The stories in this annual report represent the power of philanthropy at the University of Kansas. They feature just a few of the people of every generation whose lives have been uplifted thanks to the generosity of donors like you.

They are true stories of real people.

A child learns the value of a healthy lifestyle by taking part in a research program. Undergraduates channel their talents to help rebuild New Orleans.
A graduate student finds inspiration in an innovative new research building. A faculty member helps gifted teens reach their potential. Retirees enjoy programs that enrich the mind and soul.

There are countless stories like these at the University of Kansas — stories of promise and hope.

Donors like you made all of this possible. On behalf of KU Endowment, thank you. You are the difference for KU.

DALE SEUFERLING
“Exercise is good for you. I want to do it for the rest of my life. It’s the only way I can be healthy.”

— Luis Ruiz, 11
For Luis and his classmates, movement in the classroom meant more than weight control — it also meant more learning. Through PAAC, a three-year KU study of children in grades two through five, teachers incorporated physical activities into regular lessons. The results? Kids in the active classrooms not only showed a lower increase in body-mass index than those in the control group, they also performed better academically.

As we face a 25 percent obesity rate among U.S. children, PAAC and other weight-related KU studies help create healthier futures. Starting in 2008, these types of research and outreach programs will be housed at the Center for Physical Activity, Nutrition and Weight Management, a joint venture with Children’s Mercy Hospital in Kansas City. The center aims to serve 30,000 people in its first five years, with a special focus on children and adolescents. Major gifts from the George K. Baum Foundation, the Sosland Foundation and the Greater Kansas City Community Foundation provided support for start-up costs and operating expenses.
**ADDING IT UP**

**TOTAL UNIVERSITY SUPPORT**
During fiscal year 2007, KU Endowment provided $94.9 million in financial support for KU. Support since our founding in 1891 totals $1.4 billion.

2007 Support for KU *(in millions)*
- Student support (excluding loans) .............. $24.3
- Faculty support ................................... $20.8
- Program support .................................. $18.2
- Capital support ................................... $17.0
- Books, equipment, supplies ...................... $14.6
**TOTAL** ........................................... $94.9

**SUPPORT THROUGH THE GREATER KU FUND**
Gifts to the Greater KU Fund provide the flexibility to meet the university’s greatest needs. The chancellor determines which projects will receive support from the fund, and allocations are subject to approval by the KU Endowment Executive Committee. In 2007, KU Endowment made available $6.67 million in support from the Greater KU Fund.

For KU’s greatest needs
- Scholarships and other academic and student support ... $2.83 million
- Program support for university administration, KU Athletics, Kansas Alumni Association and other areas ... $2.78 million
- Real estate acquisition and construction projects for KU campuses ...................................... $402,118
- Faculty and staff development and support ................... $357,520
- International programs and graduate studies, student recruiting and international visitors .................... $297,600
**TOTAL** ........................................... $6.67 million

**STATE AND PRIVATE SUPPORT FOR KU**
KU Endowment funds cover a vital portion of KU’s annual revenue. State support, as a percentage of total university revenue, has decreased over the last 20 years as the state has faced increasing demands for other services. Private gifts, therefore, have become more critical to the university’s success. (The most recent figures on state support are from 2006.)

2006 University revenue sources *(in millions)*
- State appropriations ................................ $252.3 23.3%
- Grants and contracts ................................ $223.7 20.7%
- Tuition and fees (net of scholarship allowances) ........ $184.4 17.1%
- Auxiliary enterprises ................................ $132.4 12.3%
- Medical service revenue (net) ....................... $104.8 9.7%
- KU Endowment support ............................. $99.0 9.2%
- Sales and services by educational departments ........ $43.3 4.0%
- Other revenue ..................................... $40.8 3.8%
**TOTAL REVENUES** ................................ $1,080.9* 100%

*Includes Lawrence campus, Edwards campus, KU Medical Center, KU Center for Research Inc., KU Unions and Kansas Athletics Inc.

*All figures, including total, have been rounded.

www.kuendowment.org
Our New Orleans project brought a sense of reality to our studio work in both design and construction. It's an honor to take part in an urban project that addresses social issues.

— Brandi Hamilton
Class of 2009
The real work

For students like Hamilton and Mance, creating projects that support a New Orleans neighborhood makes studio work real. Since 2006, more than 50 architecture and urban planning students have contributed to the rebuilding of a 28-square-block area in the city’s Seventh Ward.

