

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 21, 2026

NEW ISSUE

**Rating: Moody's: "Aa2"
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.



\$426,080,000*

**KANSAS DEVELOPMENT FINANCE AUTHORITY
Revenue Bonds
Series 2026A
(University of Kansas Projects)**

Dated: Date of Delivery

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

The Series 2026A 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 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. 427 adopted by the Authority on February 3, 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 the University of Kansas (the "University") under the provisions of a Pledge of Revenues Agreement, dated as of May 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 the 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 May 12, 2026.

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

* Preliminary; subject to change.

MATURITY SCHEDULE

\$426,080,000*
KANSAS DEVELOPMENT FINANCE AUTHORITY
Revenue Bonds
Series 2026A
(University of Kansas Projects)

SERIAL BONDS

Maturity May 1*	Principal Amount*	Interest Rate	Yield	Price	CUSIP⁽¹⁾
2027	\$2,850,000	%	%	%	
2028	4,255,000				
2029	6,995,000				
2030	16,960,000				
2031	16,770,000				
2032	17,615,000				
2033	18,485,000				
2034	19,415,000				
2035	20,390,000				
2036	21,405,000				
2037	22,365,000				
2038	23,315,000				
2039	24,260,000				
2040	22,455,000				
2041	23,270,000				
2042	23,370,000				
2043	24,245,000				
2044	25,190,000				
2045	26,190,000				
2046	27,275,000				
2047	7,130,000				
2048	7,455,000				
2049	7,785,000				
2050	8,135,000				
2051	8,500,000				

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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\$426,080,000*
KANSAS DEVELOPMENT FINANCE AUTHORITY
Revenue Bonds
Series 2026A
(University of Kansas Projects)

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 \$426,080,000* aggregate original principal amount Revenue Bonds, Series 2026A (University of Kansas Projects) (the “Bonds”). The Bonds are being issued pursuant to Bond Resolution No. 427 adopted by the Authority on February 3, 2026 (the “Bond Resolution”).

The Bonds are being issued for the purpose of (i) refunding the Refunded Bonds described under the caption “PLAN OF FINANCE—The Refunded Bonds” herein, (ii) purchasing one or more existing leased apartment complexes (the “Housing Project”) on the Lawrence, Kansas campus of the University of Kansas (the “University”), (iii) undertaking a capital improvement project to construct, renovate, develop and equip the cancer center on the Kansas City campus of the University of Kansas Medical Center (the “Medical Center”) (the “Cancer Center Project” and, together with the Housing Project, the “Projects”), and (iv) paying certain costs of issuance of the Bonds.

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 Projects and to refund the Refunded Bonds. See the caption “THE AUTHORITY” herein.

Pursuant to the Pledge of Revenues Agreement, dated as of May 1, 2026 (the “Pledge Agreement”), by and between the Authority and 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 the amount of Revenues necessary to pay principal and interest on the Bonds for deposit to the credit of the Principal and Interest Accounts not later than five Business Days prior to each Interest Payment Date.

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 Bonds

The proceeds of the Bonds will be used by the University to (i) refund the Refunded Bonds described below, (ii) finance the costs of the Housing Project, (iii) finance a portion of the costs of the Cancer Center Project, and (iv) pay certain expenses incurred in connection with the issuance of the Bonds. See the caption “ESTIMATED SOURCES AND USES OF FUNDS” herein. The Refunded Bonds are being refunded to achieve economic savings for the University.

The Housing Project

The Housing Project consists of the University’s acquisition from The Kansas University Endowment Association (the “KU Endowment”) of the Hawker Apartment complex on the edge of the Lawrence campus of the University, the prior acquisition of which the KU Endowment financed with proceeds of the Authority’s Revenue Bonds, Series 2024E (The Kansas University Endowment Association), currently outstanding in the principal amount of \$31,572,000 (the “Series 2024E Bonds”). \$31,616,412 of proceeds of the Bonds, together with other available funds of the University, will be applied to pay for the acquisition by the University of the Hawker Apartments, with such funds to be used by the KU Endowment to repay its loan from the Authority in connection with the Series 2024E Bonds, thereby paying and discharging the Series 2024E Bonds.

The Cancer Center Project

The Cancer Center Project consists of (i) the development, construction and equipping of an over 280,000-square-foot cancer center research tower and (ii) renovation and equipping of existing vivarium facilities, all on the Medical Center campus in Kansas City, Kansas. The new tower will house cancer research facilities, including 44 wet labs and new vivarium facilities, on eight floors (including a basement) and will be physically connected to both (i) the existing Hemenway Life Sciences Innovation Center building (“Hemenway”) and (ii) a new outpatient cancer center clinical facility building being constructed and funded by the University of Kansas Hospital Authority (the “Hospital Authority”), which operates the University of Kansas Health System and is expected to be completed by late 2027 with the first patients anticipated in early 2028. The proximity and integration of the Cancer Center Project with the Hospital Authority’s clinical facility is intended to enhance collaboration between clinical and research teams. For more information regarding the University and its relationship with the Hospital Authority see “GENERAL INFORMATION—Overview” and FINANCIAL INFORMATION OF THE UNIVERSITY—Transactions with the Hospital Authority” in Appendix A hereto.

Construction of the Cancer Center Project was awarded via a request for proposals process resulting in a guaranteed maximum price agreement with construction contractor JE Dunn Construction. The construction of the research tower began with groundbreaking on May 23, 2025 and is scheduled to be substantially complete in December 2027, with occupancy estimated in February 2028. Renovation of existing vivarium facilities in Hemenway is scheduled to begin in February 2028 and be substantially complete in December 2028 and occupied in February 2029. The estimated cost of the Cancer Center Project is approximately \$336 million, to be funded by approximately \$100.0 million of Bond proceeds, \$75.0 million of capital appropriations from the State of Kansas, \$96.4 million in federal grants, \$56 million in private gifts, and \$8.6 million from the University of Kansas Health System for shared costs.

The Refunded Bonds

Series 2014C Bonds. On June 19, 2014, the Authority issued its Revenue Bonds, Series 2014C (University of Kansas Projects) in the original aggregate principal amount of \$56,655,000 (the “Series 2014C Bonds”), for the purpose of (i) paying a portion of the costs of constructing certain housing facilities located on the Lawrence, Kansas campus of the University and (ii) refunding certain prior bonds of the Authority. The Series 2014C Bonds are currently outstanding in the principal amount of \$35,800,000, a portion of which will be refunded as described in the table below.

Series 2016 KUCDC Bonds. On January 21, 2016, the Public Finance Authority (Wisconsin) issued its Lease Development Revenue Bonds (KU Campus Development Corporation – Central District Development Project), Series 2016 in the original aggregate principal amount of \$326,945,000 (the “Series 2016 KUCDC Bonds”), for the purpose of paying a portion of the costs of the acquisition, construction, improvement and equipping of certain classroom, office, housing, dining, parking and other educational and operational facilities known as the Central District on the Lawrence, Kansas campus of the University. The Series 2016 KUCDC Bonds are currently outstanding in the principal amount of \$275,180,000, all of which will be refunded as described in the table below.

Series and Maturities to be Refunded. The following maturities of the series of bonds described above are to be refunded with the proceeds of the Bonds, and are collectively referred to as the “Refunded Bonds” herein:

Refunded Bonds

Series of Bonds	Maturity ⁽¹⁾	Principal Amount *	Redemption Date
Series 2014C Bonds	2027-2039	\$33,450,000	May 13, 2026
Series 2016 KUCDC Bonds	2027-2046	275,180,000	May 12, 2026

⁽¹⁾ Various maturities in said years.

Deposit to Refund the Refunded Bonds. A portion of the proceeds of the Bonds will be deposited into the Refunding Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) (the “Refunding Account”) established under the Bond Resolution and shall be subsequently transferred to the State Treasurer or the Series 2016 KUCDC Bond Trustee, as applicable, as paying agents for the Refunded Bonds. The deposit into the Refunding Account from proceeds of the Bonds and other available funds of the University, together with moneys held by the trustee in accounts established for the Series 2016 KUCDC Bonds, will be sufficient to pay the principal, redemption premium, if any and interest due on the Refunded Bonds to the date of redemption of the Refunded Bonds.

* Preliminary; subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

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

	Total
Sources of Funds	
Principal Amount of Bonds	\$
Net Original Issue (Discount)/Premium	
Equity Contribution	
Transfer from Refunded Bonds Debt Service Funds	_____
TOTAL	\$_____

Uses of Funds	
Deposit to Housing Project Account	\$
Deposit to Cancer Center Project Account	
Redemption of Refunded Bonds	
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 Bonds and the interest thereon 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 by a pledge 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 and the Refunding 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 the amount of Revenues necessary to pay principal of and interest on the Bonds for deposit to the credit of the Principal and Interest Accounts not later than five Business Days prior to each Interest Payment Date.

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 OF THE UNIVERSITY—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. At the option of the Authority, upon instructions from the University, Bonds maturing in the year 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 (a) in the event of a Change of Circumstances, at the option of the Authority upon instructions from the University, or (b) 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

* Preliminary; subject to change.

redemption obligation described above for any Term Bonds of the same maturity which prior to such date 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 series, 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 OF THE UNIVERSITY—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:

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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.

THE UNIVERSITY OF KANSAS

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.

RELATED PARTIES

The Kansas Board of Regents

Together with Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, and Wichita State University, the University of Kansas, including the University of Kansas Medical Center, is controlled and supervised by the Kansas Board of Regents (the "Board of Regents").

The Board of Regents was established in 1925, when the State Legislature separated control of the State educational system from that of other State institutions and placed it under the jurisdiction of a separate governing body. The Board of Regents 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, and no two members shall reside in the same county at the time of appointment. The Board of Regents 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. The Board of Regents 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. The Bonds are not an obligation of the Board of Regents.

The Kansas University Endowment Association

Founded in October 1891, The Kansas University Endowment Association (the "KU Endowment") is the oldest foundation of its type at a state-assisted university in the United States and is recognized by the University as its official fund-raising and fund management organization. It is an independent, nonprofit organization and is an organization tax exempt under Section 501(c)(3) of the Internal Revenue Code.

The discretely presented financial statements of the KU Endowment are set forth in the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 attached as Appendix B to this Official Statement. The KU Endowment is a separate entity from the University and has no obligation in any manner with respect to the Bonds. See the caption “FINANCIAL INFORMATION OF THE UNIVERSITY—The Kansas University Endowment Association” in Appendix A to this Official Statement.

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 OF THE UNIVERSITY—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 OF THE UNIVERSITY—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 OF THE UNIVERSITY—Overview” and “—Sources of Revenues” 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 \$378.9 million reflected a decrease of 12% from FY 2025. The Legislature passed a budget for FY 2027 at the end of March 2026. The budget included a \$4.2 million decrease in State General Fund appropriations to the University. A 1% salary pool increase was also included in the legislative budget.

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 State Consensus Revenue Estimate in April 2026 decreased the previous estimate of fiscal year 2026 revenues of the Kansas State General Fund by \$127.4 million, or 1.2% below the previous estimate made in November 2025. The revised estimate of \$10.099 billion represents a 0.8% increase above final fiscal year 2025 receipts. For fiscal year 2027, the Consensus Revenue Estimating Group revised its previous estimate to \$10.206 billion, which is \$72.7 million, or 0.7% above its previous estimate. The revised estimate for fiscal year 2027 represents a 1.1% increase above the newly revised fiscal year 2026 figure.

No assurance can be given that there will not be reductions of appropriations available to the University from time to time, whether made by the Legislature or pursuant to administrative actions in the event of State budget shortfalls. See the caption “FINANCIAL INFORMATION OF THE UNIVERSITY—State Appropriations and the Budget Process” in Appendix A hereto.

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 \$319 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 University 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 OF THE UNIVERSITY—Sources of Revenues” 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 of Regents. 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.

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 Lawrence, Kansas lie in a flood plain and have experienced flooding in the past. The majority of the Lawrence campus is currently in an area of minimal flood hazard. A portion of the Lawrence campus is located in an area 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 currently maintains property insurance that includes sub-limits for flood. See the caption "OTHER UNIVERSITY MATTERS—Insurance" in Appendix A hereto.

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.

Construction Risks

No assurance can be given that the construction of the Projects 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 Projects on schedule and within budget could adversely affect the operating results of the University.

For a description of plans for construction of the Projects, see the caption "PLAN OF FINANCE" herein.

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.

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 of 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 "Aa2" 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 the 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 the 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 University of Kansas 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.

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 the 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

THE UNIVERSITY OF KANSAS

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GENERAL INFORMATION

Overview

Original Section 7 of Article 6 of the Constitution of the State of Kansas states that “provision shall be made by law for the establishment, at some eligible and central point, of a state university, for the promotion of literature and the arts and sciences, including normal and agricultural department.” Acting under this constitutional authority, in 1864 the State Legislature organized the University of Kansas (the “University”) at Lawrence. The Kansas Board of Regents, which also governs five other State universities, is the governing board for the University. See “GOVERNANCE AND ADMINISTRATION—Governing Board” herein. A major comprehensive research and teaching university, the University is the only one of the Kansas Board of Regents universities to hold membership in the prestigious Association of American Universities, a select group of 69 United States and 2 Canadian public and private research universities that represents excellence in graduate and professional education and the highest achievements in research internationally. Dr. Douglas A. Girod began his appointment as the 18th Chancellor of the University in July 2017. Dr. Girod is assisted by Dr. Arash Mafi, who was appointed as Chief Academic Officer and Provost of the University and Executive Vice Chancellor of the Lawrence and Edwards campuses in February 2026 and Dr. Steve Stites, who has been Executive Vice Chancellor for the Medical Center since August 12, 2024. For background information regarding Dr. Girod, Dr. Mafi and Dr. Stites, see “GOVERNANCE AND ADMINISTRATION—University Administration” herein.

The University’s main campus occupies approximately 1,000 acres with over 100 major buildings on and around Mount Oread, in Lawrence. The Edwards Campus sits on 36 acres of land in Overland Park, Kansas with a particular focus on the Kansas City metropolitan area. The Medical Center is the University’s academic medical campus. It includes the School of Medicine, with campuses in Kansas City, Wichita, and Salina; the School of Nursing, with campuses in Kansas City and Salina; and the School of Health Professions, along with graduate programs and administrative and support units, which are primarily located on the Kansas City campus. The Medical Center’s associated revenues, expenses and net assets are reported as part of the University’s consolidated financial report included in Appendix B to this Official Statement.

The University confers bachelor, master, doctorate and professional degrees. Students can select from nearly 100 major courses of study offered in 14 academic divisions: the College of Liberal Arts and Sciences; the Schools of Health Professions, Architecture and Design, Business, Education and Human Sciences, Engineering, Journalism and Mass Communication, Law, Medicine, Nursing, Pharmacy, Music, Social Welfare, and Professional Studies. In 2024-25, the University conferred 31% of the bachelor’s degrees, 27% of the master’s degrees, and 66% of the doctorate degrees granted by the six state universities governed by the Kansas Board of Regents.

The distinguished faculty have received national awards from such prestigious professional and research organizations as the American Academy in Rome; the American Association for the Advancement of Science; the Lasker Foundation; the National Academies of Education, Engineering, Medicine, Public Administration, and Sciences; the National Endowment for the Humanities; the Nobel Foundation; the Pulitzer Board; and the Wolf Foundation.

Enrollment at the University for the fall semester of 2025 was 31,169 and the University employs an estimated 10,640 full time equivalent faculty and staff.

The operating budget of the University is funded primarily through a combination of State appropriations (the primary source of which is State tax dollars), tuition and fees and other restricted fees and grants. In fiscal year 2025, University revenues were approximately \$2.0 billion, 18% of which was

funded from State appropriations, 19% from tuition and fees, and 26% from grants. See “FINANCIAL INFORMATION OF THE UNIVERSITY—State Appropriations and the Budget Process” herein.

In 1905, three proprietary medical schools in Kansas City combined under the control of the University. Today, the University’s Medical Center, with campuses at Kansas City, Wichita and Salina serving over 3,900 students and medical residents during the fall semester of 2025, is the region’s foremost institution for the training of health care professionals. On October 1, 1998, the University’s Medical Center divided into two distinct institutions: (i) the University’s Medical Center, whose mission is the education of health care professionals, research, service, and patient care, and (ii) an independent University of Kansas Hospital Authority (the “Hospital Authority”), which is an instrumentality of the State of Kansas, the mission of which is to support the education, research, and public service activities of the University’s Medical Center, as well as to provide patient care and specialized services, and to provide care for medically indigent citizens of the state of Kansas. Effective January 1, 2016, approximately 20 separate physician clinical practice not for profit entities reorganized and consolidated into one not for profit physician practice entity called The University of Kansas Physicians, which is a consolidated component unit of the Hospital Authority. Since 2017, the University of Kansas Physicians and the Hospital Authority have operated as an integrated health system known as The University of Kansas Health System. The University of Kansas Health System, serves as the State’s premier tertiary care center and had operating revenue in fiscal year 2025 of \$5.4 billion. See “FINANCIAL INFORMATION OF THE UNIVERSITY—Transactions with the Hospital Authority” herein.

Website Information

The University maintains public websites on which it periodically posts certain financial and other information, including annual financial reports of the University (available at <https://financial-reporting-services.ku.edu/>) and information regarding the University’s strategic planning process (available at <https://strategicplan.ku.edu/>). None of the information included on these websites, or on the University’s websites generally, is incorporated by reference into this Official Statement.

FINANCIAL INFORMATION OF THE UNIVERSITY

Overview

The fiscal operations of the University constitute an extensive business operation. Information is presented both for the Lawrence and Edwards campuses and the Medical Center campuses in Kansas City, Salina, and Wichita. State appropriations for University operations from the State General Fund, tuition and fee revenues and grants are the three main sources of funds for general University operations. The total operating budget for the University, including capital appropriations, for the fiscal year ending June 30, 2026 is \$1.9 billion. The total revenues for the University, including Federal grants and contracts, auxiliary enterprises, and capital appropriations and gifts for the fiscal year ending June 30, 2025 was approximately \$2.0 billion.

State appropriations account for approximately 19% of the University’s total revenue based on the Fiscal Year (FY) 2026 budget. FY 2025 State General Fund appropriations were \$434.2 million or approximately 30% more than FY 2024. The significant increase is primarily attributed to a one-time \$75 million appropriation to the Medical Center for its new Cancer Research Building, and a \$12 million appropriation for the Kansas Law Enforcement Training Center campus as its funding has been shifted from court docket fees to an annual state appropriation. FY2026 State General Fund appropriations are \$378.9 million or approximately 12% decrease from FY25 as one-time appropriations were not repeated. The Legislature passed a budget for FY 2027 at the end of March 2026. The budget included a \$4.2 million decrease in State General Fund appropriations to the University. A 1% salary pool increase was also

included in the legislative budget. See “State Appropriations and the Budget Process” for information on the process for requesting State appropriations.

Tuition and fee revenue accounts for approximately 21% of the University’s total revenue based on the FY 2026 budget. For FY 2026 the Board of Regents approved a 3.5% increase in tuition and campus fees for undergraduate and graduate resident and non-resident students. Tuition rates for FY 2027 will likely be considered by the Board of Regents in its May 2026 meeting with final action in June 2026.

Sponsored research funding is also a critical component of the University’s budget. The total expenditures for sponsored research for Fiscal Year 2025 were \$610.6 million. For Fiscal Year 2025, the Federal government was the source of 66% of all grants and contracts. Non-profit organizations provided approximately 20% of total grants and contracts.

Other significant sources of revenue include revenues from auxiliary operations including athletics revenue as reported in All Other Auxiliaries and Housing and Parking Revenues. See the tables under the caption “Revenues” below.

The University budget is prepared based on anticipated revenues and known cost increases. Debt service obligations are accounted for and funded before other expenditures. The University budget is prepared on fund accounting basis with a number of self-balancing funds. Each fund must generate sufficient revenue to cover expenses. The primary sources of funds to support the educational programs (instruction, academic support, student services and institutional support) are the State appropriations and tuition.

Description of the University of Kansas Resource Planning Process

The Chief Financial Officer oversees all finance and business dimensions of the University. The University’s annual budgeting process includes setting an operating budget, robust reporting tools, administrative planning meetings, and continuous monitoring throughout the fiscal year as described below for each campus. As demonstrated in the governor’s budget recommendations, the state provides separate budget allocations to each campus; thus, budgeting processes are separately managed.

Lawrence Campus: The Lawrence Campus operating budget and budgeting process are guided by the campus five-year financial plan. The five-year financial plan was introduced in 2021 to address a structural deficit. Another significant change includes implementing all funds budgeting in FY 2023. This framework considers all revenue sources when budgeting as opposed to the prior budgeting model, which focused on state funding and tuition revenue. Other changes include procurement reform, strategic hiring, and implementation of a financial services portal.

University and campus administration meet regularly with academic and administrative units. Fiscal roles and responsibilities are well-defined. These meetings consist of an analysis of each unit’s sources and uses reports noting budgetary priorities and planning for the upcoming fiscal year. The campus allocates funds to the college, each professional school, and each administrative unit; in turn, each is responsible for allocating those funds to subordinate units and for managing internal budgets. The central University budget office also monitors spending at unit and campus levels.

Medical Center Campus: Resource planning occurs throughout the year, with the executive vice chancellor’s leadership team meeting regularly to discuss topics related to University priorities, budgeting, and planning. Each spring, the schools consider funding requests from department chairs and program leaders for the next fiscal year. Finance officers meet with the leader of each major unit to discuss priorities,

planning, budget, and staffing. Requests for new funding are elevated as necessary for systematic evaluation and prioritization by the executive vice chancellor's team.

In FY 2020, KUMC implemented the workday system to manage all functions for finance, human resources and budgeting, which integrated and streamlined a multitude of processes. This included implementation of a new comprehensive budgeting tool that facilitated a more transparent and comprehensive view of all available funds. KUMC is developing a consolidated multiyear budgeting plan to aid in aligning the financial plan with the campus's strategic plan.

Annual Financial Report

The University of Kansas is one of six universities operated under the direction of the Kansas Board of Regents. An independent single audit of the State of Kansas includes the operations of the Regents institutions. The University prepares an Annual Financial Report each year, which is not currently audited and is not expected to be audited in the future. This Annual Financial Report is prepared by the Controller's Office of the University for delivery to the Chief Financial Officer and the University Chancellor, who transmits it to the Chairperson of the Kansas Board of Regents.

The University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 is attached as Appendix B to this 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. See the caption "Revenues Pledged" below.

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 expenditure budgets for each State agency for the current and succeeding fiscal years.

The Higher Education Coordination Act provides that the Kansas Board of Regents shall "serve as the representative of the public postsecondary educational system before the Governor and the Kansas Legislature." K.S.A. 74-3202c(b)(2). This provision provides 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 Kansas Board of Regents submits the unified budget request to the Department of Administration, Division of the Budget, that reflects increases (or decreases) to the budget for operating grants and enhancements for each of the six universities governed by the Board of Regents. In September, the state universities also submit a budget request document for their base budget to the Department of Administration, 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 be overridden only 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.

During the legislative session in 2025, appropriations were approved for Fiscal Year 2026. See the caption "FINANCIAL INFORMATION—Overview" above for additional information regarding the Fiscal Year 2026 appropriation.

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Sources of Revenues

The following table sets forth a comparison of State appropriations to tuition and fees and other revenue sources for the five most recent fiscal years and the current fiscal year for the University.

University of Kansas Comparison of State Appropriations to Tuition and Fees and Other Revenue Sources FY 2021 – FY 2026

Fiscal Year Ended June 30	Revenue in Dollars				As a % of Total Revenue		
	State Appropriations ⁽¹⁾	Tuition & Fees ⁽²⁾	All Other Sources	Total Revenues	State Appropriations	Tuition & Fees	All Other Sources
2021 ⁽³⁾	\$267,568,139	\$320,019,921	\$850,527,496	\$1,438,115,556	18.61%	22.25%	59.14%
2022	274,718,901	323,821,470	908,815,807	1,507,356,178	18.23%	21.48%	60.29%
2023	316,623,988	320,300,681	1,047,488,443	1,684,413,112	18.80%	19.02%	62.19%
2024 ⁽⁴⁾	325,975,001	339,900,344	1,240,368,978	1,906,244,323	17.10%	17.83%	65.07%
2025	357,050,635	376,314,471	1,241,149,686	1,974,514,792	18.08%	19.06%	62.86%
2026 ⁽⁵⁾	378,939,429	409,000,000	1,165,300,000	1,953,239,429	19.40%	20.94%	59.66%

Source: University, Controller's Office

- (1) Includes state appropriations for operations and capital appropriations for rehabilitation and repair. One time multi-year state appropriations are recognized as revenue when expended.
- (2) Tuition, course fees and student fees are shown net of scholarship allowances.
- (3) FY 2021 amounts reflect reclassifications and restatements made to the financial statements at the end of fiscal year 2022 for reporting consistency.
- (4) FY 2024 amounts reflect reclassifications and restatements made to the financial statements at the end of fiscal year 2025 for reporting consistency.
- (5) 2026 amounts are budgeted. The University does not budget for non-operating revenues (e.g. capital grants and gifts, investment income, additions to permanent endowments, etc. that are outside of the University's control.)

Revenues Pledged

The tables below present the University's revenue budget for fiscal year 2026, certain summary financial information regarding revenues for the six-month period ended December 31, 2025, and the University's actual revenues for the years ending June 30, 2025 and 2024, modified to identify certain funds that are not included in Revenues pledged to the payment of the Series 2026A Bonds.

The budgeted figures for the fiscal year ending June 30, 2026 and the summary financial information regarding revenues for the six-month period ended December 31, 2025 presented below are preliminary. The 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.

The information in the tables below for the years ended June 30, 2025 and June 30, 2024 is excerpted from the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 in Appendix B to the Official Statement and the tables below should be read in conjunction with that Annual Financial Report.

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

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University of Kansas (including affiliated corporations)
Revenues Pledged and Restricted Revenues
Year Ended June 30, 2026 (Budget)

	Total	Restricted Revenues⁽¹⁾	Revenues⁽²⁾
Tuition and Fees	\$409,000,000	\$35,000,000	\$374,000,000
State Appropriations ⁽³⁾	378,939,429	76,721,054	302,218,375
Local Appropriations ⁽⁴⁾	17,200,000	17,200,000	-
Sales and Services	204,600,000	16,100,000	188,500,000
Gifts	125,800,000	-	125,800,000
Grants and Contracts (Federal, State & Nongovernmental) ⁽⁵⁾⁽⁶⁾	487,300,000	483,800,000	3,500,000
Auxiliaries:			
Housing ⁽⁷⁾	53,500,000	38,200,000	15,300,000
Parking ⁽⁷⁾	28,800,000	22,500,000	6,300,000
All Other Auxiliaries	168,700,000	168,700,000	-
Other Revenues ⁽⁶⁾	79,400,000	75,400,000	4,000,000
Total	\$1,953,239,429	\$933,621,054	\$1,019,618,375

- (1) 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.
- (3) Includes State Appropriations for operations and Capital Appropriations for rehabilitation and repair and campus restoration of \$46,200,000.
- (4) JCERTA sales tax revenues pledged towards Series 2020A and 2020W Bonds.
- (5) This amount includes KU Kan-Grow revenues is included in Grants and Contracts.
- (6) Includes operating and non-operating revenues. The University does not budget for non-operating revenues (e.g. capital grants and gifts, investment income, additions to permanent endowments, etc.) that are outside of the University's control
- (7) University revenues pledged to specific bonds (such as housing and parking revenues) are budgeted as Restricted Revenues. Principal and interest payments for housing and parking bonds supported by Revenues are budgeted as Revenues. Any funds transferred to a surplus fund that permits use of moneys for any lawful purpose, such excess portion of the revenues transferred to the surplus fund are presented as Revenues. No excess revenues are budgeted to be transferred to the surplus fund.

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University of Kansas (including affiliated corporations)
Revenues Pledged and Restricted Revenues
Six-Month Period Ended December 31, 2025

	Total	Restricted Revenues⁽¹⁾	Revenues⁽²⁾
Tuition and Fees (net of scholarship allowances of \$25,573,589)	\$208,482,947	\$9,555,401	\$198,927,546
State Appropriations ⁽³⁾	174,702,343	35,166,937	139,535,406
Local Appropriations ⁽⁴⁾	8,994,000	8,994,000	-
Sales and Services	100,787,604	10,571,060	90,216,544
Other Operating Revenues	7,803,094	1,160,431	6,642,663
Gifts	65,842,805	3,332,313	62,510,492
Grants and Contracts (Federal, State & Nongovernmental) ⁽⁵⁾⁽⁶⁾	278,465,603	278,465,603	-
Auxiliaries:			
Housing ⁽⁷⁾	24,383,225	19,200,476	5,182,749
Parking ⁽⁷⁾	15,473,368	14,673,747	799,621
All Other Auxiliaries	76,715,607	76,715,607	-
Other Non-Operating Revenues	48,988,298	48,988,298	-
Total	\$1,010,638,894	\$506,823,873	\$503,815,021

(1) 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.

(3) Includes State Appropriations for operations and Capital Appropriations for rehabilitation and repair and campus restoration of \$11,554,290.

(4) JCERTA sales tax revenues pledged towards Series 2020A and Series 2020W Bonds.

(5) \$825,000 of KU Kan-Grow revenue is included in Grants and Contracts.

(6) Includes operating and non-operating revenues.

(7) Principal and interest payments for housing and parking bonds supported by Revenues are reflected as Revenues. To the extent University revenues pledged to specific bonds (such as housing and parking revenues) are transferred to a surplus fund that permits use of moneys for any lawful purpose, such excess portion of the revenues transferred to the surplus fund are presented as Revenues.

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University of Kansas (including affiliated corporations)
Revenues Pledged and Restricted Revenues
Year Ended June 30, 2025

	<u>Total⁽¹⁾</u>	<u>Restricted Revenues⁽²⁾</u>	<u>Revenues⁽³⁾</u>
Tuition and Fees (net of scholarship allowances of \$52,933,018)	\$376,314,471	\$13,962,831	\$362,351,640
State Appropriations ⁽⁴⁾	357,050,635	74,558,276	282,492,359
Local Appropriations ⁽⁵⁾	17,182,000	17,182,000	-
Sales and Services	190,179,513	15,758,035	174,421,478
Other Operating Revenues	15,641,816	3,129,791	12,512,025
Gifts	119,870,464	3,374,735	116,495,729
Grants and Contracts (Federal, State & Nongovernmental) ⁽⁶⁾⁽⁷⁾	514,478,375	510,978,375	3,500,000
Auxiliaries:			
Housing ⁽⁸⁾	46,566,173	29,963,286	16,602,887
Parking ⁽⁸⁾	26,248,670	14,288,164	11,960,506
All Other Auxiliaries	185,048,541	185,048,541	-
Other Non-Operating Revenues ⁽⁹⁾	125,934,134	125,934,134	-
Total	<u>\$1,974,514,792</u>	<u>\$994,178,168</u>	<u>\$980,336,624</u>

(1) Total revenues of the University from the Statement of Revenues, Expenses and Changes in Net Position on pages 28-29 of the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 in Appendix B to the Official Statement.

(2) 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) Includes State Appropriations for operations and Capital Appropriations for rehabilitation and repair of \$26,222,670.

(5) JCERTA sales tax revenues pledged towards Series 2020A and Series 2020W Bonds.

(6) \$3,500,000 of KU Kan-Grow revenue is included in Grants and Contracts.

(7) Includes operating and non-operating revenues.

(8) Principal and interest payments for housing and parking bonds supported by Revenues are reflected as Revenues. To the extent University revenues pledged to specific bonds (such as housing and parking revenues) are transferred to a surplus fund that permits use of moneys for any lawful purpose, such excess portion of the revenues transferred to the surplus fund are presented as Revenues.

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University of Kansas (including affiliated corporations)
Revenues Pledged and Restricted Revenues
Year Ended June 30, 2024

	Total⁽¹⁾	Restricted Revenues⁽²⁾	Revenues⁽³⁾
Tuition and Fees (net of scholarship allowances of \$47,874,454)	\$339,900,344	\$13,508,444	\$326,391,900
State Appropriations ⁽⁴⁾	325,936,134	56,927,166	269,008,968
Local Appropriations ⁽⁵⁾	16,640,600	16,640,600	-
Sales and Services	176,186,861	16,398,700	159,788,161
Other Operating Revenues	10,606,771	6,195,395	4,411,376
Gifts	108,239,239	7,971,459	100,267,780
Grants and Contracts (Federal, State & Nongovernmental) ⁽⁶⁾⁽⁷⁾	535,689,060	532,189,060	3,500,000
Auxiliaries:			
Housing ⁽⁸⁾	41,834,284	24,877,046	16,957,238
Parking ⁽⁸⁾	23,822,048	15,350,642	8,471,406
All Other Auxiliaries	171,088,225	171,088,225	-
Other Non-Operating Revenues	156,261,890	156,261,890	-
Total	\$1,906,205,456	\$1,017,408,627	\$888,796,829

- (1) Total revenues of the University from the Statement of Revenues, Expenses and Changes in Net Position on pages 28-29 of the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 in Appendix B to the Official Statement.
- (2) 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) Includes State Appropriations for operations and Capital Appropriations for rehabilitation and repair of \$20,501,755.
- (5) JCERTA sales tax revenues pledged towards Series 2020A and Series 2020W Bonds.
- (6) \$3,500,000 of KU Kan-Grow revenue is included in Grants and Contracts.
- (7) Includes operating and non-operating revenues.
- (8) Principal and interest payments for housing and parking bonds supported by Revenues are reflected as Revenues. To the extent University revenues pledged to specific bonds (such as housing and parking revenues) are transferred to a surplus fund that permits use of moneys for any lawful purpose, such excess portion of the revenues transferred to the surplus fund are presented as Revenues.

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University Debt Obligations

General Description of University Debt Obligations. Information regarding outstanding long-term debt obligations of the University is set forth in the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 in 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 (following the application of proceeds of the Bonds to refund the Refunded Bonds) include the following:

General Revenue Pledges:

Series 2017A Bonds. The \$67,510,000 original principal amount of Kansas Development Finance Authority Revenue Bonds, Series 2017A (University of Kansas Projects) (the “Series 2017A Bonds”) were issued on January 31, 2017. Debt service on the Series 2017A Bonds is payable from the Revenues pledged by the University.

Series 2020B Bonds. The \$76,525,000 original principal amount of Kansas Development Finance Authority Refunding Revenue Bonds, Series 2020B (University of Kansas Projects) (the “Series 2020B Bonds”) were issued on March 3, 2020. Debt service on the Series 2020B Bonds is payable from the Revenues pledged by the University.

Series 2021D Bonds. The \$63,795,000 original principal amount of Kansas Development Finance Authority Refunding Revenue Bonds, Series 2021D (University of Kansas Projects) (the “Series 2021D Bonds”) were issued on April 30, 2021. Debt service on the Series 2021D Bonds is payable from the Revenues pledged by the University.

Contingent Revenue Obligations⁽¹⁾:

Series 2025C Bonds. The \$153,020,000 original principal amount of Kansas Development Finance Authority Athletic Facilities Revenue Bonds (Kansas Athletics, Incorporated Project), Series 2025C-1 (the “Series 2025C-1 Bonds”) and the \$10,940,000 original principal amount of Kansas Development Finance Authority Taxable Athletic Facilities Revenue Bonds (Kansas Athletics, Incorporated Project), Series 2025C-2 (the “Series 2025C-2 Bonds”) and, together with the Series 2025C-1 Bonds, the “Series 2025C Bonds”) were issued on March 27, 2025. Pursuant to the terms of a Guaranty Agreement dated as of March 1, 2025, the University covenanted to make available the unrestricted revenues of the University (including Revenues pledged to the payment of the Bonds) to pay debt service on the Series 2025C Bonds. However, the expected source of payment of the Series 2025C Bonds is revenues of Kansas Athletics, Incorporated, which revenues are reported in the consolidated financial report of the University included in Appendix B to this Official Statement.

Kansas Athletics, Incorporated Credit Agreement. Kansas Athletics, Incorporated has negotiated an agreement (the “Athletics Credit Agreement”) with First National Bank of Omaha (the “Bank”) for a revolving line of credit in the amount of \$50 million. The Athletics Credit Agreement is expected to be executed by the end of April 2026 with a term through April 2031. The Athletics Credit Agreement will replace an existing \$35 million line of credit. The Athletics

⁽¹⁾ Contingent revenue obligations include debt instruments where another dedicated source of revenue is pledged to pay debt service on the applicable financial obligation but where general University revenues will be used to pay such debt service if needed.

Credit Agreement will provide a longer term than its existing agreement and greater flexibility to address challenges in the college athletics landscape. The University has agreed to enter into a guaranty agreement in connection with the Athletics Credit Agreement pursuant to which the University will make available the unrestricted revenues of the University (including Revenues pledged to the payment of the Bonds) to pay debt service on the Athletics Credit Agreement. However, the expected source of payment of the Athletics Credit Agreement is revenues of Kansas Athletics, Incorporated, which revenues are reported in the consolidated financial report of the University included in Appendix B to this Official Statement.

Debt Service Payable on Revenue Bonds. For a schedule of the annual debt service payable on the Series 2017A Bonds, the 2020B Bonds, the Series 2021D Bonds and the Series 2025C Bonds described above 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 stages 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 University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 set forth in Appendix B to this Official Statement. In addition, in the 2026 legislative session, the State Legislature authorized the Kansas Development Finance Authority to issue \$60 million of revenue bonds in FY 2027 to renovate the School of Architecture & Design at the University.

Pension Obligations and OPEB

Pension Obligations. Certain University employees, representing approximately 10.1% of University benefit-eligible 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. The University made contributions to the KPERs plan of \$6.2 million and \$6.4 million for fiscal years ended June 30, 2025 and 2024, respectively.

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 18—Pension Plan” in the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 attached as Appendix B to this Official Statement.

OPEB. For information regarding the University’s other post-employment benefit obligations related to post-employment healthcare benefits, see “Note 19—Other Postemployment Healthcare Benefits (OPEB)” in the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025, attached as Appendix B to this Official Statement.

Transactions with the Hospital Authority

The operations of the University’s Medical Center campus in Kansas City are closely aligned with the many clinical care operations of the Hospital Authority. For example, most members of clinical

department faculty in KUMC’s School of Medicine are members of the medical staff of the Hospital Authority, and thus, are employees of both the University and The University of Kansas Physicians, which is the campus physician practice entity and a consolidated component unit of the Hospital Authority. In many other areas as well, the activities of the University and the Hospital Authority are aligned and coordinated on an ongoing and routine basis.

