



8 GREAT THINGS

KU Endowment
Annual Report
2008



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8 GREAT THINGS

This 2008 annual report highlights eight great things at the University of Kansas that were made possible by private giving. We didn't have to look hard to find examples of the crucial importance of donors like you to this university. Your generosity has infused every corner of KU with optimism.

This past year, private gifts funded virtually all scholarships at KU. They fueled research toward life-saving cures. They helped recruit and reward brilliant faculty scholars who inspire students. They enabled construction of new facilities to strengthen programs. In short, they brought distinction to KU.

It was a great year for KU in a multitude of arenas. Fundraising by KU Endowment was one of them. Donors gave a record \$94 million, the largest amount in KU Endowment's 117-year history. The number of donors increased by 3.7 percent, and the total amount raised increased by 21 percent. We are humbled by your generosity. And we are reminded that our work is never done. With your help, we can continue helping KU's faculty and students to reach their aspirations.

We are proud to report that KU Endowment provided a record amount of support to the university—\$112 million—including a 15 percent increase in student support. In large part, this demonstrates that our spending policies serve us well. We continue to maximize spending today while remaining vigilant to protect the value of our endowment for future generations.

Following a nationwide trend, our investment returns decreased this year, ending a four-year run of strong returns. Thanks to our diversified portfolio, the 2.6 percent decline was modest in light of the recent broad economic downturn. It's important to note that we invest for the long term, and that these market corrections are part of the cyclical nature of the investment process.

Every gift, large and small, expresses your belief in KU and your desire to contribute to its vitality. Great things are happening at KU—because people like you are getting behind them.

With profound appreciation,



KURT WATSON

Chairman of the Board



DALE SEUFFERLING

President





Gifts to the Greater KU Fund enhance everything that makes the University of Kansas a world-class institution. Because they have no restrictions, they enable KU to take advantage of unexpected opportunities and meet unforeseen needs. The Chancellors Club recognizes donors of \$1,000 or more annually to the Greater KU Fund.



Mary Anderson met her fellow 2008 Chancellors Club Scholars at the chancellor's residence this fall. She also is supported by a Kansas National Merit scholarship.

FUNDS FOR OPPORTUNITY

1

Just a week into her freshman year, Mary Anderson had experienced two pleasant surprises.

One was finding herself discussing Impressionist painting at the chancellor's residence with Leah Hemenway, the chancellor's wife. She was there to meet Chancellor Robert Hemenway and her fellow 2008 Chancellors Club Scholars. She and the 15 other new scholars got acquainted and learned about the source of their scholarships, the role of KU Endowment and the importance of private support in KU's success.

Mary's other surprise actually came first: the award itself. Students don't apply for these prestigious scholarships; the Office of Admissions and Scholarships selects them.

"Our Internet was down one day. I went to the library to check email and found out I had a scholarship," she said.

Each year, the Chancellors Club awards \$10,000 in renewable scholarships to 16 outstanding freshmen who were National Merit finalists and have a record of service and leadership. Support comes from the Greater KU Fund and similar funds with no restriction.

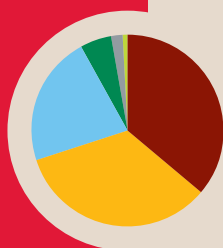
In addition to scholarships, gifts to the Greater KU Fund provide support for which no other funding is available. They help create a transformative experience for students and faculty.

"The scholarships make a huge difference. I'll have more options, which is a really nice thing to know."

—Mary Anderson,
Overland Park freshman

SUPPORT THROUGH THE GREATER KU FUND

Gifts to one of the flexible-use funds maintained at KU Endowment, such as the Greater KU Fund, are not restricted as to their use. The chancellor identifies projects to receive support from these funds, subject to the approval of the KU Endowment Executive Committee. In FY08, KU Endowment was able to provide \$8.67 million in flexible funding—a 30 percent increase over last year.



FLEXIBLE SUPPORT

● Program support for university administration, KU Athletics, KU Alumni Association and other areas.....	\$ 3.15 million
● Real estate acquisition and construction projects.....	\$ 2.95 million
● Scholarships and other academic and student support.....	\$ 1.93 million
● Faculty and staff development and support.....	\$ 456,042
● Other priorities.....	\$ 158,344
● International programs and graduate studies, student recruiting and international visitors.....	\$ 30,600
Total.....	\$ 8.67 million



Tansy Hayward, MPA '03, was supported as a student by five scholarship funds managed by KU Endowment. KU's Master of Public Administration program has ranked first in the nation since the rankings for city management and urban policy were established. Also ranked number one in the country is KU's special education graduate program.



Tansy Hayward shows off her Jayhawk spirit on the harbor in Tacoma.

BEST SCHOOL, BEST JOB

2

“The KU MPA program can’t be matched in the U.S. in terms of technical competence. Beyond that, and larger, is the interaction with a huge network of alumni. That’s what builds true success.”

—Tansy Hayward,
Assistant to the
City Manager,
Tacoma, Wash.

Tansy Hayward remembers the day she found her calling. She had enrolled in journalism classes at KU, intending to become a television news anchor. During her sophomore year, an Introduction to Public Administration course put her on a day of observing Susan Sherman, an assistant city manager in Olathe.

Hayward was impressed by the scope of issues: meeting with an individual to solve a sidewalk issue, working with a group of community stakeholders to improve the welfare of children in Olathe, strategizing with fellow staffers about city policy.

“After that one day I decided that was *the* best job in the world,” she says. “I *had* to do it.”

Sherman told her she was already attending the best school in the country to study public administration. Others agree: *U.S. News & World Report* has ranked KU’s Master’s in Public Administration program number one in the country continuously since it started ranking programs in city management and urban policy.