After Katrina, faculty members Nils Gore and Rob Corser made the Big Easy the focus of their third- and fourth-year studio courses. Projects have included weather-resistant message boards, a community tool shed, garden shade structures for neighborhood gatherings, a mobile stage and an outdoor classroom. The tool shed and shade structures — in competition with professional firms — won Merit Awards from the Kansas City chapter of the American Institute of Architects. A second shade structure was exhibited at the Smithsonian’s Cooper-Hewitt National Design Museum in New York. Support from the William T. Kemper Foundation helped make the projects possible.

“Our goal was to provide a tool for the Seventh Ward community so they could support each other during the rebuilding process.”

— Simon Mance
Class of 2008

2007 Student support (in millions)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$22.4</td>
</tr>
<tr>
<td>Loans</td>
<td>$3.6</td>
</tr>
<tr>
<td>Fellowships</td>
<td>$1.3</td>
</tr>
<tr>
<td>Student awards and prizes</td>
<td>$.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$27.9</strong></td>
</tr>
</tbody>
</table>
GIFTS IN 2007

CONTRIBUTIONS
In 2007, more than 43,000 donors, the largest number in KU Endowment history, contributed $77.7 million in gifts and pledges. Contributions came from individuals and organizations, including corporations and nonprofit foundations.

![Gift revenue chart]

**Gift revenue (In millions)**

- Gifts from individuals $55.4
  - Outright gifts and commitments $43.1
  - Realized bequests and life income gifts $12.3
- Gifts and pledges from corporations and foundations* $22.3

**TOTAL $77.7**

*Includes $1.4 million in gifts matching individual contributions.

**Gift productivity (In millions)**

Two-, five- and 10-year comparisons

From 1997 to 2007, overall gift productivity — including total annual gift revenue and bequest expectancies — increased 76 percent, from $53.7 million to $94.3 million.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount Raised</th>
<th>Realized Bequests</th>
<th>Life Income Gifts</th>
<th>Future Bequest Expectancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$65.4</td>
<td>$12.3</td>
<td>$16.6</td>
<td>$94.3</td>
</tr>
<tr>
<td>2006</td>
<td>$78.0</td>
<td>$6.9</td>
<td>$9.5</td>
<td>$94.4</td>
</tr>
<tr>
<td>2002</td>
<td>$46.6</td>
<td>$15.5</td>
<td>$8.6</td>
<td>$70.7</td>
</tr>
<tr>
<td>1997</td>
<td>$33.4</td>
<td>$14.0</td>
<td>$6.3</td>
<td>$53.7</td>
</tr>
</tbody>
</table>

**Annual giving**

In 2007, funds raised through our annual mailing and telephone campaigns totaled $4 million, setting a new record and surpassing the goal of $3.7 million. During the past three years, the total amount raised through annual giving has increased 43 percent, and the average gift has increased 22 percent. The number of gifts has grown 17 percent.
## A World of Difference

### Donors in 2007
Contributions came from all 50 states, four U.S. commonwealths and territories, and 28 other countries.

<table>
<thead>
<tr>
<th>Where donors come from</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>43,259</td>
</tr>
<tr>
<td>Other countries</td>
<td>119</td>
</tr>
<tr>
<td>U.S. military bases</td>
<td>17</td>
</tr>
<tr>
<td>U.S. commonwealths and territories</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total donors</strong></td>
<td><strong>43,403</strong></td>
</tr>
</tbody>
</table>

### Top 15 states by number of donors

<table>
<thead>
<tr>
<th>Top 15 states</th>
<th>Number of Donors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas</td>
<td>23,680</td>
</tr>
<tr>
<td>Missouri</td>
<td>3,994</td>
</tr>
<tr>
<td>Texas</td>
<td>1,653</td>
</tr>
<tr>
<td>California</td>
<td>1,601</td>
</tr>
<tr>
<td>Colorado</td>
<td>1,151</td>
</tr>
<tr>
<td>Illinois</td>
<td>1,071</td>
</tr>
<tr>
<td>Virginia</td>
<td>693</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>575</td>
</tr>
<tr>
<td>Florida</td>
<td>532</td>
</tr>
<tr>
<td>Arizona</td>
<td>484</td>
</tr>
<tr>
<td>Minnesota</td>
<td>447</td>
</tr>
<tr>
<td>New York</td>
<td>447</td>
</tr>
<tr>
<td>Nebraska</td>
<td>417</td>
</tr>
<tr>
<td>North Carolina</td>
<td>396</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>396</td>
</tr>
</tbody>
</table>