The University receives financial support and reimbursement for expenses from the Hospital Authority for Graduate Medical Education and unrestricted mission support, which during the fiscal years ended June 30, 2025 and 2024 was a total of approximately \$77 million and \$73 million, respectively.

Also, the University receives financial support from the Hospital Authority for other operational and support services. For such services, the Hospital Authority paid the University during the fiscal years ended June 30, 2025 and 2024 approximately \$22 million and \$24 million, respectively.

The University leases a medical office building from the Hospital Authority, for which the University paid operating lease payments during the fiscal years ended June 30, 2025 and 2024 of \$4 million and \$4 million, respectively. Other space on the Medical Center campus is also leased or shared between the University and the Hospital Authority.

The Kansas University Endowment Association

The Kansas University Endowment Association (the “KU Endowment”), founded in 1891, is an independent, nonprofit organization that is the official fundraising foundation for the University of Kansas. In 2023 the KU Endowment launched a \$2.5 billion capital fundraising campaign scheduled to end in 2028, known as Ever Onward, and has already succeeded in raising \$2.8 billion.

The discretely presented financial statements of the KU Endowment are set forth in the University of Kansas Annual Financial Report for the fiscal year ended June 30, 2025 attached as Appendix B to this Official Statement. As of June 30, 2025, net assets of the KU Endowment were \$3.0 billion. The separate audited financial statements of the KU Endowment are available as described in “NOTE 25—Discretely Presented Component Unit” in the Kansas Annual Financial Report for the fiscal year ended June 30, 2025 attached as Appendix B to this Official Statement.

The KU Endowment is a separate entity from the University and has no obligation in any manner with respect to the Bonds.

GOVERNANCE AND ADMINISTRATION

Governing Board

The Kansas Board of Regents 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 of Regents 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 of Regents 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.

University Administration

Dr. Douglas A Girod, Chancellor. Douglas A. Girod began as the 18th chancellor of the University of Kansas in July 2017. In this role, Chancellor Girod leads the University's mission to educate leaders, build healthy communities and make discoveries that change the world. Chancellor Girod has established a bold vision for the University to be a destination for top scholars from across the world, an engine of economic growth for Kansas, and one of the nation's leading research universities. In pursuing this vision, Chancellor Girod seeks to elevate the University's national stature and enhance the University's membership in the Association of American Universities. Under Chancellor Girod's leadership, the University has recorded its highest overall enrollment in University history, earned the highest national designation for the KU Cancer Center, increased research expenditures for nine straight years, and established new medical oversight models for student healthcare services. Most recently, he has launched the Gateway District campus development project in Lawrence, initiated a \$2.5 billion fundraising campaign to support student and faculty success, and restructured the University's organizational model to better align the University's multiple campuses. In addition to leading the University, Chancellor Girod currently serves as chair of the Association of American Universities board of directors; chair of the Big 12 Conference's board of directors; and as a member of both the NCAA Division I board of directors and the NCAA board of governors. Together these roles have positioned him as a national leader on key issues affecting higher education. Before becoming chancellor, Dr. Girod served as executive vice chancellor at the Medical Center, where he oversaw the educational, research, patient care and community engagement missions of the schools of Medicine, Nursing and Health Professions. A head-and-neck surgeon, Girod first joined the Medical Center faculty in 1994 and quickly rose through the academic ranks, becoming chair of the Otolaryngology department in 2002. In that role, he was instrumental to the University of Kansas Health System being named in the U.S. News & World Report "Best Hospitals" national rankings. He also served as interim executive dean of the University's School of Medicine and as senior associate dean for clinical affairs at the medical center. Chancellor Girod earned his bachelor's degree in chemistry from the University of California at Davis and his medical degree from the University of California at San Francisco. He completed his residency and an NIH research fellowship at the University of Washington in Seattle. Prior to joining the Medical Center, Girod served as vice chairman and research director in the Department of Otolaryngology at the Naval Medical Center in Oakland. He served in the United States Navy Reserve from 1982 until 1997, rising to the rank of lieutenant commander and earning the Meritorious Service Medal. He was honorably discharged in 1997. Committed to caring for patients throughout the world, Girod has led or participated in a dozen international medical missions in places such as Uganda, Guatemala, Mali, the Philippines and Mexico. Girod has also been active within the community, serving on the board of the Civic Council of Kansas City and on boards of the chambers of commerce in Lawrence and Greater Kansas City, as well as MRI Global. He is on the steering committee for the regional civic community effort known as KC Rising to develop long term economic prosperity for the Kansas City region. He was recognized with a Regional Leadership Award from the Mid America Regional Council in 2016 for his work with KC Rising. Girod has served as president of the American Head and Neck Society, and vice president of the Triological Society, in addition to other national leadership roles. Of his numerous awards and honors, he is perhaps most proud of his 2006 Student Voice Award for Teaching on a Surgical Rotation, bestowed by students at the University of Kansas School of Medicine.

Arash Mafi, Ph.D., University of Kansas Chief Academic Officer/Provost and Executive Vice Chancellor of the Lawrence and Edwards Campuses. In March 2026, Chancellor Douglas A. Girod named Arash Mafi, Ph.D., University of Kansas Chief Academic Officer, Provost and Executive Vice Chancellor. As Chief Academic Officer, Dr. Mafi leads faculty, staff and students in the effort to promote and support academic and scholarly excellence across all University campuses. He works closely with all deans and with members of the University Cabinet to support the advancement of the university and ensure the exceptional quality of a University education through forward-thinking academic planning that links research priorities and expertise with educational and service experiences. This role ensures healthy

enrollment and student outcomes at all stages of the student lifecycle and at all degree levels. Before taking up his current leadership role, Mafi served as the inaugural David B. Pittaway Executive Dean of the College of Liberal Arts and Sciences at the University. He holds joint appointments as professor in the Department of Physics & Astronomy and in the Department of Electrical Engineering & Computer Science. Prior to joining the University in 2023, Dr. Mafi served as Interim Dean of the College of Arts and Sciences at the University of New Mexico from 2021 to 2023. He joined the faculty of the Department of Physics and Astronomy at UNM in 2014. During his tenure there, he was Director of the Center for High Technology Materials from 2016 to 2021 and Chair of Optical Science and Engineering from 2015 to 2016, where he led large interdisciplinary research enterprises and built partnerships across academia, national laboratories and industry. His career also includes academic experience at the University of Wisconsin – Milwaukee, and industry experience as a senior research scientist for Corning Incorporated. Dr. Mafi’s research focuses on optical and photonic sciences and integrates fundamental science and application at the intersection of quantum nonlinear optics and complex photonic systems. He received the NSF Early Career Development (CAREER) Award and is a Fellow of Optica and SPIE. In 2014, his research group’s work on Anderson Localization was named a Top 10 Breakthrough in Physics by the Physics World of the Institute of Physics (IOP). In 2019, his team led the first demonstration of laser cooling of silica and currently holds the world record for laser cooling of silica glass. He earned his doctorate in Physics from The Ohio State University.

Dr. Steven W. Stites, Chief Health Sciences Officer and Executive Vice Chancellor of the Medical Center. In August 2024, Chancellor Douglas A. Girod named Dr. Steven Stites Executive Vice Chancellor for the Medical Center and Chief Health Sciences officer for all five campuses of the University. As part of the One KU initiative launched in August 2024, these roles were designed to help unify the health sciences and foster greater development of education and research across all locations of the University. In this role, Dr. Stites reports to Chancellor Girod. Importantly, Dr. Stites retained his role as Executive Vice President for clinical affairs and Chief Medical Officer for The University of Kansas Health System since 2018, reporting to Bob Page, Chief Executive Officer, and Tammy Peterman, President of the Kansas City Division. In combining these different roles, Dr. Stites works to strategically align the health system and the university, especially as it applies to research and education, and to coordinate campus planning and the growth of clinical and academic medicine. Prior to his current roles, Dr. Stites served as Senior Vice President of Clinical Affairs from 2014 to 2017 in the health system, Vice Chancellor of Clinical Affairs for the Medical Center and Senior Associate Dean for Clinical Affairs for KU School of Medicine from 2012 to 2024, and as interim Executive Vice Chancellor of the Medical Center and Dean of KU School of Medicine from 2011 to 2012. From 2011 to 2016, Dr. Stites helped lead the University team and was pivotal in clinical integration negotiations, in which the practice plans joined The University of Kansas Hospital to create The University of Kansas Health System. He also has served as chair of the Department of Internal Medicine and as a Residency Program Director. Dr. Stites earned his medical degree from the University of Missouri-Columbia and completed his residency and chief residency in Internal Medicine at the University of Rochester. He subsequently completed a fellowship in Pulmonary and Critical Care Medicine at KU Medical Center. He joined the faculty in Pulmonary and Critical Care Medicine in 1993, specializing in the care of adults with cystic fibrosis.

Jeffrey S. DeWitt, Chief Financial Officer and Senior Vice Chancellor. Mr. DeWitt was appointed the Chief Financial Officer and Senior Vice Chancellor for Finance for the University of Kansas on March 9, 2021. He has over 32 years of public finance experience. Previously, he was the Independent Chief Financial Officer for the District of Columbia government from January 2014 until accepting the position at the University. In the District of Columbia (District), he was responsible for a \$16.9 billion annual budget and an \$8.2 billion six-year capital improvement program and the related bond issuance and debt management. Oversight included all financial operations, including the University of the District of Columbia, United Medical Center, Washington Convention Center and Sports Authority, and all District agencies, including public and charter schools. Mr. DeWitt served as the Chief Financial Officer for

Phoenix, Arizona from 2009 to 2013. He served the City of Phoenix for 25 years moving progressively to the Chief Financial Officer position. He has served on the City of Phoenix Retirement Board, Phoenix Community Development Investment Corporation, Long Term Disability and Self Insurance Trust Board, Washington, D.C. Convention and Sports Authority Board, Destination DC Board, and as the Executive Sponsor for the Phoenix Industrial Development Authority. Mr. DeWitt received his Bachelor of Science from Eastern Illinois University and Masters of Science from Southern Illinois University.

FACULTY, ENROLLMENT, TUITION, FEES AND FINANCIAL ASSISTANCE

Faculty

The following tables present some historical information concerning the faculty at the University for the fall semesters 2021 through 2025.

University of Kansas – Lawrence Campus Faculty Information Fall Semesters, 2021 – 2025

	2021	2022	2023	2024	2025
Number Full-Time Faculty	1,167	1,183	1,241	1,284	1,310
Number Part-Time Faculty	169	196	352	367	353
Number Tenured Faculty	774	766	763	749	745
Average Age of Faculty	NA	NA	NA	50	50
Percent of Tenured Faculty	58%	56%	48%	45%	45%
Full-Time Percent with Terminal Degree ⁽¹⁾	95%	94%	93%	93%	92%
Student-Faculty Ratio ⁽¹⁾	16.7	17.1	17.0	17.1	17.6

⁽¹⁾ The University is using the federal IPEDS definition for terminal degree and student/faculty ratio.

University of Kansas – Medical Center Faculty Information Fall Semesters, 2021 – 2025

	2021	2022 ⁽¹⁾	2023	2024	2025
Number Full-Time Faculty	1,307	1,407	1,510	1,601	1,642
Number Part-Time Faculty	267	267	273	274	266
Number Tenured Faculty	233	232	226	221	229
Average Age of Faculty	46	47	46	46	46
Percent of Tenured Faculty ⁽²⁾	76%	78%	75%	75%	77%
Full-Time Percent with Terminal Degree ⁽³⁾	97%	97%	97%	97%	98%
Student-Faculty Ratio	NA	NA	NA	NA	NA

⁽¹⁾ Beginning in fall 2022, faculty counts include those individuals identified as faculty administrators.

⁽²⁾ The percentage of tenured faculty reflects percent of tenure eligible faculty who have attained tenure, does not include clinical and other non-tenure eligible faculty.

⁽³⁾ The University is using the federal IPEDS definition for terminal degree and student-faculty ratio. The federal government excludes medical faculty and students in their student-faculty ratio definition.

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Student Body and Enrollment

The University has a coeducational student body with approximately 57% of students having resident status and 43% having non-resident 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 tables show historical student headcount for the fall semesters at the University as a whole and each of the two main campuses.

Student Headcount

University of Kansas Student Headcount Fall Semesters, 2021 – 2025

Fall Semester	Total Students	Residents ⁽¹⁾	Non-Residents	Undergraduate	Graduate	First Professional ⁽²⁾	Other ⁽³⁾
2021	27,685	16,444	11,241	19,145	5,415	2,220	905
2022	27,638	16,193	11,445	19,241	5,262	2,205	930
2023	29,355	16,855	12,500	20,696	5,549	2,161	949
2024	30,770	17,402	13,368	22,085	5,585	2,122	978
2025	31,169	17,791	13,378	22,544	5,544	2,074	1,007

⁽¹⁾ This includes students within the State of Kansas and out-of-state students who have been granted residency by exception.

⁽²⁾ This includes degrees – AuD, DCLS, DCN, DNAP, DPT, MD, OTD, SLPD, JD and PharmD.

⁽³⁾ Other includes medical residents and fellows.

University of Kansas – Lawrence Campus Student Headcount Fall Semesters, 2021 – 2025

Fall Semester	Total Students	Residents ⁽¹⁾	Non-Residents	Undergraduate	Graduate	First Professional ⁽²⁾
2021	23,958	14,189	9,769	18,572	4,740	646
2022	23,872	14,046	9,826	18,706	4,519	647
2023	25,469	14,736	10,733	20,163	4,676	630
2024	26,887	15,353	11,534	21,559	4,701	627
2025	27,212	15,726	11,486	21,964	4,646	602

⁽¹⁾ This includes students within the State of Kansas and out-of-state students who have been granted residency by exception.

⁽²⁾ This includes degrees – JD and PharmD.

**University of Kansas – Medical Center
Student Headcount
Fall Semesters, 2021 – 2025**

Fall Semester	Total Students	Residents ⁽¹⁾	Non-Residents	Undergraduate	Graduate	First Professional ⁽²⁾	Other ⁽³⁾
2021	3,727	2,255	1,472	573	675	1,574	905
2022	3,766	2,147	1,619	535	743	1,558	930
2023	3,886	2,119	1,767	533	873	1,531	949
2024	3,883	2,049	1,834	526	884	1,495	978
2025	3,957	2,065	1,892	580	898	1,472	1,007

⁽¹⁾ This includes students within the State of Kansas and out-of-state students who have been granted residency by exception.

⁽²⁾ This includes degrees – AuD, DCLS, DCN, DNAP, DNP, DPT, MD, OTD, SLPD.

⁽³⁾ Other includes medical residents and fellows.

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Projected Student Headcount

The University implemented a strategic enrollment management initiative in FY2023 that focuses on increased student headcount, student retention, and graduation rates. Based on Western Interstate Commission on Higher Education’s (WICHE) projections, Kansas high school graduates are expected to steadily decrease starting in 2026. The University’s strategy is to maintain its on campus enrollment at the Lawrence campus while increasing its online presence through its Jayhawk Online and Jayhawk Flex (competency-based) programs. The Medical Center is expected to maintain current enrollment levels and expand to meet the market demand in healthcare, particularly in nursing and health professions. This includes expanding in new markets such as the Wichita campus.

**University of Kansas
Actual/Projected Student Headcount
Fall Semesters, 2025 – 2029**

Fall Semester	Actual/Projected Headcount
2025	31,169
2026	31,200
2027	31,200
2028	31,200
2029	31,200

**University of Kansas – Lawrence Campus
Actual/Projected Student Headcount
Fall Semesters, 2025 – 2029**

Fall Semester	Actual/Projected Headcount
2025	27,212
2026	27,200
2027	27,200
2028	27,200
2029	27,200

**University of Kansas – Medical Center
Actual/Projected Student Headcount
Fall Semesters, 2025 – 2029**

Fall Semester	Actual/Projected Headcount
2025	3,957
2026	4,000
2027	4,000
2028	4,000
2029	4,000

The above projections of future enrollment are considered by the University to be conservative, but are subject to uncertainties regarding the continuation of recent slight increases in Kansas high school graduates (the most predictable pool for future enrollment) and recent increased enrollments by nonresident students (which are considered to be less predictable).

Full Time Equivalent Student Enrollment

The following tables show a history of full time equivalent (FTE) students for the fall semesters 2021 through 2025 for the University as a whole, the University of Kansas—Lawrence Campus and Edwards Campus, and the Medical Center Campuses.

**University of Kansas – All Campuses
Full Time Equivalent Student Enrollment
Fall Semesters, 2021 – 2025**

<u>Fall Semester</u>	<u>Total FTE Students</u>	<u>FTE Undergraduate</u>	<u>FTE Graduates/First Professional</u>
2021	24,897	17,342	7,555
2022	25,032	17,461	7,572
2023	26,701	18,902	7,799
2024	28,035	20,154	7,881
2025	28,502	20,561	7,941

**University of Kansas – Lawrence Campus & Edwards Campus
Full Time Equivalent Student Enrollment
Fall Semesters, 2021 – 2025**

<u>Fall Semester</u>	<u>Total FTE Students</u>	<u>FTE Undergraduate</u>	<u>FTE Graduates/First Professional</u>
2021	21,501	16,864	4,637
2022	21,570	17,022	4,548
2023	23,157	18,461	4,696
2024	24,445	19,708	4,737
2025	24,761	20,047	4,714

**University of Kansas – Medical Center
Full Time Equivalent Student Enrollment
Fall Semesters, 2021 – 2025**

<u>Fall Semester</u>	<u>Total FTE Students</u>	<u>FTE Undergraduate</u>	<u>FTE Graduates/First Professional</u>
2021	3,396	478	2,918
2022	3,462	439	3,024
2023	3,544	441	3,103
2024	3,590	446	3,144
2025	3,741	514	3,227

Student Admissions

For the fall 2025 semester, 93% of first-time freshmen applications were accepted and 25% of those applicants enrolled. The one-year retention rate for the fall 2024 full-time, first-time degree-seeking freshmen is 87%.

University of Kansas First Time Freshmen Applications, Acceptances and Enrollments Fall Semesters, 2021 – 2025

	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025
Applications Received	15,275	16,204	19,226	23,363	22,187
Applications Accepted	14,129	14,234	16,958	20,905	20,541
% Accepted	92%	88%	88%	93%	93%
Students Enrolled	4,119	4,457	5,259	5,323	5,040
% of Acceptances Enrolled	29%	31%	31%	25%	25%

Indicated below are the average ACT scores and grade point averages of freshmen entering in the fall semesters.

University of Kansas Enrolled First Time Freshmen Fall Semesters, 2021 – 2025

	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025
Average ACT Score ⁽¹⁾	24.9	24.4	24.0	24.1	24.1
Average High School GPA	3.7	3.7	3.7	3.7	3.7

⁽¹⁾ SAT converted to ACT equivalent.

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Room and Board

The following table summarizes the annual room and board fees for an academic year for the University of Kansas Lawrence campus. Approximately 5,600 students will reside in residence and scholarship halls for the 2025-2026 academic year. There are no student housing facilities at the Medical Center Campus other than a few limited apartments for international students and visitors.

University of Kansas – Lawrence Campus Annual Room and Meals Fall Semesters, 2021 – 2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Room (renovated)	\$6,100	\$6,222	\$6,378	\$6,696	\$6,898
Meals ⁽¹⁾	<u>3,800</u>	<u>3,914</u>	<u>4,440</u>	<u>4,662</u>	<u>4,900</u>
	<u>\$9,900</u>	<u>\$10,136</u>	<u>\$10,818</u>	<u>\$11,358</u>	<u>\$11,798</u>

⁽¹⁾ The unlimited residential meal plan is used.

Geographic Representation of Students

For the fall 2025 semester, 55% of the University’s students were Kansas residents. 104 Kansas counties, all 50 states, District of Columbia, two U.S. Territories, and 116 different countries were represented in the student population.

University of Kansas Geographic Representation Fall Semester 2025

Total Students:	31,169
Kansas	17,257
Other States	11,988
International	1,924
Undergraduates:	22,544
Kansas	13,493
Other States & International	9,051
Graduates & Professionals:	8,625
Kansas	3,764
Other States & International	4,861

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Degrees Awarded

In the past five years, the University has awarded the following undergraduate, graduate and professional degrees.

University of Kansas Degrees Awarded Academic Years, 2021 – 2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Undergraduate Certificates	489	456	531	555	734
Bachelor's	4,312	4,201	4,131	4,011	4,308
Post-baccalaureate Certificates	267	355	343	387	424
Master's	1,560	1,452	1,513	1,488	1,536
Post-Master Certificates	6	11	2	8	6
PhD	308	346	377	351	327
Law (JD)	98	99	90	118	126
Pharmacy (PharmD)	144	123	111	111	95
Medicine (MD)	214	202	203	200	200
Audiology (AuD)	9	9	9	12	16
Nursing (DNP)	46	39	54	36	41
Nursing Anesthetist (DNAP)	30	36	36	33	36
Occupational Therapy (OTD)	1	46	51	54	46
Physical Therapy (DPT)	64	58	56	61	56
Speech, Language Pathology (SLPD)	2	7	2	2	6
Clinical Laboratory Science (DCLS) ⁽¹⁾	-	1	2	4	6
Clinical Nutrition (DCN) ⁽²⁾	-	-	<u>1</u>	<u>4</u>	<u>11</u>
Total	<u>7,550</u>	<u>7,441</u>	<u>7,512</u>	<u>7,435</u>	<u>7,974</u>

⁽¹⁾ DCLS degree first awarded in 2022.

⁽²⁾ DCN degree first awarded in 2023.

Tuition and Fees

The University of Kansas, Lawrence campus uses the AAUDE-16 Comparison Group as the peer group for tuition and fees comparisons. The AAUDE-16 Comparison Group includes: the University of Colorado; the University of Illinois; Indiana University; the University of Iowa; Iowa State University; University of Michigan; Michigan State University; the University of Minnesota; the University of Missouri; the University of Nebraska; The Ohio State University; Purdue University; the University of Texas; Texas A&M University; and the University of Wisconsin.

The University of Kansas, Medical Center campus uses the cost study peers: the University of Buffalo (SUNY); the University of Colorado; the University of Florida; the University of Iowa; the University of Missouri-Columbia; the University of North Carolina; and the University of Virginia as their comparison group.

The following tables show a history of the changes in tuition and fees of full-time students enrolled at the University of Kansas and a comparison to the peer groups for those years.

Between the Academic Years 2022 and 2026, tuition and fees at the University of Kansas have increased 12% for resident undergraduates, 13% for resident graduates, 12% for non-resident undergraduates and 12% for non-resident graduates. A comparison of the past fiscal years' standard rate

tuition and fees of the University of Kansas to the average tuition and fees for the peer group for both residents and non-residents is shown in the following tables.

**University of Kansas – Lawrence Campus
Schedule of Tuition and Fees and Comparison to AAUDE-16 Institutions⁽¹⁾
Academic Years Ending 2022 – 2026**

Academic Year	Resident Undergraduates			Non-Resident Undergraduates		
	University of Kansas	AAUDE-16	KU as % of	University of Kansas	AAUDE-16	KU as % of
		Average w/out KU	AAUDE-16 Average		Average w/out KU	AAUDE-16 Average
2022	\$11,166	\$12,337	90.5%	\$28,033	\$36,179	77.5%
2023	11,167	12,756	87.5%	28,035	37,210	75.3%
2024	11,700	13,105	89.3%	29,412	38,016	77.4%
2025	12,102	13,423	90.2%	30,432	39,172	77.7%
2026	12,453	13,804	90.2%	31,332	40,293	77.8%

Academic Year	Resident Graduates			Non-Resident Graduates		
	University of Kansas	AAUDE-16	KU as % of	University of Kansas	AAUDE-16	KU as % of
		Average w/out KU	AAUDE-16 Average		Average w/out KU	AAUDE-16 Average
2022	\$11,045	\$14,134	78.1%	\$25,007	\$31,388	79.7%
2023	11,046	14,637	75.5%	25,008	32,175	77.7%
2024	11,574	14,805	78.2%	26,236	32,876	79.8%
2025	11,971	15,215	78.7%	27,146	33,699	80.6%
2026	12,535	15,730	79.7%	27,947	34,784	80.3%

Academic Year	Resident Law Students			Non-Resident Law Students		
	University of Kansas	AAUDE-16	KU as % of	University of Kansas	AAUDE-16	KU as % of
		Average w/out KU	AAUDE-16 Average		Average w/out KU	AAUDE-16 Average
2022	\$23,520	\$35,845	65.6%	\$29,763	\$48,936	60.8%
2023	23,521	36,360	64.7%	29,764	49,302	60.4%
2024	24,174	37,144	65.1%	30,729	50,130	61.3%
2025	26,163	38,384	68.2%	32,946	51,603	63.8%
2026	26,862	39,495	68.0%	33,984	52,973	64.2%

⁽¹⁾ Undergraduate and law programs are calculated based on 30 credit hours and graduate programs are calculated based upon 24 credit hours.

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University of Kansas – Medical Center
Schedule of Tuition and Fees and Comparison to Cost Study Peer Institutions ⁽¹⁾
Academic Years Ending 2022 – 2026

Academic Year	Resident Undergraduates			Non-Resident Undergraduates		
	Medical Center	Peer Average w/out KUMC	KUMC as % of AAUDE-16 Average	Medical Center	Peer Average w/out KUMC	KUMC as % of Peer Average
2022	\$11,108	\$12,134	91.5%	\$27,578	\$35,742	77.2%
2023	11,108	12,703	87.4%	27,578	36,466	75.6%
2024	11,623	13,364	87.0%	28,915	37,796	76.5%
2025	12,008	13,711	87.6%	29,906	39,318	76.1%
2026	12,344	14,064	87.8%	30,779	40,519	76.0%

Academic Year	Resident Graduates			Non-Resident Graduates		
	Medical Center	Peer Average w/out KUMC	KUMC as % of AAUDE-16 Average	Medical Center	Peer Average w/out KUMC	KUMC as % of Peer Average
2022	\$8,424	\$10,978	76.7%	\$18,656	\$23,534	79.3%
2023	8,424	11,171	75.4%	18,656	23,892	78.1%
2024	8,803	11,563	76.1%	19,547	24,465	79.9%
2025	9,089	11,855	76.7%	20,210	25,054	80.7%
2026	9,336	12,150	76.8%	20,791	25,791	80.6%

Academic Year	Resident Medical Students			Non-Resident Medical Students		
	Medical Center	Peer Average w/out KUMC	KUMC as % of AAUDE-16 Average	Medical Center	Peer Average w/out KUMC	KUMC as % of Peer Average
2022	\$38,734	\$40,489	95.7%	\$67,930	\$64,891	104.7%
2023	38,734	41,040	94.4%	67,930	65,874	103.1%
2024	40,629	42,651	95.3%	71,284	68,278	104.4%
2025	42,029	43,469	96.7%	73,757	70,127	105.2%
2026	43,264	44,539	97.1%	73,757	72,260	102.1%

⁽¹⁾ Undergraduate programs are calculated based on 30 credit hours, graduate programs are calculated based on 18 credit hours, and the first-year medical program is calculated based upon a flat annual rate.

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**Schedule of Tuition and Fees
For Kansas Board of Regents Institutions**

The current academic year's tuition and fees for each of the six Kansas Board of Regents Institutions are shown in the following table:

**Kansas Board of Regents Institutions
Schedule of Tuition and Fees
Academic Year Ending 2026**

	<u>University of Kansas</u>	<u>University of Kansas Medical Center</u>	<u>Wichita State University</u>	<u>Kansas State University</u>	<u>Emporia State University</u>	<u>Pittsburg State University</u>	<u>Fort Hays State University</u>
<u>Resident</u>							
Undergraduate	\$12,453	\$12,344	\$9,947	\$11,580	\$7,225	\$8,599	\$6,112
Graduate	12,535	12,165	10,438	12,478	8,939	9,513	6,825
Law	26,862	*	*	*	*	*	*
First Year Medical Student	*	43,264	*	*	*	*	*
<u>Non-Resident</u>							
Undergraduate	\$31,332	\$30,779	\$20,613	\$29,534	\$15,538	\$19,943	\$18,434
Graduate	27,947	27,438	22,694	26,694	19,251	20,345	17,636
Law	33,984	*	*	*	*	*	*
First Year Medical Student	*	73,757	*	*	*	*	*

*Not applicable

Note: Tuition and fees based on two semesters. Undergraduate rates are based on 30 hours. KU Lawrence Campus graduate rates are based on 24 hours per the Regents definition, and KUMC graduate rates are based on 24 hours. The KUMC first year medical program is calculated based upon a flat annual rate.

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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 ended June 30, 2022, 2023, 2024 and 2025 as well as estimates of the numbers of recipients and dollar amount of financial aid assistance for the academic year ending June 30, 2026. 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.

University of Kansas Schedule of Financial Aid Assistance to Students Academic Years Ending June 30, 2022 – 2026

	2022 <u>Actual⁽¹⁾</u>	2023 <u>Actual⁽¹⁾</u>	2024 <u>Actual</u>	2025 <u>Actual</u>	2026 <u>Preliminary</u>
Total Students Enrolled (Headcount)	27,685	27,638	29,355	30,770	31,169
Number of students receiving financial aid assistance, by category:					
Federal assistance recipients	12,105	12,228	13,012	13,405	13,577
State assistance recipients	2,972	2,912	3,762	3,176	3,218
Institutional scholarship recipients	16,412	16,875	18,878	21,037	21,303
Other scholarship recipients	3,427	3,605	4,072	4,457	4,514
Total students receiving financial aid assistance (excluding Federal assistance)	18,378	18,800	20,657	22,727	23,016
Total (unduplicated) number of students receiving financial aid assistance	21,716	21,923	23,748	25,787	26,115
Amount of assistance by category:					
Federal assistance	\$ 192,860,156	\$ 196,881,021	\$ 208,167,822	\$ 217,053,851	\$ 220,017,058
State assistance	10,512,037	12,029,494	17,550,876	15,158,501	15,395,761
Institutional scholarships	151,862,916	159,637,113	210,228,565	210,502,617	213,155,349
Other scholarships and assistance	<u>26,031,098</u>	<u>28,290,625</u>	<u>33,142,183</u>	<u>38,606,951</u>	<u>39,097,879</u>
Total amount of assistance to students	\$ <u>381,266,207</u>	\$ <u>396,838,253</u>	\$ <u>469,089,446</u>	\$ <u>481,321,920</u>	\$ <u>487,666,046</u>

⁽¹⁾ Does not include Higher Education Emergency Relief Funds provided to students.

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**University of Kansas – Lawrence Campus
Schedule of Financial Aid Assistance to Students
Academic Years Ending June 30, 2022 – 2026**

	2022 <u>Actual</u> ⁽¹⁾	2023 <u>Actual</u> ⁽¹⁾	2024 <u>Actual</u>	2025 <u>Actual</u>	2026 <u>Preliminary</u>
Total Students Enrolled (Headcount)	23,958	23,872	25,469	26,887	27,212
Number of students receiving financial aid assistance, by category:					
Federal assistance recipients	10,572	10,745	11,568	11,981	12,126
State assistance recipients	2,648	2,749	3,171	2,601	2,632
Institutional scholarship recipients	14,941	15,463	17,358	19,417	19,652
Other scholarship recipients	3,048	3,227	3,659	3,994	4,042
Total students receiving financial aid assistance (excluding Federal assistance)	16,553	17,113	18,788	20,733	20,984
Total (unduplicated) number of students receiving financial aid assistance	19,419	19,759	21,540	23,493	23,777
Amount of assistance by category:					
Federal assistance	\$ 144,745,972	\$ 148,809,951	\$ 159,054,384	\$ 168,337,771	\$ 170,372,575
State assistance	3,575,249	5,136,855	9,075,814	7,406,595	7,496,123
Institutional scholarships	140,792,548	148,720,826	196,638,460	194,970,671	197,327,404
Other scholarships and assistance	<u>23,065,809</u>	<u>26,093,362</u>	<u>30,218,789</u>	<u>35,126,056</u>	<u>35,550,647</u>
Total amount of assistance to students	<u>\$ 312,179,578</u>	<u>\$ 328,760,994</u>	<u>\$ 394,987,447</u>	<u>\$ 405,841,093</u>	<u>\$ 410,746,748</u>

⁽¹⁾ Does not include Higher Education Emergency Relief Funds provided to students.

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University of Kansas – Medical Center
Schedule of Financial Aid Assistance to Students
Academic Years Ending June 30, 2022 – 2026

	2022 <u>Actual</u> ⁽¹⁾	2023 <u>Actual</u> ⁽¹⁾	2024 <u>Actual</u>	2025 <u>Actual</u>	2026 <u>Preliminary</u>
Total Students Enrolled (Headcount)	3,727	3,766	3,886	3,883	3,957
Number of students receiving financial aid assistance, by category:					
Federal assistance recipients	1,533	1,483	1,444	1,424	1,451
State assistance recipients	324	163	591	575	586
Institutional scholarship recipients	1,471	1,412	1,520	1,620	1,651
Other scholarship recipients	379	378	413	463	472
Total students receiving financial aid assistance (excluding Federal assistance)	1,825	1,687	1,869	1,994	2,032
Total (unduplicated) number of students receiving financial aid assistance	2,297	2,164	2,208	2,294	2,338
Amount of assistance by category:					
Federal assistance	\$ 48,114,184	\$ 48,071,070	\$ 49,113,438	\$ 48,716,080	\$ 49,644,483
State assistance	6,936,788	6,892,639	8,475,062	7,751,906	7,899,637
Institutional scholarships	11,070,368	10,916,287	13,590,105	15,531,946	15,827,945
Other scholarships and assistance	<u>2,965,289</u>	<u>2,197,263</u>	<u>2,923,394</u>	<u>3,840,895</u>	<u>3,547,232</u>
Total amount of assistance to students	\$ <u>69,086,629</u>	\$ <u>68,077,259</u>	\$ <u>74,101,999</u>	\$ <u>75,480,827</u>	\$ <u>76,919,298</u>

⁽¹⁾ Does not include Higher Education Emergency Relief Funds provided to students.

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 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. See the caption “Insurance” below.

The State of Kansas enacted legislation mandating the use of the Cybersecurity Framework 2.0 established by the National Institute of Standards and Technology for much of state government. In alignment with this mandate, the Board of Regents has implemented a policy establishing governance standards for cybersecurity and information technology at all higher education institutions in an effort to enhance cybersecurity, including at the University.

The University continues to enhance its cybersecurity posture through ongoing investments in IT infrastructure, security controls, monitoring capabilities, and incident response preparedness.

Insurance

The University purchases a number of insurance programs, including property insurance in the amount of \$1,000,000,000 per occurrence subject to a deductible between \$250,000 and \$1,000,000 per occurrence. Property insurance is provided by FM Global and expires on June 30, 2026. The policy is subject to sub-limits, flood and earthquake, at \$100,000,000 per occurrence and annual aggregate. State-owned automobiles are covered by liability coverage for bodily injury and property damage up to \$500,000 Each Person – Bodily Injury / \$500,000 Each Accident – Bodily Injury / \$100,000 Each Accident – Property Damage through Berkshire Hathaway. Cyber insurance, up to \$30,000,000 with a deductible of \$1,000,000 per occurrence, is provided by various carriers.

In addition to Insurance, the University has developed an Enterprise Risk Management approach to systematically and continuously identify and manage risks that may impact key risk categories (i.e., strategic, reputational, values/culture, compliance, health & safety, financial, and operational) identified by University leadership. The operational risk category will include ongoing assessment of information technology and information security.

Unions

The University of Kansas maintains Memoranda of Agreement with five employee organizations: United Academics of KU representing about 1,583 faculty and academic staff at the Lawrence campus; American Federation of Teachers – Kansas representing about 1,009 University Graduate Teaching Assistants; Laborer’s International Union of North America, Local 1290 Public Employees representing about 281 service/maintenance employees at the Lawrence campus and about 62 service/maintenance employees at the Medical Center campuses; Kansas University Police Officers Association representing about 37 law enforcement and security personnel at the Lawrence campus; and the Fraternal Order of Police Lodge #37 representing about 37 law enforcement personnel at the Medical Center campus.

Deferred Maintenance

The Kansas Board of Regents 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 of Regents on an annual basis. Based on the Kansas Board of Regents’ 2025 State

University Facilities Annual Report, the CRV of the University's mission critical buildings is nearly \$3.2 billion. As currently written, the Maintenance Assessment policy will require the University to spend approximately \$64 million per year on deferred maintenance by 2029. Pursuant to legislation enacted by the Kansas legislature in 2024, the University expects to receive \$67.7 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 \$67.7 million.

