short-term basis in the ordinary course of the University's business.

The University shall cause to be paid to the Authority for deposit in the Rebate Account all amounts required to be rebated to the United States pursuant to Code § 148(f) and the Tax Compliance Agreement, to the extent such amounts are not available in the Rebate Account. The Authority covenants to deposit such moneys into the Rebate Account and to administer the same in accordance with the Bond Resolution and the Tax Compliance Agreement.

Contract Impairments

The University covenants that no contract or contracts will be entered into or any action taken by which the Revenues shall be reduced below the amount required under the Pledge Agreement or by which the rights of the Authority under the Pledge Agreement or the rights of the Owners under the Bond Resolution or the Bonds might be impaired or diminished.

Payment of Taxes, Charges, Assessments, and Authority's Costs

(a) **Taxes, Charges and Assessments.** The University covenants and agrees to pay promptly all lawful taxes, governmental charges and assessments at any time levied or assessed and due upon or against it; provided, however, that the University shall have the right to contest in good faith by appropriate proceedings any such taxes, charges or assessments or the collection of any such sums and pending such contest may delay or defer payment thereof, provided that the University shall have set aside on its books adequate reserves with respect to such contest and such contest shall not materially impair the ability of the University to meet its obligations under the Pledge Agreement.

(b) **Audit and Investigation Costs.** The University further covenants and agrees to pay promptly on demand by the Authority in writing any costs incurred by the Authority (including the Authority's reasonable attorneys' fees and expenses) in connection with (i) a tax audit by the Internal Revenue Service, (ii) a federal, State or other governmental investigation (including but not limited to any investigation by the Securities and Exchange Commission), or (iii) any legal or administrative proceedings resulting from such audit or investigation.

Continuing Disclosure; Notice of Material Events

The University agrees to provide and disseminate certain information delineated in the Disclosure Undertaking for purposes of complying with the SEC Rule, as more fully set forth in the Disclosure Undertaking.

To the extent the Authority becomes aware of any Material Event with respect to the Bonds (excluding any Material Event relating to Financial Obligations), the Authority agrees to provide notice to the University and the Dissemination Agent, if any, in a timely manner not in excess of five (5) business days after it obtains knowledge of such Material Event. Capitalized terms used in the preceding sentence but not defined herein shall have the meanings given to such terms in the Disclosure Undertaking.

Remedies Upon Default

Upon the occurrence and during continuance of any Event of Default under the Pledge Agreement, unless the same shall have been waived as provided in the Pledge Agreement, the Authority shall have the following rights and remedies, in addition to any other remedies provided in the Pledge Agreement or by law:

(a) ***Right to Bring Suit, Etc.*** The Authority, with or without entry, personally or by attorney, may in its discretion, without notice or demand: (1) proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Pledge Agreement, or in aid of the execution of any power granted in the Pledge Agreement, or for any foreclosure, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority shall deem effectual to protect and enforce any of its rights or duties under the Pledge Agreement; or (2) avail itself of all other rights or remedies available to it.

(b) ***Appointment of Receiver.*** The Authority shall be entitled as a matter of right if it shall so elect, upon the commencement of any other proceedings, judicial or otherwise, to enforce any right of the Authority, to institute such actions or proceedings at law or in equity for the appointment of a receiver or receivers and all the earnings, revenues, rents, issues, profits and income thereof, with such powers as the court making such appointment shall confer.

Any amounts collected by the Authority pursuant to action taken under the Pledge Agreement shall be applied in accordance with the provisions of the Bond Resolution.

Remedies Cumulative

No remedy conferred upon or reserved to the Authority in the Pledge Agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Pledge Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission of the Authority to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by the Pledge Agreement to the Authority may be exercised from time to time and as often as may be deemed expedient by the Authority.

Authority's Right to Perform Certain University Covenants

In the event the University shall fail to: (a) make provision for payment of principal of, redemption premium, if any, and interest on the Bonds as the same shall become due and payable; or (b) pay any amount required to be rebated to the United States Government pursuant to the requirements of Code §148(f) when due, then and in each such case the Authority, with prior written notice to the University, may remedy such default for the account of the University and make advances for that purpose; provided that the Authority shall be entitled to indemnity in an amount and form deemed adequate in the discretion of the Authority prior to making any such advances. No such performance or advance shall operate to release the University from any such default or prejudice any rights of the Authority or the Owners arising under any of the Transaction Documents in consequence of such failure. The Authority shall be reimbursed by the University for any advances and costs and expenses related to making such advances, subject to and dependent upon appropriation of the Legislature being made to the University, which may be lawfully utilized to pay such obligation.