### Top three other countries by number of donors

<table>
<thead>
<tr>
<th>Top three other countries by number of donors</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>23</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>21</td>
</tr>
<tr>
<td>Japan</td>
<td>19</td>
</tr>
</tbody>
</table>

## Total donors

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni</td>
<td>28,173</td>
<td>25,860</td>
<td>24,697</td>
</tr>
<tr>
<td>Non-alumni</td>
<td>13,659</td>
<td>13,656</td>
<td>12,925</td>
</tr>
<tr>
<td>Organizations</td>
<td>1,571</td>
<td>1,569</td>
<td>1,600</td>
</tr>
<tr>
<td>TOTAL DONORS</td>
<td>43,403</td>
<td>41,085</td>
<td>39,222</td>
</tr>
</tbody>
</table>

[www.kuendowment.org](http://www.kuendowment.org)
“A building like the Kansas Life Sciences Innovation Center makes it easy to go to work and do good science.”

— Steven Hart
Class of 2011
Medications are supposed to help you get well. But for 2 million Americans each year, genetic incompatibility with medications makes their situations worse — causing side effects and even death. Steven Hart wants to keep that from happening.

Hart, who studies how genetics influences drug metabolism, is one of more than 300 researchers and staff at KU’s Kansas Life Sciences Innovation Center, which opened in January 2007 in Kansas City, Kan. Working across academic disciplines, these researchers seek ways to treat, cure or prevent serious diseases and medical conditions that touch many lives, including diabetes, Alzheimer’s, infertility, migraine and various forms of cancer.

Laboratories, designed to accommodate different types of research, bring scientists with related goals together. Open spaces, meeting rooms and abundant natural light foster further collaboration. The center’s equipment and furnishings were funded primarily through a gift from the Hall Family Foundation.

Private donors, through KU Endowment, have funded, in whole or in part, more than two-thirds of campus buildings.

2007 Support for university facilities (In millions)

- Construction $13
- Furnishings $4

TOTAL $17
FINANCES IN 2007

ASSETS AND INVESTMENTS
Of KU Endowment’s total assets, 81.7 percent represent marketable securities. The balance of assets is made up primarily of real estate owned by KU Endowment, loans to KU students and faculty, and outstanding pledges. The value of KU Endowment’s total assets, according to audited financial statements, grew to $1.57 billion in 2007, an increase of 13.8 percent over the previous year.

The value of KU Endowment’s total assets represents the book value of assets plus the unrealized gain or loss on marketable securities. It does not include the unrealized appreciation on real estate or other special holdings. This unrealized appreciation is included in the market value of total assets, which increased 12.5 percent in 2007. The market value of endowed funds grew to $1.24 billion, an 18 percent increase over 2006.

LONG-TERM INVESTMENTS
KU Endowment invests its endowed funds and other long-term funds collectively in its Long-term Investment Program, which includes more than 2,700 funds. The value of these funds makes up 71 percent of KU Endowment’s total assets.

To provide consistent support for the university, KU Endowment’s long-term investments must increase in value over time. In 2007, these investments gained 19.3 percent. Growth is compared with a benchmark of spending plus inflation. Over all periods, the total return of long-term funds has exceeded the benchmark.

*Measurement of performance by an independent service provider began in June 1988.*
Growth of a $100,000 endowed fund
Invested in the Long-term Investment Program (1988-2007)
Given performance levels over time, a $100,000 endowed fund established in June 1988 (when measurement by an independent service provider began) would have grown to $268,587 as of June 2007. During the 19-year period, the fund also would have provided $157,202 in support for KU.

Asset allocation
The Long-term Investment Program is designed to maximize returns and limit volatility. It is diversified both by asset class and within asset classes.

To provide further diversification and to enhance returns, allocations in international equities, inflation protection and alternative investments have been gradually increasing. Alternatives include investment strategies designed to produce consistent returns with less volatility than the overall market.