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APPENDIX B

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

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KU[®]

2025 Annual

Financial Report

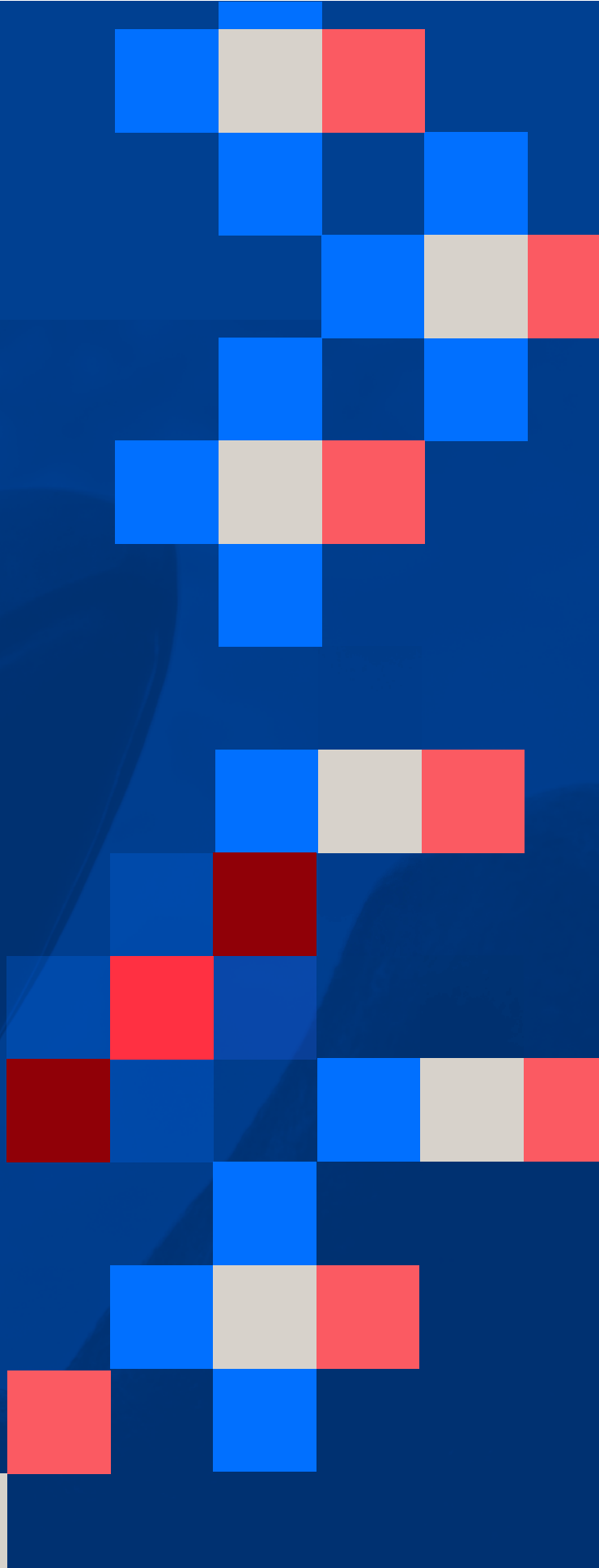


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KANSAS BOARD OF REGENTS

Blake Benson	Neelima Parasker
John Dicus	Jon Rolph
Carl Ice	Wint Winter
Alysia Johnston	Kathy Wolfe Moore
Diana Mendoza	

EXECUTIVE OFFICERS

Douglas A. Girod
Chancellor

Jeffrey S. DeWitt
*Chief Financial Officer and
Senior Vice Chancellor*

Lawrence Campus

Barbara A. Bichelmeyer
*Chief Academic Officer, Provost and Executive
Vice Chancellor*

Jason F. Hornberger
Vice Provost for Finance

Katrina Yoakum
Controller, Lawrence Campus

Jeffrey Hunter
*Director for Financial Reporting Services,
Lawrence Campus*

Medical Center Campus

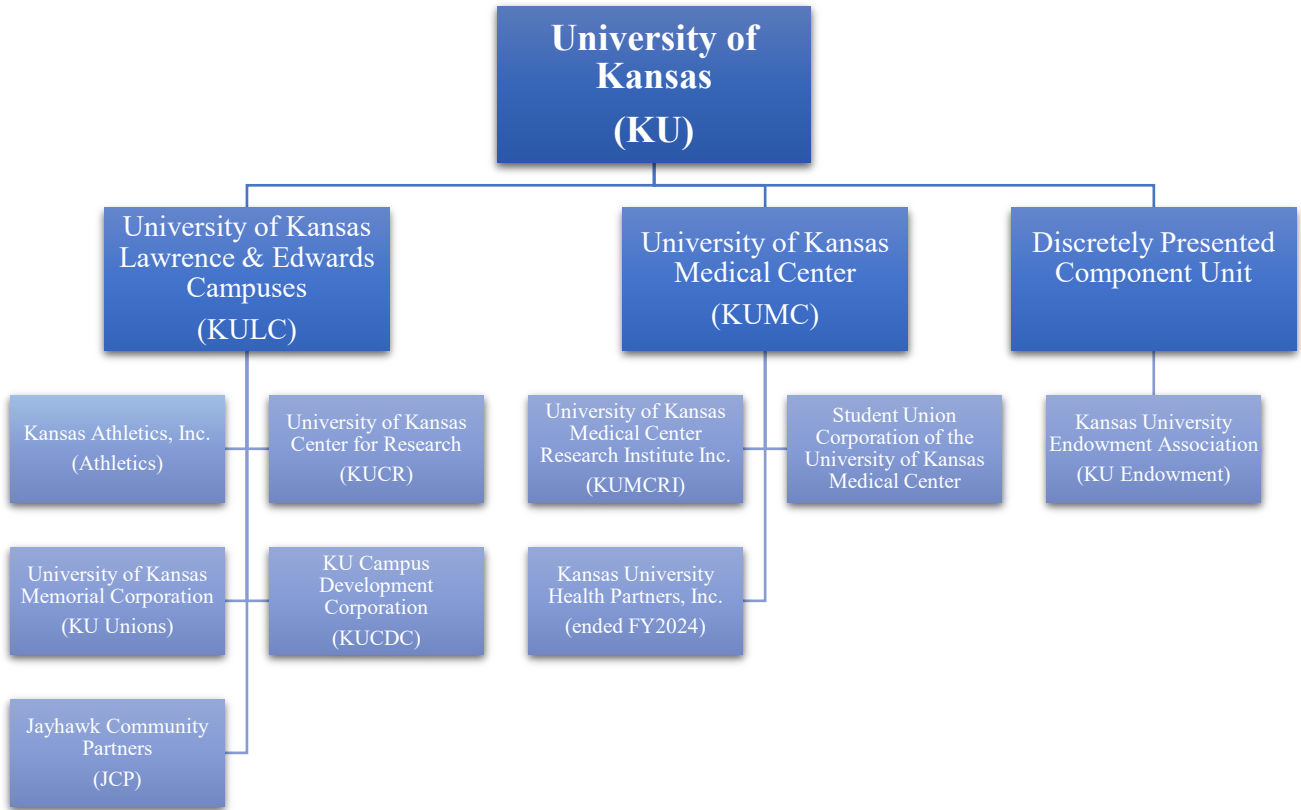
Dr. Steven Sites
*Chief Health Sciences Officer and Executive Vice
Chancellor for Medical Center*

Adrienne Kordalski
*Associate Vice Chancellor and Controller, Medical
Center*

Callie Rauschelbach
*Assistant Director, Financial Reporting and
Compliance, Medical Center*

UNIVERSITY OF KANSAS

CONSOLIDATED REPORTING STRUCTURE

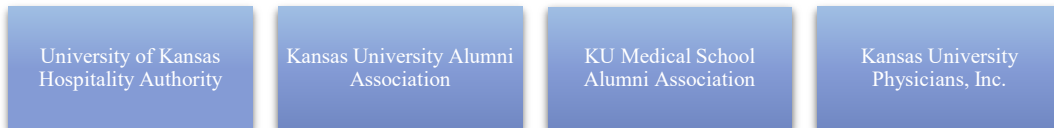


AUXILIARIES INCLUDED WITHIN KULC & KUMC



NON-CONSOLIDATED UNIVERSITY OF KANSAS AFFILIATES

* The financial activity and balances the Kansas University Alumni Association, the KU Medical School Alumni Association, Kansas University Physicians, Inc., the University of Kansas Hospital Authority, and other immaterial related affiliated organizations are not included in the financial statements of KU as they are legally separate entities but do not meet the requirements of GASB Statement No. 61 and GASB Statement No. 80.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis has been prepared by management to provide an overview of the financial performance of the University of Kansas and its affiliated corporations (collectively referred to as "KU") based on currently known facts, decisions, and conditions and is designed to assist readers in understanding the accompanying financial statements and footnotes. KU's consolidated financial report includes three financial statements: the Consolidated Statement of Net Position; the Consolidated Statement of Revenues, Expenses, and Changes in Net Position; and the Consolidated Statement of Cash Flows. KU's consolidated financial statements, related footnote disclosures, and discussion and analysis have been prepared by KU's management in accordance with Government Accounting Standards Board (GASB) principles.

CURRENT YEAR UNIVERSITY HIGHLIGHTS

KU had another year of significant achievements. The Lawrence Campus continued its focus on the implementation of its Jayhawks Rising strategic plan to shape the future of KU Lawrence Campus. The Jayhawks Rising strategic plan is organized around three institutional priorities: Student Success; Health & Vibrant Communities; and Research & Discovery. The Medical Center Campus also continued its focus on improving the lives and communities in Kansas and beyond through partnership and innovation in education, research, and health care.

Some of KU's key achievements during the fiscal year ended June 30, 2025 were:

- KU was reaccredited by the Higher Learning Commission in June 2025, which reflects KU commitment to ensuring the standards of educating leaders, building healthy communities, and making discoveries that change the world.
- KU Medical Center and The University of Kansas Health System announced the decision to strengthen existing alignment between the two organizations. The new structure will ensure open lines of communication, more advanced joint planning across the campuses, and constructive opportunities for informed discussions.
- KU Medical Center broke ground on the future site of a new Cancer Center, a project that will bring research and patient care into one complex for the first time in KU Cancer Center's history. Construction of the new Cancer Center is being supported by significant private donations, federal grants and state appropriations.
- KU Medical Center continued construction on a new biomedical education campus in Wichita, Kansas in conjunction with Wichita State University. This campus will train health care practitioners for Kansas communities.
- KU continued construction on its campus gateway and stadium construction project with anticipated completion of phase one of the project in August 2025. This project will be a transformational enhancement to the Lawrence campus at the intersection of 11th and Mississippi streets. This project will:
 - provide a new front door (Gateway) to welcome prospective students and guests,
 - construct a multiuse facility with a conference center allowing for year-round use,
 - provide new stadium and athletic facilities for Kansas Football and gameday guests.

CONSOLIDATED STATEMENT OF NET POSITION

The Consolidated Statement of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of KU at a point in time (at the end of the fiscal year). Its purpose is to present a financial snapshot of KU. The Consolidated Statement of Net Position includes all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. Under the accrual basis of accounting, revenues and assets are recognized when KU provides the service and expenses and liabilities are recognized when others provide the service to KU, regardless of when cash is received or paid.

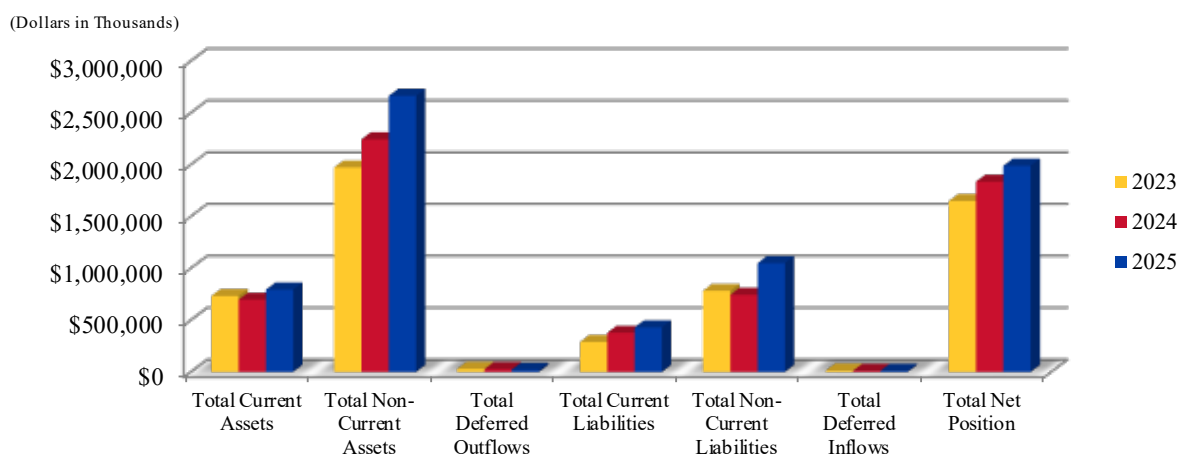
Within the Consolidated Statement of Net Position, assets and liabilities are further classified as current or non-current. The current classification distinguishes those assets which are highly liquid and available for immediate and unrestricted use by KU, and those liabilities likely to be settled in the next 12 months.

MANAGEMENT'S DISCUSSION AND ANALYSIS

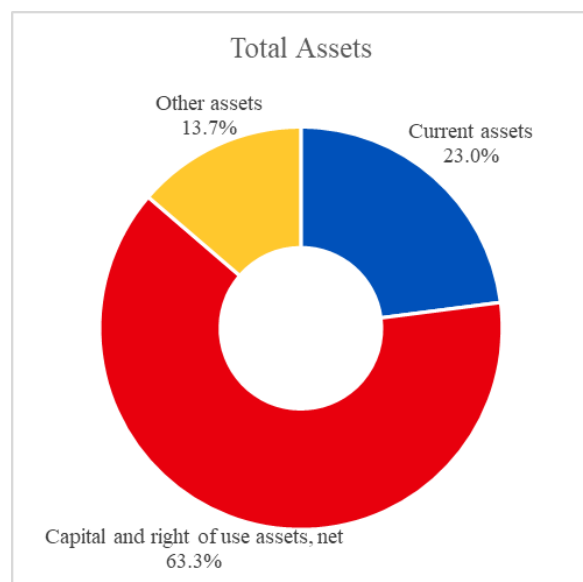
Condensed Consolidated Statements of Net Position As of June 30 (Dollars in Thousands)

	<u>2025</u>	Restated <u>2024</u>	Restated <u>2023</u>
Assets:			
Current assets	\$ 793,773	\$ 696,553	\$ 731,989
Capital and right of use assets, net	2,190,266	1,861,208	1,688,149
Other assets	473,789	383,422	283,561
Total assets	3,457,828	2,941,183	2,703,699
Deferred outflows of resources	20,463	26,734	29,691
Liabilities:			
Current liabilities	429,387	377,245	288,955
Long-term debt	915,670	611,419	642,141
Other liabilities	133,561	132,505	139,466
Total liabilities	1,478,618	1,121,169	1,070,562
Deferred inflows of resources	10,702	11,091	13,602
Net Position:			
Net investment in capital assets	1,167,497	1,112,423	955,331
Restricted	334,333	340,682	322,705
Unrestricted	487,141	382,552	371,190
Total net position	\$ 1,988,971	\$ 1,835,657	\$ 1,649,226

The composition of current and non-current assets and liabilities, deferred outflows, deferred inflows, and net position are displayed below for the fiscal years ended June 30, 2025, 2024, and 2023:



MANAGEMENT'S DISCUSSION AND ANALYSIS



Assets

On June 30, 2025, total assets were \$3.5 billion, an increase of \$516.6 million (17.6%) compared to 2024. On June 30, 2024, total assets were \$2.9 billion, an increase of \$237.5 million (8.8%) compared to 2023. See a further breakout and discussion of the changes of assets below.

Current Assets

Current assets include those used to support the current operations and consist of cash and cash equivalents, net receivables, and short-term investments. Cash balances support the ongoing operational activities, strategic initiatives and reserves, and capital projects of KU. The fluctuations in current assets are primarily influenced by the fluctuations in revenues and expenses.

On June 30, 2025, current assets increased \$97.2 million (14.0%). This change is attributed to:

- \$80.1 million (25.4%) increase in current unrestricted and restricted cash and cash equivalents, reflecting strategic actions to strengthen liquidity and operational flexibility. The increase was driven by \$32.0 million investment liquidation, \$29.1 million improved operating cash flows primarily related to research and auxiliary activity, and \$10.7 million in unspent bond proceeds.
- \$13.7 million (8.1%) increase in accounts receivable stemming from (1) \$8.6 million in receivables from students for tuition and fees, (2) \$2.5 million increase correlating to the expansion of sponsored research at the university, and (3) \$3.0 million increase occurred from normal fluctuations in billing and collection activities across various operational areas.
- \$9.4 million (36.8%) increase in Kansas Athletics (“Athletics”) future pledges for general operations and capital projects, such as the campus gateway and stadium construction project.
- \$10.9 million (6.3%) decrease in liquid investments, of which \$21.7 million pertained to the liquidation of Athletics investments for construction projects, offset by market improvements in other investments held.

On June 30, 2024, current assets decreased \$35.4 million (4.8%) compared to 2023. This change is attributed to:

- \$37.7 million (10.7%) decrease in current unrestricted and restricted cash and cash equivalents because of (1) \$22.9 million from an acceleration of amounts expended on capital related expenditures and a return to normal collections on receivables at the Medical Center, (2) \$12.8 million from the timing of grant expenditures exceeding grant cash receipts, and (3) \$11.7 million increase in athletic program expenditures, all of which is offset by an \$11.0 million increase of donations received and held at Kansas University Endowment Association (“KU Endowment”).
- \$21.8 million (11.2%) decrease in liquid investments, of which \$30.5 million pertained to donations received by Athletics for construction projects initiated during fiscal year 2024.
- \$8.4 million (24.6%) decrease in the amount to be collected in the next fiscal year from pledges received by Athletics for general pledges, Allen Fieldhouse renovations, and the campus gateway and stadium construction project.
- \$34.1 million (22.2%) increase in accounts receivable stemming from (1) \$14.6 million increase in receivables associated with sponsored research, (2) \$4.6 million increase in receivables from students for tuition and fees, and (3) \$15.0 million increase in operating receivables relating to a normalization of receivable collections from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Noncurrent Assets

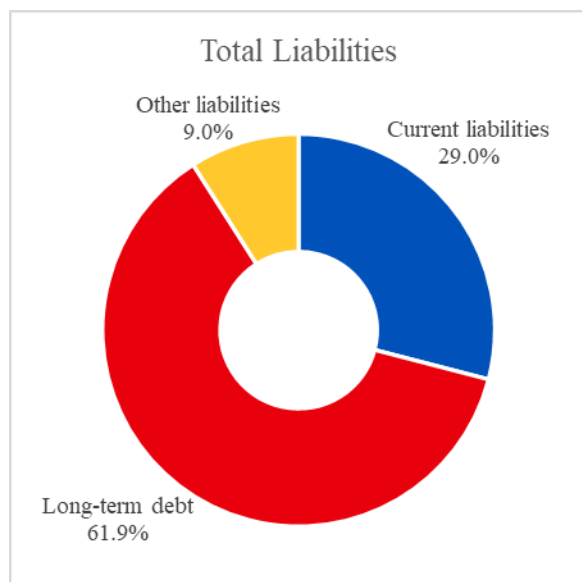
Noncurrent assets consist of capital assets, long-term endowment investments, cash restricted for capital projects, and accounts receivable not due to be collected in the next fiscal year.

On June 30, 2025, noncurrent assets increased \$419.4 million (18.7%) compared to 2024. This change is attributed to:

- \$329.1 million (17.7%) increase in capital and right of use assets. Significant construction has proceeded during the current year on the campus and stadium construction gateway project, completion of the Allen Fieldhouse remodel, and the renovations to the Anderson Family Football Complex. See the Capital Asset section below for further discussion.
- \$56.7 million (23.9%) increase in long-term investments from unspent bond proceeds earmarked for capital and debt service purposes.
- \$20.9 million (113.8%) increase in long-term receivables for an amount to be received from the joint venture with Wichita State University for the new biomedical campus.
- \$17.0 million (66.5%) in restricted cash received which has been earmarked for capital project construction purposes.

On June 30, 2024, noncurrent assets increased \$272.9 million (13.8%) compared to 2023. This change is attributed to:

- \$173.1 million (10.3 %) increase in capital and right of use assets. Significant construction has proceeded during the current year on the campus and stadium construction gateway project, and remodeling of the Allen Fieldhouse. See the Capital Asset section below for further discussion.
- \$54.3 million (242.7%) increase in pledges receivables received by Athletics for the Allen Fieldhouse renovations and the campus gateway and stadium construction project expected to be collected in future years.
- \$16.9 million (1,098.0%) increase in long-term receivables for an amount to be received from the joint venture with Wichita State University for the new biomedical campus.
- \$9.4 million (58.3%) increase in restricted cash received which has been earmarked for capital project construction purposes.



Liabilities

On June 30, 2025, total liabilities were \$1.5 billion, increasing \$357.4 million (31.9%) compared to 2024. On June 30, 2024, total liabilities were \$1.1 billion, increasing \$50.6 million (4.7%) compared to 2023. See a further breakout and discussion of the changes of liabilities below.

Current Liabilities

Current liabilities are those expected to become due and are payable over the course of the next fiscal year. Current liabilities consist of accounts payable, accrued compensation, current portion of compensated absences, unearned revenues, and current portions of long-term debt and leases.

MANAGEMENT'S DISCUSSION AND ANALYSIS

On June 30, 2025, current liabilities increased \$52.1 million (13.8%) when compared to 2024. This change is attributed to:

- \$28.0 million (31.3%) increase in unearned revenues because of (1) \$19.0 million increase in unspent State of Kansas Department of Commerce revenues for KLETC American Rescue Plan Act (“ARPA”) project, (2) \$8.4 million increase in athletic deferred revenues from presold ticket sales, and (3) \$1.8 million in unspent grant revenues, offset by \$2.0 million expenditure of prior year deferred revenues for other ARPA project funds.
- \$12.8 million (7.4%) increase in accounts payable and accrued expenses because of the timing of invoice payments to vendors for operating and capital related expenditures primarily from the campus gateway and stadium construction.
- \$9.5 million (17.9%) increase in the current portion of long-term debt items primarily stemming from KU entering new leases and software contracts during the current year.

On June 30, 2024, current liabilities increased \$88.3 million (30.6%) when compared to 2023. This change is attributed to:

- \$59.4 million (52.0%) increase in accounts payable and accrued expenses because of the timing of invoice payments to vendors for operating and capital-related expenditures primarily from the campus gateway and stadium construction.
- \$15.5 million (20.9%) increase in unearned revenues because of (1) \$15.7 million increase in unspent State of Kansas Department of Commerce revenues for the campus gateway and stadium construction project construction and other awarded ARPA funds, and (2) \$2.3 million received from certain granting authorities in advance of performing services, offset by \$2.7 million in reduced advanced ticket sales for Athletic events.
- \$10.0 million (23.3%) increase in the current portion of long-term debt items primarily stemming from KU entering new leases and software contracts during the current year, and the principal portion of existing revenue bonds continue to increase.

Noncurrent Liabilities

Noncurrent liabilities are those expected to be settled beyond the next fiscal year. Noncurrent liabilities consist of pension liabilities, other postemployment benefit plan liabilities, noncurrent portion of compensated absences, and the long-term portion of debt and leases.

On June 30, 2025, noncurrent liabilities increased \$305.3 million (41.0%) when compared to 2024. This change is attributed to:

- \$108.6 million (21.0%) increase in revenue bonds as KU issued a new bond this year which refunded a previously issued bond as well as provided proceeds toward the campus gateway and stadium construction project.
- \$174.8 million increase in notes payable connected to a pledge advance agreement between Athletics and KU Endowment for the construction of campus gateway and stadium construction project. This agreement is secured by and will be repaid by current and future contribution receivables restricted by donors for the same purpose as they are collected.
- \$22.1 million (26.3%) increase in capital leases for new athletic facility equipment purchases.

On June 30, 2024, noncurrent liabilities decreased \$37.7 million (4.8%) when compared to 2023. This change is attributed to:

- \$32.1 million (5.9%) decrease in revenue bonds as KU has continued to pay on existing debt while limiting the issuance of new debt.
- \$6.1 million (6.7%) decrease in capital leases because of scheduled payments on lease agreements exceeding the execution of new capital leases.
- \$5.7 million (10.1%) decrease in other long-term liabilities resulting from the continued amortization of bond premiums and a continued reduction in Perkins loan liabilities because of payments and assignment of loans to the U.S. Department of Education.
- \$8.1 million (279.5%) increase in the Software-Based Information Technology Agreements (“SBITA”) liability principally from the renewal of the enterprise financial systems at both the Lawrence and Medical Center campuses.

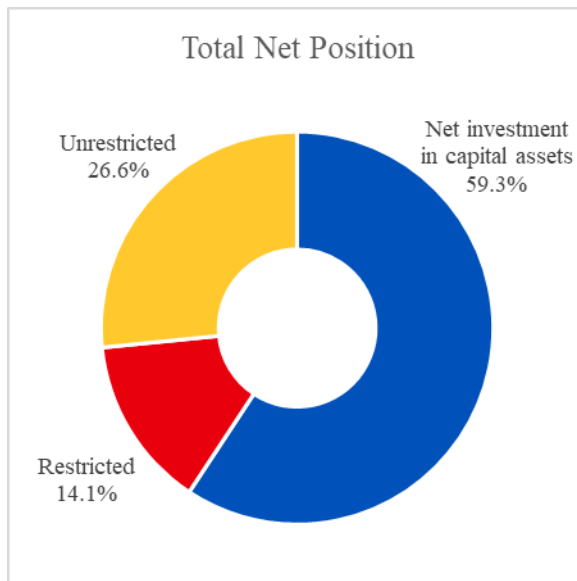
MANAGEMENT'S DISCUSSION AND ANALYSIS

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to a future reporting period, but do not require a further exchange of goods or services. Deferred inflows of resources represent the acquisition of resources applicable to a future reporting period, but do not require a future exchange of goods or services. Deferred outflows and inflows consist of certain resources related to KU's net pension liability (see note 18), the other postemployment benefit liability (see note 20), deferred charges on refunding of capital debt, and deferred lease resources.

On June 30, 2025, total deferred outflows were \$20.5 million, a decrease of \$6.3 million (23.5%) compared to 2024. This decrease is primarily because of the difference between projected and actual earnings on pension assets that will be amortized over the next few years. On June 30, 2024, total deferred outflows were \$26.7 million, a decrease of \$3.0 million (10.0%) compared to 2023. This decrease is primarily because of changes in assumptions in the pension calculation and a decrease in the allocated proportion of the total deferred outflows from the State of Kansas to KU.

On June 30, 2025, total deferred inflows were \$10.7 million, a decrease of \$0.4 million (3.5%) compared to 2024. On June 30, 2024, total deferred inflows were \$11.1 million, a decrease of \$2.5 million (18.5%) compared to 2023. For both years, the decrease is primarily attributed to actual pension investment earnings being below projected earnings.



Net Position

Net position is the residual of all other elements presented in the Statement of Net Position. Net position is divided into three categories:

1. **Net investment in capital assets** indicates KU's equity in property, plant, and equipment assets net of accumulated depreciation and outstanding principal balances of debt related to the acquisition, construction, or improvement of those 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 is available for expenditure by KU but must be spent for purposes as determined by donors and/or external entities who have placed time or purpose restrictions on the use of the assets.
3. **Unrestricted net position** is available to KU for any lawful purpose of the institution.

MANAGEMENT'S DISCUSSION AND ANALYSIS

On June 30, 2025, total net position was \$2.0 billion, an increase of \$153.3 million (8.4%) compared to 2024. On June 30, 2024, total net position was \$1.8 billion, an increase of \$186.4 million (11.3%) compared to 2023. The following breakout represents the composition of net position (in thousands) as of June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net investment in capital assets	\$ 1,167,497	\$ 1,112,423	\$ 955,331
Restricted for:			
Nonexpendable	45,513	44,998	45,559
Expendable:			
Scholarships, research, instruction and other	128,783	122,770	119,674
Loans	25,996	25,892	25,840
Capital projects	76,174	142,932	124,665
Debt service	57,867	4,090	6,967
Unrestricted	487,141	382,552	371,190
Total net position	<u>\$ 1,988,971</u>	<u>\$ 1,835,657</u>	<u>\$ 1,649,226</u>

KU's increase of \$153.3 million (8.4%) in net position as of June 30, 2025, is attributed to the following:

- \$104.6 million (27.3%) increase in unrestricted net position is primarily from the continued expansion of KU's research and auxiliary enterprises.
- \$55.1 million (7.0%) increase in investment in capital assets is associated with construction on the campus gateway and stadium construction project, completion of Allen Fieldhouse and Anderson Family football complex renovations, continued construction of the new biomedical campus in Wichita, Kansas, and addressing rehabilitation and repairs on existing buildings and infrastructure on Lawrence and Medical Center campuses, offset by depreciation taken during the current year.
- \$53.8 million increase in expendable net assets for debt service primarily related to funds retained from the current year's bond issuance. These funds are designated to cover future debt service payments over the next several years.
- \$66.8 million (46.7%) decrease in expendable net assets for capital projects stems from the usage of previously received contributions by Athletics for the Allen Fieldhouse renovations, renovation of the Anderson Family football complex, and the campus gateway and stadium construction project.

KU's increase of \$186.4 million (11.3%) in net position as of June 30, 2024, is attributed to the following:

- \$146.6 million (15.3%) increase in investment in capital assets is associated with construction on the campus gateway and stadium construction project, remodeling of Allen Fieldhouse, construction on the new health education building, and addressing rehabilitation and repairs on existing buildings and infrastructure on campus, offset by depreciation taken during the current year.
- \$18.3 million (14.7%) increase in expendable net assets for capital projects stems from a growth of donations received by Athletics for the Allen Fieldhouse renovations and the campus gateway and stadium construction project.
- \$11.4 million (3.1%) increase in unrestricted net position that is primarily the result of growth in the research enterprises of KU.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Consolidated Statement of Revenues, Expenses, and Changes in Net Position presents the total revenues earned and expenses incurred by KU for operating, non-operating, and other related activities during a period of time. Its purpose is to assess KU's operating results. Revenues and expenses are classified as either operating or non-operating in accordance with GASB principles for classification into these categories.

Condensed Consolidated Statements of Revenues, Expenses, and Change in Net Position For the fiscal years ended June 30, (Dollars in Thousands)

	2025	2024	2023
Operating revenues	\$ 1,321,013	\$ 1,208,475	\$ 1,123,141
Operating expenses	<u>(1,796,315)</u>	<u>(1,680,976)</u>	<u>(1,529,833)</u>
Total operating loss	(475,302)	(472,501)	(406,692)
Non-operating revenues	550,178	561,558	445,955
Non-operating expenses	<u>(24,886)</u>	<u>(38,798)</u>	<u>(23,092)</u>
Net non-operating revenues (expenses)	525,292	522,760	422,863
Income (loss) before other revenues, expenses, gains and losses	49,990	50,259	16,171
Other revenues, expenses, gains and losses	<u>103,324</u>	<u>136,172</u>	<u>98,344</u>
Increase (decrease) in net position	153,314	186,431	114,515
Net position, beginning of year	1,835,657	1,649,226	1,547,278
Restatement of net position - beginning of year ⁽¹⁾	-	-	(12,567)
Net position, end of year	<u>\$ 1,988,971</u>	<u>\$ 1,835,657</u>	<u>\$ 1,649,226</u>

¹ See New Accounting Standard and Change in Accounting Principle Section

Revenues

Operating Revenues

Operating revenues represent amounts received for providing goods and services, and include tuition and fees, grants and contracts, sales and services, and auxiliary revenues. Scholarship allowances are calculated as the difference between the stated charges for goods and services provided by KU and the amounts paid by students and/or third parties making payments on behalf of students. Scholarship allowances reduce the corresponding operating revenue line item.

The following breakout represents the composition of operating revenues (in thousands) for the years ended June 30:

	2025	2024	2023
Tuition and fees	\$ 376,314	\$ 339,900	\$ 320,300
Grants and contracts	481,014	445,036	400,231
Sales and services	190,180	176,187	170,954
Auxiliary enterprises	257,863	236,745	224,695
Other operating revenues	<u>15,642</u>	<u>10,607</u>	<u>6,961</u>
Total operating revenues	<u>\$ 1,321,013</u>	<u>\$ 1,208,475</u>	<u>\$ 1,123,141</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2025, operating revenues at KU increased \$112.5 million (9.3%) compared to 2024. The change in operating revenue is primarily a result of:

- \$36.4 million (10.7%) increase in tuition and fees because of an increase in the approved tuition rates in conjunction with the largest student enrollment in KU history.
- \$36.0 million (8.1%) increase in grants and contracts from the continued growth of research opportunities and initiatives on campus. As an AAU research institution, strengthening sponsored research is one of KU's strategic initiatives and KU has had continued success in its growth in the number and amount of sponsored grants and clinical trials year over year.
- \$21.1 million (8.9%) increase in auxiliary enterprises primarily from (1) \$13.1 million associated with Athletics revenues from a growth in general contributions and grants received, (2) \$4.7 million in housing revenues from growth in the number of students staying in student housing, and (3) \$2.4 million increases in parking revenues from an increase in parking rates and the number of individuals parking on campus.

For the year ended June 30, 2024, operating revenues at KU increased \$85.3 million (7.6%) compared to 2023. The change in operating revenues is primarily a result of:

- \$44.8 million (11.2%) increase in grants and contracts from the continued growth of research opportunities and initiatives on campus. KU has continued to experience a growth in the number and amount of sponsored grants and clinical trials compared to prior years.
- \$19.6 million (6.1%) increase in tuition and fees connected to a 5% increase in rate structure charged to students in conjunction with the university having the largest student population in 14 years.
- \$12.1 million (5.4%) increase in auxiliary enterprises primarily from (1) \$6.1 million in housing revenues from a growth in the number of students staying in student housing complexes across campus, and (2) \$2.2 million in KU Memorial Corporation ("KU Union") revenues from increasing sales to students, faculty, and staff, and (3) \$2.2 million increases in parking revenues from an increase in parking rates and the number of individuals on campus.

Non-operating Revenues

Non-operating revenues are revenues for which goods and services are not provided. Non-operating revenues include state appropriations, revenue from certain grants and contracts, gifts, and net investment income. The following breakout represents the composition of non-operating revenues (in thousands) for the years ended June 30:

	2025	2024	2023
State appropriations	\$ 330,828	\$ 305,434	\$ 301,271
Local appropriations	17,182	16,641	16,523
Gifts	119,870	108,239	90,901
Investment income (loss)	46,746	37,415	14,750
Nonoperating federal grants and contracts	33,465	90,653	19,725
Other non-operating revenues	2,087	3,176	2,785
Total non-operating revenues	<u>\$ 550,178</u>	<u>\$ 561,558</u>	<u>\$ 445,955</u>

For the year ended June 30, 2025, non-operating revenues decreased \$11.4 million (2.0%) compared to 2024. This change is primarily a result of:

- \$57.2 million (63.1%) decrease in nonoperating federal grants and contract primarily from \$64.2 million decrease in grant revenues from one-time State of Kansas Department of Commerce GEER program and ARPA funds which were not repeated in 2025, offset by \$7.0 million increase in Pell revenue from an increase in the number of Pell eligible students attending KU.
- \$25.4 million (8.3%) increase in appropriations provided by the State of Kansas for operating expenses, shift of Kansas Law Enforcement Training Center revenues from municipal docket fees to annual state appropriations, and special projects authorized by the Kansas Board of Regents.
- \$11.6 million (10.7%) increase in gift income stemming from additional funding provided by KU Endowment for faculty and staff compensation and other operating expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- \$9.3 million (24.9%) increase in investment income from continued improved market conditions and additional interest income from an improvement in the cash position of KU.

For the year ended June 30, 2024, non-operating revenues increased \$115.6 million (25.9%) compared to 2023. This change is primarily a result of:

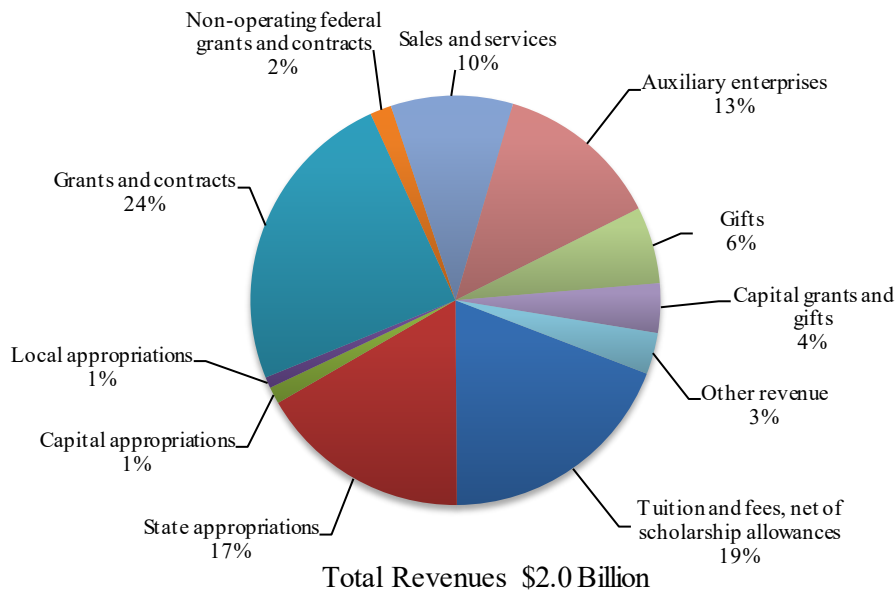
- \$70.9 million (359.6%) increase in nonoperating federal grants and contracts primarily from (1) \$66.2 million increase in grant revenues from the State of Kansas Department of Commerce GEER program and ARPA funds, and (2) \$4.2 million increase in Pell revenue because of an increase in the number of students attending KU.
- \$22.7 million (153.7%) increase in investment income because of improved market conditions experienced during the fiscal year.
- \$17.3 million (19.1%) increase in gift income stemming from additional funding provided by KU Endowment for faculty and staff compensation and other operating expenditures.

Other revenues, expenses, gains, and losses include capital appropriations, capital grants and gifts, and additions to permanent endowments. These revenues will vary year to year based upon funding received for capital projects and endowment contributions.

For the year ended June 30, 2025, capital grants and gifts decreased \$38.6 million (33.3%) primarily from the timing of contributions for privately funded construction projects on the Lawrence and Medical Center campuses. A significant portion of this decline is related to timing of contributions earmarked for the campus gateway and stadium construction project as majority of phase one initial pledges were received in 2024 and 2023.

For the year ended June 30, 2024, capital grants and gifts increased \$27.5 million (31.2%) because KU initiated more privately funded construction projects on the Lawrence and Medical Center campuses. Additionally, Athletics received more contributions earmarked for the campus gateway and stadium construction project during 2024 when compared to 2023.

The composition of these revenues, including operating and non-operating, for the year ended June 30, 2025, is displayed in the following graph:



MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses

Operating Expenses

Operating expenses are those incurred to acquire or produce goods and services to conduct the mission of KU. The following breakout represents the composition of operating expenses (in thousands) for the years ended June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Instruction	\$ 534,714	\$ 508,899	\$ 460,508
Research	464,216	412,095	363,726
Public service	73,124	79,266	71,472
Academic support	92,769	85,934	81,703
Student services	53,654	50,052	46,344
Institutional support	118,103	103,125	91,337
Operations and maintenance of plant	98,243	101,076	104,767
Depreciation	121,673	112,199	105,893
Scholarships and fellowships	37,452	36,980	23,397
Auxiliary enterprises	201,967	190,970	180,320
Other operating expenses	400	380	366
Total operating expenses	<u>\$ 1,796,315</u>	<u>\$ 1,680,976</u>	<u>\$ 1,529,833</u>

For the year ended June 30, 2025, operating expenses were \$1.8 billion, an increase of \$115.3 (6.9%), compared to 2024. This change is primarily a result of:

- The KU Lawrence Campus continued to invest resources into its faculty and staff by providing a minimum 2% pay increase, while the Medical Center campus also continued to invest in its faculty and staff to progress toward achieving market supported compensation.
- \$52.1 million (12.6%) increase in research expenses driven by growth in research salaries and expanded sponsored research opportunities and initiatives across both campuses.
- \$25.8 million (5.1%) increase in instruction expenses primarily related to compensation increases and operating expenditures aimed at enhancing the student experience and supporting higher enrollment.
- \$15.0 million (14.5%) increase in institutional support expenses as a result of compensation increases, internal organizational shifts, higher enterprise software licensing and support costs, a one-time cyber/IT-security assessment mandated by the Kansas Board of Regents, and other consulting and operating expenses.