Amendments to Pledge Agreement

Except as otherwise provided in the Pledge Agreement or in the Bond Resolution, the Pledge Agreement may not be amended, changed or modified except by an agreement in writing executed by the Authority and the University, and upon the same terms and conditions as the Bond Resolution may be amended. Prior to the execution of any such amendment, the Authority and the University shall furnish the original purchaser of the Bonds with a copy of the amendment, change or modification proposed to be made.

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

§ _____
**KANSAS DEVELOPMENT FINANCE
AUTHORITY
Revenue Bonds
Series 2026D
(Kansas State University Project)**

THIS CONTINUING DISCLOSURE UNDERTAKING dated as of April 1, 2026 (this “Disclosure Undertaking”), is executed and delivered by the **KANSAS STATE UNIVERSITY** (the “University”) in connection with the issuance of the above-referenced bonds (the “Bonds”) pursuant to the hereinafter-defined Bond Resolution for the purpose of providing certain information with respect to the Bonds in order to assist the original underwriters of the Bonds in complying with the provisions of the Rule (as hereinafter defined).

Section 1. Definitions. In addition to the definitions set forth in the hereinafter-defined Bond Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report described in Section 2(a) of this Disclosure Undertaking.

“*Authority*” means the Kansas Development Finance Authority.

“*Beneficial Owner*” means any registered owner of any Bonds and any Person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the Owner of any Bonds for federal income tax purposes.

“*Bond Resolution*” means Bond Resolution No. 428 adopted by the Authority on April 7, 2026, as the same may be amended from time to time.

“*Dissemination Agent*” means any entity designated in writing by the University to serve as dissemination agent pursuant to this Disclosure Undertaking, as set forth in Section 5.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB (www.emma.msrb.org).

“*Financial Information*” means the financial information of the University described in Section 2(a)(i) hereof.

“*Financial Obligation*” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Fiscal Year*” means the one-year period commencing on July 1 of any year and ending on June 30 of the following year, and numbered for the year in which it ends, or such other date or dates as may be adopted by the Board of Regents of the State of Kansas for its general accounting purposes.

“*GAAP*” means generally accepted accounting principles, as applied to governmental units as in effect at the time of the preparation of the Annual Report.

“*Material Events*” means any of the events listed in Section 3(a) hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Official Statement*” means the Official Statement dated April __, 2026 for the Bonds.

“*Operating Data*” means the operating data of the University described in Section 2(a)(ii) hereof.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SEC*” means the Securities and Exchange Commission of the United States.

“*State*” means the State of Kansas.

“*University*” means Kansas State University.

Section 2. Provision of Annual Reports.

(a) The University, as an “obligated person” for purposes of the Rule agrees to provide, or cause to be provided, to the MSRB as soon as practicable after they are available, but in no event more than 190 days after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2026, the Financial Information and the Operating Data (jointly, the “Annual Report”) as follows:

(i) *Financial Information.* Financial Information shall consist of the financial statements of the University for the prior Fiscal Year, beginning with the Fiscal Year ending June 30, 2026, of the type and in substantially the format contained in the Kansas State University Annual Financial Report contained in Appendix B to the Official Statement. The method of preparation and basis of accounting of the Financial Information shall be as set forth in said Appendix B to the Official Statement or otherwise in conformance with State laws or regulations. If the Financial Information in the Annual Report is not prepared in accordance with GAAP, but such Financial Information in accordance with GAAP is available, such Financial Information shall also be provided in accordance with GAAP. The Financial Information in the Annual Report may be unaudited; provided, however, that if audited Financial Information is available, such audited Financial Information shall be provided for inclusion in the Annual Report when available. If the basis of accounting is changed to a basis less comprehensive than contained in the Official Statement, the University shall provide, or cause to be provided, notice of such change in the same manner as for a Material Event under Section 3(b) hereof.

(ii) *Operating Data.* Operating Data with respect to the University shall consist of the information and data regarding the University in substantially the scope and form contained in each of the following tables of information regarding the University in

Appendix A to the Official Statement, each updated as of the end of the prior Fiscal Year, beginning with the Fiscal Year ending June 30, 2026:

1. Kansas State University Faculty Data
2. Kansas State University Student Headcount
3. Kansas State University Projected Student Headcount
4. Kansas State University Full Time Equivalent Student Enrollment
5. Kansas State University Applications, Admissions and American College Testing (ACT) Composite Scores of Freshman Undergraduate Students
6. Kansas State University to Peer Group Average Comparison Schedule of Annual Tuition and Fees—Undergraduate Students
7. Kansas State University to Peer Group Average Comparison Schedule of Annual Tuition and Fees—Graduate Students—Manhattan Campus
8. Kansas Board of Regents Institutions and Their Peer Groups Comparison Schedule of Full-time Tuition and Fees per Year
9. Kansas State University Schedule of Financial Aid Assistance to Students
10. Comparison of State Appropriations to Tuition and Fees and Other Revenue Sources
11. Kansas State University Unrestricted Revenues Pledged and Restricted Revenues

Such information shall include actual information for such Fiscal Year but need not include revised estimates or projections for future Fiscal Years.