Asset classes (As of June 2007)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Value (In millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>International equity</td>
<td>$380.0</td>
<td>34.0%</td>
</tr>
<tr>
<td>Domestic equity</td>
<td>$315.6</td>
<td>28.2%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>$202.2</td>
<td>18.1%</td>
</tr>
<tr>
<td>Inflation protection</td>
<td>$137.2</td>
<td>12.3%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>$82.3</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

**Total Market Value** $1,117.3 100%
Professorships are an investment in the innovation, creativity and productivity of the faculty. I’ve experienced a burst of new ideas — and KU’s answer to each of these ideas is a resounding, ‘Yes!’”

— Barbara Kerr
Creative minds

Through the Kansas Partnership for Faculty of Distinction Program, gifts for new endowed professorships at Kansas Regents institutions gain additional support from the state. The program began in 2000; during the past three years, it provided $4 million in state support for KU faculty.

In 2007, donors created five new endowed professorships:

- Battey Distinguished Professorship in Modern British History
- Gaines Professorship in support of cancer research
- Hartley Centennial Professorship for nursing
- Riordan Professorship in Orthomolecular Medicine
- Williamson Family Professorship in Special Education, the second professorship created by these donors

KU Endowment provides direct support for endowed chairs, distinguished professors and teaching professors. Additional funding helps cover the cost of faculty awards, continuing education, teaching and research materials, and professional travel.

Barbara Kerr’s mission is to “make the world safe for creativity” — particularly for creative teens. The author of four books and numerous articles on guiding and nurturing talent, Kerr holds the first endowed professorship at the KU School of Education. Support from the professorship, established by donors Del and Barbara Williamson, assists Kerr in her work with schools to identify creative young people and to help them understand their gifts and set career goals.

Kerr’s research ranges from case studies of inventors, artists, writers and architects to large-scale studies of students who attained the highest scores on ACT college admissions tests. She also leads research focused on retaining women in science. Kerr is one of more than 100 faculty members who hold endowed chairs and professorships, which help faculty develop programs that improve the lives of people of all ages.

BARBARA KERR EUDORA, KAN.
WILLIAMSON FAMILY PROFESSOR OF COUNSELING PSYCHOLOGY

$20.8 MILLION

2007 Faculty support:

$29.5
$32.6
$45.6

2007
2006
2005

New gifts for endowed professorships (In millions)
## Statement of Financial Position

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS</strong></td>
<td>$2,110</td>
<td>$(1,116)</td>
</tr>
<tr>
<td><strong>RECEIVABLES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans receivable, less allowance for uncollectible loans of $1,503 in 2007 and $1,383 in 2006</td>
<td>19,427</td>
<td>18,628</td>
</tr>
<tr>
<td>Contributions pledged, less allowance for uncollectible pledges of $841 in 2007 and $1,067 in 2006</td>
<td>40,053</td>
<td>46,278</td>
</tr>
<tr>
<td>Other receivables</td>
<td>18,067</td>
<td>14,602</td>
</tr>
<tr>
<td><strong>TOTAL RECEIVABLES</strong></td>
<td>77,547</td>
<td>79,508</td>
</tr>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities (at market values)</td>
<td>1,279,164</td>
<td>1,108,191</td>
</tr>
<tr>
<td>Trusts held by others (at market values)</td>
<td>37,387</td>
<td>33,916</td>
</tr>
<tr>
<td>Interest in KU Endowment Charitable Gift Fund</td>
<td>512</td>
<td>134</td>
</tr>
<tr>
<td>Real estate</td>
<td>9,103</td>
<td>8,971</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS</strong></td>
<td>1,326,166</td>
<td>1,151,212</td>
</tr>
<tr>
<td><strong>PROPERTY AND FACILITIES ON OR ADJACENT TO UNIVERSITY CAMPUS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>5,715</td>
<td>5,797</td>
</tr>
<tr>
<td>Buildings</td>
<td>17,489</td>
<td>17,471</td>
</tr>
<tr>
<td>Equipment and furnishings</td>
<td>4,180</td>
<td>4,017</td>
</tr>
<tr>
<td><strong>NET PROPERTY AND FACILITIES</strong></td>
<td>21,384</td>
<td>21,225</td>
</tr>
<tr>
<td><strong>DEPOSITS AND OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral held for securities lending</td>
<td>134,790</td>
<td>121,805</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$1,565,593</td>
<td>$1,377,122</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$16,038</td>
<td>$13,752</td>
</tr>
<tr>
<td>Securities lending obligation</td>
<td>134,790</td>
<td>121,805</td>
</tr>
<tr>
<td>Life income gift payables</td>
<td>20,259</td>
<td>17,792</td>
</tr>
<tr>
<td>Agency funds</td>
<td>73,647</td>
<td>64,656</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>244,734</td>
<td>218,005</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>157,242</td>
<td>127,910</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>785,754</td>
<td>667,974</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>377,863</td>
<td>363,233</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td>1,320,859</td>
<td>1,159,117</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$1,565,593</td>
<td>$1,377,122</td>
</tr>
</tbody>
</table>