For the year ended June 30, 2024, operating expenses were \$1.7 billion, an increase of \$151.1 million (9.9%), compared to 2023. This change is primarily a result of:

- Like 2025, both campuses invested resources into its faculty and staff through compensation increases. The Lawrence Campus provided a minimum 2.5% pay increase, while the Medical Center campus has progressed toward achieving market supported compensation.
- \$48.4 million (13.3%) and \$7.8 million (10.9%) increase in research and public service expenses, respectively, primarily a result of the continued growth in sponsored research opportunities and initiatives on both campuses.
- \$48.4 million (10.5%) increase in instruction expenses stemming from pay increases and other operating expenditures geared toward enhancing the student experience on campus and to serve higher student enrollment.
- \$11.8 million (12.9%) increase in institutional support primarily from (1) \$5.3 million in compensation from the pay increases and increase in headcounts, (2) \$3.2 million increase in security and software purchases, and (3) \$1.3 million increase in allocated pension costs for KU from a pension benefit in the prior year to a pension expense in the current year.
- \$10.7 million (5.9%) increase in auxiliary expenses primarily growth in athletic programs (1) \$6.8 million associated with basketball programs, (2) \$5.5 million for football program, and (3) \$4.6 million associated with other athletic programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- \$3.7 million (3.5%) decrease in operations and maintenance expenses primarily from (1) \$10.0 million of capital projects that were capitalized in fiscal year 2024 compared to smaller projects that were expensed in fiscal year 2023, and (2) \$6.0 million increase in allocated pension costs for KU from a pension benefit in the prior year to a pension expense in the current year.

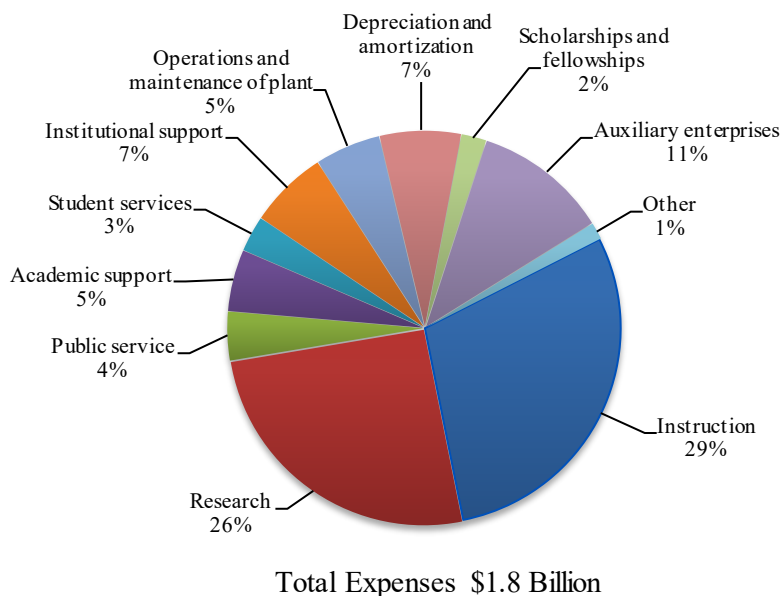
Non-operating Expenses

Non-operating expenses include interest paid on capital asset related debt, losses on the disposal of capital assets, and other expenses not directly attributable to the normal operations of KU.

For the year ended June 30, 2025, non-operating expenses decreased \$14.0 million (35.9%) because prior year non-operating expenses included a one-time \$16.7 million loss on the disposal from the demolition of the football stadium to reconstruct a new one through the campus gateway and stadium construction project.

For the year ended June 30, 2024, non-operating expenses increased \$15.7 million (68.0%) because as noted above 2024 non-operating expenses included a one-time \$16.7 million loss on football stadium disposal, offset by a \$1.1 million decline in interest expense related to continued payment on outstanding debt.

The composition of total expenses, including operating and non-operating, for the year ended June 30, 2025, is displayed in the following graph:



CONSOLIDATED STATEMENT OF CASH FLOWS

The Consolidated Statement of Cash Flows provides information about KU's financial results by reporting the major sources and uses of cash during the fiscal year. The statement assists in evaluating KU's ability to generate future net cash flows to meet its obligations as they become due and aids in analysis of the need for external financing. The statement is divided into four sections based on major activity: operating, non-capital financing, capital and related financing, and investing. A fifth section reconciles the operating income or loss on the Consolidated Statement of Revenues, Expenses, and Changes in Net Position to the net cash used in operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Activities

Cash inflows from operating activities consist primarily of student tuition and fees, operating grants and contracts, sales and services, and auxiliary enterprises. Cash outflows from operating activities consist of payments to employees, payments to suppliers, and payments to students for scholarships and fellowships.

Non-capital Financing Activities

Cash inflows from non-capital financing activities consist primarily of state and local appropriations, private non-capital gifts used to fund operations, and federal Pell grants. Because KU acts as an intermediary for the U.S. Department of Education, direct student loans are shown at the gross amount received from the government and the gross amount paid to the student.

Capital and Related Financing Activities

Cash flows from capital and related financing activities reflect the decisions made relative to KU's capital and financing plans. Cash inflows consist primarily of proceeds from the issuance of debt, capital appropriations received from the state, and private gifts used to fund capital purchases. Cash outflows consist primarily of payments made to purchase capital assets, and principal and interest payments on capital debt and leases.

Investing Activities

Cash flows from investing activities include the effects of shifts between cash and cash equivalents and longer-term investments, and any interest earnings from those longer-term investments.

The following breakout represents the composition of changes in cash and cash equivalents (in thousands) for the years ended June 30:

Condensed Consolidated Statements of Cash Flows
For the year Ended June 30,
(Dollars in thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net cash provided by (used in):			
Operating activities	\$ (337,914)	\$ (378,569)	\$ (280,285)
Noncapital financing activities	516,980	535,308	435,660
Capital financing activities	(82,927)	(224,091)	(84,307)
Investing activities	960	39,033	(34,341)
Net increase (decrease) in cash and cash equivalents	97,099	(28,319)	36,727
Beginning cash and cash equivalents	340,968	369,287	332,560
Ending cash and cash equivalents	<u>\$ 438,067</u>	<u>\$ 340,968</u>	<u>\$ 369,287</u>

For the year ended June 30, 2025, the cash and cash equivalent increased \$97.1 million compared to 2024. This change was primarily a result of:

- \$141.2 million increase of cash flows from capital financing activities primarily from \$382.3 million issuance of debt to fund the \$185.8 million in capital asset purchases, offset by an increase in principal and interest payments of \$35.7 million on debt.
- \$40.7 million increase of cash flows from operating activities related to (1) \$31.5 million increase in tuition and fees collected, (2) \$49.5 million increase in grants and contracts collections, (3) \$25.5 million increase in net auxiliary operating revenues collected, offset by (1) \$64.9 million increase in payments for compensation and benefits from increase in staff headcount and planned cost of living adjustments for both campuses and (2) \$22.5 million increase in supplier payment for general operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- \$38.1 million decrease in cash flows from investing activities, resulting from the investment of \$157.2 million in bond proceeds cash during construction, partially offset by \$120.7 million in proceeds from sales and maturities of investments.

For the year ended June 30, 2024, the cash and cash equivalents decreased \$28.3 million compared to 2023. This change was primarily a result of:

- \$139.8 million decrease in capital financing cash flows primarily from (1) \$132.0 million increase in funds spent towards athletic facilities including Allen Fieldhouse renovations and the campus gateway and stadium construction project, and (2) \$17.2 million decrease in capital grant and gifts received during the current year for capital related projects.
- \$98.3 million decrease in operating cash flow primarily from (1) \$90.4 million increase in payments for compensation and benefits from increase in staff headcount and planned cost of living adjustments for both campuses, (2) \$30.5 million decrease cash associated with the athletic programs, and (3) \$20.3 million increase in tuition and fees collected.
- \$99.6 million increase in non-capital financing cash flows primarily from (1) \$82.7 million in nonoperating federal grants and contract received from State of Kansas Department of Commerce GEER program and Pell revenues, and (2) \$14.8 million increase in gift income stemming from additional funding provided by KU Endowment.
- \$73.4 million increase in investing cash flows primarily from (1) \$55.1 million increase in proceeds from sales and maturities of investments which were used to pay for a significant portion of the capital asset purchases, (2) \$9.6 million increase in interest on investments from improvements in market rates earned, and (3) \$8.7 million decrease in purchases of new investments as fewer funds were available for investing purposes.

EXTRAORDINARY ITEMS

KU did not have any special and/or extraordinary items in 2025, 2024, and 2023.

NEW ACCOUNTING STANDARDS AND CHANGE IN ACCOUNTING PRINCIPLE

During 2025, KU management re-evaluated the accounting treatment application for reporting appropriations which include reappropriation language in the authorizing legislation. Historically, capital appropriations have been reported as revenue in the year in which they were authorized. When an unspent appropriated balance remained available for spending at the end of the fiscal year, it was reclassified as a receivable. In practice, the state records a rescission of the appropriation on June 30 and reappropriates the balance in the following fiscal year on July 1. Therefore, management believes that reporting only the amount of appropriations spent in a given fiscal year represents a preferable accounting treatment. As a result of this change in accounting principle, KU reduced accounts receivable and net position as follows (in thousands):

Financial statement line item	Balance June 30, 2023, as Previously Stated	Change in Accounting Principle	Balance June 30, 2023 Restated
Accounts receivable, net	\$ 153,701	\$ (17,996)	\$ 135,705
Net position	1,667,222	(17,996)	1,649,226
Capital appropriations	15,353	(5,206)	10,147

Financial statement line item	Balance June 30, 2024, as Previously Stated	Change in Accounting Principle	Balance June 30, 2024 Restated
Accounts receivable, net	\$ 187,787	\$ (18,035)	\$ 169,752
Net position	1,853,692	(18,035)	1,835,657
Capital appropriations	20,541	(39)	20,502

MANAGEMENT'S DISCUSSION AND ANALYSIS

During 2023, KU implemented the Governmental Accounting Standards Board (“GASB”) Statement No. 96, *Subscription-Based Information Technology Arrangements* (“GASB 96”), effective July 1, 2022. This standard established a single model for subscription-based information technology arrangements (“SBITA”) accounting based on the principle that SBITAs are arrangements of the right to use another entity’s tangible capital asset. This adoption resulted in the following impacts (in thousands):

<u>Financial statement line item</u>	<u>Increase</u>
Right of use asset	\$ 2,640
SBITA liability	2,417
Net position	223

Statement No. 101, *Compensated Absences*. The standard updates the recognition and measurement guidance for compensated absences under a unified model. The Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As a result of this implementation, KU amended the recognition and measurement guidance for compensated absences to satisfy the criteria set forth above. The adoption of this standard did not have a significant impact on KU’s financial statements in the current fiscal year.

Statement No. 102, *Certain Risk Disclosures*. The standard requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact. The adoption of this standard had no effect on KU’s financial statements in the current fiscal year.

ENDOWMENT EXPENSES PAID ON BEHALF OF THE UNIVERSITY

The Kansas University Endowment Association (“KU Endowment”), an independent, not-for-profit organization whose primary mission is to raise funds for KU, provides direct and indirect support to KU which is not entirely reflected in KU’s Statement of Revenues, Expenses, and Changes in Net Position. Expenses paid by KU Endowment on behalf of KU include expenses such as scholarships and fellowships, compensation, construction, equipment, library acquisitions, works of art, and travel. Total university support provided by KU Endowment for Lawrence and Medical Center campuses equaled approximately \$436.3 million, \$260.0 million, and \$194.4 million for the years ended June 30, 2025, 2024, and 2023, respectively.

The following support items totaling \$373.8 million are reflected in KU’s consolidated financial statements for 2025:

- **Capital Projects.** KU Endowment sponsored multiple capital projects throughout 2025 at a cost of \$235.7 million, an increase of \$177.1 million from 2024. The majority of this increase was support for the campus gateway and stadium construction project. Various other building upgrades and remodeling, as well as various equipment purchases also benefited from KU Endowment’s fundraising efforts.
- **Compensation and other operating expenses.** KU Endowment reimbursed KU approximately \$65.9 million in compensation support for various faculty and staff members, including KU’s distinguished professors, an increase of \$5.1 million from 2024. Additionally, KU Endowment reimbursed KU approximately \$72.8 million, an increase of \$3.4 million from 2024, for various other operating expenses. KU Endowment supported compensation and other operating expenses are reflected in KU’s consolidated financial statements in their appropriate function to represent a more accurate reflection of KU’s operating expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

KU's capital assets are comprised of non-depreciable and depreciable assets. The following breakout represents the composition of KU's non-depreciable and depreciable assets, net of accumulated depreciation (in thousands) as of June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Non-depreciable capital assets			
Land and land improvements	\$ 36,807	\$ 34,775	\$ 34,104
Construction in progress	526,057	268,290	50,069
Software	5,186	5,164	5,164
Works of Art	26,170	25,665	25,502
Total non-depreciable capital assets	<u>594,220</u>	<u>333,894</u>	<u>114,839</u>
Capital assets, net of accumulated depreciation			
Buildings and leasehold improvements	1,256,118	1,209,715	1,272,561
Infrastructure	126,677	114,319	115,915
Equipment	89,409	70,943	70,647
Vehicles	12,469	13,912	14,263
Right of use - leased assets	95,598	101,681	94,743
Right of use - software	15,775	16,744	5,181
Total capital assets, net of accumulated depreciation	<u>1,596,046</u>	<u>1,527,314</u>	<u>1,573,310</u>
Total capital assets	<u>\$ 2,190,266</u>	<u>\$ 1,861,208</u>	<u>\$ 1,688,149</u>

KU made significant investments in capital during the 2025 fiscal year. Additional information regarding capital asset additions, retirements, and depreciation is available in Note 9 to the financial statements.

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

- *Parking lot reconstruction* – Transportation Services initiated the full renovation of a couple of parking lots. The projects included removing the existing pavement, providing a curb and gutter system, storm water management (with a detention basin), new LED lighting, and asphalt paving with subgrade improvements. The project was completed in 2025 with a total cost of \$3.2 million. Funding was provided by parking fees.
- *Allen Fieldhouse Renovations* – Athletics renovated the home of KU basketball programs, one of the most iconic campus buildings. The renovation included new suite areas, concessions, and improvements for a universally accessible facility with a requirement to address energy conservation and sustainability. In addition to updates to fan amenities and restrooms, areas for press/media and visitor locker rooms, the project also addressed the need to replace several existing stairways to improve building circulation and safety. The project was completed in 2025 with a total cost of \$51.9 million. Funding was provided by Athletic funds and private gifts.
- *Chalmers Hall Metalsmithing Shop Improvements* – The Fowler shop area on the third floor of Chalmers Hall was renovated to provide approximately 3,900 square feet of contiguous workspace, which was divided into about a dozen rooms housing a variety of design and metalsmithing activities and equipment. The additional studio space enabled the expansion of hollowware, casting, welding, and enameling workspaces. The project also generated more graduate studio space which will allow KU to expand the graduate program and offer more space for students to create large-scale sculpture, furniture, and/or installations. The project was completed in 2025 with a total cost of \$0.4 million. Funding was provided by private gifts.
- *Budig Hall/Hoch Auditoria Masonry Restoration, Tuckpoint, Clean and Seal* – This project included tuckpointing the limestone, replacing and repairing damaged areas of stone, replacing sealant at all windows, replacing sealant joints on all parapet and gable stone caps, glazing repairs, stone cleaning and sealing. The project was completed in 2025 with a total cost of \$2.2 million. Funding was provided by state capital appropriations and university funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- *Reflection Center Construction* – The Medical Center built a 4,819 square foot Reflection Center on the ground floor of the Orr Major building. This project followed the demolition of Spencer Chapel in 2020, making way for the Proton Therapy Treatment Center. The new space, located in the former University bookstore, offers a contemplative environment for personal reflection and meditation, fostering inclusivity and serving the entire campus community. The project was completed in 2025 with a total cost of \$3.0 million. Funding was provided by private gifts.

KU also has several projects under construction or in design phases at the end of the fiscal year. These projects are for the renovation and maintenance of several buildings and infrastructure locations across the Lawrence and Medical Center campuses. Projects greater than \$1.0 million under construction at the end of the fiscal year include:

- *Applegate Energy Center Boiler Plant System* – Project includes the replacement of three boilers, associated control systems, and exterior curtain at the Applegate Energy Center at the Medical Center. The project is budgeted at \$11.7 million and will be funded by state support and university resources. Construction is estimated to be completed in fiscal year 2026.
- *Wahl Hall East Morgue Renovation* – Renovation will better utilize existing space within current morgue area. Donor storage will have increased capacity to serve the growing needs of campus and the hospital. Prep areas will also have increased capacity so that workflows are more efficient. The project is budgeted at \$2.3 million and will be funded by university resources and federal research grants. Construction is estimated to be completed in fiscal year 2026.
- *Delp Pavilion Remodeling* – Project involves remodeling the fourth floor of Delp Pavilion for the Internal Medicine department. Internal Medicine is a rapidly growing department, and this renovation is to support that growth over the coming years. The project is budgeted at \$3.3 million and will be funded by state support and university resources. Construction is estimated to be completed in fiscal year 2026.
- *Chilled Water District* – Project involves the installation of a district chilled water (CHW) plant to serve multiple buildings in the north district of the Lawrence campus. The configuration of chiller equipment in the CHW will provide redundant capacity by appropriately sizing chiller installations to provide primary and back-up capacity for a sizable portion of the peak load cooling for multiple buildings. The project is budgeted for \$14.1 million and will be funded by state capital appropriation and university resources. Construction is estimated to be completed in fiscal year 2026.
- *Robinson Center Renovation* – Project will provide better space utilization by moving Reserve Officers' Training Corps ("ROTC") to Robinson. This project will reduce deferred maintenance needs on campus and provide the ability to raze the Military Science Building. The project is budgeted at \$15.0 million and will be funded by state capital appropriations, university funds, student fees, and private gifts. Construction is estimated to be completed in fiscal year 2026.
- *Strong Hall tuckpointing, and clean and seal* – Project includes tuckpointing the terra cotta, replacing damaged terra cotta, applying a fluid applied flashing system to the horizontal eyebrows, replacing sealant at all windows, replacing sealant joints on all parapet caps, parapet repairs and glazing repairs. The project is budgeted at \$2.3 million and will be funded by state capital appropriations and university funds. Construction is estimated to be completed in fiscal year 2026.
- *Lindley Hall Rooftop HVAC Units Replacement* – Lindley Hall has four cooling-only central station air handling units (AHU). This project's intent is to replace the AHUs with modern AHUs and add chilled water cooling to the building from the chilled water district project. The project is budgeted at \$3.5 million and will be funded by state capital appropriations. Construction is estimated to be completed in fiscal year 2026.
- *Strong Hall West Wing Chilled Water Distribution and Conversion* – Strong Hall's west wing has an old, air-cooled DX units and window AC units for cooling the spaces. Chilled water piping was previously run to Strong Hall as part of the north district chilled water project. The project scope involves running chilled water piping throughout the west wing and replacing the old DX cooling units with new chilled water-cooling units and providing modern digital controls. The project is budgeted at \$6.5 million and will be funded by state capital appropriations and university funds. Construction is estimated to be completed in fiscal year 2027.
- *Kansas Geological Survey Renovations* – This project will provide needed additional geological core library and research space as an addition to the Geological Core Library on the Lawrence campus. The project is budgeted at \$3.0 million and will be funded by ARPA funds awarded to KU via the State of Kansas. Construction is estimated to be completed in fiscal year 2026.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- *Campus Gateway and Stadium Construction Project* – This is a multiple phase project geared towards the corner of 11th and Mississippi becoming the north gateway to KU with direct access to the new Jayhawk Welcome Center, the Kansas Memorial Union, Dyche Hall, Spencer Museum of Art, and David Booth Kansas Memorial Stadium. As the north gateway to campus, the new venue will be designed to drive economic development, provide services that help to recruit and retain students, and make the KU experience even greater. Phase one of the project is budgeted at \$448.0 million and includes replacement of majority of the football stadium and construction of a 55,000 gross square foot conference center. Phase one will be funded by State of Kansas grants, Athletic funds (including bonds), and private gifts. Phase one construction will be completed in fiscal year 2026. Phase two of the project has been approved and is expected to begin construction in late fall 2025. Phase two of the project is expected to include a hotel to support the conference center; retail, restaurant and office space; apartment style student housing; private condominiums; additional parking; and open space or a plaza for additional programming of the multi-use stadium to support economic development, KU athletics, and KU's academic mission.
- *Clinical Research Center Renovation* – The Medical Center is renovating the Ground Floor of the Clinical Research Center (CRC) to implement new imaging suites and expand clinical research capacity. The project includes the installation of a new MRI suite, a CT suite, and infrastructure to support future imaging expansion. The estimated total cost is \$9.2 million and will be funded through institutional resources and federal research grants, with completion anticipated in fiscal year 2026.
- *Wescoe B Renovation* – The Medical Center is undertaking a renovation of the fifth and sixth floors of Wescoe B to modernize infrastructure and create new academic and research space. The project will fully renovate both floors, and the renovated space will accommodate the Departments of Pharmacy Practice, Internal Medicine, Biostatistics, and Population Health. The total estimated cost is \$6.7 million and will be funded through state support and institutional resources, with completion anticipated in fiscal year 2027.
- *Lied Biomedical Research Building Heating System Replacement* – The Medical Center is replacing the heating hot water system in the Lied Biomedical Research Building to modernize aging infrastructure and improve system reliability. The project includes installing new piping, pumps, controls, and equipment to replace the existing heating hot water system. The work also involves removal of outdated equipment and integration of upgraded controls to enhance building performance and efficiency. The new system will strengthen overall building operations and reduce maintenance risks associated with the existing piping. The estimated total cost is \$2.1 million and will be funded through institutional resources, with completion anticipated in fiscal year 2027.
- *Biomedical Campus Construction* – The Medical Center, in partnership with Wichita State University, is developing a new biomedical campus in downtown Wichita, Kansas. The project will expand educational, research, and clinical training opportunities in south-central Kansas through shared academic and research facilities. Under the terms of the agreement, Wichita State University serves as the fiscal agent and is recording project expenditures as construction in progress. The Medical Center is recording its proportional share as a long-term accounts receivable until construction is complete, and ownership of its share is transferred. At that time, the receivable will be reclassified to a building and depreciated over its estimated useful life. The total project cost is currently estimated at \$205 million and will be funded through state support and federal research grants with completion anticipated in fiscal year 2027.
- *Cancer Research Building* – The Medical Center is constructing a state-of-the-art Cancer Research Building, which will play a key role in advancing cancer research and patient care. The project is budgeted at \$330 million and will be funded through state support, private gifts, revenue bonds, institutional resources, and federal research grants. Construction is expected to be completed in fiscal year 2029.

DEBT ADMINISTRATION

On June 30, 2025, KU and affiliated corporations had \$650.6 million in outstanding revenue bond debt, and \$327.6 million in leases, SBITA liabilities and notes payable. During fiscal year 2025, KU issued the following types of debt:

- \$164.0 million in new revenue bonds for campus gateway and stadium construction project funding and refunding of existing KU private placement bonds. See note 13 for additional information.
- \$212.8 million in new notes payable primarily related to a \$195 million pledge advance agreement between Athletics and KU Endowment for the construction of campus gateway and stadium construction project, and other lines of credit for operating purposes. The pledge advance agreement is secured by and will be repaid by current and future contribution receivables restricted by donors for the same purpose as they are collected.
- \$55.7 million in new lease and SBITA liabilities for equipment and software agreements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

On June 30, 2024, KU and its affiliated corporation had \$547.9 million in outstanding revenue bond debt, and \$116.6 million in leases, SBITA liabilities and notes payable. During fiscal year 2024, KU did not issue any new revenue bond debt, while the increase in the leases and SBITA liabilities is a result of \$30.6 million in new lease and software agreements offset by scheduled payments.

KU and its affiliated corporations paid \$111.1 million, \$75.5 million, and \$74.6 million in principal and interest payments related to all outstanding revenue bond debt, notes payable, leases and SBITA liabilities in 2025, 2024, and 2023, respectively.

On March 6, 2025, Moody's Investor Service reaffirmed KU's overall rating of Aa2 with a stable outlook. On February 27, 2025, Standard and Poor's reaffirmed KU's rating to AA-, with a stable outlook. More detailed information about KU's revenue bonds is available in Notes 13 and 14 to the consolidated financial statements. More detailed information about KU's lease and SBITA liabilities is available in Notes 15 and 16 to the consolidated financial statements.

ECONOMIC OUTLOOK

For the Fall 2025 semester, KU continued its increase in the headcount of students attending the university. KU enrollment increased by 399 students (1.3%), bringing KU's total enrollment to 31,169 across all campuses. KU welcomed the third largest first-year class and its highest overall enrollment ever in KU history. Additionally, the university was able to increase its retention rate to 87% of the first-time first-year class from the prior year. For fiscal year 2026, tuition and campus fees were increased by 3.0% to cover current and future needs of KU.

As a state supported higher education institution, KU's economic position is impacted by the State of Kansas. The fiscal year 2026 state appropriations are currently budgeted to be \$332.8 million, an increase of \$2.0 million more than fiscal year 2025.

KU has been able to achieve a stable financial footing through thoughtful strategic initiatives and commitment to faculty and staff. Like other higher education institutions, KU is facing certain budget challenges from external factors such as disruptions of federal funding, particularly research, the lack of new state funding, rising costs associated with facilities construction and operations, and projected nationwide decline in college enrollment. Because of these challenges, KU is projecting a budget shortfall within its 5-year strategic planning projections. This shortfall is being addressed through implementing strategies to reduce costs and generate revenues to achieve a balanced budget in the years ahead. Many of the things that KU needs to do align with ongoing initiatives: strategically allocating resources, streamlining operations through procurement reform and process improvements across all campuses, and diversifying our revenue streams through in-person and online enrollment, fundraising, conference and event management, and strategic partnerships.

KU's strategic initiatives continue to include significant investments in campus capital assets. Major projects such as the campus gateway and stadium construction project on Lawrence Campus, the construction of a new Cancer Research Center on the Medical Center campus in Kansas City, KS, and the new biomedical campus in Wichita, KS campus are all expected to generate additional economic growth for KU, surrounding communities and the State of Kansas.

KU is not aware of any additional facts, decisions, or conditions which are expected to have significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on all types of business operations.

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*Consolidated
Financial
Statements*

THE UNIVERSITY OF KANSAS
CONSOLIDATED STATEMENTS OF NET POSITION
AS OF JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		Restated
Current assets:		
Cash and cash equivalents	\$ 330,406,190	\$ 242,545,442
Restricted cash and cash equivalents	65,111,119	72,870,786
Investments	161,292,243	172,206,310
Accounts receivable, net	183,430,271	169,751,724
Pledges receivable, net	35,092,549	25,659,956
Loans to students, net	2,355,511	2,580,060
Inventories	6,089,838	6,460,930
Other assets	9,995,292	4,478,264
Total current assets	<u>793,773,013</u>	<u>696,553,472</u>
Non-current assets:		
Restricted cash and cash equivalents	42,550,129	25,552,190
Accounts receivable, net	39,345,890	18,406,613
Pledges receivable, net	73,598,747	76,734,978
Investments	294,291,544	237,580,625
Loans to students, net	24,003,081	25,147,792
Capital and right of use assets, net	2,190,266,078	1,861,208,132
Total non-current assets	<u>2,664,055,469</u>	<u>2,244,630,330</u>
Total assets	<u>3,457,828,482</u>	<u>2,941,183,802</u>
<u>DEFERRED OUTFLOWS</u>		
Deferred OPEB expense	3,840,735	3,658,694
Asset retirement obligations	393,381	448,552
Deferred pension expense	16,228,690	22,626,711
Total deferred outflows	<u>20,462,806</u>	<u>26,733,957</u>

THE UNIVERSITY OF KANSAS
CONSOLIDATED STATEMENTS OF NET POSITION
AS OF JUNE 30, 2025 AND 2024

(CONTINUED)

	<u>2025</u>	<u>2024</u>
		Restated
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 186,341,978	\$ 173,548,258
Unearned revenue	117,259,145	89,294,517
Assets held in custody for others	8,914,017	8,453,496
Accrued compensated absences	47,632,851	45,328,692
Leases payable	22,478,987	15,228,110
SBITA liabilities	5,740,796	5,201,736
Notes payable	8,067,528	512,703
Revenue bonds payable	26,230,000	32,099,371
Other liabilities	6,721,423	7,578,292
Total current liabilities	<u>429,386,725</u>	<u>377,245,175</u>
Non-current liabilities:		
Accrued compensated absences	17,772,959	11,532,671
Accrued other post-employment benefits	6,116,078	5,279,088
Accrued pension liability	59,322,650	64,864,671
Leases payable	106,353,405	84,207,767
SBITA liabilities	9,683,041	10,961,292
Notes payable	175,303,954	487,297
Revenue bonds payable	624,330,000	515,762,566
Other long-term liabilities	50,349,486	50,828,887
Total non-current liabilities	<u>1,049,231,573</u>	<u>743,924,239</u>
Total liabilities	<u>1,478,618,298</u>	<u>1,121,169,414</u>
<u>DEFERRED INFLOWS</u>		
Unamortized gain on bond refunding	1,358,693	1,565,769
Deferred pension expense	7,117,976	7,028,025
Deferred OPEB expense	687,773	738,629
Deferred lease inflows	1,537,446	1,758,781
Total deferred inflows	<u>10,701,888</u>	<u>11,091,204</u>
<u>NET POSITION</u>		
Net investment in capital assets	1,167,496,994	1,112,422,915
Restricted for:		
Nonexpendable	45,512,607	44,998,111
Expendable:		
Scholarships, research, instruction and other	128,783,309	122,770,383
Loans	25,996,203	25,891,901
Capital projects	76,173,904	142,932,289
Debt service	57,866,620	4,089,772
Unrestricted	487,141,465	382,551,770
Total net position	<u>\$ 1,988,971,102</u>	<u>\$ 1,835,657,141</u>

See accompanying notes to financial statements.

KANSAS UNIVERSITY ENDOWMENT ASSOCIATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024

	2025	2024
	<i>(In Thousands)</i>	
Assets		
Cash and cash equivalents	\$ 13,722	\$ 6,599
Receivables:		
Receivables from investing activities	16,601	3,230
Other receivables	2,316	2,608
Student loans receivable, less allowance of \$978 and \$980 in 2025 and 2024, respectively	21,772	20,701
Contributions pledged, less allowance of \$3,081 and \$1,750 in 2025 and 2024, respectively	238,286	258,264
Real estate loans receivable	41,871	7,151
Total receivables	320,846	291,954
Investments:		
Securities	2,762,168	2,751,498
Trust held by others	56,545	52,999
Interest in other KU Endowment entities	3,353	3,222
Real estate	21,826	21,436
Total investments	2,843,892	2,829,155
Property and facilities:		
Land	16,145	19,679
Buildings	51,363	78,439
Equipment and furnishings	6,037	5,373
	73,545	103,491
Less accumulated depreciation	(23,639)	(21,989)
Net property and facilities	49,906	81,502
Deposits and other assets	5,230	4,146
Total assets	\$ 3,233,596	\$ 3,213,356

KANSAS UNIVERSITY ENDOWMENT ASSOCIATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024

(CONTINUED)

	<u>2025</u>	<u>2024</u>
	<i>(In Thousands)</i>	
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,189	\$ 24,557
Payables from investment activities	1,155	220
Trust payable	295	276
Life income gifts payable	19,319	18,002
Long-term debt	32,158	32,158
Agency funds	100,260	100,027
Total liabilities	<u>159,376</u>	<u>175,240</u>
Net assets:		
Without donor restrictions	251,672	296,882
With donor restrictions	2,821,548	2,741,234
Total net assets	<u>3,073,220</u>	<u>3,038,116</u>

Total liabilities and net assets	<u>\$ 3,232,596</u>	<u>\$ 3,213,356</u>
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See accompanying notes

THE UNIVERSITY OF KANSAS

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
		Restated
<u>OPERATING REVENUES</u>		
Tuition and fees (net of scholarship allowances of \$52,933,018 in 2025 and \$47,874,454 in 2024)	\$ 376,314,471	\$ 339,900,344
Federal grants and contracts	319,009,120	289,905,792
State and local grants and contracts	64,130,050	68,491,355
Nongovernmental grants and contracts	97,874,383	86,639,361
Sales and services of educational departments	85,032,004	77,738,693
Sales and services of medical and administrative activities	105,147,509	98,448,168
Auxiliary enterprises:		
Housing, net of scholarship allowance	46,566,173	41,834,284
Athletics	134,797,171	121,730,822
Parking and transit, net of scholarship allowance	26,248,670	23,822,048
Student unions, net of scholarship allowance	38,670,167	37,732,919
University health services, net of scholarship allowance	8,638,375	8,635,455
Other auxiliary enterprises, net of scholarship allowance	2,942,828	2,989,029
Other operating revenues	15,641,816	10,606,771
Total operating revenues	<u>1,321,012,737</u>	<u>1,208,475,041</u>
<u>OPERATING EXPENSES</u>		
Instruction	534,714,568	508,898,522
Research	464,216,094	412,095,063
Public service	73,123,696	79,266,165
Academic support	92,769,081	85,933,775
Student services	53,653,684	50,051,601
Institutional support	118,102,817	103,124,513
Operations and maintenance of plant	98,242,835	101,075,961
Depreciation and amortization	121,672,708	112,199,452
Scholarships and fellowships	37,451,938	36,980,241
Auxiliary enterprises:		
Housing	22,425,511	20,735,657
Athletics	119,237,834	116,353,489
Parking and transit	11,549,421	9,253,557
Student unions	35,879,991	32,473,211
University health services	8,629,435	8,021,455
Other auxiliary enterprises	4,244,850	4,133,103
Other operating expenses	400,514	380,230
Total operating expenses	<u>1,796,314,977</u>	<u>1,680,975,995</u>
Total operating income (loss)	<u>(475,302,240)</u>	<u>(472,500,954)</u>

THE UNIVERSITY OF KANSAS

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(CONTINUED)

	<u>2025</u>	<u>2024</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		Restated
State appropriations	\$ 330,827,965	\$ 305,434,379
Local appropriations	17,182,000	16,640,600
Gifts	119,870,464	108,239,239
Investment income	46,746,318	37,414,863
Federal grants and contracts	33,464,822	90,652,552
Other non-operating revenues	2,086,656	3,176,070
Interest expense	(22,494,367)	(20,888,619)
Other non-operating expenses	(2,391,487)	(17,909,606)
Net non-operating revenues (expenses)	<u>525,292,371</u>	<u>522,759,478</u>
Income (loss) before other revenues, expenses, gains or losses	49,990,131	50,258,524
<u>OTHER REVENUES, EXPENSES, GAINS AND LOSSES</u>		
Capital appropriations	26,222,670	20,501,755
Capital grants and gifts	77,100,660	115,666,708
Additions to permanent endowments	500	4,249
Total other revenues, expenses, gains or losses	<u>103,323,830</u>	<u>136,172,712</u>
Increase (decrease) in net position	153,313,961	186,431,236
<u>NET POSITION</u>		
Net position - beginning of year	1,835,657,141	1,667,222,075
Restatement of net position - beginning of year	-	(17,996,170)
Net position - end of year	<u>\$ 1,988,971,102</u>	<u>\$ 1,835,657,141</u>

See accompanying notes to financial statements.