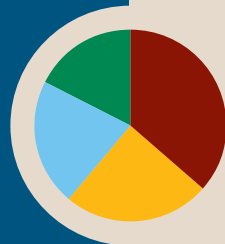
One element in the department’s success is the Edwin O. Stene Distinguished Professorship of Public Administration, supported by KU Endowment since 1979.

Five years out, Hayward now knows from experience how well KU’s program prepared her. And she still relishes the variety.

“It never gets old,” she says. “There’s something new every day.”

RECORD SUPPORT

In FY08, KU Endowment provided \$112.1 million in financial support for KU, setting a new record. Since our founding in 1891, we have provided \$1.5 billion in support for the university.



FY08: TOTAL UNIVERSITY SUPPORT *(in millions)*

● Facilities support.....	\$ 40.9
● Student support (excluding loans).....	\$ 27.7
● Educational support.....	\$ 23.9
● Faculty support.....	\$ 19.6
Total.....	\$ 112.1



The Sabatini Multicultural Resource Center opened in 2008. The Sabatini Family Foundation gave \$1 million; a fee approved by the KU student body will raise \$1.5 million over 10 years; the Kansas Union built a two-story expansion underneath.

“Its appearance makes a statement. It’s a big building with lots of windows — it makes you want to come in and see what’s going on.”

**—Ashley Anguiano,
guide in the Hawk
Link program**



Ashley Anguiano, Topeka sophomore, spoke as a panelist during the first opening convocation held at the new Multicultural Resource Center; the center, right, stands to the north of the Kansas Union building.

ONE PLACE FOR ALL

3

The Sabatini Multicultural Resource Center could hardly be more conspicuous, given its location at the northeast entrance to the campus, next to the Kansas Union. Those who work there like it that way.

“This building says a lot about the university’s commitment to multicultural programs and students,” says Santos Núñez Galicia, center director. “The commitment has been there, but this building makes it much more visible.”

The center, a program of the Office of Multicultural Affairs, originally opened in 1995 in a renovated annex near Summerfield Hall. Neither the location nor the building’s appearance was ideal; staff members think some students didn’t even realize the building was occupied. Size also became a problem as the program grew from 400 visits in 2000 to more than 6,000 visits by 2006.

All that has changed. The new building practically shouts “Welcome!” Windows all around allow an open view in and out; interior color schemes are based on the variety of human skin tones; even the roof, which sweeps up toward the north and east, seems to express the attitude behind the center’s academic support programs: Soar!

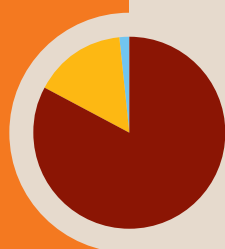
The new center’s meeting and study areas are open to all, and student groups with no particular connection to multicultural issues have been using them. Núñez Galicia likes that too.

“We have all kinds of student groups using our space, and it’s wonderful,” she says. “It’s one way of getting students involved in multicultural activities.”



FOR FACILITIES

KU Endowment support for university facilities rose in FY08 to \$40.9 million, 36 percent more than last year. These expenses are driven by the university’s building needs. Endowment support for construction, furnishings, equipment and supplies over the past five years totaled \$145 million. Private giving through KU Endowment has provided about two-thirds of campus buildings and 85 percent of the land for campus expansion.



FY08: SUPPORT FOR UNIVERSITY FACILITIES *(in millions)*

● Construction.....	\$ 33.9
● Equipment and supplies.....	\$ 6.4
● Furnishings.....	\$.6
Total.....	\$ 40.9



The Anderson Family Football Complex at Kivisto Field opened in fall 2008. It encompasses 80,000 square feet on two levels; the 20,000-square-foot weight room is underground. The project cost \$31 million. Primary donors were Dana, Sue, Justin and Jean Anderson; and Tom and Julie Kivisto.

“To a new recruit coming in, I think this facility would sell itself.”

—Chris Dawson,
director of strength and
conditioning, KU football



Football players run through an early-morning weight routine inside the complex; right, an aerial view of the complex.

ALL TOGETHER NOW

4

It's not yet 7 a.m., but more than 40 Jayhawk football players already have worked up a sweat in the weight room of the new Anderson Family Football Complex. Chris Dawson, KU football's director of strength and conditioning, darts quickly around the room—and if he sees a player's form lapsing, his words fly just as quickly.

The weight room—built completely underground to minimize disruption of the view of the campanile from Memorial Stadium—is just one part of the complex. The complex united all football-related activities in one place, and made spaces formerly used by the football program available to other sports.

Other improvements include state-of-the-art rooms for training, therapy, video review, and interviewing recruits; a 115-person locker area; a players' lounge; and an auditorium that divides to accommodate the offensive and defensive units simultaneously. Offices for coaches and assistants fill out the upper level.

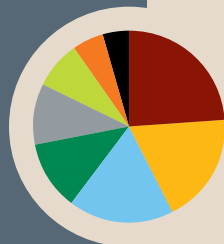
Assistants can stream video from practices into the complex and prepare it for analysis by the time the team returns. The X-ray equipment in the diagnostic area can transmit images across the country—if an opposing player is injured, his own physician at home can see scans within minutes.

"For us to compete, facilities and resources are crucial, and we'd better stay ahead of the curve," Dawson says. "This facility certainly puts us in the upper echelon in strength and training."



STATE AND PRIVATE SUPPORT TO THE UNIVERSITY

KU Endowment funds represent a vital element in KU's annual revenue. Support from the state, measured as a percentage of total university revenue, has decreased over the past 20 years as the state has faced increased demands for other expenditures. As a consequence, private giving has become more critical to the continued success of the university. (The most recent figures on state support are from FY07.)