The Statement of Financial Position and Statement of Activities are excerpted from KU Endowment’s 2007 financial statements, which have been audited by Ernst & Young LLP.
## Statement of Activities

### REVENUES, GAINS AND OTHER SUPPORT

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUNDRAISING</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants pledged and received</td>
<td>$65,045</td>
<td>$80,098</td>
</tr>
<tr>
<td>Bequests</td>
<td>8,299</td>
<td>3,831</td>
</tr>
<tr>
<td>Life income gifts</td>
<td>2,915</td>
<td>1,292</td>
</tr>
<tr>
<td>Change in value of life income gifts</td>
<td>1,073</td>
<td>1,804</td>
</tr>
<tr>
<td>Change in net interest in KU Endowment Charitable Gift Fund</td>
<td>378</td>
<td>(2,124)</td>
</tr>
<tr>
<td><strong>TOTAL FUNDRAISING</strong></td>
<td><strong>77,710</strong></td>
<td><strong>84,901</strong></td>
</tr>
<tr>
<td><strong>INCOME FROM ASSET HOLDINGS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>39,337</td>
<td>24,686</td>
</tr>
<tr>
<td>Realized and unrealized gains/(losses) on investments and trusts held by others</td>
<td>146,965</td>
<td>89,590</td>
</tr>
<tr>
<td>Loan interest income</td>
<td>1,518</td>
<td>1,350</td>
</tr>
<tr>
<td>Agricultural and mineral income</td>
<td>1,930</td>
<td>2,434</td>
</tr>
<tr>
<td>Rental, gain (loss) on sale of assets and other income</td>
<td>897</td>
<td>354</td>
</tr>
<tr>
<td><strong>TOTAL INCOME FROM ASSET HOLDINGS</strong></td>
<td><strong>190,647</strong></td>
<td><strong>118,414</strong></td>
</tr>
<tr>
<td><strong>OTHER RECEIPTS</strong></td>
<td><strong>3,556</strong></td>
<td><strong>21,779</strong></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES, GAINS AND OTHER SUPPORT</strong></td>
<td><strong>$271,913</strong></td>
<td><strong>$225,094</strong></td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2007</th>
<th>June 30, 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNIVERSITY SUPPORT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student scholarships, fellowships and awards</td>
<td>$24,339</td>
<td>$23,037</td>
</tr>
<tr>
<td>Faculty and staff salaries and contractual services</td>
<td>20,756</td>
<td>16,868</td>
</tr>
<tr>
<td>Construction and furnishings</td>
<td>17,061</td>
<td>33,100</td>
</tr>
<tr>
<td>Equipment and supplies</td>
<td>13,074</td>
<td>6,386</td>
</tr>
<tr>
<td>Books, other printed material and works of art</td>
<td>1,517</td>
<td>971</td>
</tr>
<tr>
<td>University travel and official hospitality</td>
<td>6,244</td>
<td>5,996</td>
</tr>
<tr>
<td>Transfers/program support to benefit the University of Kansas</td>
<td>9,084</td>
<td>10,666</td>
</tr>
<tr>
<td>Other</td>
<td>2,867</td>
<td>1,992</td>
</tr>
<tr>
<td><strong>TOTAL UNIVERSITY SUPPORT</strong> (Note 1)</td>
<td><strong>$94,942</strong></td>
<td><strong>99,016</strong></td>
</tr>
<tr>
<td><strong>SUPPORTING SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and fundraising support</td>
<td>11,983</td>
<td>11,842</td>
</tr>
<tr>
<td>Asset management expense</td>
<td>634</td>
<td>614</td>
</tr>
<tr>
<td>Depreciation</td>
<td>626</td>
<td>643</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORTING SERVICES</strong></td>
<td><strong>13,243</strong></td>
<td><strong>13,099</strong></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$108,185</strong></td>
<td><strong>$112,115</strong></td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</strong></td>
<td><strong>163,728</strong></td>
<td><strong>112,979</strong></td>
</tr>
<tr>
<td>Effect of adoption of FASB Statement No. 158</td>
<td>(1,986)</td>
<td>—</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td><strong>161,742</strong></td>
<td><strong>112,979</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS AT BEGINNING OF YEAR</strong></td>
<td><strong>$1,159,117</strong></td>
<td><strong>$1,046,138</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS AT END OF YEAR</strong></td>
<td><strong>$1,320,859</strong></td>
<td><strong>$1,159,117</strong></td>
</tr>
</tbody>
</table>