KANSAS UNIVERSITY ENDOWMENT ASSOCIATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	Year Ended June 30, 2025			Summarized Financial Information for the Year Ended June 30, 2024
	Without Donor Restrictions	With Donor Restrictions	Total Current Year	
	<i>(In Thousands)</i>			
Revenues, gains (losses), and other support:				
Fundraising:				
Contributions and grants received and pledged	\$ 86,121	\$ 153,392	\$ 239,513	\$ 343,974
Bequests	1,121	15,905	17,026	16,198
Life income gifts	-	909	909	1,476
Change in value of life income gifts	(58)	379	321	1,795
Change in net interest in KU Endowment entities	-	131	131	82
Total fundraising	87,184	170,716	257,900	363,525
Income (loss) from asset holdings:				
Investment income	12,477	39,599	52,076	43,163
Realized and unrealized gain (loss) on investments and trusts held by others	54,742	132,478	187,220	195,159
Loan interest income	4,835	919	5,754	1,778
Agricultural and mineral income	861	916	1,777	2,215
Rental, gain on sale of assets, and other income	5,304	439	5,743	1,412
Total income (loss) from asset holdings	78,219	174,351	252,570	243,727
Other receipts	271	2,720	2,991	2,096
Net assets released from restrictions:				
Satisfaction of program restrictions	268,781	(268,781)	-	-
Total revenues, gains and other support	\$ 434,455	\$ 79,006	\$ 513,461	\$ 609,348

KANSAS UNIVERSITY ENDOWMENT ASSOCIATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(CONTINUED)

	Year Ended June 30, 2025			Summarized Financial Information for the Year Ended June 30, 2024
	Without Donor Restrictions	With Donor Restrictions	Total Current Year	
	<i>(In Thousands)</i>			
Expenses:				
University support:				
Student support	\$ 70,579	\$ -	\$ 70,579	\$ 53,064
Faculty support and contractual services	72,162	-	72,162	65,500
Construction, furnishings, equipment and supplies	214,812	-	214,812	65,102
Program and other educational support	88,785	-	88,785	92,166
Total University support	446,338	-	446,338	275,832
Supporting services:				
Administrative and fundraising support	29,807	-	29,807	26,993
Asset management expense	1,050	-	1,050	1,025
Depreciation	2,072	-	2,072	1,612
Total supporting services	32,929	-	32,929	29,630
Total expenses	479,267	-	479,267	305,462
Excess (deficit) of revenues over expenses	(44,812)	79,006	34,194	303,886
Net interfund transfers	(1,308)	1,308	-	-
Change in net assets before amortization of pension adjustments	(46,120)	80,314	34,194	303,886
Amortization of unrecognized actuarial adjustments	910	-	910	2,924
Change in net assets	(45,210)	80,314	35,104	306,810
Net assets at beginning of year	296,882	2,741,234	3,038,116	2,731,306
Net assets at end of year	\$ 251,672	\$ 2,821,548	\$ 3,073,220	\$ 3,038,116

See accompanying notes

THE UNIVERSITY OF KANSAS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		Restated
Tuition and fees	\$ 373,703,002	\$ 342,213,819
Sales and services of educational activities	81,789,588	68,392,250
Sales and services of medical and administrative activities	105,147,509	98,448,168
Auxiliary enterprises:		
Housing	24,057,021	23,897,660
Athletics	27,692,158	3,414,649
Parking and transit	20,388,776	18,892,697
Student unions	3,082,701	3,318,695
University health services	(65,252)	430,390
Other auxiliary enterprises	(859,119)	(1,195,853)
Grants and contracts	482,458,498	432,930,753
Payments to suppliers	(313,816,496)	(291,353,574)
Payments to utilities	(16,579,808)	(23,364,550)
Compensation and benefits	(1,088,842,160)	(1,023,916,136)
Payments for scholarships and fellowships	(48,108,173)	(36,940,625)
Loans issued to students	(6,840,363)	(7,490,253)
Collection of loans to students	1,981,131	2,365,588
Other receipts (payments)	16,897,320	11,387,758
Net cash used in operating activities	<u>(337,913,667)</u>	<u>(378,568,564)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
State appropriations	330,827,965	304,668,487
Local appropriations	17,072,000	16,685,934
Gifts	119,870,964	108,243,488
Federal education loan receipts	153,333,064	147,139,841
Federal education loan disbursements	(153,662,523)	(147,366,124)
Non-operating grants and contracts	50,161,052	106,417,283
Other	(622,526)	(481,187)
Net cash provided by non-capital financing activities	<u>516,979,996</u>	<u>535,307,722</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Proceeds from revenue bond defeasance	39,051,547	-
Proceeds from capital debt	343,202,215	-
Capital appropriations	26,222,670	20,501,754
Capital grants and gifts	47,469,395	37,349,441
Purchases of capital assets	(391,459,783)	(205,660,127)
Proceeds from sale of capital assets	462,995	535,934
Principal paid by revenue bond defeasance	(29,646,412)	-
Principal paid on capital debt and leases	(80,644,192)	(49,719,509)
Interest paid on capital debt and leases	(30,487,761)	(25,753,072)
Other	(7,098,134)	(1,345,832)
Net cash used in capital financing activities	<u>(82,927,460)</u>	<u>(224,091,411)</u>

THE UNIVERSITY OF KANSAS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(CONTINUED)

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		Restated
Proceeds from sales and maturities of investments	256,350,202	135,671,538
Interest on investments	26,937,484	28,473,726
Purchase of investments	<u>(282,327,535)</u>	<u>(125,111,960)</u>
Net cash provided by (used in) investing activities	<u>960,151</u>	<u>39,033,304</u>
Net increase (decrease) in cash	97,099,020	(28,318,949)
Cash - beginning of the year	<u>340,968,418</u>	<u>369,287,367</u>
Cash - end of year	<u>\$ 438,067,438</u>	<u>\$ 340,968,418</u>

**RECONCILIATION OF NET OPERATING REVENUES (EXPENSES)
TO NET CASH USED BY OPERATING ACTIVITIES:**

Operating loss	\$ (475,302,240)	\$ (472,500,954)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Non-cash expense	57,885	2,448,642
Depreciation and amortization expense	121,672,708	112,199,452
Changes in assets and liabilities:		
Accounts receivables, net	(12,722,985)	(31,430,655)
Pledges receivable, net	(2,923,843)	3,371,928
Loans to students, net	1,134,354	1,101,562
Inventories	371,092	1,010,554
Prepaid expenses and other assets	(5,517,028)	11,651
Accounts payable and accrued liabilities	14,263,979	1,592,509
Unearned revenue	10,957,920	(274,506)
Accrued compensated absences	8,544,447	3,076,456
Accrued other post-employment benefits	604,093	(774,098)
Accrued pension liability	945,951	1,598,895
Net cash provided used in operating activities:	<u>\$ (337,913,667)</u>	<u>\$ (378,568,564)</u>
Non-cash Investing, Capital and Financing Activities:		
Net change in unrealized gains and losses	\$ (16,498,177)	\$ (5,657,053)
Purchases of capital assets in accounts payable and accrued expenses	56,761,565	2,357,235

See accompanying notes to financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). These financial statements have not been audited.

Organization. The University of Kansas (“KU”) is a comprehensive institution providing undergraduate, graduate, and professional education in a variety of academic programs. KU is a Public Doctoral/Research University - Extensive and is accredited by the Higher Learning Commission. KU is governed by the Kansas Board of Regents and is an agency of the State of Kansas. As an agency of the State of Kansas, KU is included in the audited Annual Comprehensive Financial Report of the State of Kansas.

KU conducts education, research, public service, and related activities at: the main campus in Lawrence, Kansas, the Edwards Campus in Overland Park, Kansas, Leavenworth, Kansas, and the Medical Center campuses in Kansas City, Kansas, Salina, Kansas, and Wichita, Kansas.

For fall 2024, the Lawrence, Edwards and Leavenworth campuses had an undergraduate enrollment of 21,559 and a graduate and professional enrollment of 5,328. The Medical Center had an undergraduate enrollment of 526 and a graduate and professional (including medical residents, fellows, and trainees) enrollment of 3,357. Enrollment at all campuses was 30,770 students.

Financial Reporting Entity. As required by accounting principles generally accepted in the United States of America, these financial statements present the consolidated financial position and financial activities of all of KU’s campuses and the following blended component units for which KU is financially accountable: Kansas Athletics, Inc. (“Athletics”), the University of Kansas Center for Research, Inc. (“KUCR”), KU Campus Development Corporation (“KUCDC”), the University of Kansas Memorial Corporation (“KU Unions”), Jayhawk Community Partners (“JCP”), the University of Kansas Medical Center Research Institute Inc. (“KUMCRI”), the Student Union Corporation of the University of Kansas Medical Center, and Kansas University Health Partners, Inc. Kansas University Health Partners, Inc. ceased operations in fiscal year 2024.

The Kansas University Endowment Association (“KU Endowment”) is considered a component unit of KU according to the criteria in GASB Statement No. 61 and GASB Statement No. 80 and is discreetly presented in KU’s financial statements. KU Endowment, an independent nonprofit organization, serves as the official fundraising and fund-management foundation for KU. KU Endowment partners with donors in providing philanthropic support to build a greater university. KU Endowment follows generally accepted accounting principles under the Financial Accounting Standards Board (FASB) and utilizes the full accrual basis of accounting. Additional details regarding KU Endowment are available in Note 26.

The financial activity and balances the Kansas University Alumni Association, the KU Medical School Alumni Association, Kansas University Physicians, Inc., the University of Kansas Hospital Authority, and other immaterial related affiliated organizations are not included in the financial statements of KU as they are legally separate entities but do not meet the requirements of GASB Statement No. 61 and GASB Statement No. 80 to be included.

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

Basis of Accounting. For financial reporting purposes, KU is considered a special-purpose government entity engaged only in business-type activities. Accordingly, KU’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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

Use of Estimates. In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from these estimates.

Cash Equivalents. For the purposes of the Consolidated Statement of Cash Flows, KU considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At certain times, KU and some of its component units maintain cash balances more than FDIC limits. KU has pledged collateral of \$11.9 million to provide additional security for amounts over the FDIC limit. Management has also evaluated the financial stability of component unit financial institutions and feels the risk to the component units is minimal.

Restricted cash and cash equivalents pertain to amounts restricted for (1) funds held in custody for student organizations, (2) held at KU Endowment until donor restrictions have been met, (3) held for payment of principal and interest on KU's bonds, (4) any unspent bond proceeds for which the bonds were issued, and (4) funds held for capital construction projects.

Investments. KU accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* as amended by GASB 72, *Fair Value Measurement and Application*. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the Consolidated Statement of Revenues, Expenses, and Changes in Net Position.

Fair Values. Fair values of fixed maturities are based on quoted market prices in active markets when available. Fair values of fixed maturities that are not actively traded are estimated using valuation methods that vary by asset class. Fair values for all securities are reviewed for reasonableness by considering overall market conditions and values for similar securities. See Note 4 for more information on KU's fair value policies.

Accounts Receivable. Accounts receivable consists of (1) tuition and fees charged to students and auxiliary enterprise services provided to students, faculty, and staff; (2) amounts due from the Federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to KU's grants and contracts; and (3) present value of amounts due to KU for various leased spaces. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories. Inventories are carried 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, KU's capitalization policy includes all items with a unit cost \$5,000 or more, and an estimated useful life greater than one year. Construction of or renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if the related project cost exceeds \$100,000. Routine repairs and maintenance are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, 25 years for land improvements, 12 years for buses, 8 years for non-IT equipment, 5 years for other vehicles, and 3 to 5 years for IT equipment. Depreciation for buildings and infrastructure is computed using a componentized building and infrastructure depreciation study. The estimated useful lives used by the blended component units for equipment, building improvements and buildings, range from 3 to 50 years, which vary slightly from KU's policy. The fiscal impact of the variation is immaterial to the financial statements as a whole.

Unearned Revenues. Unearned revenues include amounts received for (1) tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period, (2) summer school tuition not earned during the current year and (3) amounts received from grant and contract sponsors that have not yet been earned.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

Assets Held in Custody for Others. Assets held in custody for others consist primarily of student organizations' money administered by KU, and assets loaned to KU for use in performing work on certain grants and contracts. In addition, KUCR bears administrative and fiduciary responsibilities over certain financial assets for the State of Kansas' Alternative Funding Program and Telework Program which is administered by a separate community-based organization (see Note 21).

Non-current Liabilities. Non-current liabilities include principal amounts and issuance premiums of notes and revenue bonds payable; lease obligations with contractual maturities greater than one year; subscription based information technology arrangements with contractual maturities greater than one year; estimated amounts for accrued compensated absences, accrued other postemployment benefits; accrued pension obligations that will not be paid within the next fiscal year; estimated asset retirement obligation; and estimated amounts to be repaid to the federal government related to the closing of the Federal Perkins Loan Revolving Fund program.

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

Other Postemployment Benefit Plan. In accordance with the provisions of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, KU has reported its proportional share of the entire KPERs other postemployment benefit (OPEB) liability. For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows/Outflows. In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, deferred outflows and deferred inflows result from the consumption or acquisition of net position in one period that is applicable to future periods. These items are reported separately from assets and liabilities.

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

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

Restricted net position – non-expendable: Restricted non-expendable net position consists of endowed 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 for which KU is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

Classification of Revenues. KU has classified its revenues 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 allowances, 2) sales and services of auxiliary enterprises, 3) most federal, state, and local grants and contracts, and 4) interest on institutional student loans.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and investment income.

Scholarship Allowances. Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the Consolidated Statement of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by KU, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or non-governmental programs, are recorded as either operating or non-operating revenues in KU's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, KU has recorded a scholarship allowance.

Contributions. Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received.

Adoption of New Accounting Standards. For the fiscal year ended June 30, 2025, KU implemented the following pronouncements by GASB:

Statement No. 101, *Compensated Absences*. The standard updates the recognition and measurement guidance for compensated absences under a unified model. The Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As a result of this implementation, KU amended the recognition and measurement guidance for compensated absences to satisfy the criteria set forth above. The adoption of this standard did not have a significant impact on KU's financial statements in the current fiscal year.

Statement No. 102, *Certain Risk Disclosures*. The standard requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The adoption of this standard had no effect on KU's financial statements in the current fiscal year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 2 – DEPOSITS

The carrying values of deposits and investments shown below are included in the Consolidated Statement of Net Position as of June 30:

	2025	2024
Carrying value:		
Deposits	\$ 409,264,541	\$ 315,908,336
Investments	484,386,684	434,847,017
	\$ 893,651,225	\$ 750,755,353

The amounts above are included in the following line items of the Consolidated Statement of Net Position:

	2025	2024
Cash and cash equivalents	\$ 330,406,190	\$ 242,545,442
Restricted cash and cash equivalents	65,111,119	72,870,786
Investments	161,292,243	172,206,310
Restricted cash and cash equivalents (non-current)	42,550,129	25,552,190
Investments (non-current)	294,291,544	237,580,625
	\$ 893,651,225	\$ 750,755,353

KU carried the following deposits as of June 30:

Deposit Type	2025	2024
Cash deposits with State Treasury	\$ 292,564,292	\$ 223,242,849
Cash deposits with financial institutions	116,492,055	92,565,487
Certificates of deposit	208,194	100,000
	\$ 409,264,541	\$ 315,908,336

The deposits reflected above were held by the following entities as of June 30:

	2025	2024
KU Lawrence and Edwards Campuses	\$ 228,170,867	\$ 184,889,626
Kansas Athletics, Inc.	23,936,644	11,625,516
KU Campus Development Corporation*	-	-
KU Center for Research, Inc.	17,618,369	14,740,217
KU Memorial Corporation*	5,528,006	5,201,190
Jayhawk Community Partners	62,874	45,411
KU Medical Center	89,439,864	87,462,131
KU Medical Center Research Institute	44,321,137	11,766,285
Student Union Corporation of KUMC	186,780	177,960
	\$ 409,264,541	\$ 315,908,336

* The KU Memorial Corporation and KU Campus Development Corporation utilize overnight repurchase agreements for their bank deposits to maximize investment return. On June 30, 2025 and 2024, the overnight repurchase agreement amounted to \$12,145,484 and \$9,835,209, respectively, and the carrying value is included in investments. The repurchase agreement balance is included in “cash and cash equivalents” on the Consolidated Statement of Net Position at year-end.

State law requires KU (Lawrence Campus, Edwards Campus, Leavenworth, and the Medical Center campuses - in Kansas City, Salina, and Wichita) to deposit most of its cash balances with the State Treasurer, who holds and invests the funds. The

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

exceptions to this law are any funds maintained in KU's imprest fund, organizational safekeeping, revenue bond project and reserve funds, and any funds held by external entities on behalf of KU.

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

NOTE 3 - INVESTMENTS

KU carried the following investments as of June 30:

Investment Type	2025 Fair Value	2024 Fair Value
US Treasury obligations	\$ 34,842,912	\$ 7,589,560
US Agency obligations	11,618,344	22,428,729
Municipal bonds	21,014,495	4,108,070
Corporate bonds	6,798,471	1,239,828
Foreign bonds	-	196,415
Collateralized mortgage obligations	85,413,155	93,773,412
Domestic stock	5,210,611	4,392,919
Foreign stock	202,994	174,950
Mutual funds	116,310,316	105,036,552
Repurchase agreements	12,145,484	9,835,209
Other	37,175,276	13,807,726
External investment pools		
KUEA Short-term Investment Program	69,776,314	89,527,929
KUEA Long-term Investment Program	83,878,312	82,735,718
	\$ 484,386,684	\$ 434,847,017

The investments reflected above were held by the following entities as of June 30:

	2025	2024
KU Lawrence and Edwards Campuses	\$ 82,139,450	\$ 73,367,920
Kansas Athletics, Inc.	136,058,374	104,307,687
KU Campus Development Corporation	8,329,330	8,425,406
KU Center for Research, Inc.	113,026,364	102,631,182
KU Memorial Corporation	4,088,943	1,669,859
Jayhawk Community Partners	164,367	149,265
KU Medical Center	6,778,932	6,662,551
KU Medical Center Research Institute	133,800,924	137,633,147
	\$ 484,386,684	\$ 434,847,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

INVESTMENT POLICY

State statutes govern KU's investment policies. For investments related to KU's Kansas Development Finance Authority (K DFA) revenue bonds, state statutes authorize cash balances to be invested as permitted by bond documents and bond covenants. 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
- Guaranteed investment contracts

State statutes also govern the investment policies of the PMIB. The primary objectives are to attain safety, liquidity, and yield. Allowable investments in State pooled money are as follows:

- Direct obligations of, or obligations except mortgage back securities, which are insured as to principal and interest by the U.S. Government, or any direct agency thereof, with maturities up to four years
- Repurchase agreements with Kansas banks or with primary government securities dealers
- Loans as mandated by the Kansas Legislature limited to not more than the greater of 10 percent or \$140 million of total investments
- Certain Kansas agency and SKILL Act projects and bonds (K.S.A 74-8920)
- High grade commercial paper
- High grade corporate bonds

The Investment Committee of the KU Endowment Board of Trustees oversees investments in the KU Endowment's investment programs. The Finance Committee develops guidelines and procedures for investment programs, in accordance with the policies established by the Executive Committee.

KU Endowment has investment policies that attempt to provide a predictable stream of funding to programs supported by operations, as well as endowment donations. Assets are invested in a manner intended to produce results that match or exceed the respective benchmark while also seeking to control investment risk. The primary long-term financial objective of the portfolio managed by KU Endowment is to preserve the real value (purchasing power) of the principal (the gift value) and of its spending distributions, while providing a stable source of funding for participants. Since the KU Endowment Long-term Investment Program's 1988 inception, KU Endowment has met its objective though actual returns in any given year may vary from this amount.

The KU Endowment Short-term Investment Program is designed for short-term, highly liquid investing needs. KU Endowment invests excess cash balances in individual fund accounts by pooling them into a short-term investment program to produce a net investment yield. The total investment yield, less distributions of earnings to certain accounts, is retained by KU Endowment and is allocated to the unrestricted net asset classification to defray administrative costs.

The KU Endowment Long-term Investment Program is designed for investing endowed funds and other types of funds with similar long-term objectives. These funds are collectively invested in a diversified long-term portfolio that is professionally managed by firms chosen by KU Endowment for their expertise in specialized portfolio management. Funds participating in

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

the long-term investment portfolio receive regular distributions that are available for immediate spending in accordance with KU Endowment's established spending policy. Except as specified by the donor, KU Endowment has adopted a constant growth spending policy. The target spending rate is 5.5% of the market value of participating funds, less a 0.9% administrative fee charged by KU Endowment. To avoid potential under-distributions or unsustainable over-distributions in any given year, the policy is subject to a 4.5% "floor" and a 6.5% "cap" of the trailing four quarter average market value. Every month, participating funds receive a distribution. The spending amount is recalculated annually based on values ending September 30th of the year preceding each spending year and is effective for one year beginning February 1 and ending the following January 31. In establishing this policy, KU Endowment considered the long-term expected return on its endowment. Accordingly, over the long term, KU Endowment expects the current spending policy to allow its endowment to grow at an average of the long-term rate of inflation. This is consistent with KU Endowment's objective to maintain the purchasing power of its endowment assets held in perpetuity, as well as to provide additional growth for new gifts.

The Executive Committee, as well as the Finance and Audit Committee of KUCR, oversees KUCR investments. In accordance with KUCR investment policy, eligible investments include money market funds, FDIC insured bank accounts, U.S. Treasury obligations (Bills, Notes, Bonds), U.S. Government Agency obligations, corporate obligations, mutual funds, exchange traded funds, domestic and international stocks, and fully collateralized repurchase agreements. The Finance and Audit Committee reviews asset allocation targets semi-annually.

Athletics and KU Union's investments are held through KU Endowment and therefore follow KU Endowment's investment policy.

The Board of Directors of KUMCRI oversees KUMCRI's investment policy. Per KUMCRI investment policy, investments are actively managed in collaboration with investment industry professionals with direct ownership of the financial investments held by the KUMCRI or within a mutual fund. The Board of Directors selects financial advisors. Approved financial advisors make regular presentations to the Board, and overall performance is reviewed at each Board of Directors meeting. KUMCRI investment policy also sets investment quality standards for specific investments (i.e., U.S. Treasury and Agency Obligations; including Callable, Non-Callable, Step-Ups, Mortgage-Backed Securities and Collateralized Mortgage Obligations; also, Certificates of Deposit, Secured Municipal Bonds, Corporate Debt Securities; rated A- or better by two rating agencies, and Money Market Funds).

INTEREST RATE RISK

Interest rate risk refers to the possibility that changes in interest rates will adversely impact the fair value of an investment. KU does not have a formal investment policy that leverages investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. KU anticipates holding fixed income securities until maturity, thus limiting KU's interest rate risk exposure.

For revenue bond investments managed by KDFA, because of the tax-exempt status of the bonds, it is the practice of KDFA and KU management 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 invests to maximize the interest rate and sets a term of investment based on estimated expenditures, which is generally 3 to 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

KU had the following investments and maturities as of June 30, 2025:

Investment Type	Fair Value	<i>Investment Maturities (in years)</i>			
		Less than 1	1-5	6-10	More than 10
Investments with Maturity Date:					
US Treasury obligations	\$ 34,842,912	\$ 27,245,928	\$ 7,052,490	\$ 494,793	\$ 49,701
US Agency obligations	11,618,344	11,586,334	-	-	32,010
Municipal bonds	21,014,495	5,100,670	12,568,706	3,345,119	-
Corporate bonds	6,798,471	6,568,308	195,095	-	35,068
Collateralized mortgage obligations	85,413,155	1,252	150,973	5,074,297	80,186,633
Repurchase agreements	12,145,484	12,145,484	-	-	-
Other	984,691	984,691	-	-	-
External investment pools					
KUEA Short-term Investment Program	69,776,314	69,776,314	-	-	-
	<u>242,593,866</u>	<u>133,408,981</u>	<u>19,967,264</u>	<u>8,914,209</u>	<u>80,303,412</u>
Investments not subject to maturity dates:					
Domestic stock	5,210,611				
Foreign Stock	202,994				
Mutual funds	116,310,316				
Other	36,190,585				
External investment pools					
KUEA Long-term Investment Program*	83,878,312				
	<u>241,792,818</u>				
	<u>\$ 484,386,684</u>				

* KU Endowment's Long-term investment program is invested in approximately 80% equities and other investments which do not have a maturity date.

KU had the following investments and maturities as of June 30, 2024:

Investment Type	Fair Value	<i>Investment Maturities (in years)</i>			
		Less than 1	1-5	6-10	More than 10
Investments with Maturity Date:					
US Treasury obligations	\$ 7,589,560	\$ 6,876,343	\$ 656,448	\$ 6,388	\$ 50,381
US Agency obligations	22,428,729	7,701,952	14,692,179	-	34,598
Municipal bonds	4,108,070	-	885,119	3,222,951	-
Corporate bonds	1,239,828	427,507	777,183	-	35,138
Foreign bonds	196,415	196,415	-	-	-
Collateralized mortgage obligations	93,773,412	3,685	296,855	7,617,613	85,855,259
Repurchase agreements	9,835,209	9,835,209	-	-	-
Other	9,300,556	5,369,521	3,931,035	-	-
External investment pools					
KUEA Short-term Investment Program	89,527,929	89,527,929	-	-	-
	<u>237,999,708</u>	<u>119,938,561</u>	<u>21,238,819</u>	<u>10,846,952</u>	<u>85,975,376</u>
Investments not subject to maturity dates:					
Domestic stock	4,392,919				
Foreign Stock	174,950				
Mutual funds	105,036,552				
Other	4,507,170				
External investment pools					
KUEA Long-term Investment Program*	82,735,718				
	<u>196,847,309</u>				
	<u>\$ 434,847,017</u>				

* KU Endowment's Long-term investment program is invested in approximately 80% equities and other investments which do not have a maturity date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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CREDIT RISK

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. KU holds investments that 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.

As of June 30, 2025, KU held the following investments as rated by Standard and Poor's and/or Moody's:

<u>S&P Credit Rating</u>	<u>Moody's Credit Rating</u>	<u>Fair Value</u>	<u>% of Total</u>
AAA	Aaa	\$ 46,450,151	9.6%
AA+/AA/AA-	Aa1/Aa2/Aa3	602,813	0.1%
A+/A/A-	A1/A2/A3	1,241,658	0.3%
BBB+/BBB/BBB-	Baa1/Baa2/Baa3	603,255	0.1%
BB+/BB/BB-	Ba1/Ba2/Ba3	-	0.0%
B+/B/B-	B1/B2/B3	2,283,217	0.5%
C+/C/C-	Caa	61,376	0.0%
Not Rated		433,144,214	89.4%
		<u>\$ 484,386,684</u>	<u>100.0%</u>

As of June 30, 2024, KU held the following investments as rated by Standard and Poor's and/or Moody's:

<u>S&P Credit Rating</u>	<u>Moody's Credit Rating</u>	<u>Fair Value</u>	<u>% of Total</u>
AAA	Aaa	\$ 30,004,808	6.9%
AA+/AA/AA-	Aa1/Aa2/Aa3	499,425	0.1%
A+/A/A-	A1/A2/A3	1,628,574	0.4%
BBB+/BBB/BBB-	Baa1/Baa2/Baa3	486,127	0.1%
BB+/BB/BB-	Ba1/Ba2/Ba3	4,474	0.0%
B+/B/B-	B1/B2/B3	1,836,786	0.4%
C+/C/C-	Caa	59,034	0.0%
Not Rated		400,327,789	92.1%
		<u>\$ 434,847,017</u>	<u>100.0%</u>

The investments in the "Not Rated" category include investments in KU Endowment's Short-term and Long-term Investment Programs (external investment pools are not required to be rated), mutual funds, and repurchase agreements.

CUSTODIAL CREDIT RISK

The custodial credit risk for investments is the risk that, in the event of the failure of the counter party, KU will not be able to recover the value of the investments that are in the possession of an outside party. Custodial credit risk should not be confused with market risk, which is the risk that the market value of a security may decline. KU's investment securities are exposed to custodial credit risk if the securities are uninsured and unregistered and held by the counterparty, or by its trust department or agent but not in KU's name.

The investment policies of KU and its component units do not formally address custodial credit risk. Nonetheless, KU's custodial credit risk is estimated to be minimal because of several factors. First, investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence are not evidenced by securities that exist in physical or book entry form. As noted above, the majority of KU's investments are invested within KU Endowment's Short-term and Long-term Investment Programs. Second, management has evaluated the stability of the financial institutions through which other investments are made. The financial institutions are members of the Depository Trust Company (DTC), the world's largest depository, and a member of the Federal Reserve System. DTC holds and provides asset servicing for securities deposited with the DTC-by-DTC participants. DTC facilitates settlement of transactions through electronic book-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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entry transfers and pledges between the DTC participants' accounts. This eliminates the need for physical movement of securities certificates. Additionally, the financial institutions hold the assets in custody or trust so that they would not be available to the institution's creditors because they are excluded from the assets of the custodian.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer that exceeds 5 percent 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. Management has evaluated the stability of the financial institutions involved, the concentration of credit risk, and has determined the credit risk is minimal.

Of KU's total investments of \$484,386,684 and \$434,847,017 as of June 30, 2025 and 2024, respectively, KU Endowment administers \$154,654,626 and \$172,263,647, respectively.

KU investments also include \$21,216,034 and \$15,161,119 of investments administered by Frost Wealth Advisors as of June 30, 2025 and 2024, respectively, and \$6,844,080 and \$6,441,733 of investments administered by U.S. Trust Bank of America Private Wealth Management as of June 30, 2025 and 2024, respectively. These investments consist of three accounts: 1) the Gertrude S. Pearson Trust, 2) the Elizabeth M. Watkins Trust for Watkins and Miller Scholarship Halls, and 3) the Elizabeth M. Watkins Trust for Watkins Hospital.

The Gertrude S. Pearson Trust had a reported market value of \$21,216,034 and \$15,161,119 on June 30, 2025 and 2024, respectively.

The Elizabeth M. Watkins Trust for Watkins and Miller Scholarship Halls had a reported market value of \$4,409,635 and \$4,139,234 on June 30, 2025 and 2024, respectively.

The Elizabeth M. Watkins Trust for Watkins Hospital had a reported market value of \$2,434,445 and \$2,302,499 on June 30, 2025 and 2024, respectively.

KU did not have any other investments which exceeded 5 percent of the investment portfolio on June 30, 2025 and 2024.

The remaining investments as of June 30, 2025 and 2024 of \$302,671,944 and \$240,980,518, respectively, are invested in a combination of short-term and long-term investments, primarily U.S. Agency obligations, corporate obligations, or collateralized mortgage obligations of which no individual issuer exceeded 5 percent of the total investment portfolio.

NOTE 4 – FAIR VALUE

Fair value is based on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As not all financial instruments are actively traded, various valuation methods may be used to estimate fair value. These methods rely on observable market data and where observable market data is not available, the best information available. Significant judgment may be required to interpret the data and select the assumptions used in the valuation estimates, particularly when observable market data is not available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

In the discussion that follows, KU has ranked financial instruments by the level of judgment used in the determination of the fair values presented above. The levels are defined as follows:

Level 1 – Input included quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity can access as of the measurement date.

Level 2 – Inputs include significant other 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.

Level 3 – Inputs include significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In certain cases, the inputs used to measure fair value may fall into various levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. KU's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. From time to time there may be movements between levels as inputs become more or less observable, which may depend on several factors including the activity of the market for the specific security, the activity of the market for similar securities, the level of risk spreads and the source from which KU obtains the information. Transfers in or out of any level are measured as of the end of the period.

The following methods and assumptions were used in estimating the fair value of KU's financial instruments:

Fixed maturities:

Level 1 fixed maturities consist of U.S. Treasury issues that are actively traded, allowing KU to use current market prices as an estimate of their fair value.

Level 2 fixed maturities consist of United States Government agencies, corporate bonds, commercial paper, and other investments, such as bank notes and certificates of deposits. When quoted prices of identical assets in active markets are not available, KU's priority is to obtain prices from the trustee or third-party pricing vendors. KU has regular interaction with the trustees to understand their pricing methodologies and to confirm they are utilizing observable market information. The methodologies may vary by asset class and include inputs such as estimated cash flows, benchmark yields, reported trades, credit quality, industry events, and economic events.

Equity securities and mutual funds

Level 1 equity securities consist of various exchange traded equity securities which market prices are used as an estimate for fair value.

Repurchase agreements

Level 1 repurchase agreements consist of cash and cash equivalents which are swept into an overnight investment account investing in a Goldman Sachs Financial Square Prime Obligation Fund or Morgan Stanley Institutional Government Portfolio Fund, which are money market funds.

Other investments

Level 1 other investments consist of cash and cash equivalents that are held in short-term money market funds for which market prices are used as an estimate for fair value.

Level 2 other investments consist of commercial paper, bank notes, and certificates of deposits.

Level 3 other investments consist of mineral and natural resource investments for which fair value is based on the income recognized over a given period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

As of June 30, 2025, KU had the following investments by fair value hierarchy levels:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Maturity Securities:				
US treasury obligations	\$ 34,842,912	\$ 1,733,476	\$ 33,109,436	\$ -
US agency obligations	11,618,344	-	11,618,344	-
Municipal bonds	21,014,495	-	21,014,495	-
Corporate bonds	6,798,471	-	6,798,471	-
Collateralized mortgage obligations	85,413,155	-	85,413,155	-
Total fixed maturity securities	<u>159,687,377</u>	<u>1,733,476</u>	<u>157,953,901</u>	<u>-</u>
Equity Securities:				
Consumer discretionary	1,774,545	1,774,545	-	-
Energy	185,937	185,937	-	-
Financials	581,169	581,169	-	-
Healthcare	416,767	416,767	-	-
Industrials	384,477	384,477	-	-
Information technology	1,374,722	1,374,722	-	-
Materials	80,179	80,179	-	-
Telecommunications services	344,744	344,744	-	-
Utilities	31,128	31,128	-	-
Other	239,937	84,972	154,965	-
Total equity securities	<u>5,413,605</u>	<u>5,258,640</u>	<u>154,965</u>	<u>-</u>
Repurchase agreements	12,145,484	12,145,484	-	-
Mutual funds	116,310,316	116,310,316	-	-
Other	37,175,276	30,045,772	984,691	6,144,813
External investment pools:				
KUEA Short-term Investment Program	69,776,314	-	69,776,314	-
KUEA Long-term Investment Program	83,878,312	-	83,878,312	-
Total investments by fair value level	<u>\$ 484,386,684</u>	<u>\$ 165,493,688</u>	<u>\$ 312,748,183</u>	<u>\$ 6,144,813</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

As of June 30, 2024, KU had the following investments by fair value hierarchy levels:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Maturity Securities:				
US treasury obligations	\$ 7,589,560	\$ 763,935	\$ 6,825,625	\$ -
US agency obligations	22,428,729	-	22,428,729	-
Municipal bonds	4,108,070	-	4,108,070	-
Corporate bonds	1,239,828	-	1,239,828	-
Foreign bonds	196,415	-	196,415	-
Collateralized mortgage obligations	93,773,412	-	93,773,412	-
Total fixed maturity securities	129,336,014	763,935	128,572,079	-
Equity Securities:				
Consumer discretionary	1,754,884	1,754,884	-	-
Energy	169,836	169,836	-	-
Financials	421,564	421,564	-	-
Healthcare	424,471	424,471	-	-
Industrials	259,930	259,930	-	-
Information technology	1,102,843	1,102,843	-	-
Materials	53,842	53,842	-	-
Telecommunications services	166,897	166,897	-	-
Utilities	13,249	13,249	-	-
Other	200,353	45,388	154,965	-
Total equity securities	4,567,869	4,412,904	154,965	-
Repurchase agreements	9,835,209	9,835,209	-	-
Mutual funds	105,036,552	105,036,552	-	-
Other	13,807,726	1,864,583	9,350,342	2,592,801
External investment pools:				
KUEA Short-term Investment Program	89,527,929	-	89,527,929	-
KUEA Long-term Investment Program	82,735,718	-	82,735,718	-
Total investments by fair value level	\$ 434,847,017	\$ 121,913,183	\$ 310,341,033	\$ 2,592,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 5 – ACCOUNTS RECEIVABLE

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

	2025	2024
Tuition and Fees	\$ 51,138,563	\$ 42,516,473
Charges for Services	37,168,428	40,516,083
Grants and Contracts	78,588,757	76,081,108
Construction	37,661,337	16,466,592
Leases	1,604,067	1,811,100
Other	23,045,514	16,746,944
	229,206,666	194,138,300
Less:		
Allowance for uncollectible amounts	(6,430,505)	(5,979,963)
	\$ 222,776,161	\$ 188,158,337

Accounts receivable are recorded on the accompanying statements of financial position as follows:

	2025	2024
Accounts receivable - current	\$ 183,430,271	\$ 169,751,724
Accounts receivable - non-current	39,345,890	18,406,613
	\$ 222,776,161	\$ 188,158,337

NOTE 6 – PLEDGES RECEIVABLE

Pledges receivable, net of discounts and uncollectible amounts, consist of the following unconditional promises to give as of June 30:

	2025	2024
Due in less than one year	\$ 41,006,943	\$ 29,506,015
Due in one to five years	66,459,470	69,345,429
Due in greater than five years	13,000,000	13,660,000
	120,466,413	112,511,444
Less		
Unamortized discount	5,860,723	6,270,451
Allowance for uncollectible amounts	5,914,394	3,846,059
	\$ 108,691,296	\$ 102,394,934

Pledges receivables are recorded on the accompanying statements of financial position as follows:

	2025	2024
Pledges receivable - current	\$ 35,092,549	\$ 25,659,956
Pledges receivable - non-current	73,598,747	76,734,978
	\$ 108,691,296	\$ 102,394,934

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 7 – INVENTORIES

Inventories consisted of the following as of June 30:

	2025	2024
Bookstore	\$ 1,784,129	\$ 1,885,066
Food service	247,321	216,628
Physical plant	2,250,355	2,284,797
Professional and scientific supplies	399,396	423,207
Other	1,408,637	1,651,232
	\$ 6,089,838	\$ 6,460,930

NOTE 8 – LOANS TO STUDENTS

Student loan receivable, net of estimated uncollectible amounts, consisted of the following as of June 30:

	2025	2024
Federal Perkins Loan Program	\$ 2,920,519	\$ 4,088,979
Kansas Medical Scholarships	17,149,793	17,884,720
Other	6,839,500	6,438,471
	26,909,812	28,412,170
Less:		
Allowance for uncollectible amounts	(551,220)	(684,318)
	\$ 26,358,592	\$ 27,727,852

Student loans made through the Federal Perkins Loan Program 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 KU determines that Perkins loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off or assigned to the U.S. Department of Education.