FY07: UNIVERSITY REVENUE SOURCES *(in millions)*

● State appropriations.....	\$ 264.2	23.9%
● Grants and contracts.....	\$ 207.0	18.7%
● Tuition and fees (net of scholarship allowances).....	\$ 196.5	17.8%
● Auxiliary enterprises.....	\$ 127.2	11.5%
● Medical service revenues (net).....	\$ 115.8	10.5%
● KU Endowment support.....	\$ 89.0	8.1%
● Other revenue.....	\$ 57.8	5.2%
● Sales and services by educational departments.....	\$ 47.0	4.3%
Total revenues.....	\$ 1,104.7*	100%

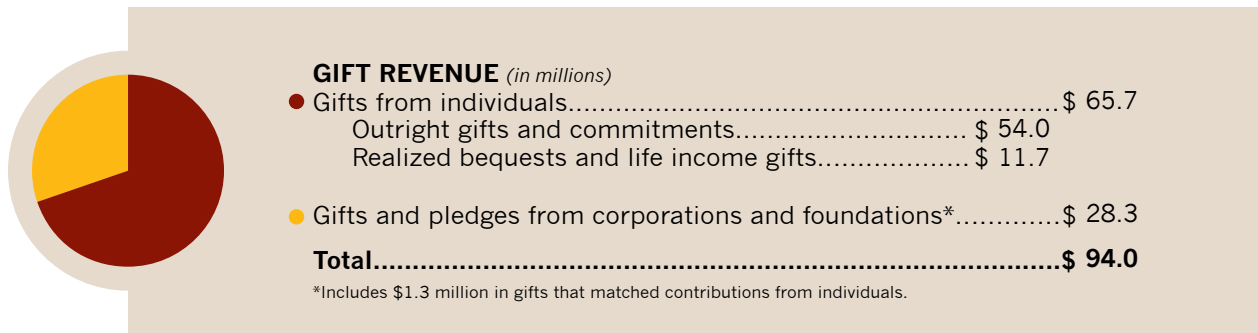
Includes Lawrence campus, Edwards Campus, KU Medical Center, KU Center for Research Inc., KU Unions and Kansas Athletics Inc.

* All figures, including total, have been rounded.

GIFTS IN 2008

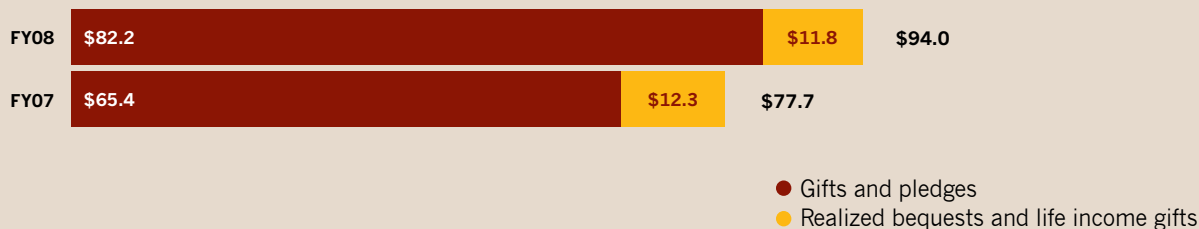
RECORD CONTRIBUTIONS

Donors to KU Endowment gave a record amount of \$94 million during FY08. This is a 21 percent increase over last year. We also received gifts from a record number of donors—more than 45,000.



TWO-YEAR COMPARISON *(in millions)*

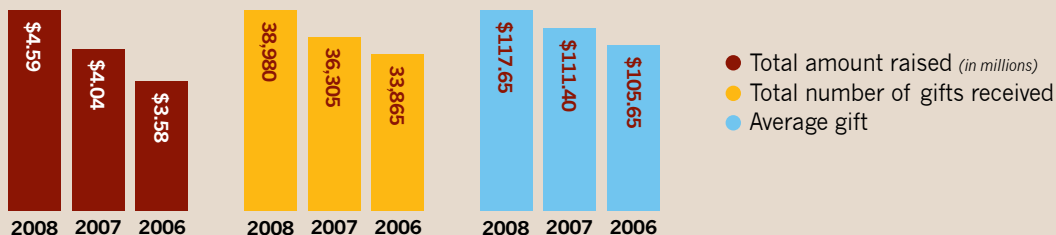
The increase in giving was largely driven by outright gifts and pledges in 2008. In addition, KU Endowment documented commitments of \$11.1 million in planned gifts, such as bequest expectancies (not included in the chart below). These commitments will benefit KU in the future.



ANNUAL GIVING

Our annual telephone and mailing campaigns raised \$4.59 million from 38,980 gifts in FY08. Both numbers set new all time records. This year's total was 14 percent higher than last year's, and the number of gifts was 7 percent higher. The Jaytalkers telephone campaign alone raised \$1.14 million.

Over the past three years, the total amount raised by annual giving campaigns has risen by 28 percent, the total number of gifts has risen by 15 percent and the average gift size has increased by 11 percent.



DONORS IN 2008

TOTAL DONORS

Donors in FY08 increased by 3.7 percent over FY07.

	FY08	FY07	FY06
Alumni	28,521	28,173	25,860
Non-alumni	14,937	13,659	13,656
Organizations	1,556*	1,571	1,569
Totals	45,014	43,403	41,085

* Matching gift companies not included.