Note 1: Expenditures from agency funds, which are owned by the university but managed by the KU Endowment, provided additional university support of $8.6 million for the year ended June 30, 2007, and $9.8 million for the year ended June 30, 2006.
The classes help me keep my mind alert. I’m not getting older, just more mature.”

— Wilbur West
Master’s in music education ‘54
Just try and keep up with Wilbur West or Jeane Landry. West, 92, a retired music teacher, repairs old stringed instruments and volunteers weekly at the local hospital. Landry, 81, a former Wichita resident who served on many community boards, is an avid bridge player. The two friends — along with more than 650 other annual participants — love the diverse course offerings at the KU Osher Lifelong Learning Institute.

Whether it’s a class on Mozart taught by KU musicologist Paul Laird or a study of Islam and the Middle East led by KU Religious Studies Professor Margaret Rausch, the programs always draw a crowd. KU’s Osher Institute, administered through KU Continuing Education, offers classes in the Lawrence, Topeka and Kansas City areas, with a special focus on participants 50 and older. The Bernard Osher Foundation provides major funding for the Institute through KU Endowment.

“The enthusiasm the instructors bring to class is wonderful.”
— Jeane Landry

Live to learn

WILBUR WEST LAWRENCE
JEANE LANDRY LAWRENCE
PARTICIPANTS, KU OSHER LIFELONG LEARNING INSTITUTE

2007 Program support: $18.2 MILLION

KU Endowment assists a wide variety of academic programs for KU students as well as outreach programs for people of all generations through the Osher Institute, the Lied Center for the Performing Arts, the Hall Center for the Humanities, the Dole Institute for Politics, KU museums and other university entities.
Board of Trustees

The board governs KU Endowment and takes responsibility for ensuring that it will provide significant support for KU now and in the future. The entire board of up to 75 members meets annually on one of the KU campuses. Individual committees, which oversee specific areas of operation, meet throughout the year. Board members receive no compensation for their service.

Executive Committee
Kurt D. Watson, Chair
President & COO
IMA Financial Group Inc.
Wichita, Kan.

Frank J. Becker *
President & Owner
Becker Investments Inc.
Lawrence, Kan.

John C. Dicus
Chairman
Capitol Federal Savings
Topeka, Kan.

William R. Docking
Chairman & CEO
The Union State Bank
Arkansas City, Kan.

R. A. Edwards
President & CEO
First National Bank of Hutchinson
Hutchinson, Kan.

A. Drue Jennings
Senior Counsel
Shughart, Thomson & Kilroy PC
Prairie Village, Kan.

John T. Stewart III *
Chairman
Stewart Companies
Wellington, Kan.

Todd L. Sutherland
President
The University National Bank
Lawrence, Kan.

Deanell Reece Tacha
Chief Judge
U.S. Court of Appeals,
Tenth Circuit
Lawrence, Kan.

H. W. Knapheide III
Chairman & President
The Knapheide Manufacturing Co.
Quincy, Ill.

John W. Mize
Attorney
Clark, Mize & Linville Chartered
Salina, Kan.

Robert D. Taylor
President
Executive AirShare Corp.
Mission Hills, Kan.

Audit Committee
E. S. Riss, Chair
Chairman & CEO
Lake Shore Pacific Corp.
Shawnee Mission, Kan.

David B. Dillon
Chairman of the Board
The Kroger Co.
Cincinnati, Ohio

Lewis D. Gregory
Sr. VP & District Trust Manager
Merrill Lynch Trust Co. FSB
Leawood, Kan.

Board members whose names appear in blue serve on multiple committees.