The Kansas Medical Scholarships provide for a portion of the balances to be forgiven upon performance of certain requirements by the student after graduation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 9 – CAPITAL AND RIGHT OF USE ASSETS

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

	Beginning Balance	Restatement	Additions	Retirements	Ending Balance
<u>Non-depreciable capital assets</u>					
Land	\$ 34,609,386	\$ -	\$ 2,032,449	\$ -	\$ 36,641,835
Land improvements	165,607	-	-	-	165,607
Construction in progress	268,290,334	-	345,981,760	(88,215,071)	526,057,023
Software	5,163,758	-	22,000	-	5,185,758
Works of Art	25,665,109	-	573,385	(68,509)	26,169,985
Total non-depreciable capital assets	<u>333,894,194</u>	<u>-</u>	<u>348,609,594</u>	<u>(88,283,580)</u>	<u>594,220,208</u>
<u>Depreciable capital and right of use assets</u>					
Buildings	2,404,360,723	-	117,006,144	(630,868)	2,520,735,999
Leasehold Improvements	7,134,276	-	1,335,579	(33,193)	8,436,662
Infrastructure	206,625,322	-	18,902,887	-	225,528,209
Equipment	358,974,844	-	38,983,289	(12,846,542)	385,111,591
Vehicles	36,825,106	-	1,147,703	(651,895)	37,320,914
Leased buildings	115,349,998	-	12,392,128	(6,409,893)	121,332,233
Leased equipment	14,531,170	-	192,676	(4,078,780)	10,645,066
Leased vehicles	462,576	-	-	(46,420)	416,156
Leased software	22,263,228	-	5,896,213	-	28,159,441
Total depreciable capital assets	<u>3,166,527,243</u>	<u>-</u>	<u>195,856,619</u>	<u>(24,697,591)</u>	<u>3,337,686,271</u>
Total capital asset cost	<u>3,500,421,437</u>	<u>-</u>	<u>544,466,213</u>	<u>(112,981,171)</u>	<u>3,931,906,479</u>
<u>Accumulated depreciation</u>					
Buildings	1,199,844,599	-	71,338,011	(526,017)	1,270,656,593
Leasehold Improvements	1,934,949	-	483,580	(21,016)	2,397,513
Infrastructure	92,306,805	-	6,544,424	-	98,851,229
Equipment	288,031,765	-	20,083,283	(12,412,693)	295,702,355
Vehicles	22,913,177	-	2,600,656	(661,574)	24,852,259
Leased buildings	22,202,381	-	11,581,778	(4,558,197)	29,225,962
Leased equipment	6,336,666	-	2,087,766	(1,019,695)	7,404,737
Leased vehicles	123,378	-	88,264	(46,420)	165,222
Leased software	5,519,585	-	6,864,946	-	12,384,531
Total accumulated depreciation	<u>1,639,213,305</u>	<u>-</u>	<u>121,672,708</u>	<u>(19,245,612)</u>	<u>1,741,640,401</u>
Capital and right of use assets, net	<u>\$ 1,861,208,132</u>	<u>\$ -</u>	<u>\$ 422,793,505</u>	<u>\$ (93,735,559)</u>	<u>\$ 2,190,266,078</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

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

	Beginning Balance	Restatement	Additions	Retirements	Ending Balance
<u>Non-depreciable capital assets</u>					
Land	\$ 33,937,936	\$ -	\$ 671,450	\$ -	\$ 34,609,386
Land improvements	165,607	-	-	-	165,607
Construction in progress	50,069,433	-	246,639,308	(28,418,407)	268,290,334
Software	5,163,758	-	-	-	5,163,758
Works of Art	25,501,809	-	190,474	(27,174)	25,665,109
Total non-depreciable capital assets	<u>114,838,543</u>	<u>-</u>	<u>247,501,232</u>	<u>(28,445,581)</u>	<u>333,894,194</u>
<u>Depreciable capital and right of use assets</u>					
Buildings	2,430,152,928	-	22,206,418	(47,998,623)	2,404,360,723
Leasehold Improvements	6,003,966	-	1,415,370	(285,060)	7,134,276
Infrastructure	201,929,876	-	4,695,446	-	206,625,322
Equipment	358,692,833	-	21,890,908	(21,608,897)	358,974,844
Vehicles	35,285,588	-	2,105,903	(566,385)	36,825,106
Leased buildings	103,363,372	71,151	17,170,139	(5,254,664)	115,349,998
Leased equipment	9,982,181	-	4,548,989	-	14,531,170
Leased vehicles	64,155	-	398,421	-	462,576
Leased software	10,429,703	-	16,296,176	(4,462,651)	22,263,228
Total depreciable capital assets	<u>3,155,904,602</u>	<u>71,151</u>	<u>90,727,770</u>	<u>(80,176,280)</u>	<u>3,166,527,243</u>
Total capital asset cost	<u>3,270,743,145</u>	<u>71,151</u>	<u>338,229,002</u>	<u>(108,621,861)</u>	<u>3,500,421,437</u>
<u>Accumulated depreciation</u>					
Buildings	1,161,872,781	-	70,245,058	(32,273,240)	1,199,844,599
Leasehold Improvements	1,722,997	-	390,879	(178,927)	1,934,949
Infrastructure	86,015,159	-	6,291,646	-	92,306,805
Equipment	288,045,437	-	16,856,585	(16,870,257)	288,031,765
Vehicles	21,022,706	-	2,456,576	(566,105)	22,913,177
Leased buildings	15,476,332	71,151	8,026,306	(1,371,408)	22,202,381
Leased equipment	3,162,986	-	3,173,680	-	6,336,666
Leased vehicles	27,579	-	95,799	-	123,378
Leased software	5,248,523	-	4,662,923	(4,391,861)	5,519,585
Total accumulated depreciation	<u>1,582,594,500</u>	<u>71,151</u>	<u>112,199,452</u>	<u>(55,651,798)</u>	<u>1,639,213,305</u>
Capital and right of use assets, net	<u>\$ 1,688,148,645</u>	<u>\$ -</u>	<u>\$ 226,029,550</u>	<u>\$ (52,970,063)</u>	<u>\$ 1,861,208,132</u>

KU elected not to capitalize its library book collections. These collections adhere to KU'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.

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

NOTE 10 – ASSET RETIREMENT OBLIGATION

KU measures its asset retirement obligations (AROs) based on the best estimates of the current value of costs associated with future retirement activities that are legally required when retiring certain assets. KU measures its estimate based on recent historical cost for similar retirement activities, cost estimates provided by vendors, and other inputs based on a review of similar transactions internally and at other institutions.

KU does not have any legally required funding and assurance provisions associated with the identified AROs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

The following summary provides a general description of the major AROs reported on June 30, 2025, as well as reference to the legal requirements that generated the ARO and the average remaining useful life of the associated tangible capital asset:

Description	Legal Requirements	Average Remaining Useful Life (in years)	ARO Measured
Decontamination of biosafety cabinets	Biosafety practices & guidelines	5.20	\$ 237,000
Decontamination of fume hoods	Biosafety practices & guidelines	3.37	1,420,500
Disposal and fill-in of storage tanks	EPA & KDHE UST Regulations	0.91	275,000
Disposal of x-ray & radiation devices	EPA RoHS rules	0.49	51,000
Total asset retirement obligation			<u>\$ 1,983,500</u>

The following summary provides a general description of the major AROs reported on June 30, 2024, as well as reference to the legal requirements that generated the ARO and the average remaining useful life of the associated tangible capital asset:

Description	Legal Requirements	Average Remaining Useful Life (in years)	ARO Measured
Decontamination of biosafety cabinets	Biosafety practices & guidelines	6.20	\$ 237,000
Decontamination of fume hoods	Biosafety practices & guidelines	3.83	1,420,500
Disposal and fill-in of storage tanks	EPA & KDHE UST Regulations	1.00	275,000
Disposal of x-ray & radiation devices	EPA RoHS rules	0.79	50,000
Total asset retirement obligation			<u>\$ 1,982,500</u>

Deferred outflows of resources related to AROs on June 30, 2025 and 2024 totaled \$393,381 and \$448,552, respectively. The expected future expense recognition associated with deferred outflows of resources related to AROs over the next five years and thereafter is as follows:

Year Ending June 30:	Total
2026	\$ 55,895
2027	55,395
2028	54,470
2029	51,295
2030	50,495
Thereafter	125,831
	<u>\$ 393,381</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 11 - CHANGES IN NON-CURRENT LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued compensated absences	\$ 56,861,363	\$ 49,387,452	\$ (40,843,005)	\$ 65,405,810	\$ 47,632,851
Accrued other post-employment benefits	5,279,088	2,145,802	(1,308,812)	6,116,078	-
Accrued pension liability	64,864,671	2,523,098	(8,065,119)	59,322,650	-
Leases payable	99,435,877	49,816,474	(20,419,959)	128,832,392	22,478,987
SBITA liability	16,163,028	5,896,214	(6,635,405)	15,423,837	5,740,796
Notes payable	1,000,000	212,808,355	(30,436,873)	183,371,482	8,067,528
Revenue bonds payable	547,861,937	163,960,000	(61,261,937)	650,560,000	26,230,000
Other long-term liabilities	58,407,179	5,603,777	(6,940,047)	57,070,909	6,721,423
Total	<u>\$ 849,873,143</u>	<u>\$ 492,141,172</u>	<u>\$ (175,911,157)</u>	<u>\$ 1,166,103,158</u>	<u>\$ 116,871,585</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued compensated absences	\$ 53,784,907	\$ 35,055,958	\$ (31,979,502)	\$ 56,861,363	\$ 45,328,692
Accrued other post-employment benefits	4,802,498	1,536,835	(1,060,245)	5,279,088	-
Accrued pension liability	64,730,774	6,211,496	(6,077,599)	64,864,671	-
Leases payable	100,400,429	14,279,942	(15,244,494)	99,435,877	15,228,110
SBITA liability	4,763,520	16,296,177	(4,896,669)	16,163,028	5,201,736
Notes payable	1,600,000	-	(600,000)	1,000,000	512,703
Revenue bonds payable	578,393,591	-	(30,531,654)	547,861,937	32,099,371
Other long-term liabilities	65,031,604	1,500	(6,625,925)	58,407,179	7,578,292
Total	<u>\$ 873,507,323</u>	<u>\$ 73,381,908</u>	<u>\$ (97,016,088)</u>	<u>\$ 849,873,143</u>	<u>\$ 105,948,904</u>

NOTE 12 – FEDERAL OBLIGATIONS UNDER STUDENT LOAN PROGRAMS

Campus based student loans are funded by allocations received from the federal government, as well as principal and interest collected from previous student loan recipients. The Federal Perkins Revolving Loan Fund program expired on September 30, 2017; thereby no new student loans will be issued from this program. On June 30, 2025 and 2024, KU has a liability to the US Department of Education of \$3,97,647 and \$5,587,289, respectively, which will be required to be repaid over successive periods as payments are received from previous student loan recipients. This liability is included in other current and other non-current other liabilities in the Consolidated Statement of Net Position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 13 - REVENUE BONDS OUTSTANDING

Revenue bonds payable consists of the following:

Issuance	Issue Date	Original Debt	Interest Rate (%)	Final Maturity Date	Principal Outstanding June 30, 2025	Principal Outstanding June 30, 2024
KU Lawrence and Edwards Campuses						
2021D - Refunding revenue bonds	4/30/21	\$ 63,795,000	2.00-5.00	5/1/38	\$ 52,490,000	\$ 55,525,000
2020B - Refunding revenue bonds	3/3/20	33,250,000	2.00-5.00	5/1/30	7,905,000	11,140,000
2020A - Sales tax refunding: University of Kansas Edwards Campus Building No. 4	1/14/20	8,440,000	2.02	9/1/25	445,000	2,105,000
2017A - EEEEC, Corbin Hall, Refunding 2006B and 2007E Series	1/18/17	47,085,000	3.00-5.00	5/1/42	30,560,000	32,185,000
2014C - McCollum Residence Hall replacement and refunding portion of the 2005E-1 Series	6/19/14	55,310,000	3.50-5.00	5/1/39	35,800,000	38,035,000
KU Medical Center						
2020W - University of Kansas Medical Clinical Research Center Project	12/29/20	8,410,000	1.38	9/1/30	5,185,000	6,010,000
2020B - Refunding revenue bonds	3/3/20	43,275,000	2.00-5.00	5/1/35	21,250,000	26,095,000
2017A - Health Education Building	1/18/17	20,425,000	3.00-5.00	5/1/42	15,945,000	16,605,000
2016C - University of Kansas Medical Center Parking Garage 5	3/3/16	45,330,000	2.00-4.00	5/1/41	33,940,000	35,530,000
Kansas Athletics, Inc.						
2025C - Athletics Facilities Revenue Bonds	3/27/25	163,960,000	4.50-5.04	9/1/54	163,960,000	-
2020 - Kansas Athletics Refund 2014F Series	10/27/20	31,500,000	3.50	10/27/45	-	30,121,937
KU Center for Research, Inc.						
Series 2014E - University of Kansas Center for Research, Inc. Project: Advance refund a portion of 2006G Series	6/19/14	10,580,000	2.00-3.00	2/1/25	-	4,045,000
KU Campus Development Corporation						
Series 2016 - Central District Development Project	1/7/16	326,945,000	4.00-5.00	3/1/46	283,080,000	290,465,000
					<u>\$ 650,560,000</u>	<u>\$ 547,861,937</u>

NOTE 14 - REVENUE BONDS MATURITY SCHEDULE

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

Year Ending June 30:	Principal	Interest	Total
2026	\$ 24,950,000	\$ 28,707,824	\$ 53,657,824
2027	24,795,000	28,116,346	52,911,346
2028	25,290,000	26,938,777	52,228,777
2029	26,440,000	25,781,177	52,221,177
2030	23,125,000	24,659,396	47,784,396
2031-2035	130,175,000	107,917,007	238,092,007
2036-2040	147,255,000	77,985,800	225,240,800
2041-2045	137,650,000	45,443,938	183,093,938
2046-2050	72,895,000	18,134,000	91,029,000
2051-2055	32,355,000	6,039,188	38,394,188
	<u>\$ 644,930,000</u>	<u>\$ 389,723,453</u>	<u>\$ 1,034,653,453</u>

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

Year Ending June 30:	Principal	Interest	Total
2026	\$ 1,280,000	\$ 70,322	\$ 1,350,322
2027	845,000	54,200	899,200
2028	860,000	42,435	902,435
2029	870,000	30,498	900,498
2030	880,000	18,423	898,423
2031-2035	895,000	6,176	901,176
2051-2055	\$ 5,630,000	\$ 222,054	\$ 5,852,054

In March 2025, the Kansas Development Finance Authority (KDFA) issued for Athletics \$163,960,000 in revenue bonds, Series 2025C, with interest ranging from 4.50% to 5.04%, which refunded all the outstanding Series 2020. The refunding adjusted the future debt service payments over the next 30 years and obtained an economic loss (difference between the present value of debt service payments on the old and new debt) of approximately \$3,600,000.

As of June 30, 2025 and 2024, KU had no outstanding amount of defeased issuances held in irrevocable trusts.

NOTE 15 - LEASE OBLIGATIONS

LESSEE ARRANGEMENTS

KU leases office space, equipment, and vehicles from external parties for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2045. Some of the leases provide for renewal periods ranging from one year to five years. In accordance with GASB 87, KU records right-of-use assets and lease liabilities based on the present value of the expected payments over the lease term, including any certain exercised renewal periods, of the respective leases. The expected payments are discounted using the explicit or implicit interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. KU used guidance from the State Department of Administration and the Kansas Development Finance Authority in determining the interest rate by which expected payments should be discounted when it is not stated in the lease agreement. KU does not have any leases featuring payments tied to an index or market rate, nor does KU have any lease subject to a residual value guarantee. See Note 9 for information on leased assets and associated accumulated amortization.

Future commitments for leases having remaining terms more than one year as of June 30, 2025 are as follows:

Year Ending June 30:	Principal	Interest	Total
2026	\$ 22,478,987	\$ 3,218,760	\$ 25,697,747
2027	13,572,236	3,092,590	16,664,826
2028	13,043,512	2,865,498	15,909,010
2029	12,300,286	2,726,952	15,027,238
2030	9,227,809	2,570,856	11,798,665
2031-2035	28,259,659	11,340,381	39,600,040
2036-2040	19,520,883	12,400,457	31,921,340
2041-2045	10,429,020	2,975,901	13,404,921
	\$ 128,832,392	\$ 41,191,395	\$ 170,023,787

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Lease payables consist of the following:

	Lease Payable at June 30, 2025
Agreements between KU and third-party vendors for real estate space with fixed and implicit interest rates ranging from 0.85% to 4.57%. The agreements expire in various fiscal years from 2026 to 2045.	\$ 101,767,444
Agreements between KU and third-party vendors for equipment with fixed and implicit interest rates ranging from 0.00% to 7.00%. The agreements expire in various fiscal years from 2026 to 2036.	26,813,922
Agreements between KU and third-party vendors for vehicles with fixed and implicit interest rates ranging from 2.45% to 4.13%. The agreements expire in various fiscal years from 2026 to 2028.	251,026
	<u>\$ 128,832,392</u>

LESSOR ARRANGEMENTS

KU leases building space to external parties for various terms under long-term, non-cancellable lease agreements. The leases expire at various dates through 2044. In accordance with GASB 87, KU records lease receivables and deferred inflows of resources based on the present value of the expected receipts over the lease term of the respective leases. The expected receipts are discounted using the explicit or implicit interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. KU used guidance from the State Department of Administration and the Kansas Development Finance Authority in determining the interest rate by which expected payments should be discounted when it is not stated in the lease agreement. KU does not have any lease receivables featuring payments tied to an index or market rate, nor does KU have any lease subject to a residual value guarantee. During the years ended June 30, 2025 and 2024, KU recognized revenues related to these lease agreements in sales and services of educational activities, totaling \$221,335 and \$210,383, respectively.

Future minimum lease payment to be received under lessor agreements as of June 30, 2025 are as follows:

Year Ending June 30:	Principal	Interest	Total
2026	\$ 194,746	\$ 36,183	\$ 230,929
2027	195,134	33,236	228,370
2028	195,565	30,279	225,844
2029	201,033	27,240	228,273
2030	206,632	24,105	230,737
2031-2035	252,389	91,600	343,989
2036-2040	195,436	54,564	250,000
2041-2044	163,132	11,868	175,000
	<u>\$ 1,604,067</u>	<u>\$ 309,075</u>	<u>\$ 1,913,142</u>

NOTE 16 – SUBSCRIPTION OBLIGATIONS

KU has software subscriptions from external parties for various terms under long-term, non-cancelable subscription agreements. The subscriptions expire at various dates through 2030. Some of the subscriptions provide for renewal periods ranging from one year to three years. In accordance with GASB 96, KU records right-of-use assets and subscription liabilities based on the present value of the expected payments over the subscription term, including any certain exercised renewal periods, of the respective subscriptions. The expected payments are discounted using an estimated incremental borrowing rate ranging from 2.68% to 4.88%. KU used guidance from the State Department of Administration and the Kansas Development Finance Authority in determining the interest rate at which expected payments should be discounted. See Note 9 for information on subscription assets and associated accumulated amortization.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

Future commitments for software subscriptions having remaining terms of more than one year as of June 30, 2025, were as follows:

Year Ending June 30:	Principal	Interest	Total
2026	\$ 5,740,796	\$ 297,607	\$ 6,038,403
2027	4,359,255	275,417	4,634,672
2028	2,325,343	241,599	2,566,942
2029	2,015,225	264,639	2,279,864
2030	983,218	285,470	1,268,688
	\$ 15,423,837	\$ 1,364,732	\$ 16,788,569

NOTE 17 – NOTES PAYABLE

In January 2021, KU Unions entered into a note agreement with KU Endowment in the amount of \$2,500,000. As of June 30, 2025 and 2024, the outstanding balance on the note was \$488,566 and \$1,000,000, respectively. The loan requires semi-annual principal and interest payments of \$300,000 beginning in February 2022 and maturing in February 2026. The note has an interest rate of prime rate plus one percent which was 9.50% and 9.25% as of June 30, 2025 and 2024, respectively.

KU Unions has a \$2,500,000 line of credit. As of June 30, 2025 and 2024, there was \$0 borrowed against the line. The line is secured by accounts receivable, inventory and equipment available for cash flow needs. The line is set to mature in March 2026, and the variable interest rate was 8.50% as of June 30, 2025 and 2024, respectively.

Athletics had a \$20,000,000 revolving bank line of credit that was closed in April 2025 related to athletic facilities construction and renovation. As of June 30, 2024, there was \$0 borrowed against the line. The line was secured by contributions receivable and cash held at KU Endowment associated with the project. The line accrued interest on outstanding balances payable monthly at the secured overnight financing rate (SOFR) plus 1%, which was 6.32% as of June 30, 2024.

Athletics had an additional \$20,000,000 revolving line of credit that was closed in April 2025 related to general operations. As of June 30, 2024, there was \$0 borrowed against this line. The line was unsecured. Interest on outstanding balances was payable monthly at the SOFR rate plus an applicable margin. During 2024, the line was amended to change the applicable margin to 1.23% which was an interest rate of 6.55% as of June 30, 2024.

In March 2025, Athletics entered a \$35,000,000 revolving line of credit which expires in March 2030 related to general operations. As of June 30, 2025, there was \$7,550,000 borrowed against this line. This line is unsecured. Interest on outstanding balances accrue interest monthly at the one-month term SOFR plus 1%, which was 5.32% as of June 30, 2025.

In September 2023, Athletics entered into a memorandum of understanding for a \$200 million pledge advance agreement with KU Endowment for the construction of the campus gateway and stadium construction project. This agreement is secured by and will be repaid by current and future contribution receivables restricted by donors for the same purpose as they are collected. Because pledges of donors do not have any formal timing of payment, there is no formal amortization schedule of principal balances in connection with this pledge advance agreement. The Corporation drew advances totaling \$194,889,028 during the year ended June 30, 2025. As of June 30, 2025, there was \$175,053,408 advanced against this agreement. The Corporation did not have any advances on the agreement as of June 30, 2024. Interest on the advance agreement accrues monthly at a rate of 5%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Future maturities of the notes payable are as follows:

Year Ending June 30:	Total
2026	\$ 8,067,528
2027	66,406
2028	71,469
2029	76,927
2030	29,733
Thereafter	6,011
	8,318,074
KU Endowment pledge advance	175,053,408
	\$ 183,371,482

NOTE 18— PENSION PLAN

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan description. KU participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74, article 49. 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. The amounts presented below include the KPERS State of Kansas and KPERS police and fire participants located at the Lawrence, Edwards, and Medical Center campuses.

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 Kansas Legislature. Member employees with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, 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 chose 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

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 an 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. Each 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. 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's contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates for the year ended June 30, 2024 are as follows:

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

Contributions to the pension plan from KU were \$6,174,482 and \$6,379,687 for the years ended June 30, 2025 and 2024, respectively.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

On June 30, 2025 and 2024, KU reported a liability of \$59,322,650 and \$64,864,671, respectively, for its proportionate share of the net pension liability. The net pension liability as of June 30, 2025 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. The net pension liability as of June 30, 2024 was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30 2023. KU's proportion of the net pension liability was based on the ratio of KU's actual contributions to KPERS, relative to the total employer and non-employer contributions of the State/School and Police and Fire subgroups within KPERS for the fiscal year ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments.

As of June 30, 2024 measurement date, KU's proportion made to the State/School subgroup was 0.68%, which was a decrease of 0.06% from its proportion measured as of June 30, 2023. As of June 30, 2023 measurement date, KU's proportion made to the State/School subgroup was 0.74%, which was a decrease of 0.03% from its proportion measured as of June 30, 2022.

At the June 30, 2024 measurement date, KU's proportion made to the Police and Fire subgroup was 0.81%, which was a decrease of 0.02% from its proportion measured as of June 30, 2023. At the June 30, 2023 measurement date, KU's proportion made to the Police and Fire subgroup was 0.83%, which was a decrease of 0.11% from its proportion measured as of June 30, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

For the years ended June 30, 2025 and 2024, KU recognized pension expense of \$4,684,413 and \$5,148,736, respectively. On June 30, 2025 and 2024, KU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,047,104	\$ -	\$ 3,098,353	\$ -
Net difference between projected and actual earnings on pension plan investments	478,745	-	4,109,168	-
Change in proportion	1,806,875	5,904,544	2,264,053	7,028,025
Change of assumptions	3,721,484	1,213,432	6,775,450	-
Contributions subsequent to measurement date	6,174,482	-	6,379,687	-
	<u>\$ 16,228,690</u>	<u>\$ 7,117,976</u>	<u>\$ 22,626,711</u>	<u>\$ 7,028,025</u>

KU reported \$6,174,482 as deferred outflows of resources related to pensions resulting from contributions after the measurement date and will be recognized as a reduction of the net pension liability for the year ended June 30, 2025.

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

Year Ending June 30:	Total
2026	\$ 48,827
2027	3,908,480
2028	(225,734)
2029	(795,341)
	<u>\$ 2,936,232</u>

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

Actual Cost Method	Entry age normal
Price Inflation	2.75%
Salary Increase	3.50% to 15.50%, including price inflation
Investment Rate of Return	7.00% compounded annually, net of investment expense, including price inflation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimated 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 weighing the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPERS' investment consultants, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Non-U.S. Equities	43.0%	8.2%
Core Fixed Income	13.0	2.2
Yield Driven	12.0	5.3
Infrastructure	3.0	6.8
Real Estate	15.0	5.7
Alternatives	11.0	12.0
Short-Term Investments	3.0	0.3
Total	100.0%	

Discount rate. The discount rate used to measure the total pension liability at the measurement date of June 30, 2024 and 2023 was 7.0%.

In KPERS, the Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate. However, the State/School groups do not necessarily do so.

Sensitivity of KU's proportionate share of the net pension liability to changes in the discount rate. The following presents KU's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what KU'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	\$ 86,098,451	\$ 59,322,650	\$ 36,900,390

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 19 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB)

KPERS Death and Disability Plan

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description. KU 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

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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. In 2024, the OPEB plan was amended to provide medical, prescription drug, and dental coverage benefits to retirees.

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	60
Active employees	781
	841
	841

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

KU's fiscal year 2025 total OPEB liability of \$4,580,984 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. KU's fiscal year 2024 total OPEB liability of \$5,279,088 was measured as of June 30, 2023, and was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023.

Actuarial assumptions and other inputs. The total OPEB liability as of 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 Increase	3.50% to 10.00%, including price inflation
Discount Rate	3.93%
Health care cost trend rates	Not applicable for the coverage in this plan
Retirees 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.

Long-term disability and group life-waiver of premium benefits mortality rates were based on the Projection Scale MP-2021.

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The following table presents the changes in KU's total OPEB liability for the year ended on June 30:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 5,279,088	\$ 4,802,498
Changes for the year:		
Service cost	124,370	112,145
Interest	174,096	155,840
Differences between expected and actual experience	345,628	1,268,850
Effect of assumption changes or inputs	(63,321)	(26,534)
Benefit payments	<u>(1,278,877)</u>	<u>(1,033,711)</u>
Net changes	<u>(698,104)</u>	<u>476,590</u>
Balance at end of year	<u>\$ 4,580,984</u>	<u>\$ 5,279,088</u>

Changes of assumptions. Changes in 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 KU's total OPEB liability using the discount rate of 3.93%, as well as what KU'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 rate:

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
Proportionate share of the net OPEB liability	\$ 4,813,336	\$ 4,580,984	\$ 2,584,633

For the years ended June 30, 2025 and 2024, KU recognized OPEB expense of \$252,644 and \$169,250, respectively. On June 30, 2025 and 2024, KU reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2025</u>		<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,369,392	\$ 221,740	\$ 2,391,499	\$ 253,147
Change of assumptions	192,466	466,033	233,484	485,482
Contributions subsequent to measurement date	1,278,877	-	1,033,711	-
	<u>\$ 3,840,735</u>	<u>\$ 687,773</u>	<u>\$ 3,658,694</u>	<u>\$ 738,629</u>

The deferred outflow of resources related to the benefit payments after the measurement date totaling \$1,278,877 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

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

Year Ending June 30:	Total
2026	\$ 294,576
2027	300,703
2028	306,297
2029	278,014
2030	239,154
Thereafter	455,341
	\$ 1,874,085

Healthcare Benefit Plan

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description. KU participates in the State of Kansas health insurance benefit plan. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements. The health insurance benefit generally provides the same coverage for retirees and their dependents as for active employees and their dependents. The health insurance benefit plan is a single employer defined benefit plan administered by Kansas Department of Health and Environment. The benefit is available for selection at retirement and is extended to retirees and their dependents for life. Non-Medicare participants are subsidized by the State of Kansas, thus resulting in a liability to KU. Accounting for the health insurance benefits for retirees is included in the State of Kansas' Self-Insurance Health fund, with the subsidy provided from the Self-Insurance Health fund.

Benefits provided. The State of Kansas provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 75-6511). Kansas statutes, which may be amended by the State Legislature, established that participating retirees contribute to the employee group health fund benefits plan, including administrative costs.

The State does not pay retiree benefits directly. They are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group.

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

Retired members or beneficiaries currently receiving benefits	2,215
Active members	9,526
	11,741

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

KU's fiscal year 2025 total OPEB liability of \$1,535,094 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. There are currently no deferred outflows or deferred inflows for this plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

Actuarial assumptions and other inputs. The total OPEB liability as of 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%
Salary Increase	3.50% to 10.00%, including price inflation
Discount Rate	3.93%
Health care cost trend rates	
• Medical	5.47% for the first year, then 5.25% decreasing by 0.25% over 3 years to an ultimate rate of 4.50%
• Prescription drug	8.47% for the first year, then 8.25% decreasing by 0.25% over 15 years to an ultimate rate of 4.50%
• Dental, administrative costs	7.12% (dental) and 2.00% (admin) for the first year, then 3.00% (dental) and 2.00% (admin) thereafter.

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

Mortality rates projected using the PubG-2010 (Below Median) Annuitant Mortality Table set back 1 year for males, and the PubS-2010 Annuitant Mortality Table set forward 1 year for females, as appropriate, with adjustments for mortality improvement using Scale MP2021

The following table presents the changes in KU's total OPEB liability for the year ended on June 30, 2025. There was no OPEB liability for the year ended June 30, 2024.:

	<u>2025</u>
Balance at beginning of year	\$ -
Changes for the year:	
Change of benefit terms	<u>1,535,094</u>
Balance at end of year	<u>\$ 1,535,094</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents KU's total OPEB liability using the discount rate of 3.93%, as well as what KU'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 rate:

	<u>1% Decrease</u> (2.93%)	<u>Current</u> <u>Discount Rate</u> (3.93%)	<u>1% Increase</u> (4.93%)
Proportionate share of the net OPEB liability	\$ 1,613,186	\$ 1,535,094	\$ 1,465,192

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents KU's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Proportionate share of the net OPEB liability	\$ 1,457,982	\$ 1,535,094	\$ 1,624,679

For the year ended June 30, 2025, KU recognized OPEB expense of \$1,535,094. For the year ended June 30, 2024, KU did not have any OPEB expense for this plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

SUMMARY OF OPEB PLANS

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

	<u>2025</u>	<u>2024</u>
Total OPEB liability	\$ 6,116,078	\$ 5,279,088
Deferred outflows of resources	3,840,735	3,658,694
Deferred inflows of resources	687,773	738,629
OPEB expense	1,787,738	169,250

NOTE 20 – RETIREMENT PLANS

Unclassified employees participate in the "Board of Regents 403(b) Retirement Program". This defined contribution program is funded through contributions by KU and the individual employees at rates established by state statute. KU contributed \$48,450,237 and \$31,149,310 during the years ended June 30, 2025 and 2024, respectively.

Employees of Kansas Athletics, Inc. and the University of Kansas Memorial Corporation participate in defined contribution programs like the "Board of Regents 403(b) Retirement Program". The Corporations contributed \$2,523,663 and \$2,272,148 to their individual plans during the years ended June 30, 2025 and 2024, respectively.

NOTE 21 – ASSETS HELD FOR OTHERS

KUCR has an agreement with a community-based organization to administer the Assistive Technology for Kansans program (the Program). In association with this agreement, KUCR maintains certain administrative and fiduciary responsibilities related to certain financial assets of the Program. These financial assets primarily consist of investments. Accordingly, the amounts of financial assets administered by KUCR under the Program are also reported as assets held for others. On June 30, 2025 and 2024, these amounts totaled \$8,161,066 and \$7,709,505, respectively.

KU holds funds on behalf of certain student organizations. The amounts held by KU are recorded in restricted cash and cash equivalents and assets held in custody for others. As of June 30, 2025 and 2024, KU held \$752,951 and \$743,991, respectively, on behalf of the student organizations.

NOTE 22 – COMMITMENTS AND CONTINGENT LIABILITIES

On June 30, 2025 and 2024, KU had outstanding commitments under construction contracts totaling \$388,467,960 and \$606,836,579, respectively.

All university buildings and contents were insured up to a limit of \$1,000,000,000 per occurrence subject to deductibles of \$1,000,000. Named equipment is covered up to the declared value with a \$5,000 deductible. State-owned automobiles are covered by liability coverage for bodily injury and property damage up to \$500,000 per occurrence. KU is not aware of any significant outstanding claims as of June 30, 2025.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 23 – SCHOLARSHIP ALLOWANCE

KU recognized the following scholarship allowances in the financial statements for the year ended June 30:

	2025			2024		
	Gross Revenue	Scholarship Allowance	Revenues As Reported	Gross Revenue	Scholarship Allowance	Revenues As Reported
Tuition and fees	\$ 429,247,489	\$ 52,933,018	\$ 376,314,471	\$ 387,774,798	\$ 47,874,454	\$ 339,900,344
Auxiliary Revenues:						
Housing	49,275,431	2,709,258	46,566,173	41,834,284	-	41,834,284
Parking and transit	26,690,065	441,395	26,248,670	23,822,048	-	23,822,048
Student unions	39,483,941	813,774	38,670,167	37,732,919	-	37,732,919
University health services	9,168,013	529,638	8,638,375	8,635,455	-	8,635,455
Other auxiliary enterprises	3,133,132	190,304	2,942,828	2,989,029	-	2,989,029
	<u>\$ 556,998,071</u>	<u>\$ 57,617,387</u>	<u>\$ 499,380,684</u>	<u>\$ 502,788,533</u>	<u>\$ 47,874,454</u>	<u>\$ 454,914,079</u>

Effective fiscal year 2025, KU shifted its method of calculating scholarship allowances from an estimated approach to an actual identification method. Previously, KU used an alternative method that allocated institutional aid proportionally between scholarship discounts and student aid expenses. KU is now leveraging its information systems that can match student aid with student charges. The system uses ordering rules for applying aid which provide the actual scholarship allowance instead of 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.

NOTE 24 – NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

KU's operating expenses by functional and natural classification for the year ended June 30, 2025 are as follows:

Functional Classification	Natural Classification					Total
	Compensation & Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation	
Instruction	\$ 482,386,141	\$ -	\$ 413,570	\$ 51,914,857	\$ -	\$ 534,714,568
Research	326,483,178	-	11,380	137,721,536	-	464,216,094
Public service	37,750,432	-	5,721	35,367,543	-	73,123,696
Academic support	69,949,340	-	-	22,819,741	-	92,769,081
Student services	41,103,314	-	749,041	11,801,329	-	53,653,684
Institutional support	89,002,671	-	-	29,100,146	-	118,102,817
Operations and maintenance of plant	54,774,756	-	26,746,360	16,721,719	-	98,242,835
Depreciation and amortization	-	-	-	-	121,672,708	121,672,708
Scholarships and fellowships	-	37,451,938	-	-	-	37,451,938
Auxiliary enterprises:						
Housing	5,127,062	-	4,353,502	12,944,947	-	22,425,511
Athletics	59,024,775	-	1,282,263	58,930,796	-	119,237,834
Parking	4,366,819	-	399,757	6,782,845	-	11,549,421
Student unions	12,283,351	-	1,179,375	22,417,265	-	35,879,991
University health services	671,742	-	-	7,957,693	-	8,629,435
Other auxiliary enterprises	2,025,215	-	-	2,219,635	-	4,244,850
Other	-	-	-	400,514	-	400,514
Total	<u>\$ 1,184,948,796</u>	<u>\$ 37,451,938</u>	<u>\$ 35,140,969</u>	<u>\$ 417,100,566</u>	<u>\$ 121,672,708</u>	<u>\$ 1,796,314,977</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

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

Functional Classification	Natural Classification					Total
	Compensation & Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation	
Instruction	\$ 454,641,766	\$ -	\$ 408,114	\$ 53,848,642	\$ -	\$ 508,898,522
Research	291,818,281	-	9,766	120,267,016	-	412,095,063
Public service	40,677,780	-	4,335	38,584,050	-	79,266,165
Academic support	63,773,224	-	-	22,160,551	-	85,933,775
Student services	38,474,451	-	413,351	11,163,799	-	50,051,601
Institutional support	82,223,272	-	-	20,901,241	-	103,124,513
Operations and maintenance of plant	55,767,719	-	22,836,098	22,472,144	-	101,075,961
Depreciation and amortization	-	-	-	-	112,199,452	112,199,452
Scholarships and fellowships	-	36,980,241	-	-	-	36,980,241
Auxiliary enterprises:						
Housing	4,592,014	-	3,808,710	12,334,933	-	20,735,657
Athletics	57,169,960	-	1,789,404	57,394,125	-	116,353,489
Parking	4,379,186	-	372,952	4,501,419	-	9,253,557
Student unions	11,940,237	-	1,190,522	19,342,452	-	32,473,211
University health services	598,646	-	-	7,422,809	-	8,021,455
Other auxiliary enterprises	2,136,718	-	-	1,996,385	-	4,133,103
Other	-	-	-	380,230	-	380,230
Total	\$ 1,108,193,254	\$ 36,980,241	\$ 30,833,252	\$ 392,769,796	\$ 112,199,452	\$ 1,680,975,995

NOTE 25 – DISCRETELY PRESENTED COMPONENT UNIT

The Kansas University Endowment Association (KU Endowment) is an independent, nonprofit organization serving as the official fund-raising and fund-management foundation for KU. Founded in 1891, KU Endowment is the oldest foundation of its kind and one of the largest at a public university in the United States. KU Endowment partners with donors in providing philanthropic support to build a greater university.

KU Endowment is a tax-exempt organization as described in Sections 501(c)(3) and 170(b)(1)(A)(iv) of the Internal Revenue Code (the Code) and has received an Internal Revenue Service (IRS) determination letter stating that its exempt function income is exempt from tax, pursuant to Section 501(a) of the Code.

KU Endowment's consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP).

To ensure observance of limitations and restrictions that donors have placed on the use of resources available to KU Endowment, the accounts of KU Endowment are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes, as specified by the resource donor, are classified for accounting and reporting purposes into separate fund accounts that are established according to their individual nature and purpose. However, these separate accounts that have similar characteristics have been combined into groups in KU Endowment's consolidated financial statements, and all financial transactions have been recorded and reported accordingly, by fund groups.

Funds have been grouped by classification into two categories: with donor restrictions and without donor restrictions. Funds without donor restrictions represent assets and contributions that are available for the broad benefit of KU but are not otherwise restricted by donors. Funds with donor restrictions represent assets and contributions with a donor-imposed restriction that permits the organization to use or expend the donated assets and income as specified, and the restriction is satisfied either by the passage of time or by accounts of the organization.

KU Endowment's complete Audit Report is available at: kuendowment.org/home/resources/reports-financials/

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

NOTE 26 – RESTATEMENTS

NEW ACCOUNTING STANDARDS

During 2025, KU management re-evaluated the accounting treatment application for reporting appropriations which include reappropriation language in the authorizing legislation. Historically, appropriations have been reported as revenue in the year in which they were authorized. When an unspent appropriated balance remained available for spending at the end of the fiscal year, it was reclassified as a receivable. In practice, the state records a rescission of the appropriation on June 30 and reappropriates the balance in the following fiscal year on July 1. Therefore, management believes that reporting only the amount of appropriations spent in a given fiscal year represents a preferable accounting treatment. As a result of this change in accounting principle, KU reduced accounts receivable and net position as follows:

Financial statement line item	Balance June 30, 2024, as Previously Stated	Change in Accounting Principle	Balance June 30, 2024 Restated
Accounts receivable, net	\$ 187,786,761	\$ (18,035,037)	\$ 169,751,724
Net position	1,853,692,178	(18,035,037)	1,835,657,141
Capital appropriations	20,540,622	(38,867)	20,501,755

NOTE 27 – SUBSEQUENT EVENT

Subsequent to June 30, 2025, KU Endowment received a significant pledge of at least \$100 million, subject to valuation. This pledge was not recognized in the financial statements for the year ended June 30, 2025, as it was received after the reporting period.

In October 2025, KU entered into a memorandum of understanding for a \$140 million pledge advance agreement with KU Endowment. This agreement is earmarked for Phase 2 of the campus gateway and stadium construction project, and is secured by and will be repaid by current and future contribution receivables restricted by donors for the same purpose as they are collected. Like the memorandum of understanding with Athletics (see Note 17), because pledges of donors do not have any formal timing of payment, there is no formal amortization schedule of principal balances in connection with this pledge advance agreement.