WHERE DONORS COME FROM

United States (50)	44,864
Other countries (31)	132
U.S. military bases (3)	14
U.S. commonwealths and territories (2)	4
Total	45,014

TOP 10 STATES BY NUMBER OF DONORS

Kansas	25,854
Missouri	3,764
Texas	1,744
California	1,621
Illinois	1,150
Colorado	1,129
Virginia	593
Oklahoma	563
Florida	535
Arizona	510

TOP THREE OTHER COUNTRIES BY NUMBER OF DONORS

Canada	29
United Kingdom	14
Japan	14

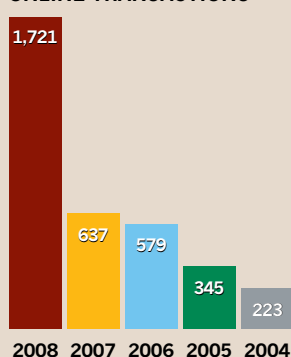
CLICK "GIVE NOW"

Online donations remain a small part of the total, but they have steadily increased in size and number since the KU Endowment website went live in January 2001.

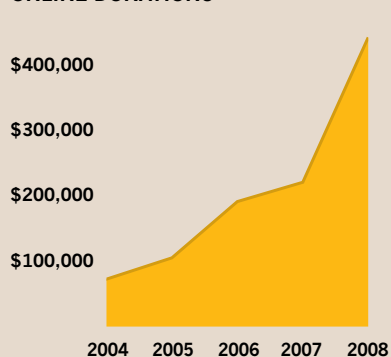
Visitors to www.kuendowment.org can make an online gift to any area of the university.

Donors in FY08:
45,014
That is the largest
total in our history.

ONLINE TRANSACTIONS



ONLINE DONATIONS



ASSETS AND INVESTMENTS

The value of KU Endowment's total assets, according to audited financial statements, dropped to \$1.52 billion in 2008, a decrease of 2.9 percent from the previous year.

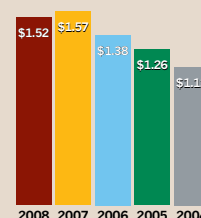
Marketable securities compose 82.7 percent of KU Endowment's total assets; the balance is made up primarily of real estate owned by KU Endowment, loans to KU students and faculty, and outstanding pledges.

The value of KU Endowment's total assets represents the book value of assets plus the unrealized gain or loss on marketable securities. It does not include unrealized appreciation on real estate or other special holdings. This unrealized appreciation is included in the market value of total assets, which decreased 2.1 percent in 2008. The market value of endowed funds changed to \$1.22 billion, a 1.7 percent decrease from 2007.

VALUE OF TOTAL ASSETS

(As of June 2008; in billions)

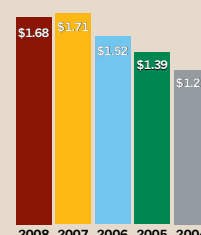
According to audited financial statements
Includes market value of marketable securities.



MARKET VALUE OF TOTAL ASSETS

(in billions)

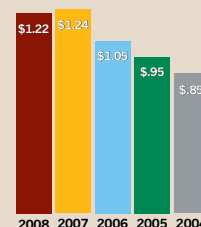
Includes market value of real estate and other special holdings, which are unaudited and are not recorded on the Statement of Financial Position.



MARKET VALUE OF ENDOWED FUNDS

(in billions)

Reported in accordance with the Standards of the National Association of College and University Business Officers.



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 individual funds. The value of these funds makes up 71 percent of KU Endowment's total assets.

Our goal is to provide a stable stream of support for the university from one generation to the next. In keeping with our long-term perspective, we invest our endowed, or permanent, funds with the intent that they will grow steadily over time.

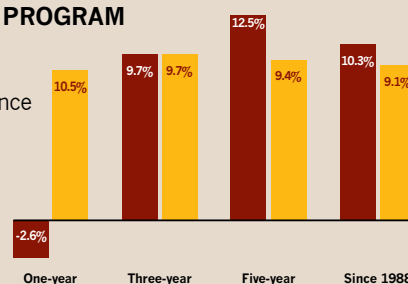
In FY 2008, the return on long-term investments was negative 2.6 percent, following four years of double-digit positive returns. Compared to the broad economic downturn, this was a modest decrease, thanks to the investment program's diversification. These periodic and unpredictable declines are part of the market's investment cycle.

KU Endowment has engaged an independent service provider since June 1988 to compare growth of its long-term investments with a benchmark (spending plus inflation). Over most periods, the total return of long-term funds has exceeded the benchmark. This performance has enabled KU Endowment to provide a consistent level of support to the university.

LONG-TERM INVESTMENT PROGRAM

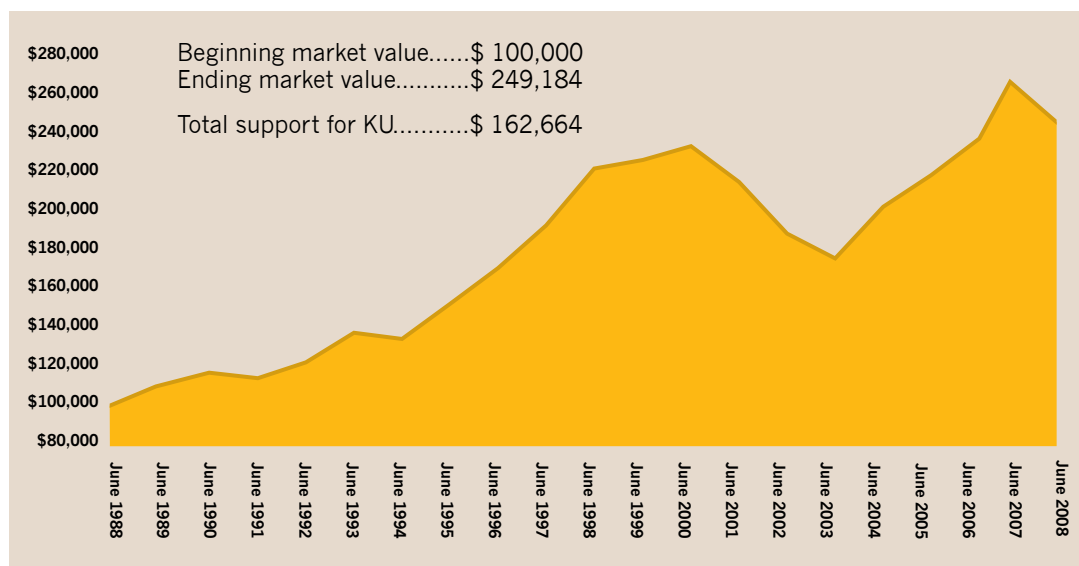
(as of June 2008)