* Chair Emeritus
• Elected in October 2006

From the Chair

The financial support provided by donors like you is crucial to the University of Kansas’ success. It provides a margin of excellence, enabling students and faculty to engage in programs that enhance people’s lives.

The KU Endowment Board of Trustees takes its fiduciary responsibility seriously. Through prudent investments, efficient management and new gifts, we strive to preserve the long-term vitality of KU. We are honored to provide enduring financial support that helps the university gain preeminence and distinction among the top public universities in the nation.

On behalf of our entire board, thank you for helping KU achieve its aspirations.

KURT D. WATSON
Development Committee
Deanell Reece Tacha, Chair

Howard E. Cohen
Partner
Deloitte & Touche LLP
Leawood, Kan.

Robert L. Driscoll
Partner
Stinson Morrison Hecker LLP

Dorothy Wohlgemuth Lynch
Civic Leader
Olathe, Kan.

Linda Ellis Sims
Account Executive
ExxonMobil Corp.
Houston, Texas

Fenton R. Talbott
President
Talbott Advisors Inc.
Lawrence, Kan.

Finance Committee
Todd L. Sutherland, Chair

John B. Dicus
President & CEO
Capitol Federal Savings
Topeka, Kan.

R. A. Edwards
Ray D. Evans
Managing Partner
Pegasus Capital Management
Prairie Village, Kan.

Edward J. Healy
Attorney
Fleeson, Googoo, Coulson & Kitch LLC
Wichita, Kan.

Charles E. Heath
Vice President (Ret.)
Employers Reinsurance Corp.
Lawrence, Kan.

Joe C. Morris
Chairman
The Capital Corp. LLC
Leawood, Kan.

Property Management Committee
A. Scott Ritchie, Chair
Chairman
Ritchie Exploration Inc.
Wichita, Kan.

Dana K. Anderson
Vice Chairman of the Board
The Macerich Co.
Los Angeles, Calif.

Beverly Smith Billings
President
Alvamar Inc.
Lawrence, Kan.

M. D. Michaelis
President
Emprise Financial Corp.
Wichita, Kan.

John C. Shawver
President
Stelbar Oil Corp. Inc.
Wichita, Kan.

Steve Sloan
President
Midwest Minerals Inc.
Pittsburg, Kan.

Trusteeship & Governance Committee
William R. Docking, Chair

Sam Evans
Consultant
YMCA of USA
Chicago, Ill.

Jeff M. Johnson
President
Flint Hills National Golf Club
Wichita, Kan.

Michael G. Shinn
Certified Financial Planner
Shinn Financial Services
Shaker Heights, Ohio

Robert M. Thomas Jr.
Partner
Sullivan & Cromwell
New York, N.Y.

Kurt D. Watson
Members at large
P. J. “Jim” Adam
Chairman Emeritus
Black & Veatch
Overland Park, Kan.

Kenneth G. Adams
Chairman & CEO
Adams Investment Co.
Bartlesville, Okla.

Philip F. Anschutz
Chairman & CEO
The Anschutz Corp.
Denver, Colo.

Polly Roth Bales
Civic Leader
Lawrence, Kan.

Dan P. Bolen
Co-Chairman & CEO
Bank of Prairie Village
Mission Hills, Kan.

David G. Booth
Chairman & CEO
Dimensional Fund Advisors
Los Angeles, Calif.

Gene A. Budig
Senior Presidential Adviser
The College Board
Isle of Palms, S.C.

Anderson W. Chandler
Chairman & President
Fidelity State Bank & Trust Co.
Topeka, Kan.

Richard B. Cray
Trustee
Cloud L. Cray Foundation
Shawnee Mission, Kan.

Jerome Davies
Sr. VP for Development
KU Endowment
Lawrence, Kan.

Jeffrey W. Davis
Sr. VP for Finance & Treasurer
KU Endowment
Lawrence, Kan.

Archie R. Dykes
Chairman & CEO (Ret.)
Fleming Companies
Leawood, Kan.

John G. Erikson
VP for Business Dev. (Ret.)
First National Bank of Hutchinson
Hutchinson, Kan.

David E. Hall
President
Personal Expressions Group
Hallmark Cards Inc.
Shawnee Mission, Kan.

Ellen Jurden Hockaday
Civic Leader
Shawnee Mission, Kan.