Management has performed an analysis of the activities and transactions after June 30, 2025, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2025. Management has performed their analysis through December 17, 2025, the date the financial statements were issued.

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*Supplementary
Information*

CONSOLIDATING STATEMENT OF NET POSITION

AS OF JUNE 30, 2025

	University of Kansas Lawrence & Edwards	University of Kansas Center for Research, Inc.	Kansas Athletics, Inc	University of Kansas Memorial Corporation	Other KULC Entities ⁽¹⁾	University of Kansas Medical Center	University of Kansas Medical Center Research Institute, Inc.	Other KUMC Entities ⁽²⁾	Eliminations ⁽³⁾	Total
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 188,075,070	\$ 17,618,369	\$ 13,242,810	\$ 6,118,498	\$ 271,568	\$ 60,571,958	\$ 44,321,137	\$ 186,780	\$ -	\$ 330,406,190
Restricted cash and cash equivalents	17,304,428	-	10,693,834	3,225,662	8,285,003	28,827,854	-	-	(3,225,662)	65,111,119
Investments	20,780,525	103,547,874	32,065,587	272,789	-	4,625,468	-	-	-	161,292,243
Accounts receivable, net	65,503,045	36,894,255	8,270,750	3,457,238	9,917,335	45,277,976	48,565,642	11,133	(34,467,103)	183,430,271
Pledges receivable, net	-	-	34,152,664	-	-	-	939,885	-	-	35,092,549
Loans to students, net	1,115,232	-	-	-	-	1,240,279	-	-	-	2,355,511
Inventories	3,061,714	-	220,591	2,545,166	-	262,367	-	-	-	6,089,838
Other assets	513,485	295,261	1,561,304	400,859	2,916	6,027,035	1,193,244	1,188	-	9,995,292
Total current assets	296,353,499	158,355,759	100,207,540	16,020,212	18,476,822	146,832,937	95,019,908	199,101	(37,692,765)	793,773,013
Non-current assets:										
Restricted cash and cash equivalents	42,510,077	-	-	-	-	40,052	-	-	-	42,550,129
Accounts receivable, net	786,829	275,232	-	-	297,598,666	37,661,337	-	-	(296,976,174)	39,345,890
Pledges receivable, net	-	-	73,407,754	-	-	-	190,993	-	-	73,598,747
Investments	44,865,879	9,478,490	103,992,787	-	-	2,153,464	133,800,924	-	-	294,291,544
Loans to students, net	3,186,708	-	-	-	-	20,816,373	-	-	-	24,003,081
Other assets	159,372	-	-	-	-	-	-	-	(159,372)	-
Capital assets, net	1,669,356,630	19,846,453	522,178,918	8,153,924	3,847,500	337,059,914	1,423,699	-	(482,973,404)	2,078,893,634
Right of use assets, net	23,526,634	6,127,291	32,972,637	10,299,631	-	48,492,014	-	-	(10,045,763)	111,372,444
Total non-current assets	1,784,392,129	35,727,466	732,552,096	18,453,555	301,446,166	446,223,154	135,415,616	-	(790,154,713)	2,664,055,469
Total assets	2,080,745,628	194,083,225	832,759,636	34,473,767	319,922,988	593,056,091	230,435,524	199,101	(827,847,478)	3,457,828,482
DEFERRED OUTFLOWS										
Deferred OPEB expense	2,496,589	-	-	-	-	1,344,146	-	-	-	3,840,735
Asset retirement obligations	393,381	-	-	-	-	-	-	-	-	393,381
Deferred pension expense	8,361,903	-	-	-	-	7,866,787	-	-	-	16,228,690
Total deferred outflows	11,251,873	-	-	-	-	9,210,933	-	-	-	20,462,806

⁽¹⁾ includes KU Campus Development Corporation and Jayhawk Community Partners

⁽²⁾ includes Student Union Corporation of the University of Kansas Medical Center

⁽³⁾ reflects adjustment to remove balances and transactional activity between affiliated organizations as required by generally accepted accounting principles

CONSOLIDATING STATEMENT OF NET POSITION

AS OF JUNE 30, 2025

(CONTINUED)

	University of Kansas Lawrence & Edwards	University of Kansas Center for Research, Inc.	Kansas Athletics, Inc	University of Kansas Memorial Corporation	Other KULC Entities ⁽¹⁾	University of Kansas Medical Center	University of Kansas Medical Center Research Institute, Inc.	Other KUMC Entities ⁽²⁾	Eliminations ⁽³⁾	Total
LIABILITIES										
Current liabilities:										
Accounts payable and accrued expenses	76,084,848	12,283,047	55,891,075	5,860,324	5,135,172	38,017,974	21,001,497	16,719	(27,948,678)	186,341,978
Unearned revenue	57,400,279	12,440,486	29,525,658	182,212	34,575	-	17,710,510	-	(34,575)	117,259,145
Assets held in custody for others	444,685	8,161,066	-	-	-	308,266	-	-	-	8,914,017
Accrued compensated absences	23,700,696	-	937,021	370,154	-	22,624,980	-	-	-	47,632,851
Leases payable	17,816,891	3,404,318	6,026,166	543,132	-	4,942,990	-	-	(10,254,510)	22,478,987
SBITA liability	3,930,148	-	-	-	-	1,810,648	-	-	-	5,740,796
Notes payable	-	-	7,578,962	488,566	-	-	-	-	-	8,067,528
Revenue bonds payable	11,110,000	-	-	-	7,900,000	7,220,000	-	-	-	26,230,000
Other liabilities	3,159,437	-	263,508	-	2,447,427	851,051	-	-	-	6,721,423
Total current liabilities	193,646,984	36,288,917	100,222,390	7,444,388	15,517,174	75,775,909	38,712,007	16,719	(38,237,763)	429,386,725
Non-current liabilities:										
Accrued compensated absences	7,518,962	-	3,076,302	-	-	7,177,695	-	-	-	17,772,959
Accrued other post-employment benefits	3,274,476	-	-	-	-	2,841,602	-	-	-	6,116,078
Accrued pension liability	32,174,884	-	-	-	-	27,147,766	-	-	-	59,322,650
Leases payable	304,382,533	241,519	57,385,108	9,581,861	-	41,248,913	-	-	(306,486,529)	106,353,405
SBITA liability	4,572,499	-	-	-	-	5,110,542	-	-	-	9,683,041
Notes payable	-	-	175,303,954	-	-	-	-	-	-	175,303,954
Revenue bonds payable	116,090,000	-	163,960,000	-	275,180,000	69,100,000	-	-	-	624,330,000
Other long-term liabilities	10,710,791	-	7,656,894	-	28,293,916	3,812,682	-	-	(124,797)	50,349,486
Total non-current liabilities	478,724,145	241,519	407,382,258	9,581,861	303,473,916	156,439,200	-	-	(306,611,326)	1,049,231,573
Total liabilities	672,371,129	36,530,436	507,604,648	17,026,249	318,991,090	232,215,109	38,712,007	16,719	(344,849,089)	1,478,618,298
DEFERRED INFLOWS										
Unamortized gain on bond refunding	712,078	-	-	-	-	646,615	-	-	-	1,358,693
Deferred pension expense	5,378,110	-	-	-	-	1,739,866	-	-	-	7,117,976
Deferred OPEB expense	327,277	-	-	-	-	360,496	-	-	-	687,773
Deferred lease inflows	908,549	-	-	-	628,897	-	-	-	-	1,537,446
Total deferred inflows	7,326,014	-	-	-	628,897	2,746,977	-	-	-	10,701,888
NET POSITION										
Net investment in capital assets	1,204,888,908	22,327,907	121,190,386	8,328,562	3,847,500	288,504,342	1,423,699	-	(483,014,310)	1,167,496,994
Restricted for:										
Nonexpendable	16,805,765	5,996,006	21,532,581	-	-	1,178,255	-	-	-	45,512,607
Expendable:										
Scholarships, research, instruction and other	62,065,486	3,122,968	44,591,884	-	-	14,658,303	4,344,668	-	-	128,783,309
Loans	3,974,069	-	-	-	-	22,022,134	-	-	-	25,996,203
Capital projects	12,081,078	-	64,092,826	-	-	-	-	-	-	76,173,904
Debt service	1,161,833	-	53,022,696	-	-	3,682,091	-	-	-	57,866,620
Unrestricted	111,323,219	126,105,908	20,724,615	9,118,956	(3,544,499)	37,259,813	185,955,150	182,382	15,921	487,141,465
Total net position	\$1,412,300,358	\$ 157,552,789	\$ 325,154,988	\$ 17,447,518	\$ 303,001	\$ 367,304,938	\$ 191,723,517	\$ 182,382	\$ (482,998,389)	\$1,988,971,102

⁽¹⁾ includes KU Campus Development Corporation and Jayhawk Community Partners

⁽²⁾ includes Student Union Corporation of the University of Kansas Medical Center

⁽³⁾ reflects adjustment to remove balances and transactional activity between affiliated organizations as required by generally accepted accounting principles

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	University of Kansas Lawrence & Edwards	University of Kansas Center for Research, Inc.	Kansas Athletics, Inc	University of Kansas Memorial Corporation	Other KULC Entities ⁽¹⁾	University of Kansas Medical Center	University of Kansas Medical Center Research Institute, Inc.	Other KUMC Entities ⁽²⁾	Eliminations ⁽³⁾	Total
<u>OPERATING REVENUES</u>										
Tuition and fees (net of scholarship allowance of \$52,933,018)	\$ 325,181,336	\$ -	\$ -	\$ -	\$ -	\$ 63,952,262	\$ -	\$ -	(12,819,127)	\$ 376,314,471
Federal grants and contracts	8,819,173	152,477,448	-	-	-	48,105	159,967,128	-	(2,302,734)	319,009,120
State and local grants and contracts	18,532,781	28,113,263	-	-	-	11,000,000	6,578,707	-	(94,701)	64,130,050
Nongovernmental grants and contracts	4,692,167	15,668,365	-	-	-	-	78,645,963	-	(1,132,112)	97,874,383
Sales and services of educational departments	34,792,907	16,084,209	-	-	-	69,301,170	-	-	(35,146,282)	85,032,004
Sales and services of medical and administrative activities	-	-	-	-	-	105,147,509	-	-	-	105,147,509
Sales and services of auxiliary enterprises	76,545,900	-	137,364,649	42,442,160	2,708,559	12,777,641	-	100,145	(14,075,670)	257,863,384
Other operating revenues	3,555,331	2,957,691	-	-	12,014,236	7,106,547	6,522,247	-	(16,514,236)	15,641,816
Total operating revenues	472,119,595	215,300,976	137,364,649	42,442,160	14,722,795	269,333,234	251,714,045	100,145	(82,084,862)	1,321,012,737
<u>OPERATING EXPENSES</u>										
Compensation and benefits	492,049,748	126,593,054	59,024,775	12,259,939	593,960	368,917,498	125,603,515	-	(93,693)	1,184,948,796
Supplies and other services	145,229,318	74,981,442	61,867,114	26,022,382	2,405,046	75,381,139	90,685,201	99,862	(59,570,938)	417,100,566
Utilities	24,122,416	612,991	1,282,263	1,179,517	-	7,943,782	-	-	-	35,140,969
Depreciation and amortization	83,950,861	4,990,364	13,873,437	1,805,794	405,000	26,938,595	275,032	-	(10,566,375)	121,672,708
Scholarships and fellowships	14,833,133	6,908,242	20,090,101	-	-	6,273,358	-	-	(10,652,896)	37,451,938
Total operating expenses	760,185,476	214,086,093	156,137,690	41,267,632	3,404,006	485,454,372	216,563,748	99,862	(80,883,902)	1,796,314,977
Operating income (loss)	(288,065,881)	1,214,883	(18,773,041)	1,174,528	11,318,789	(216,121,138)	35,150,297	283	(1,200,960)	(475,302,240)

⁽¹⁾ includes KU Campus Development Corporation and Jayhawk Community Partners

⁽²⁾ includes Student Union Corporation of the University of Kansas Medical Center

⁽³⁾ reflects adjustment to remove balances and transactional activity between affiliated organizations as required by generally accepted accounting principles

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(CONTINUED)

	University of Kansas Lawrence & Edwards	University of Kansas Center for Research, Inc.	Kansas Athletics, Inc	University of Kansas Memorial Corporation	Other KULC Entities ⁽¹⁾	University of Kansas Medical Center	University of Kansas Medical Center Research Institute, Inc.	Other KUMC Entities ⁽²⁾	Eliminations ⁽³⁾	Total
NON-OPERATING REVENUES (EXPENSES)										
State appropriations	197,963,550	-	-	-	-	132,864,415	-	-	-	330,827,965
Local appropriations	8,591,000	-	-	-	-	8,591,000	-	-	-	17,182,000
Gifts	49,036,876	-	-	-	-	72,018,286	-	-	(1,184,698)	119,870,464
Investment income	15,387,416	10,421,372	4,505,989	122,806	661,585	6,353,742	9,293,408	-	-	46,746,318
Federal grants and contracts	32,499,389	-	-	-	-	965,433	-	-	-	33,464,822
Other non-operating revenues	1,026,643	365,603	-	-	-	1,527,558	-	-	(833,148)	2,086,656
Interest expense	(16,107,832)	(86,573)	(4,021,817)	(78,992)	(11,887,321)	(2,596,062)	-	-	12,284,230	(22,494,367)
Other non-operating expenses	(2,506,205)	(1,119,282)	-	-	-	-	-	-	1,234,000	(2,391,487)
Net non-operating revenues (expenses)	285,890,837	9,581,120	484,172	43,814	(11,225,736)	219,724,372	9,293,408	-	11,500,384	525,292,371
Income (loss) before other revenues, expenses, gains or losses	(2,175,044)	10,796,003	(18,288,869)	1,218,342	93,053	3,603,234	44,443,705	283	10,299,424	49,990,131
Capital appropriations	22,110,932	-	-	-	-	4,111,738	-	-	-	26,222,670
Capital grants and gifts	305,977,712	6,201,927	30,410,623	-	-	49,946,419	(14,522,310)	-	(300,913,711)	77,100,660
Intra-entity contributions	-	(2,528,040)	-	-	-	-	-	-	2,528,040	-
Additions to permanent endowments	500	-	-	-	-	-	-	-	-	500
Increase (decrease) in net position	325,914,100	14,469,890	12,121,754	1,218,342	93,053	57,661,391	29,921,395	283	(288,086,247)	153,313,961
NET POSITION										
Net position - beginning of year	1,086,386,257	143,082,898	313,033,234	16,229,176	209,948	309,643,547	161,802,122	182,099	(194,912,140)	1,835,657,141
Restatement of net position - beginning of year	-	-	-	-	-	-	-	-	-	-
Net position - end of year	\$ 1,412,300,357	\$ 157,552,788	\$ 325,154,988	\$ 17,447,518	\$ 303,001	\$ 367,304,938	\$ 191,723,517	\$ 182,382	\$ (482,998,387)	\$ 1,988,971,102

⁽¹⁾ includes KU Campus Development Corporation and Jayhawk Community Partners

⁽²⁾ includes Student Union Corporation of the University of Kansas Medical Center

⁽³⁾ reflects adjustment to remove balances and transactional activity between affiliated organizations as required by generally accepted accounting principles

CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	University of Kansas Lawrence & Edwards	University of Kansas Center for Research, Inc.	Kansas Athletics, Inc	University of Kansas Memorial Corporation	Other KULC Entities ⁽¹⁾	University of Kansas Medical Center	University of Kansas Medical Center Research Institute, Inc.	Other KUMC Entities ⁽²⁾	Eliminations ⁽³⁾	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>										
Tuition and fees	\$ 322,890,949	\$ -	\$ -	\$ -	\$ -	\$ 63,884,052	\$ -	\$ -	\$ (13,071,999)	\$ 373,703,002
Sales and services	34,576,577	16,084,209	-	-	-	171,829,370	-	-	(35,553,059)	186,937,097
Auxiliary enterprises	33,881,422	-	26,952,041	4,518,216	5,198	12,777,641	-	100,145	(3,938,378)	74,296,285
Grant and contracts	34,493,249	198,510,564	-	-	-	11,162,040	241,822,192	-	(3,529,547)	482,458,498
Payment to suppliers	(119,157,312)	(75,744,434)	-	-	(62,058)	(77,064,537)	(89,804,700)	(93,922)	48,110,467	(313,816,496)
Payment to utilities	(18,675,930)	(612,992)	-	-	-	(7,943,782)	-	-	10,652,896	(16,579,808)
Compensation and benefits	(475,785,261)	(125,810,589)	-	-	-	(361,581,813)	(124,791,033)	-	(873,464)	(1,088,842,160)
Payment for scholarships and fellowships	(14,836,472)	(6,908,242)	(20,090,101)	-	-	(6,273,358)	-	-	-	(48,108,173)
Loans to students, net	733,509	-	-	-	-	(5,592,741)	-	-	-	(4,859,232)
Other receipts and payments	1,812,688	3,652,316	-	-	21,239,934	6,755,169	6,926,028	2,597	(23,491,412)	16,897,320
Net cash used in operating activities	(200,066,581)	9,170,832	6,861,940	4,518,216	21,183,074	(192,047,959)	34,152,487	8,820	(21,694,496)	(337,913,667)
<u>CASH FLOWS FROM NON-CAPITAL FINANCIAL ACTIVITIES</u>										
State appropriations	197,963,550	-	-	-	-	132,864,415	-	-	-	330,827,965
Local appropriations	8,536,000	-	-	-	-	8,536,000	-	-	-	17,072,000
Gifts	49,037,376	-	-	-	-	72,018,286	-	-	(1,184,698)	119,870,964
Federal education loans, net	(329,459)	-	-	-	-	-	-	-	-	(329,459)
Non-operating grants and contracts	49,195,619	-	-	-	-	965,433	-	-	-	50,161,052
Other	(3,098,167)	(302,118)	-	-	-	1,543,759	-	-	1,234,000	(622,526)
Net cash provided by non-capital financing activities	301,304,919	(302,118)	-	-	-	215,927,893	-	-	49,302	516,979,996

⁽¹⁾ includes KU Campus Development Corporation and Jayhawk Community Partners

⁽²⁾ includes Student Union Corporation of the University of Kansas Medical Center

⁽³⁾ reflects adjustment to remove balances and transactional activity between affiliated organizations as required by generally accepted accounting principles

CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

(CONTINUED)

	University of Kansas Lawrence & Edwards	University of Kansas Center for Research, Inc.	Kansas Athletics, Inc	University of Kansas Memorial Corporation	Other KULC Entities ⁽¹⁾	University of Kansas Medical Center	University of Kansas Medical Center Research Institute, Inc.	Other KUMC Entities ⁽²⁾	Eliminations ⁽³⁾	Total
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>										
Proceeds from capital debt	-	-	382,253,762	-	-	-	-	-	-	382,253,762
Capital appropriations	22,110,932	-	-	-	-	4,111,738	-	-	-	26,222,670
Capital grants and gifts	-	6,201,927	27,038,104	-	-	28,751,674	(14,522,310)	-	-	47,469,395
Purchase of capital assets	(34,137,985)	(5,341,278)	(309,699,669)	(298,423)	-	(41,242,416)	(509,175)	-	(230,837)	(391,459,783)
Proceeds from sale of capital assets	462,995	-	-	-	-	-	-	-	-	462,995
Principal paid on capital debt and leases	(34,447,715)	(4,559,367)	(62,497,116)	(1,517,707)	(7,385,000)	(8,762,648)	-	-	8,878,949	(110,290,604)
Interest paid on capital debt and leases	(17,831,914)	(116,367)	(2,247,439)	(78,992)	(14,523,250)	(7,967,683)	-	-	12,277,884	(30,487,761)
Other	11,795	(2,259,912)	(2,153,756)	-	27,367	(2,722,008)	-	-	(1,620)	(7,098,134)
Net cash used in capital financing activities	(63,831,892)	(6,074,997)	32,693,886	(1,895,122)	(21,880,883)	(27,831,343)	(15,031,485)	-	20,924,376	(82,927,460)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>										
Proceeds from sales and maturities of investments	15,746,756	1,059,050	178,919,336	-	-	-	60,625,060	-	-	256,350,202
Interest on investments	11,795,577	2,703,673	1,080,484	110,073	634,298	5,929,142	4,684,237	-	-	26,937,484
Purchase of investments	(19,529,282)	(3,678,288)	(207,244,518)	-	-	-	(51,875,447)	-	-	(282,327,535)
Net cash provided by (used in) investing activities	8,013,051	84,435	(27,244,698)	110,073	634,298	5,929,142	13,433,850	-	-	960,151
Net increase (decrease) in cash	45,419,497	2,878,152	12,311,128	2,733,167	(63,511)	1,977,733	32,554,852	8,820	(720,818)	97,099,020
Cash - beginning of the year	202,470,078	14,740,217	11,625,516	6,610,993	8,620,082	87,462,131	11,766,285	177,960	(2,504,844)	340,968,418
Cash - end of year	<u>\$ 247,889,575</u>	<u>\$ 17,618,369</u>	<u>\$ 23,936,644</u>	<u>\$ 9,344,160</u>	<u>\$ 8,556,571</u>	<u>\$ 89,439,864</u>	<u>\$ 44,321,137</u>	<u>\$ 186,780</u>	<u>\$ (3,225,662)</u>	<u>\$ 438,067,438</u>

⁽¹⁾ includes KU Campus Development Corporation and Jayhawk Community Partners

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Statistical
Section

The following section provides additional information as a context for understanding what the information in financial statements and note disclosures says about KU's overall financial health.

Contents	Page
Financial Trends	81
These schedules contain trend information to help the reader understand how KU's financial performance and well-being have changed over time	
Debt Capacity	85
These schedule present information to help the reader assess the affordability of KU's current levels of outstanding debt and KU's ability to issue additional debt in the future.	
Operating Information	86
These schedules contain data to help the reader understand how the information in KU's financial report relates to the services KU provides and the activities it performs.	
Demographic and Economic Information	89
These schedules offer demographic and economic indicators to help the reader understand the environment in which KU's financial activities take place	

SCHEDULE OF REVENUES BY SOURCE

REVENUES	For the Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tuition and fees (net of scholarship allowances)	\$ 304,317,762	\$ 314,335,203	\$ 324,035,590	\$ 325,570,469	\$ 340,863,151	\$ 320,019,921	\$ 323,821,470	\$ 320,300,681	\$ 339,900,344	\$ 376,314,471
Federal grants and contracts	149,404,143	150,322,497	164,728,124	179,434,573	186,550,040	203,269,007	232,890,339	256,336,979	289,905,792	319,009,120
State and local grants and contracts	47,094,151	45,569,990	38,119,702	37,338,423	38,457,391	48,634,859	47,244,907	66,631,483	68,491,355	64,130,050
Nongovernmental grants and contracts	78,917,523	55,571,690	65,333,833	59,273,481	73,641,128	73,855,959	65,096,791	77,262,361	86,639,361	97,874,383
Sales and services of educational departments	63,181,734	66,291,142	98,050,487	98,216,459	78,924,030	82,426,559	85,929,382	80,735,449	77,738,693	85,032,004
Sales and services of medical and administrative activities	41,490,519	53,083,616	55,353,806	61,163,289	73,145,738	79,094,783	89,618,664	90,218,537	98,448,168	105,147,509
Sales and services of auxiliary enterprises	180,975,398	186,152,383	204,524,387	215,382,587	185,251,855	153,177,350	205,575,997	224,694,784	236,744,557	257,863,384
Other operating revenues	867,279	11,970,445	10,239,065	8,796,765	5,317,659	6,673,538	12,477,185	6,961,125	10,606,771	15,641,816
Total operating revenues	866,248,509	883,296,966	960,384,994	985,176,046	982,150,992	967,151,976	1,062,654,735	1,123,141,399	1,208,475,041	1,321,012,737
State appropriations	237,044,872	240,346,756	238,164,714	244,972,426	258,178,051	253,428,437	259,586,261	301,270,848	305,434,379	330,827,965
Local appropriations	11,306,000	11,637,600	11,020,800	11,988,800	12,311,350	14,058,578	15,234,002	16,523,274	16,640,600	17,182,000
Gifts	59,351,062	49,202,947	62,293,228	57,941,219	65,327,100	61,870,560	71,323,935	90,900,731	108,239,239	119,870,464
Investment income	3,411,376	16,006,459	15,012,827	14,248,669	6,834,587	43,540,353	(17,387,451)	14,750,055	37,414,863	46,746,318
Federal grants and contracts	17,885,744	18,068,316	19,123,509	19,253,695	30,063,486	67,888,748	72,298,326	19,724,920	90,652,552	33,464,822
Other non-operating revenues	8,278,455	14,375,078	6,512,182	2,535,638	3,769,022	9,627,061	7,362,659	2,785,322	3,176,070	2,086,656
Total non-operating revenues	337,277,509	349,637,156	352,127,260	350,940,447	376,483,596	450,413,737	408,417,732	445,955,150	561,557,703	550,178,225
Capital appropriations	12,539,597	36,965,371	13,483,042	16,221,689	32,135,852	14,139,702	15,132,640	15,353,140	20,501,755	26,222,670
Capital grants and gifts	70,094,397	73,399,573	84,648,875	13,845,739	12,795,434	6,408,637	21,139,760	99,936,097	115,666,708	77,100,660
Additions to permanent endowments	226,277	229,783	(3,868)	8,391	2,184	1,504	11,311	27,326	4,249	500
Total other revenues, gains and losses	82,860,271	110,594,727	98,128,049	30,075,819	44,933,470	20,549,843	36,283,711	115,316,563	136,172,712	103,323,830
Total revenues	\$ 1,286,386,289	\$ 1,343,528,849	\$ 1,410,640,303	\$ 1,366,192,312	\$ 1,403,568,058	\$ 1,438,115,556	\$ 1,507,356,178	\$ 1,684,413,112	\$ 1,906,205,456	\$ 1,974,514,792

REVENUES	For the Year Ended June 30, (percent of total revenues)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tuition and fees (net of scholarship allowances)	23.7 %	23.4 %	23.0 %	23.8 %	24.3 %	22.3 %	21.5 %	19.0 %	17.8 %	19.1 %
Federal grants and contracts	11.6	11.2	11.7	13.1	13.3	14.1	15.5	15.2	15.2	16.2
State and local grants and contracts	3.7	3.4	2.7	2.7	2.7	3.4	3.1	4.0	3.6	3.2
Nongovernmental grants and contracts	6.1	4.1	4.6	4.4	5.2	5.1	4.3	4.6	4.5	4.9
Sales and services of educational departments	4.9	4.9	6.9	7.2	5.6	5.7	5.7	4.8	4.1	4.3
Sales and services of medical and administrative activities	3.2	4.0	3.9	4.5	5.2	5.5	5.9	5.3	5.1	5.3
Sales and services of auxiliary enterprises	14.1	13.8	14.5	15.8	13.2	10.7	13.7	13.3	12.4	13.1
Other operating revenues	0.1	0.9	0.7	0.6	0.4	0.5	0.8	0.4	0.5	0.8
Total operating revenues	67.4	65.7	68.0	72.1	69.9	67.3	70.5	66.6	63.2	66.9
State appropriations	18.4	17.9	16.9	17.9	18.4	17.6	17.2	17.9	16.0	16.7
Local appropriations	0.9	0.9	0.8	0.9	0.9	1.0	1.0	1.0	0.9	0.9
Gifts	4.6	3.6	4.4	4.2	4.7	4.3	4.7	5.4	5.7	6.1
Investment income	0.3	1.2	1.0	1.1	0.5	3.0	-1.1	0.9	2.0	2.4
Federal grants and contracts	1.4	1.3	1.4	1.4	2.1	4.7	4.8	1.2	4.8	1.7
Other non-operating revenues	0.6	1.1	0.5	0.2	0.3	0.7	0.5	0.2	0.2	0.1
Total non-operating revenues	26.2	26.0	25.0	25.7	26.9	31.3	27.1	26.6	29.6	27.9
Investment income	1.0	2.8	1.0	1.2	2.3	1.0	1.0	0.9	1.1	1.3
Federal grants and contracts	5.4	5.5	6.0	1.0	0.9	0.4	1.4	5.9	6.1	3.9
Other non-operating revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total non-operating revenues	6.4	8.3	7.0	2.2	3.2	1.4	2.4	6.8	7.2	5.2
Total revenues	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: University of Kansas Annual Financial Reports

SCHEDULE OF EXPENSES BY USE

EXPENSES	For the Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Compensation and benefits	\$ 755,700,952	\$ 787,122,992	\$ 847,896,817	\$ 846,384,156	\$ 894,155,277	\$ 882,690,065	\$ 902,588,392	\$ 994,472,529	\$ 1,108,193,254	\$ 1,184,948,796
Supplies and other services	278,699,618	261,931,812	290,316,514	309,555,386	304,126,475	302,124,960	340,513,479	372,554,814	392,769,796	417,100,566
Utilities	28,531,275	29,163,868	31,734,415	28,591,591	26,753,653	28,087,745	32,220,471	33,515,951	30,833,252	35,140,969
Depreciation and amortization	84,107,598	86,790,577	104,229,330	113,663,073	74,398,078	100,643,356	98,281,589	105,893,118	112,199,452	121,672,708
Scholarships and fellowships	18,760,038	19,636,472	18,935,345	16,532,918	26,138,916	26,711,066	43,624,072	23,396,940	36,980,241	37,451,938
Total operating expenses	1,165,799,481	1,184,645,721	1,293,112,421	1,314,727,124	1,325,572,399	1,340,257,192	1,417,228,003	1,529,833,352	1,680,975,995	1,796,314,977
Interest expense	17,487,066	26,766,044	20,104,785	29,846,661	27,991,316	26,665,530	22,593,931	21,947,079	20,888,619	22,494,367
Other non-operating expenses	7,210,797	5,775,834	25,861,014	4,127,892	1,454,813	1,768,646	4,084,024	1,144,608	17,909,606	2,391,487
Total non-operating expenses	24,697,863	32,541,878	45,965,799	33,974,553	29,446,129	28,434,176	26,677,955	23,091,687	38,798,225	24,885,854
Total expenses	\$ 1,190,497,344	\$ 1,217,187,599	\$ 1,339,078,220	\$ 1,348,701,677	\$ 1,355,018,528	\$ 1,368,691,368	\$ 1,443,905,958	\$ 1,552,925,039	\$ 1,719,774,220	\$ 1,821,200,831

EXPENSES	For the Year Ended June 30, (percent of total revenues)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Compensation and benefits	63.5 %	64.7 %	63.3 %	62.8 %	66.0 %	64.5 %	62.5 %	64.0 %	64.4 %	65.1 %
Supplies and other services	23.3	21.5	21.7	23.0	22.4	22.1	23.6	24.0	22.8	22.9
Utilities	2.4	2.4	2.4	2.1	2.0	2.1	2.2	2.2	1.8	1.9
Depreciation and amortization	7.1	7.1	7.8	8.4	5.5	7.4	6.8	6.8	6.5	6.7
Scholarships and fellowships	1.6	1.6	1.4	1.2	1.9	2.0	3.0	1.5	2.2	2.1
Total operating expenses	97.9	97.3	96.6	97.5	97.8	98.1	98.1	98.5	97.7	98.7
Interest expense	1.5	2.2	1.5	2.2	2.1	1.9	1.6	1.4	1.2	1.2
Other non-operating expenses	0.6	0.5	1.9	0.3	0.1	0.1	0.3	0.1	1.1	0.1
Total non-operating expenses	2.1	2.7	3.4	2.5	2.2	2.0	1.9	1.5	2.3	1.3
Total expenses	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.1 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: University of Kansas Annual Financial Reports

SCHEDULE OF EXPENSES BY FUNCTION

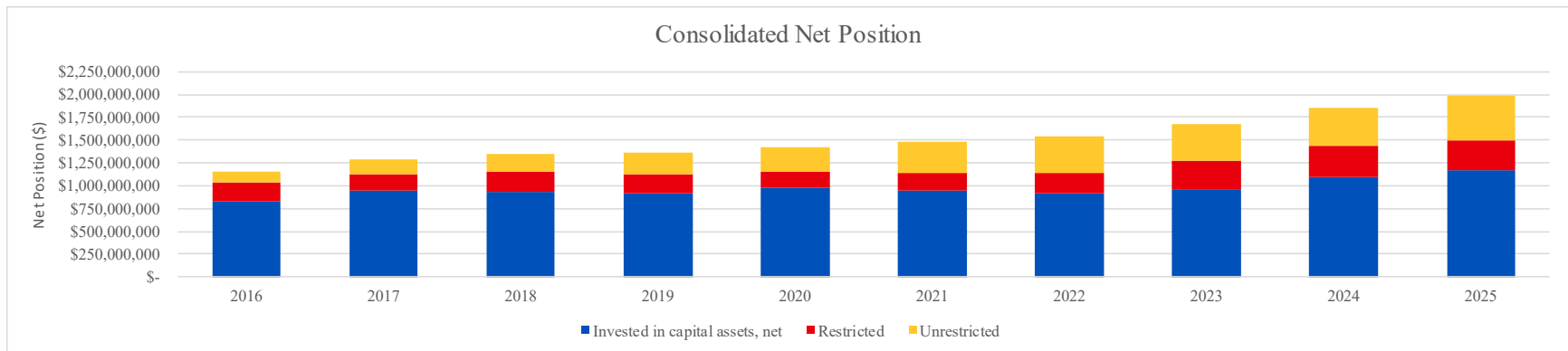
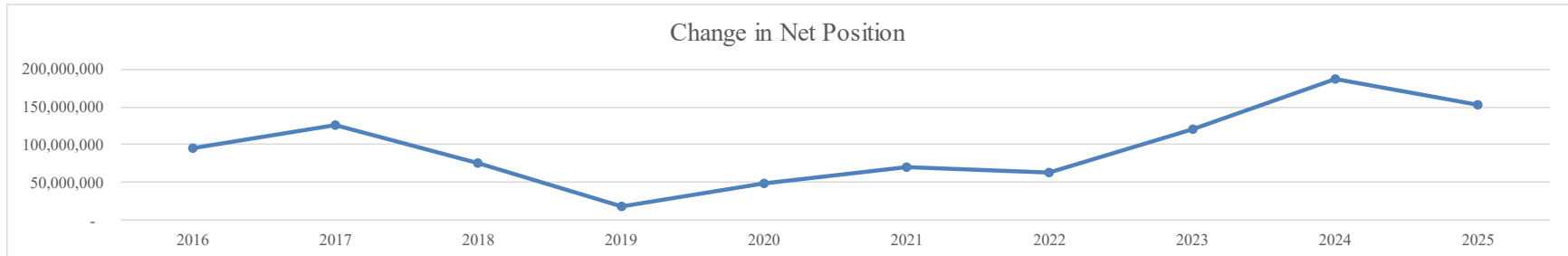
	For the Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES										
Instruction	\$ 376,435,591	\$ 391,754,992	\$ 425,903,941	\$ 428,445,063	\$ 440,237,070	\$ 416,557,473	\$ 425,266,109	\$ 460,508,152	\$ 508,898,522	\$ 534,714,568
Research	256,347,460	247,072,961	266,784,693	259,620,680	289,136,753	286,135,478	334,750,010	363,726,476	412,095,063	464,216,094
Public service	48,507,472	40,848,421	47,086,911	56,599,571	50,144,325	55,347,527	50,903,510	71,471,869	79,266,165	73,123,696
Academic support	65,296,701	65,049,670	65,777,017	65,298,599	66,475,360	76,639,656	67,780,575	81,702,628	85,933,775	92,769,081
Student services	33,817,723	35,235,629	38,172,391	41,149,695	40,801,016	46,895,540	43,464,595	46,344,475	50,051,601	53,653,684
Institutional support	58,885,484	65,314,920	63,592,652	63,894,686	74,995,751	86,330,227	93,570,170	91,336,969	103,124,513	118,102,817
Operations and maintenance of plant	71,765,052	74,875,296	90,870,614	88,015,434	90,743,195	100,404,051	96,856,766	104,766,569	101,075,961	98,242,835
Depreciation and amortization	84,107,598	86,790,577	104,229,330	113,663,073	74,398,078	100,643,356	98,281,589	105,893,118	112,199,452	121,672,708
Scholarships and fellowships	18,760,038	19,636,472	18,935,345	16,532,918	26,138,916	28,087,745	43,624,072	23,396,940	36,980,241	37,451,938
Auxiliary enterprises	150,750,775	155,863,703	169,108,342	180,784,729	171,901,276	142,453,283	162,674,027	180,320,315	190,970,472	201,967,042
Other operating expenses	1,125,587	2,203,080	2,651,185	722,676	600,659	762,856	56,580	365,841	380,230	400,514
Total operating expenses	1,165,799,481	1,184,645,721	1,293,112,421	1,314,727,124	1,325,572,399	1,340,257,192	1,417,228,003	1,529,833,352	1,680,975,995	1,796,314,977
Interest expense	17,487,066	26,766,044	20,104,785	29,846,661	27,991,316	26,665,530	22,593,931	21,947,079	20,888,619	22,494,367
Other non-operating expenses	7,210,797	5,775,834	25,861,014	4,127,892	1,454,813	1,768,646	4,084,024	1,144,608	17,909,606	2,391,487
Total non-operating expenses	24,697,863	32,541,878	45,965,799	33,974,553	29,446,129	28,434,176	26,677,955	23,091,687	38,798,225	24,885,854
Total expenses	\$ 1,190,497,344	\$ 1,217,187,599	\$ 1,339,078,220	\$ 1,348,701,677	\$ 1,355,018,528	\$ 1,368,691,368	\$ 1,443,905,958	\$ 1,552,925,039	\$ 1,719,774,220	\$ 1,821,200,831

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES										
Instruction	31.6 %	32.2 %	31.8 %	31.8 %	32.5 %	30.4 %	29.4 %	29.7 %	29.6 %	29.4 %
Research	21.5	20.3	19.9	19.2	21.3	20.9	23.2	23.4	24.0	25.5
Public service	4.1	3.4	3.5	4.2	3.7	4.0	3.5	4.6	4.6	4.0
Academic support	5.5	5.3	4.9	4.9	4.9	5.6	4.7	5.3	5.0	5.1
Student services	2.8	2.9	2.9	3.1	3.0	3.4	3.0	3.0	2.9	2.9
Institutional support	4.9	5.4	4.7	4.7	5.5	6.3	6.5	5.9	6.0	6.5
Operations and maintenance of plant	6.0	6.1	6.8	6.5	6.7	7.4	6.7	6.7	5.9	5.4
Depreciation and amortization	7.1	7.1	7.8	8.4	5.5	7.4	6.8	6.8	6.5	6.7
Scholarships and fellowships	1.6	1.6	1.4	1.2	1.9	2.0	3.0	1.5	2.2	2.1
Auxiliary enterprises:	12.7	12.8	12.6	13.4	12.7	10.4	11.3	11.6	11.1	11.1
Other operating expenses	0.1	0.2	0.3	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Total operating expenses	97.9	97.3	96.6	97.5	97.8	97.9	98.1	98.5	97.8	98.7
Interest expense	1.5	2.2	1.5	2.2	2.1	2.0	1.6	1.4	1.2	1.2
Other non-operating expenses	0.6	0.5	1.9	0.3	0.1	0.1	0.3	0.1	1.0	0.1
Total non-operating expenses	2.1	2.7	3.4	2.5	2.2	2.1	1.9	1.5	2.2	1.3
Total expenses	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: University of Kansas Annual Financial Reports