● Long-term program performance
● Benchmark



GROWTH OF A \$100,000 ENDOWED FUND Invested in the Long-term Investment Program (1988-2008)

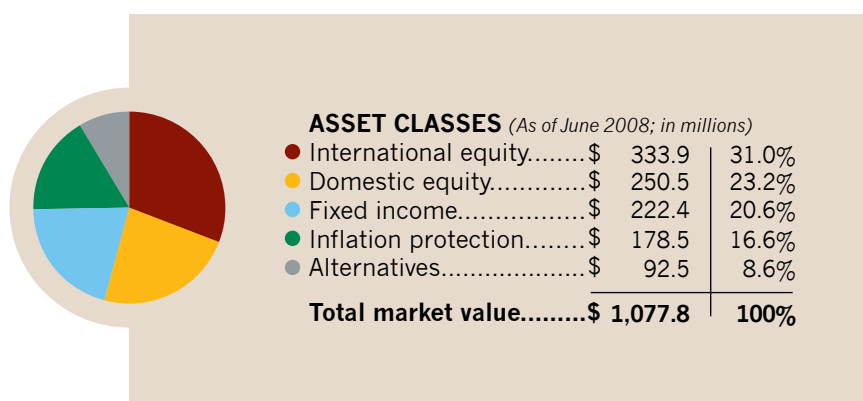
A \$100,000 endowed fund established in June 1988 (when independent measurement of performance began) would have grown to \$249,184 as of June 2008. During the 20-year period, the fund also would have provided \$162,664 in support for KU.



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 further diversify program investments and to enhance returns, the KU Endowment Finance Committee has gradually been increasing allocations to international equities, inflation protection and alternative investments. Alternatives include investment strategies designed to produce consistent returns with less volatility than the overall market.





The Cora Lee Beers Price Professorship in International Cultural Understanding was established in 2004. Devon Mihesuah is the first Price Professor. Price was a KU professor of English and classics from 1962 to 1979; she died in 2004. Her husband, G. Baley Price, established the professorship with a gift to KU Endowment of \$500,000, which was matched by the Hall Family Foundation. Baley Price was a KU professor of mathematics from 1937 to 1975.



Devon Mihesuah brought her passion for indigenous cultures to KU in 2005. She holds a photo of Cora Lee Beers Price, for whom her professorship is named.

BROAD UNDERSTANDING

5

“It’s a great honor to be associated with the legacy of these scholars.”

—Devon Mihesuah,
Cora Lee Beers Price
Professor in
International Cultural
Understanding

Traditional indigenous knowledge can help solve modern problems— this is a central idea in Devon Mihesuah’s work.

Her assignment is multifaceted: teach in the Global Indigenous Nations program; act as liaison to Haskell Indian Nations University in Lawrence; serve as an affiliate in the Tribal Law and Governance Center; and help to develop a new academic entity, KU’s Indigenous Institute. This institute will focus basic research on Native North American cultures, and Mihesuah intends it to attract high-ability students and strong faculty.

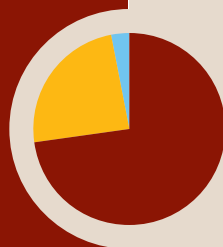
She’s an enrolled citizen of the Choctaw Nation of Oklahoma. She currently has two books forthcoming, a book on Choctaw law and a novel whose heroine is a Choctaw homicide detective. Her next project is a book on strategies for physical survival adopted by displaced Indians, based on oral histories recorded by a 1930s WPA project.

Her concern for tribal health has led to work with Native knowledge ranging from languages and history to indigenous plants, gardening and cookery. A longtime gardener, she has published an award-winning cookbook of indigenous recipes. She maintains a website dedicated to indigenous food and health that includes information about typical health problems, benefits of indigenous foods, recipes and even exercise tips.

“Tribal health is worse now than ever,” she says, “but it’s very empowering to make better choices in what you eat, perhaps to grow something your ancestors grew.”

FOR FACULTY

KU Endowment provides direct support for endowed chairs, distinguished professors and teaching professors. In addition, funding helps to cover the costs of faculty awards, continuing education and professional travel. Gifts for new endowed professorships at Kansas Regents institutions qualify for additional support from the state through the Kansas Partnership for Faculty of Distinction Program. The program began in 2000 and has since provided \$6.8 million in supplemental state support for KU faculty. In FY08, it provided \$2.1 million.



FY08: SUPPORT FOR FACULTY MEMBERS *(in millions)*

● Salaries for distinguished and teaching professorships.....	\$ 16.0
● Professional contracted services.....	\$ 2.8
● Faculty awards.....	\$.8
Total.....	\$ 19.6



Krehbiel Hall encompasses 18,000 square feet and three stories and houses 50 men. It was built with a \$4 million gift from Carl C. Krehbiel, BA '70. He also created a \$400,000 endowed fund for the hall's maintenance. A former state legislator, he lived in Stephenson Scholarship Hall while at KU. His gift honors his parents, both KU alumni.