William E. Hogan II
Chairman & CEO
The Hogan Co.
Minnetonka, Minn.

Forrest E. Hoglund
Owner
Hoglund Interests
Dallas, Texas

Stewart R. Horejsi
Director & Manager
Boulder Investment Advisers
Paradise Valley, Ariz.

John D. Hunkeler, M.D.
Founder & Director
Hunkeler Eye Clinic Inc.
Shawnee Mission, Kan.

Tom L. Kivisto
Chairman, CEO, President
SemGroup LP
Tulsa, Okla.

Robert A. Long
Chairman of the Board
Dunn Industries Inc.
Leawood, Kan.

Kent C. McCarthy
President, Owner & Founder
Jayhawk Capital Management LLC
Incline Village, Nev.

Michael T. McCoy, M.D.
Orthopedic Surgeon
Topeka, Kan.

Janet Martin McKinney
President & COO (Ret.)
Martin Tractor Co.
Kerrville, Texas

Laird G. Noller
President
The Noller Companies
Lawrence, Kan.

John H. Robinson Jr.
Vice Chairman of Development
Olsson Associates
Kansas City, Mo.

Jann Crawford Rudkin
Civic and Volunteer Leader
Los Gatos, Calif.

Gale E. Sayers
President & CEO
The Sayers Group
Chicago, Ill.

Dale Seuferling
President
KU Endowment
Lawrence, Kan.

Dolph C. Simons III
President of the
Newspapers Division
The World Co.
Lawrence, Kan.
Herman R. Sutherland of Mission Hills, Kan., a partner in Sutherland Lumber Company, died Dec. 28, 2006, at age 93. He was elected a trustee in 1972.
Our mission and core values

It is the mission of KU Endowment to solicit, receive and administer gifts and bequests for the support and advancement of the University of Kansas.

PASSION FOR KU
The generosity of alumni and friends influences the very fabric of KU, helping the university advance the frontiers of knowledge. We are dedicated to serving the university and helping it achieve its aspirations.

PARTNERSHIP WITH DONORS
Our donors empower us to accomplish our mission. We pledge to faithfully administer their gifts, adhere to their philanthropic intentions and respect their requests for privacy.

PERPETUAL SUPPORT
The long-term vitality of KU represents our ultimate, unwavering goal. We strive to wisely invest funds and steward property, with the goal of achieving the greatest possible assurance of long-term financial support for the university.

PEOPLE-CENTERED APPROACH
Our team of employees, trustees and volunteers guides our present and shapes our future. We seek to attract and develop the best talent, value each individual’s unique contributions and celebrate diversity as a strength.
KU Endowment thanks our donors, whose gifts made it possible to provide $94.9 million in private support for KU in 2007.

Ways to support KU

One hundred percent of your gift benefits the area of your choice at the University of Kansas.

ONLINE GIVING — You may make a gift securely online using your debit or credit card. Visit kuendowment.org/givenow.

GIFTS OF STOCK — By donating appreciated securities or mutual fund shares, you can provide a lasting contribution while receiving tax benefits, such as capital gains tax savings.

REAL ESTATE — Your gift provides a convenient way for you to enjoy a charitable deduction based on the current fair market value of your property, and it can reduce the size and complexity of your estate.

GIVE BY MAIL — Gifts made by check should be payable to KU Endowment and mailed to:

KU Endowment
P.O. Box 928
Lawrence, KS 66044-0928

ESTATE PLANNING — To remember KU in your will or estate plan, be sure to name The Kansas University Endowment Association (our legal name) as beneficiary. Our federal tax i.d. number is 48-0547734.

If you already have named KU Endowment in your estate plan, please contact us so we can welcome you to the Elizabeth M. Watkins Society.

We also offer life-income gifts that provide income and immediate tax benefits. Call our director of gift planning at 800-444-4201 during business hours, or visit kuendowment.org/giftplanning.
COVER: NICK SUSI ST. LOUIS
SCHOLARSHIP RECIPIENT
Susi, a junior in piano performance, gets assistance from several KU Endowment scholarships, primarily the David and Gunda Hiebert Piano Fund.

BACK: TUDY YOUNGBERG HALLER LAWRENCE
KU PROGRAM PARTICIPANT
Haller, education ’59, enjoys the KU Endowment-assisted programs at KU’s Hall Center for the Humanities and Lied Center for the Performing Arts.