SCHEDULE OF NET POSITION

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Lawrence & Edwards Campus ONLY										
Invested in capital assets, net	\$ 756,601,301	\$ 818,870,906	\$ 797,513,556	\$ 807,896,668	\$ 816,418,343	\$ 780,745,943	\$ 755,530,004	\$ 753,809,649	\$ 912,466,024	\$ 1,204,888,908
Restricted	67,916,049	67,956,969	57,870,425	56,222,256	50,812,146	64,189,135	64,260,572	76,982,971	71,503,557	96,088,231
Unrestricted	19,737,848	44,656,205	54,490,013	55,707,607	59,862,944	79,654,277	124,495,768	121,216,787	120,451,713	111,323,219
Total Lawrence & Edwards Campus net position	\$ 844,255,198	\$ 931,484,080	\$ 909,873,994	\$ 919,826,531	\$ 927,093,433	\$ 924,589,355	\$ 944,286,344	\$ 952,009,407	\$ 1,104,421,294	\$ 1,412,300,358
Medical Center ONLY										
Invested in capital assets, net	\$ 122,273,287	\$ 167,313,884	\$ 173,309,864	\$ 155,595,764	\$ 173,341,101	\$ 176,009,747	\$ 176,574,962	\$ 195,328,395	\$ 225,342,795	\$ 288,504,342
Restricted	62,869,846	31,953,989	32,027,413	27,971,624	28,257,900	31,918,211	31,474,734	48,798,368	49,579,851	41,540,783
Unrestricted	5,514,882	16,983,044	15,134,122	31,600,304	28,604,782	28,364,398	51,985,655	35,115,305	34,720,901	37,259,813
Total Medical Center net position	\$ 190,658,015	\$ 216,250,917	\$ 220,471,399	\$ 215,167,692	\$ 230,203,783	\$ 236,292,356	\$ 260,035,351	\$ 279,242,068	\$ 309,643,547	\$ 367,304,938
Consolidated										
Invested in capital assets, net	\$ 828,779,659	\$ 947,005,063	\$ 937,265,888	\$ 916,224,657	\$ 972,771,345	\$ 940,965,017	\$ 922,333,707	\$ 955,331,376	\$ 1,101,882,516	\$ 1,167,496,994
Restricted	200,902,398	171,437,030	210,231,053	202,839,663	187,194,266	205,371,481	210,157,231	312,152,596	327,768,153	334,332,643
Unrestricted	127,389,700	164,970,914	200,531,284	246,991,086	254,639,325	337,481,800	414,786,722	399,738,103	424,041,509	487,141,465
Total consolidated net position	\$ 1,157,071,757	\$ 1,283,413,007	\$ 1,348,028,225	\$ 1,366,055,406	\$ 1,414,604,936	\$ 1,483,818,298	\$ 1,547,277,660	\$ 1,667,222,075	\$ 1,853,692,178	\$ 1,988,971,102
Change in net position	95,888,945	126,341,250	75,337,226	17,490,635	48,549,530	69,424,188	63,450,220	119,721,202	186,431,236	153,313,961



Source: University of Kansas Annual Financial Reports

SCHEDULE OF OUTSTANDING DEBT AND DEBT RATIOS

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue Bonds Payable										
Lawrence & Edwards Campus	\$ 251,195,000	\$ 250,490,000	\$ 237,360,000	\$ 223,305,000	\$ 200,380,000	\$ 179,970,000	\$ 166,790,000	\$ 152,980,000	\$ 138,990,000	\$ 127,200,000
Medical Center	111,640,959	127,639,286	121,310,936	114,767,135	114,005,000	106,615,000	99,475,000	92,015,000	84,240,000	76,320,000
Component Units	414,145,065	407,087,157	397,383,503	386,757,865	352,780,000	348,080,000	341,200,000	333,398,591	324,631,937	447,040,000
Total Revenue Bonds Payable	776,981,024	785,216,443	756,054,439	724,830,000	667,165,000	634,665,000	607,465,000	578,393,591	547,861,937	650,560,000
Notes Payable ⁽¹⁾										
Lawrence & Edwards Campus	-	-	-	-	-	-	-	-	-	-
Medical Center	-	-	-	-	-	-	-	-	-	-
Component Units	2,679,565	407,556	8,005,938	23,521,778	15,199,647	4,553,723	1,256,901	-	-	7,829,509
Total Notes Payable	2,679,565	407,556	8,005,938	23,521,778	15,199,647	4,553,723	1,256,901	-	-	7,829,509
Lease Obligation Payable ⁽¹⁾										
Lawrence & Edwards Campus	9,011,223	7,709,747	16,673,556	13,689,147	9,476,767	7,283,516	8,993,719	8,138,101	16,022,871	7,914,511
Medical Center	2,405,056	1,203,126	1,900,028	1,426,859	1,476,413	604,862	1,133,269	50,273,594	46,158,477	46,191,903
Component Units	923,955	3,552,275	6,098,774	5,170,716	4,065,033	41,480,457	42,978,545	41,988,734	37,254,529	67,177,247
Total Lease Obligation Payable	12,340,234	12,465,148	24,672,358	20,286,722	15,018,213	49,368,835	53,105,533	100,400,429	99,435,877	121,283,661
Subscription-Based IT Arrangements Liability										
Lawrence & Edwards Campus	-	-	-	-	-	-	-	4,575,825	10,236,835	8,502,647
Medical Center	-	-	-	-	-	-	-	187,695	5,926,193	6,921,190
Component Units	-	-	-	-	-	-	-	-	-	-
Total Subscription Based IT Arrangements Liability	-	-	-	-	-	-	-	4,763,520	16,163,028	15,423,837
Total Debt	\$ 792,000,823	\$ 798,089,147	\$ 788,732,735	\$ 768,638,500	\$ 697,382,860	\$ 688,587,558	\$ 661,827,434	\$ 683,557,540	\$ 663,460,842	\$ 795,097,007
Debt Burden Ratio ⁽²⁾	4.61%	5.47%	5.22%	5.91%	6.10%	5.83%	5.69%	4.95%	4.51%	4.99%
Debt Service Coverage Ratio ⁽³⁾	2.18x	2.04x	1.48x	1.73x	1.31x	2.30x	1.86x	1.95x	2.45x	2.14x

Source: University of Kansas Annual Financial Reports

⁽¹⁾ Includes the elimination of inter-entity notes and leases. Additionally, notes and leases between KU and its blended affiliates and KU Endowment are excluded from the schedule.

⁽²⁾ The debt burden ratio is calculated by taking the principal and interest payments, excluding amounts to KU Endowment, for all debt for the year divided by total expenses, excluding depreciation, plus principal payments. KU's policy states this ratio cannot exceed 7%.

⁽³⁾ The debt service coverage ratio is calculated by taking the income (loss) before other revenues, expenses, gains or losses (excluding depreciation and interest expense) divided by principal and interest payments for all debt, excluding debt to KU Endowment. KU's policy states this ratio cannot fall below 1.15x.

SPACE AND PARKING

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
SPACE INFORMATION:										
Lawrence & Edwards Campus										
Total number of buildings	226	235	240	243	245	245	242	237	236	238
Total gross square feet (GSF)	10,139,008	10,717,344	11,466,621	11,589,361	11,591,721	11,591,721	11,369,946	11,558,984	11,335,927	11,500,625
Medical Center Campus										
Total number of buildings	58	58	59	59	58	58	58	56	56	55
Total gross square feet (GSF)	4,187,155	4,187,155	4,353,251	4,353,251	4,351,209	4,353,131	4,391,924	4,370,390	4,370,390	4,359,867
PARKING INFORMATION:										
Lawrence & Edwards Campus Parking:										
Faculty and staff ⁽¹⁾	2,837	2,839	2,918	2,918	2,918	2,791	2,791	2,291	2,291	2,449
Park and ride ⁽²⁾	839	839	839	839	839	839	-	-	-	-
Student	4,432	4,466	4,661	4,661	4,661	4,602	4,572	5,047	5,047	5,039
Residence halls	2,511	2,511	3,373	3,346	3,346	3,120	3,120	3,163	3,163	3,079
Metered	143	109	107	107	107	22	22	18	18	8
ADA accessible ⁽²⁾⁽³⁾	481	484	511	541	541	533	507	507	514	517
Loading stalls	68	34	34	34	34	65	65	65	65	66
Parking facility	2,102	2,099	2,099	2,099	2,099	2,092	2,092	2,050	2,050	2,050
Other	658	640	416	412	412	421	494	493	607	599
Total	14,071	14,021	14,958	14,957	14,957	14,485	13,663	13,634	13,755	13,807
Medical Center Campus Parking:										
Faculty/staff/student	4,793	6,487	6,487	6,487	6,487	6,457	6,457	6,603	6,603	6,548
Faculty/staff/Student ADA	125	155	155	155	155	155	155	159	159	151
Visitor	1,353	1,633	1,633	1,542	1,542	1,540	1,540	1,540	1,540	1,530
Patient/Visitor ADA	131	141	141	171	171	176	176	176	176	182
Total	6,402	8,416	8,416	8,355	8,355	8,328	8,328	8,478	8,478	8,411

98

⁽¹⁾ includes gold, blue and red parking spots

⁽²⁾ parking lot was demolished in FY2022

⁽³⁾ includes "limited mobility" spaces

Source: Space Information - KU Space Management and KUMC Facility Department

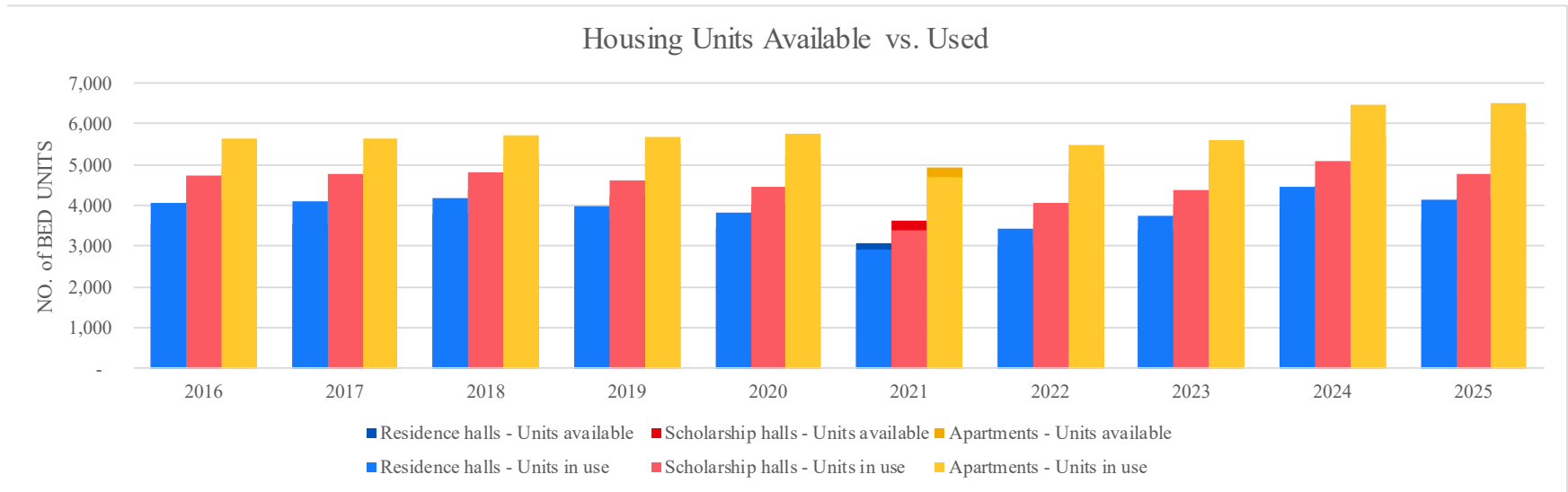
Source: Parking Information - KU Parking Department and KUMC Parking Department

HOUSING FACILITIES

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 ⁽¹⁾	2025
Residence halls										
Total capacity	3,543	3,543	3,797	4,077	3,456	3,456	3,142	3,421	4,000	3,654
Units available	3,533	3,528	3,785	3,647	3,436	3,061	2,989	3,408	3,926	3,626
Units in use	3,489	3,500	3,581	3,406	3,266	2,485	2,930	3,208	3,806	3,543
Scholarship halls										
Total capacity	585	585	585	583	583	583	583	571	571	571
Units available	585	584	583	579	583	560	558	571	570	568
Units in use	580	581	552	540	564	420	534	534	538	547
Apartments										
Total capacity	784	782	782	1,486	1,490	1,534	1,510	1,496	1,637	1,670
Units available	782	780	780	1,282	1,199	1,307	1,304	1,117	1,226	1,602
Units in use	750	759	753	936	1,091	1,108	1,232	1,060	1,184	1,494
Total units available	4,900	4,892	5,148	5,508	5,218	4,928	4,851	5,096	5,722	5,796
Total units in use	4,819	4,840	4,886	4,882	4,921	4,013	4,696	4,802	5,528	5,584
Percent occupancy	98.3%	98.9%	94.9%	88.6%	94.3%	81.4%	96.8%	94.2%	96.6%	96.3%

⁽¹⁾ includes leased spaces to house excess demand from large freshmen class

Source: KU Housing Department



DINING FACILITIES AND OPERATIONS

	Fiscal Year							
	2018	2019	2020	2021	2022	2023	2024	2025
Number of Dining Plans								
Fall semester	3,962	3,930	3,985	2,975	4,875	4,356	5,542	5,654
Spring semester	3,766	3,835	4,089	2,812	4,824	4,668	5,532	5,555
Total dining plan sales	\$ 14,613,557	\$ 14,625,067	\$ 8,235,408	\$ 9,760,750	\$ 12,341,625	\$ 11,594,586	\$ 16,444,232	\$ 17,871,232
Retail/non-dining plan sales	7,151,310	5,870,514	1,824,583	1,543,177	2,417,605	2,160,731	2,323,066	1,852,474
Catering sales	2,479,230	2,809,434	1,812,874	238,820	1,516,423	2,052,532	2,511,857	2,326,516
Total Dining Sales	<u>\$ 24,244,097</u>	<u>\$ 23,305,015</u>	<u>\$ 11,872,864</u>	<u>\$ 11,542,747</u>	<u>\$ 16,275,653</u>	<u>\$ 15,807,849</u>	<u>\$ 21,279,155</u>	<u>\$ 22,050,222</u>
Total KU Bookstore Sales	<u>\$ 15,397,918</u>	<u>\$ 14,179,268</u>	<u>\$ 11,746,964</u>	<u>\$ 11,214,567</u>	<u>\$ 10,180,778</u>	<u>\$ 11,486,179</u>	<u>\$ 12,937,805</u>	<u>\$ 13,447,364</u>
Building Foot Traffic								
Kansas Union	1,140,981	1,024,304	795,376	506,889	702,812	819,158	921,500	901,689
Burge Union	25,324	190,936	152,208	63,263	135,561	177,082	168,037	151,116
DeBruce	333,148	291,041	246,660	114,809	240,803	242,477	331,921	347,756

Source: KU Memorial Unions

ADMISSIONS, ENROLLMENT AND DEGREE STATISTICS

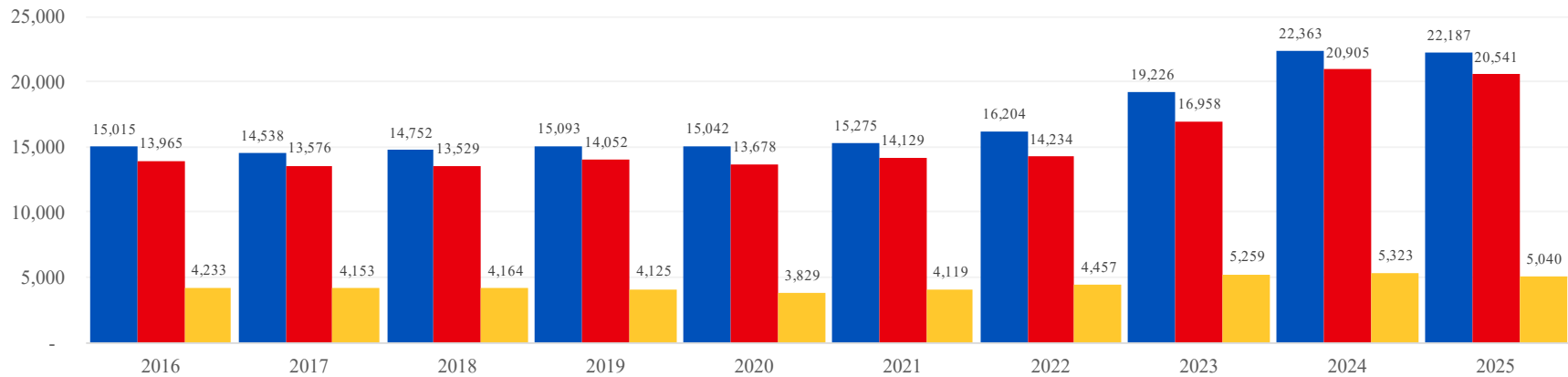
	Fall Semester									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025

Admissions-Freshman

Accepted as a percentage of applications	93%	93%	92%	93%	91%	92%	88%	88%	93%	93%
Enrolled as a percentage of accepted	30%	31%	31%	29%	28%	29%	31%	31%	25%	25%

Admissions - Freshman Applied, Accepted and Enrolled

■ Applications ■ Accepted ■ Enrolled



Enrollment

Undergraduate and graduate headcount	28,401	28,447	28,510	28,423	27,619	27,685	27,638	29,355	30,770	31,169
Undergraduate and graduate FTE ⁽¹⁾	25,917	25,939	25,889	25,760	24,887	24,897	25,032	26,701	28,035	28,502
Resident headcount	17,586	17,515	17,456	17,248	16,771	16,444	16,193	16,855	17,402	17,791
Nonresident headcount	10,815	10,932	11,054	11,175	10,848	11,241	11,445	12,500	13,368	13,378
Female headcount	14,844	14,851	14,974	14,837	14,727	14,905	14,980	15,886	16,592	17,039
Male headcount	13,532	13,543	13,461	13,062	12,814	12,733	12,612	13,407	14,072	14,063
Not reported headcount	25	53	75	524	78	47	46	62	106	67

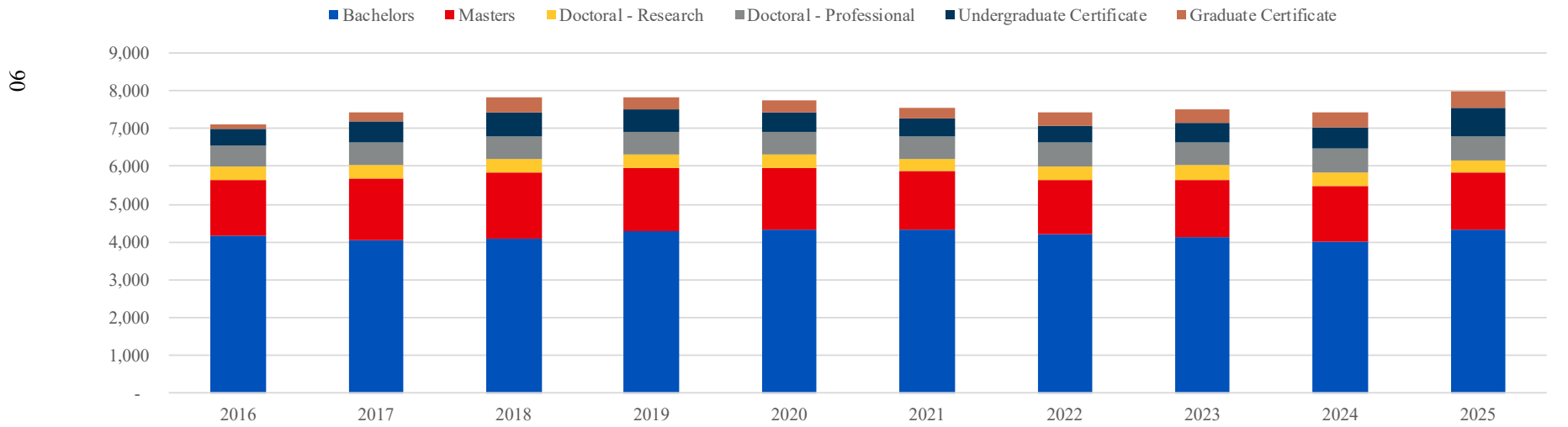
⁽¹⁾ FTE was being calculated for the KU Medical center starting in fiscal year 2017.

ADMISSIONS, ENROLLMENT AND DEGREE STATISTICS (continued)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Bachelors	4,158	4,046	4,079	4,269	4,332	4,312	4,201	4,131	4,011	4,308
Masters	1,492	1,643	1,759	1,697	1,637	1,560	1,452	1,513	1,488	1,536
Doctoral - Research	335	349	366	356	346	308	346	377	351	327
Doctoral - Professional	553	585	596	572	583	608	620	615	635	639
Undergraduate Certificate	440	560	649	603	535	489	456	531	555	734
Graduate Certificate	137	241	374	350	302	273	366	345	395	430
Total	7,115	7,424	7,823	7,847	7,735	7,550	7,441	7,512	7,435	7,974

Source: KU Fact Book - aire.ku.edu/degrees

All Degrees Conferred by Level



FACULTY AND STAFF

	Fall Semester									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Lawrence & Edwards Campus Headcount:										
Faculty	1,515	1,411	1,379	1,341	1,287	1,251	1,289	1,494	1,551	1,551
Faculty Administrator	51	49	52	48	47	48	50	55	59	66
Graduate Student Employee	1,775	1,758	1,807	1,780	1,692	1,601	1,606	1,703	1,670	1,677
Librarian	38	50	46	43	41	37	40	44	41	46
Student Hourly Employee	3,014	3,308	3,403	3,306	2,079	2,205	2,548	2,796	2,917	2,964
Unclassified Academic Staff	154	146	148	139	137	142	142	143	140	123
Unclassified Professional Staff	2,841	2,800	2,871	2,855	2,835	2,700	2,805	3,029	3,168	3,152
University Support Staff	559	543	498	460	446	372	365	376	362	354
Total	9,947	10,065	10,204	9,972	8,564	8,356	8,845	9,640	9,908	9,933
Medical Center Headcount:										
Faculty	1,224	1,293	1,411	1,457	1,503	1,535	1,642	1,750	1,842	1,870
Faculty Administrator ⁽¹⁾	-	-	-	-	36	39	33	34	32	38
Graduate Student Employee	237	232	228	244	250	265	276	287	301	314
Medical Residents	544	546	544	552	565	581	595	610	624	650
Student Hourly Employee	193	177	201	202	117	114	113	124	114	127
Unclassified Professional Staff	1,481	1,534	1,586	1,729	1,760	1,837	1,967	2,109	2,219	2,210
University Support Staff	251	271	285	293	284	281	292	284	272	159
Total	3,930	4,053	4,255	4,477	4,515	4,652	4,918	5,198	5,404	5,368
Total Headcount:										
Faculty	2,739	2,704	2,790	2,798	2,790	2,786	2,931	3,244	3,393	3,421
Faculty Administrator	51	49	52	48	83	87	83	89	91	104
Graduate Student Employee	2,012	1,990	2,035	2,024	1,942	1,866	1,882	1,990	1,971	1,991
Librarian	38	50	46	43	41	37	40	44	41	46
Medical Residents	544	546	544	552	565	581	595	610	624	650
Student Hourly Employee	3,207	3,485	3,604	3,508	2,196	2,319	2,661	2,920	3,031	3,091
Unclassified Academic Staff	154	146	148	139	137	142	142	143	140	123
Unclassified Professional Staff	4,322	4,334	4,457	4,584	4,595	4,537	4,772	5,138	5,387	5,362
University Support Staff	810	814	783	753	730	653	657	660	634	513
Total	13,877	14,118	14,459	14,449	13,079	13,008	13,763	14,838	15,312	15,301

⁽¹⁾ Faculty administrators were reported for the first time at the Medical Center in Fall 2020.

Source: KU Fact Book - aire.ku.edu/faculty-and-staff

July 1, 2024
–June 30, 2025



The University of Kansas prohibits discrimination on the basis of race, color, ethnicity, religion, sex, national origin, age, ancestry, disability, status as a veteran, sexual orientation, marital status, parental status, gender identity, gender expression, and genetic information in the university's programs and activities. Retaliation is also prohibited by university policy. The following person has been designated to handle inquiries regarding the nondiscrimination policies and procedures and is the Title IX Coordinator for all KU and KUJC campuses: Associate Vice Chancellor for the Office of Civil Rights and Title IX, civilrights@ku.edu, Room 1082, Dole Human Development Center, 1000 Sunnyside Avenue, Lawrence, KS 66045, 785-864-6414, 711 TTY. Reports can be submitted to the Title IX Coordinator by visiting the following website: civilrights.ku.edu/how-report
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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 and excluding the Refunded Bonds.

Fiscal Year Ending June 30,	<u>Prior Obligations</u>		<u>Series 2026A Bonds</u>		Total Debt Service Requirements
	General Revenue Pledge ⁽¹⁾	Contingent Revenue Obligations ⁽²⁾	Principal	Interest	
2026	\$20,806,769	\$22,054,000	\$	\$	\$
2027	16,312,313	-			
2028	14,280,063	-			
2029	14,270,963	3,989,236			
2030	11,058,663	7,978,471			
2031	9,076,913	7,978,471			
2032	9,077,713	11,530,201			
2033	9,076,419	11,533,697			
2034	9,084,831	11,529,219			
2035	9,078,394	11,527,475			
2036	8,627,294	11,526,100			
2037	7,911,706	11,528,600			
2038	7,905,244	11,529,350			
2039	3,648,975	11,527,850			
2040	3,643,725	11,528,475			
2041	3,644,800	11,525,600			
2042	3,640,000	11,528,475			
2043	-	11,526,350			
2044	-	11,528,475			
2045	-	11,528,975			
2046	-	11,527,100			
2047	-	11,526,975			
2048	-	11,527,600			
2049	-	11,527,975			
2050	-	11,527,100			
2051	-	11,523,975			
2052	-	11,527,600			
2053	-	11,529,113			
2054	-	11,524,813			
2055	-	11,528,688			
Total	<u>\$161,144,781</u>	<u>\$318,669,958</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ The Prior Obligations included in this column (the unrefunded portion of the Series 2014C Bonds, the Series 2017A Bonds, the Series 2020B Bonds and the Series 2021D Bonds) are expected to be paid from Revenues pledged to such payment by the University. See the caption “FINANCIAL INFORMATION OF THE UNIVERSITY—University Debt Obligations—Obligations Payable from Revenues Pledged” in Appendix A to this Official Statement.

⁽²⁾ The University has agreed to apply Revenues to pay debt service on the Prior Obligations included in this column (the Series 2025C Bonds) if needed, but such debt service is expected to be paid from other sources. See the caption “FINANCIAL INFORMATION OF THE UNIVERSITY—University Debt Obligations—Obligations Payable from Revenues Pledged” in Appendix A to this 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, Sections 179(f), 179(g) and 180(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 corporation and an independent instrumentality of the State organized and existing under the laws of the State.

“Authorized University Representative” means the Chancellor of the University, the Vice Chancellor - Chief Financial Officer 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 2026A (University of Kansas Projects) 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. 427, as amended and supplemented, and any Supplemental Bond Resolutions adopted in accordance with the provisions of Bond Resolution No. 427.

“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.

“Cancer Center Principal and Interest Account” means the Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Cancer Center Project, authorized and established in the Bond Resolution.

“Cancer Center Project” means the capital improvement project to construct, renovate, develop and equip the cancer center at the Medical Center, as authorized by Chapter 117, Section 180(f) of the 2025 Session Laws of Kansas.

“Cancer Center Project Account” means the Project Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Cancer Center Project, authorized and established in the Bond Resolution.

“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 2026A (University of Kansas Projects) 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 May 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 Accounts 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.

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

“Housing Project” means the capital improvement project for the purchase of one or more existing leased apartment complexes on the Lawrence campus of the University, as authorized by Chapter 117, Section 179(f) of the 2025 Session Laws of Kansas.

“Housing Project Account” means the Project Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Housing Project, authorized and established in the Bond Resolution.

“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.

“**KUEA**” means The Kansas University Endowment Association, a Kansas not-for-profit corporation.

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

“**Medical Center**” means the Medical Center campus of the University of Kansas in Kansas City, Kansas.

“**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.

“PFA Bonds” means the Public Finance Authority Lease Development Revenue Bonds (KU Campus Development Corporation – Central District Development Project), Series 2016, dated January 21, 2016, in the original principal amount of \$326,945,000, pursuant to the PFA Indenture.

“PFA Bonds Trustee” means U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, a national banking association, as trustee pursuant to the PFA Indenture.

“PFA Indenture” means the Indenture between the Public Finance Authority and U.S. Bank National Association, dated as of January 1, 2016.

“PFA Principal and Interest Account” means the Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – PFA Refunding Portion, authorized and established in the Bond Resolution.

“PFA Refunded Bonds” means the outstanding PFA Bonds that mature March 1 in the years 2027 through 2036 inclusive, 2041, and 2046, in the aggregate principal amount of \$275,180,000.

“Pledge Agreement” means the Pledge of Revenues Agreement dated as of May 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” or **“Principal and Interest Accounts”** means, individually or collectively as the context may require, the Housing Principal and Interest Account, the Cancer Center Principal and Interest Account, the PFA Principal and Interest Account, and the Series 2014C Principal and Interest Account.

“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” or **“Projects”** means, individually or collectively as the context may require, the Housing Project and the Cancer Center Project.

“Project Account” or **“Project Accounts”** means, individually or collectively as the context may require, the Housing Project Account and the Cancer Center Project Account.

“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 Projects, including the total of all reasonable or necessary expenses incidental to the acquisition, construction, reconstruction, repair, alteration, equipping, improvement and extension of the Projects, 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 Projects; rehabilitating, reconstructing, repairing, remodeling or equipping existing facilities, including removal of any hazardous materials, constituting a part of the Projects; and all other necessary and incidental expenses, including interest during construction on Bonds issued to finance the Projects to a date not greater than six months subsequent to the estimated date of completion thereof, and any other costs permitted by the Act.

“Purchase Contract” means the agreement between the University and KUEA regarding the University’s purchase of a leased apartment complex from KUEA.

“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 2026A (University of Kansas Projects) 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.

“Refunded Bonds” means, collectively, the PFA Refunded Bonds and the Series 2014C Refunded Bonds.

“Refunding Account” means the Refunding Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) authorized and established in the Bond Resolution.

“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.

“Series 2014C Bonds” means the Kansas Development Finance Authority Revenue Bonds, Series 2014C (University of Kansas Projects), dated June 19, 2014, in the original principal amount of \$56,655,000, pursuant to the Series 2014C Resolution.

“Series 2014C Principal and Interest Account” means the Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Series 2014C Refunding Portion, authorized and established in the Bond Resolution.

“Series 2014C Refunded Bonds” means the outstanding Series 2014C Bonds that mature May 1 in the years 2027 through 2036 inclusive, and 2039, in the aggregate principal amount of \$33,450,000.

“Series 2014C Resolution” means Bond Resolution No. 320 of the Authority, as amended.

“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 May 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 and Refunding 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 the University of Kansas.

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 2026A (University of Kansas Projects) – Housing Project, which shall constitute a special revenue fund pursuant to the Act.

(2) Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Cancer Center Project, which shall constitute a special revenue fund pursuant to the Act.

(3) Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – PFA Refunding Portion, which shall constitute a special revenue fund pursuant to the Act.

(4) Principal and Interest Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Series 2014C Refunding Portion, which shall constitute a special revenue fund pursuant to the Act.

(5) Costs of Issuance Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects).

(6) Project Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Housing Project.

(7) Project Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects) – Cancer Center Project.

(8) Refunding Account for Kansas Development Finance Authority Revenue Bonds, Series 2026A (University of Kansas Projects).

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 2026A (University of Kansas Projects).

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 Accounts

On the Closing Date, immediately and without further direction, the State Treasurer shall disburse all moneys in the Housing Project Account to KUEA pursuant to the Purchase Contract for the payment of Project Costs of the Housing Project.

The moneys in the Cancer Center Project Account shall be disbursed for the payment of Project Costs of the Cancer Center Project 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 Accounts and all receipts into and disbursements therefrom, and upon the request of the Authority shall make such records available to the Authority. After a 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 related Project Account.

Disposition of Moneys in the Project Accounts Upon Completion of the Projects

The completion of the Housing Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Authority by the University of the Purchase Contract. The completion of the

Cancer Center 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 related 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 related Principal and Interest Account.

Principal and Interest Accounts

Except as provided in the two immediately succeeding paragraphs, moneys in each 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 each 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 each Principal and Interest Account to redeem all or part of the related 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 series of 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 Accounts 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 a 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 (with respect to the Housing Project) or to the Medical Center (with respect to the Cancer Center Project).

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 Accounts on a pro-rata basis (based on the allocable portion of debt service payable from each Principal and Interest Account on the next succeeding Interest Payment Date), as provided in the Bond Resolution.

Application of Moneys in the Refunding Account

Proceeds of the Bonds and other moneys deposited in the Refunding Account shall be applied to the redemption of the Refunded Bonds. A portion of the proceeds in the Refunding Account shall be immediately transferred to the PFA Bonds Trustee, as paying agent for the PFA Refunded Bonds, to be applied, together with amounts on deposit in funds established for the PFA Bonds, to the redemption of the PFA Refunded Bonds, on May 12, 2026, as provided in the Bond Resolution. The remaining proceeds of the Bonds in the Refunding Account shall be immediately transferred to the State Treasurer, as paying agent for the Series 2014C Refunded Bonds, to be applied to the redemption of the Series 2014C Refunded Bonds on May 13, 2026, 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, the Authority shall remit rebate installments and the final rebate payments to the United States. 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 Accounts, 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 Accounts and the Costs of Issuance Account (except required deposits to the Rebate Account) shall be transferred to the related 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 Accounts 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 Projects 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 Accounts

Moneys in each Project Account shall be used by the University for the sole purpose of paying related Project Costs in accordance with the provisions of the Act. The University agrees to cause each 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 Cancer Center Project Account from time to time to pay, or as reimbursement for payment made for, Project Costs of the Cancer Center Project, 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.

The Authority shall cause the State Treasurer, on the Closing Date, to disburse all moneys on deposit in the Housing Project Account to KUEA to pay, or as reimbursement for payment made for, Project Costs of the Housing Project, as evidenced by the Purchase Contract.

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 Accounts

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 each Principal and Interest Account Revenues in an aggregate amount necessary to pay principal of and interest on the related series of Bonds on such Interest Payment Date, after giving effect to any amounts then on deposit in such Principal and Interest Accounts. Moneys in the Principal and Interest Accounts 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 Accounts 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 Accounts 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 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 2026A
(University of Kansas Projects)

THIS CONTINUING DISCLOSURE UNDERTAKING dated as of May 1, 2026 (this “Disclosure Undertaking”), is executed and delivered by the **UNIVERSITY OF KANSAS** (the “University”) in connection with the issuance of the above-referenced bonds (the “Bonds”) pursuant to the hereinafter-defined Bond Resolution for the purpose 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 the Bond Resolution No. 427 adopted on February 3, 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 University of Kansas.

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 University of Kansas 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. Comparison of State Appropriations to Tuition and Fees and Other Revenue Sources
2. University of Kansas Revenues Pledged and Restricted Revenues
3. University of Kansas - Lawrence Campus Faculty Information
4. University of Kansas - Medical Center Faculty Information
5. University of Kansas Student Headcount
6. University of Kansas – Lawrence Campus Student Headcount
7. University of Kansas – Medical Center Student Headcount
8. University of Kansas – All Campuses Full Time Equivalent Student Enrollment
9. University of Kansas – Lawrence Campus & Edwards Campus Full Time Equivalent Student Enrollment
10. University of Kansas – Medical Center Full Time Equivalent Student Enrollment
11. University of Kansas First Time Freshmen Applications, Acceptances and Enrollments
12. University of Kansas Enrolled First Time Freshmen
13. University of Kansas – Lawrence Campus Annual Room and Meals
14. University of Kansas Geographic Representation
15. University of Kansas Degrees Awarded
16. University of Kansas – Lawrence Campus Schedule of Tuition and Fees and Comparison to AAUDE-16 Institutions
17. University of Kansas – Medical Center Schedule of Tuition and Fees and Comparison to Cost Study Peer Institutions
18. Kansas Board of Regents Institutions Schedule of Tuition and Fees
19. University of Kansas Schedule of Financial Aid Assistance to Students
20. University of Kansas - Lawrence Campus Schedule of Financial Aid Assistance to Students
21. University of Kansas – Medical Center Schedule of Financial Aid Assistance to Students

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*;

* 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.

- (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 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 or defeasance 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 executed, sent, received and 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.

UNIVERSITY OF KANSAS

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 2026A (University of Kansas Projects)
Name of Obligated Person: University of Kansas
Date of Issuance: May __, 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 _____

UNIVERSITY OF KANSAS/[DISSEMINATION
AGENT]

By _____,

APPENDIX F

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

[Closing Date]

Kansas Development Finance Authority
Topeka, Kansas

University of Kansas
Lawrence, Kansas

[Purchaser]
[Purchaser City & State]

Re: \$[Principal Amount] Kansas Development Finance Authority Revenue Bonds, Series
 2026A (University of Kansas Projects)

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 2026A 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, Sections 179(f), 179(g) and 180(f) of the 2025 Session Laws of Kansas, all as may be amended and supplemented (the “Act”), and Bond Resolution No. 427 adopted by the Authority on February 3, 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 the University of Kansas (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”) 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”). DTC has a Standard & Poor’s rating of AA+. 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.

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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KU

THE UNIVERSITY OF
KANSAS

KANSAS DEVELOPMENT FINANCE AUTHORITY • REVENUE BONDS, SERIES 2026A (UNIVERSITY OF KANSAS PROJECTS)



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