“I sometimes call myself ‘the George Washington of Krehbiel Hall,’ but the metaphor breaks down because I didn’t have to win a war to get the office.”

—Sai Folmsbee,
Topeka junior



Sai Folmsbee is the first president of the Floyd H. and Kathryn Krehbiel Scholarship Hall; right, move-in day.

A SOCIETY OF SCHOLARS

6

Sai Folmsbee likes living in a scholarship hall so much, he jumped at the chance to lead a new one. He's the first president of Krehbiel Scholarship Hall, which opened this year at 1301 Ohio St.

Each of KU's dozen "schol halls" has its own unique traditions. When a new hall opens, housing officials plant the seeds of tradition by bringing in several residents with experience in the other halls. Folmsbee, a Topeka junior majoring in neurobiology, is part of an 11-man leadership team selected to launch Krehbiel.

Over the past year, they crafted basic operating documents for the hall. Folmsbee says Krehbiel's constitution is solid because it uses the best parts of other halls' constitutions. They also scheduled activities intended as the foundation of Krehbiel's traditions.

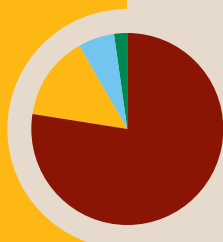
"Schol hall" residents are selected for outstanding academic and leadership abilities. Because they take on daily chores such as cooking, dishwashing and vacuuming, they pay considerably less than those in standard residence halls.

"It's affordable, and I love the atmosphere," Folmsbee says. "I live with 49 other guys. Some are similar to me, and I can ask them about courses and professors. Some are on wildly different paths. It instantly expands my social circle."



FOR STUDENTS

KU Endowment support for students grew from \$27.9 million last year to \$32.2 million in FY08, an increase of 15 percent. Almost all scholarships at KU are funded through KU Endowment and the generosity of our donors.



FY08: STUDENT SUPPORT *(in millions)*

● Scholarships.....	\$ 25.0
● Loans.....	\$ 4.6
● Fellowships.....	\$ 1.9
● Student awards and prizes.....	\$.7
Total.....	\$ 32.2



Thomas Schulz, M.D., became the first Gaines Professor in April 2008. He is an associate professor of internal medicine at the KU School of Medicine-Wichita. The Gaineses, of Hamilton, Kan., gave \$1 million to establish the professorship. Schulz is affiliated with the KU Cancer Center and the Midwest Cancer Alliance. The professorship bolsters KU's quest for designation by the National Cancer Institute as a comprehensive cancer center.



Thomas Schulz's trusted assistant, Jill Longstaff, became one of his patients when she was diagnosed with cancer.

SPECIAL CARE



Jill Longstaff has worked at the KU Medical School-Wichita long enough to remember Thomas Schulz when he was a medical student, graduating in 1991. She remembers his service as a resident in internal medicine from '92 to '95. She recalls his departure for several years for an oncology fellowship in Denver, and his return in 2000 to join the faculty in Wichita.

As department administrator for Internal Medicine, Schulz's department, she now assists him with the academic duties associated with his appointment as associate professor. In addition to teaching, he cares for patients and helps to coordinate a research program enrolling Wichita patients in clinical trials to test new drugs or treatments in small groups.

Earlier this year, Longstaff got to know Schulz in a new light: as her physician. After a diagnosis of early-stage breast cancer, she needed an oncologist.

"He was, of course, my first choice. It was a no-brainer," she says. "When you're looking at going through chemo, you want someone there you can trust, who will be with you along the way. That's Dr. Schulz."

Surgery and radiation therapy controlled her cancer, although she expects to be under Schulz's follow-up care for several years. She signed on for a clinical trial conducted by Schulz in which she made her tumor tissues available for analysis, now and in the future.

Now back to her customary long list of administrative and support duties, she recalls a more recent step in Schulz's career: his appointment early this year to a professorship created by Frank and Beverly Gaines.

"When I heard he was receiving the endowed professorship, I was just elated," Longstaff says.

"I'm passionate about both education and medicine. It's an honor to be chosen as the first Gaines Professor."

—Thomas Schulz, M.D.,
Franklin D. and Beverly J.
Gaines Professor,
KU School of Medicine-
Wichita

FOR PROFESSORSHIPS

In FY 08, donors established 11 new professorships:
Bridwell Chair in Otolaryngology | Capitol Federal Masonic Distinguished Professorship in Cancer | Girod Professorship in Surgical Oncology | Jackson Professorship in Sociology | Lieberman Family Professorship in the KU Cancer Center | Morris Family Chair in Cancer Prevention | Neis Professorship in Thoracic and Cardiovascular Surgery | RehabCare Professorship in Geriatric Rehabilitation | Stella Professorship in Pharmaceutical Chemistry | Wolf Masonic Professorship in Urology | Zamierowski Professorship in Surgical Oncology.



The Kansas Center for Autism Research and Training was formally designated a center in July 2008. It has 45 faculty affiliates from numerous KU academic departments, KU Medical Center and other KU research groups. Support comes from the university and private gifts. A \$1 million bequest from Wanda and Tom Pyle, Chase County, Kan., is sparking further community support.



Grace, 5, Ft. Leavenworth, Kan., has autism. At the Kansas Center for Autism Research and Training at the KU Medical Center, she helps train autism service providers.

PROVEN TO HELP

8

In a small room at the KU Medical Center, a young woman named Stephanie Marks engages a 5-year-old girl named Grace. They take turns coloring, passing a red crayon back and forth. Marks asks Grace to touch her nose, ears and toes; compliance earns her a star. Five stars earn her a granola bar.