(iii) Any or all of the Annual Report may be incorporated by reference from other documents, including official statements of debt issues with respect to the University that have been filed with the MSRB or the SEC and, in the case of a final official statement, that is available from the MSRB. The University shall clearly identify each document incorporated by reference and the source from which it is available. The Financial Information and Operating Data may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if it is not available by that date. If the Fiscal Year changes, the University shall provide, or cause to be provided, notice of such change in the same manner as for a Material Event under Section 3(b).

(b) The University shall file, or cause to be filed, the Annual Report specified by Section 2(a) hereof with the MSRB, or if the Annual Report is not filed within the time period specified in Section 2(a) hereof, the University shall send, or cause to be sent, a notice, in a timely manner, to the MSRB in substantially the form attached as Exhibit A to this Disclosure Undertaking.

Section 3. Reporting of Material Events.

(a) The University agrees that it will file, or cause to be filed, pursuant to Section 3(b) below, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the University*;
- (xiii) the consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights, or

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University.

other similar terms of a Financial Obligation of the University, any of which affect security holders, if material; or

- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

(b) The University shall file, or cause to be filed, a notice of such occurrence in a timely manner, not in excess of 10 business days after the occurrence of the event with the MSRB. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds need not be given under this Disclosure Undertaking any earlier than the notice of such redemption is given to the Owners of affected Bonds pursuant to the Bond Resolution.

Section 4. Filing. Submission of material event notices, Annual Reports, or any other filing required by this Disclosure Undertaking shall be effected by sending the filing or notice to the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), in such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

Section 5. Dissemination Agent. The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The appointment of a Dissemination Agent shall be effective upon the delivery to the University of written acceptance of such designation. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the University. The Dissemination Agent shall, promptly upon receipt of the Annual Report or notice of the occurrence of an event described in Section 3(a), provide the Annual Report or notice, as applicable, to the MSRB and provide a report to the University certifying the Annual Report or notice, as applicable, has been provided pursuant to the Disclosure Undertaking. The Dissemination Agent shall not be responsible in any manner for the content of the Annual Report or any notice prepared by the University pursuant to this Disclosure Undertaking.

Section 6. Termination of Reporting Obligation. The obligations of the University under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the University's obligations hereunder are assumed in full by some other entity, such other entity shall be responsible for compliance with this Disclosure Undertaking in the same manner as if it were the signatory hereto, and the assignor shall have no further responsibility hereunder. If such termination or assignment and assumption occurs prior to the final maturity of the Bonds, notice of such termination or assignment and assumption shall be given in the same manner as for a Material Event under Section 3(b).

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the University may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that (a) Bond Counsel or other counsel experienced in federal securities law matters provides the University (with a copy to the Authority) with its opinion that the undertakings contained herein, as so amended or after giving effect to such waiver, are in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Disclosure Undertaking; (b) if the amendment or waiver relates to Section 2(a) or 3(a), it may be made only in connection with a change in circumstances that arises from a change in law or legal requirements, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; and (c) the amendment or waiver is either (i) approved by the Owners of the Bonds in the same manner as provided in the Bond Resolution for amendments of the Bond Resolution with consent of the

Owners or (ii) does not in the opinion of Bond Counsel (provided to the University with a copy to the Authority) materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, such amendment or waiver shall be described in the next Annual Report, which shall include a narrative explanation of the reason for the amendment or waiver and its impact on such Annual Report. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (a) notice of such change shall be given in the same manner as for a Material Event under Section 3(b) and (b) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Undertaking. If the University chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Disclosure Undertaking, the University shall not have any obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 9. Noncompliance. In the event of a failure of the University or the Dissemination Agent, if any, to comply with any provision of this Disclosure Undertaking, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the University or the Dissemination Agent, if any, as the case may be, to comply with its obligations under this Disclosure Undertaking. Noncompliance with the provisions of this Disclosure Undertaking shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Dissemination Agent, if any, to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 10. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the parties hereto and Beneficial Owners from time to time of the Bonds and shall create no rights in any other Person.

Section 11. Severability. If any provision in this Disclosure Undertaking shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12. Electronic Transactions. The transactions described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 13. Governing Law. This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State and any suits and actions arising out of this Disclosure Undertaking shall be instituted in a court of competent jurisdiction in the State.