Child's play, but also serious work. Grace has autism. Marks is in training, planning to incorporate new skills into her speech therapy practice to better serve children and families affected by autism and related disorders. KU's new Kansas Center for Autism Research and Training coordinates the sessions and evaluates Marks' progress.

Growing numbers of children, now about 1 out of 150, are identified with autism spectrum disorders, and much is unknown about these conditions. The center's mission is to resolve those unknowns.

"We've demonstrated the effectiveness of early intervention," says Debra Kamps, director of the center. "There's not nearly so much knowledge about adults, and their needs get far less attention than necessary."

Headquartered on KU's Edwards Campus this new center is one of 13 housed within the Schiefelbusch Institute for Life Span Studies. Fittingly, its research will cross the life span, seeking prenatal causes, developing better diagnostic tools for young children, learning to foster social skill development in older children and building employment support and other services for adults.

"Long-term, I hope the center will be a state and national resource, viewed as a source of knowledge about evidence-based practices," Kamps says.

**"It's about the science —
about doing experiments
that improve outcomes
for children."**

— Debra Kamps, director,
Kansas Center for Autism
Research and Training

SERVICE AND OUTREACH

Across KU, commitment to public service and outreach has prompted creation of many programs that bring education, research, health care and community service into the broader world.

Private donors support many of these programs. A few examples:

- **The KU Center for Telemedicine and Telehealth maintains 65 video-based medical consultation sites around the state.**
- **In FY08 alone, almost 8,500 pre-K through 12th grade students attended performances conducted just for them at the Lied Center in Lawrence.**
- **Kansas Audio Reader provides reading and information service for about 6,300 blind, visually impaired and print-disabled individuals in Kansas and western Missouri.**

STATEMENT OF FINANCIAL POSITION

ASSETS

CASH AND CASH EQUIVALENTS

RECEIVABLES

Loans receivable, less allowance for uncollectible loans
of \$1,541 in 2008 and \$1,503 in 2007

Contributions pledged, less allowance for uncollectible pledges
of \$660 in 2008 and \$841 in 2007

Other receivables

TOTAL RECEIVABLES

INVESTMENTS

Marketable securities (at market values)

Trusts held by others (at market values)

Interest in KU Endowment Charitable Gift Fund

Real estate

TOTAL INVESTMENTS

PROPERTY AND FACILITIES ON OR ADJACENT TO UNIVERSITY CAMPUS

Land

Buildings

Equipment and Furnishings

Less accumulated depreciation

NET PROPERTY AND FACILITIES

DEPOSITS AND OTHER ASSETS

COLLATERAL HELD FOR SECURITIES LENDING

TOTAL ASSETS

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses

Securities lending obligation

Life income gift payables

Agency funds

TOTAL LIABILITIES

NET ASSETS

Unrestricted

Temporarily restricted

Permanently restricted

TOTAL NET ASSETS

TOTAL LIABILITIES AND NET ASSETS

The Statement of Financial Position and Statement of Activities are excerpted from The Kansas University Endowment Association's 2008 financial statements, which have been audited by Ernst & Young, LLP. The full statements are posted at www.kuendowment.org/auditreport.

In thousands

June 30, 2008

June 30, 2007

\$ 339

\$ 2,110

20,949

19,427

28,631

40,053

10,923

18,067

60,503

77,547

1,257,079

1,279,164

35,142

37,387

546

512

10,020

9,103

1,302,787

1,326,166

5,544

5,715

17,356

17,489

4,537

4,180

27,437

27,384

12,602

11,793

14,835

15,591

9,582

9,389

132,452

134,790

\$ 1,520,498

\$ 1,565,593

\$ 11,958

\$ 16,038

132,452

134,790

20,237

20,259

73,363

73,647

238,010

244,734

157,236

157,242

742,856

785,754

382,396

377,863

1,282,488

1,320,859

\$ 1,520,498

\$ 1,565,593

STATEMENT OF ACTIVITIES

In thousands

REVENUES, GAINS AND OTHER SUPPORT

FUNDRAISING

Contributions and grants pledged and received	\$ 82,216	\$ 65,045
Bequests	9,698	8,299
Life income gifts	728	2,915
Change in value of life income gifts	1,334	1,073
Change in net interest in KU Endowment Charitable Gift Fund	34	378

TOTAL FUNDRAISING

94,010

77,710

INCOME FROM ASSET HOLDINGS

Investment income	53,149	39,337
Realized and unrealized gains (losses) on investments and trusts held by others	(75,043)	146,965
Loan interest income	1,399	1,518
Agricultural and mineral income	3,635	1,930
Rental, gain (loss) on sale of assets & other income	775	897

TOTAL INCOME FROM ASSET HOLDINGS

(16,085)

190,647

OTHER RECEIPTS

9,958

3,556

TOTAL REVENUES, GAINS & OTHER SUPPORT

\$ 87,883

\$ 271,913

EXPENSES

UNIVERSITY SUPPORT

Student support	\$ 27,665	\$ 24,339
Faculty support and contractual services	19,584	20,756
Construction, furnishings, equipment and supplies	40,885	30,135
Program and other educational support	23,937	19,712

TOTAL UNIVERSITY SUPPORT (Note 1)

112,071

94,942

SUPPORTING SERVICES

Administrative and fundraising support	12,995	11,983
Asset management expense	358	634
Depreciation	630	626

TOTAL SUPPORTING SERVICES

13,983

13,243

TOTAL EXPENSES

126,054

108,185

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

(38,171)

163,728

Amortization of unrecognized actuarial adjustment

(200)

(1,986)

CHANGE IN NET ASSETS

(38,371)

161,742

NET ASSETS AT BEGINNING OF YEAR

1,320,859

1,159,117

NET ASSETS AT END OF YEAR

\$ 1,282,488

\$ 1,320,859

Note 1: Expenditures from agency funds, which are owned by the university but managed by KU Endowment, provided additional university support of \$8.5 million for the year ended June 30, 2008, and \$8.6 million for the year ended June 30, 2007.

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, up to 75 members representing KU throughout the United States, meets annually during the fall on one of the KU campuses. Individual committees oversee specific areas of operation and meet throughout the year. Board members receive no compensation for their service.

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

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• Elected in November 2007

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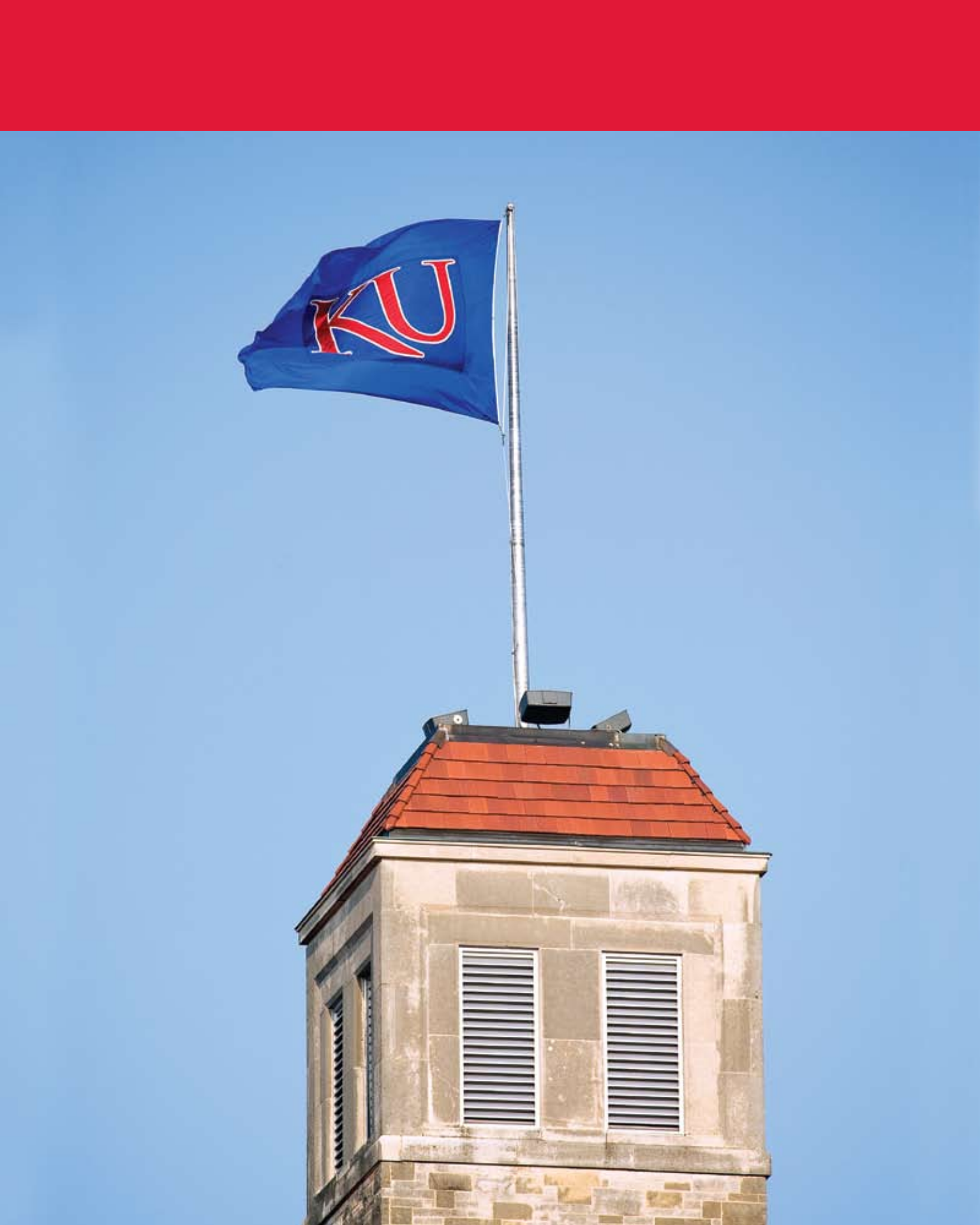
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IN MEMORIAM

Ralph L. "Bud" Weir of
Colorado Springs, Colo., died
Feb. 27, 2008, at age 86.
He earned a bachelor's degree
in electrical engineering from
KU in 1944 and worked in
broadcasting and cable.
He was elected a trustee in
1982 and assumed emeritus
status in 1996.



WAYS TO SUPPORT KU

Always remember that KU Endowment applies 100 percent of your gift to your intended purpose at the University of Kansas.

ONLINE GIVING

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.

THANK YOU

KU Endowment thanks our donors, whose gifts made it possible to provide \$112 million in private support for KU in 2008.



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.



Rosita Elizalde-McCoy, Senior VP for Communications & Marketing

Editor ♦ Charles Higginson

Designer ♦ Chris Millspaugh

Research & Writing ♦ Charles Higginson

Photography ♦ John English, John Froschauer, Steve Puppe, Earl Richardson, Mike Shepherd, Laura Wolfe

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The KU Endowment 2008 Annual Report was printed on Mohawk Navajo, which contains 20 percent recycled paper.



Donors in FY08: 45,014.

**That is the largest total in our history. This year,
7,932 first-time donors gave a total of \$4.1 million.
Thank you, and welcome! We're glad you're here.**



www.kuendowment.org