KANSAS STATE UNIVERSITY

By _____

Name: _____

Title: _____

Exhibit A
to
Continuing Disclosure Undertaking

Notice To Repositories Of Failure To File Annual Report

Name of Issuer: Kansas Development Finance Authority (the “Authority”)
Name of Bond Issue: \$_____ Kansas Development Finance Authority Revenue Bonds,
Series 2026D (Kansas State University Project)
Name of Obligated Person: Kansas State University
Date of Issuance: April __, 2026

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Undertaking dated as of the Date of Issuance. The Obligated Person anticipates that the Annual Report will be filed by _____.

Dated _____

KANSAS STATE
UNIVERSITY/[DISSEMINATION AGENT]

By _____,

APPENDIX F

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

[Closing Date]

Kansas Development Finance Authority
Topeka, Kansas

Kansas State University
Manhattan, Kansas

[Purchaser]
[Purchaser City & State]

Re: \$[Principal Amount] Kansas Development Finance Authority Revenue Bonds, Series 2026D (Kansas State University Project)

To the Addressees:

We have served as bond counsel to the Kansas Development Finance Authority (the “Authority”) in connection with the issuance by the Authority of the above-captioned Series 2026D Bonds (the “Bonds”). The Bonds have been authorized and issued pursuant to the Constitution and laws of the State of Kansas, including K.S.A. 74-8901 *et seq.* and Chapter 117, Section 175(f) of the 2025 Session Laws of Kansas, all as may be amended and supplemented (the “Act”), and Bond Resolution No. 428 adopted by the Authority on April 7, 2026 (the “Bond Resolution”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Resolution.

We have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

Regarding questions of fact material to our opinion, we have relied upon representations of the Authority and Kansas State University (the “University”) contained in the Bond Resolution, the Pledge Agreement, the Tax Compliance Agreement and other Transaction Documents and on the certified proceedings and other certifications of the Authority, the University and others furnished to us, without undertaking to verify them by independent investigation.

We have also relied upon the legal opinions in the opinion letter of the Office of General Counsel of the University, counsel to the University, regarding certain matters, including (i) the valid existence of the University as a state agency of the State, (ii) the power and authority of the University to enter into and perform its obligations under the Pledge Agreement, the Disclosure Undertaking, the Tax Compliance Agreement and the Administrative Fee Agreement (the “University Documents”), and (iii) the due authorization, execution and delivery of the University Documents by the University, and the binding effect and enforceability thereof against the University. We assume the accuracy of the opinions in this opinion letter and express no opinion with respect to those issues.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding limited obligations of the Authority, payable solely from the Trust Estate.
2. The Bonds do not constitute a debt or liability of the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and do not constitute a

pledge of the full faith and credit of the State or of any political subdivision thereof. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Authority and the University comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority and the University have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have *not* been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

4. The interest on the Bonds is exempt from all Kansas state, county and municipal taxes, including income and property taxes; provided, however, that no opinion is expressed with respect to the applicability of the privilege tax imposed on banking institutions pursuant to K.S.A. 79-1107 and 79-1108.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, except as may be set forth in our supplemental opinion of even date herewith, (b) the attachment, perfection or priority of the lien on the Trust Estate pledged under the Bond Resolution, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Bond Resolution, the Pledge Agreement, and the Tax Compliance Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Very truly yours,

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each series of the Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). S&P Global Ratings has assigned a rating of AA+ to DTC. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. *So long as Cede & Co., as nominee for DTC, is the owner of the Bonds, the*

Authority shall treat Cede & Co. as the only owner of the Bonds for all purposes under the Bond Resolution, including receipt of all principal of and interest on the Bonds and receipt of notices.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal or redemption price of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Paying Agent, or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Authority or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

THE INFORMATION IN THIS APPENDIX CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC. NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR

INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE BOND RESOLUTION; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER. THE BENEFICIAL OWNERS OF THE BONDS WILL RELY ON PARTICIPANTS FOR TIMELY PAYMENT AND OTHER NOTICES AND FOR OTHERWISE MAKING AVAILABLE TO THE BENEFICIAL OWNER THE RIGHTS OF A BONDOWNER. NO ASSURANCES CAN BE PROVIDED THAT, IN THE EVENT OF BANKRUPTCY OR INSOLVENCY OF DTC OR A PARTICIPANT THROUGH WHICH A BENEFICIAL OWNER HOLDS BENEFICIAL INTERESTS IN THE BONDS, PAYMENT WILL BE MADE BY DTC OR THE PARTICIPANT ON A TIMELY BASIS.

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