

**Kansas City University**  
**Educational Facilities Revenue Bonds**  
**\$25,000,000 Series 2013 and \$18,540,000 Series 2017**  
**Annual Report**

**Corporate Structure**

**Affiliates and Related Entities**

Independence Avenue Development is a Missouri nonprofit corporation governed by a Board of Directors. The corporation was formed to be a supporting organization of the University, and the principal business and activity of the corporation is to act as a supporting organization.

**University Operations**

COLLEGE OF MEDICINE HISTORICAL DATA RELATING TO APPLICANTS

Academic Year	Number of Applicants	Number of Acceptances	Percentage of Acceptances	No. Students Matriculating	Percentage Matriculating	Total FTE Enrollment (Note A)
2024 - 25	4662	1318	28%	430	33%	1948
2023 - 24	5031	1273	25%	433	34%	1968
2022 - 23	5366	996	19%	432	43%	1949
2021 - 22	5975	923	15%	432	47%	1980
2020 - 21	4364	976	22%	432	44%	1897

COLLEGE OF DENTAL MEDICINE HISTORICAL DATA RELATING TO APPLICANTS

Academic Year	Number of Applicants	Number of Acceptances	Percentage of Acceptances	No. Students Matriculating	Percentage Matriculating	Total F.T.E. Enrollment
2024 - 25	1241	239	19%	81	34%	161
2023 - 24	1184	215	18%	80	37%	80

Note A - Total FTE Enrollment includes Colleges of Medicine and Biosciences.

**Enrollment Information**

In August 2024, KCU matriculated its second class of 81 students for the College of Dental Medicine. This is a four-year program with its first cohort, which began in August 2023, graduating in May 2027.

**Results of Operations**

**Summary of Operations**

The University maintains its financial records on the basis of a fiscal year ending June 30 and follows the accrual basis of accounting. The financial statements for the period ending June 30, 2024 have been audited by Forvis Mazars, LLP and have been included in the annual report as Appendix A.

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**Financial Condition of the Institution**

The following table summarizes the consolidated financial condition of the University. The data included has been derived from the audited financial statements.

**Historical Summary of Statements of Activities**

**Derived from the Audited Financial Statements**

	Fiscal Year Ended June 30		
	2024	2023	2022
<b>Revenue, Gains and Other Support</b>			
Tuition and fees	\$ 109,912,208	\$ 92,679,172	\$ 91,042,107
Clinical contracting revenue	1,009,591	761,775	491,036
Net investment returns	18,673,793	11,980,874	(19,547,719)
Contributions and grants	13,911,252	7,268,421	15,790,407
Other income	1,313,549	1,079,175	1,064,895
<b>Total Revenue, Gains and Other Support</b>	<b>144,820,393</b>	<b>113,769,417</b>	<b>88,840,726</b>
<b>Expenses</b>			
Instructional and Institutional Support	74,871,925	64,158,681	58,831,642
Academic Support and Student Services	12,743,537	11,637,327	12,307,036
Operation and Maintenance	8,860,669	7,970,845	7,717,580
Fundraising Costs	2,018,096	1,904,532	1,548,289
<b>Total Expenses</b>	<b>98,494,227</b>	<b>85,671,385</b>	<b>80,404,547</b>
<b>Increase in Net Assets</b>	<b>46,326,166</b>	<b>28,098,032</b>	<b>8,436,179</b>
<b>Net Assets, Beginning of Year</b>	<b>355,682,255</b>	<b>327,584,223</b>	<b>319,148,044</b>
<b>Net Assets, End of Year</b>	<b>\$ 402,008,421</b>	<b>\$ 355,682,255</b>	<b>\$ 327,584,223</b>

The table below sets forth the total assets, total liabilities, and total net assets of the University for the three most recent fiscal years, which have been derived from the audited financial statements for each of such years.

	Fiscal Year Ended June 30		
	2024	2023	2022
Total Assets	472,485,468	426,239,638	395,763,415
Total Liabilities	70,477,047	70,557,383	68,179,192
Total Net Assets	402,008,421	355,682,255	327,584,223
Total Liabilities and Net Assets	\$ 472,485,468	\$ 426,239,638	\$ 395,763,415

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Provided in the following table are the major fund groups which comprise total net assets for the three fiscal years ended June 30<sup>th</sup>.

	Fiscal Year Ended June 30		
	2024	2023	2022
Net Assets			
Without donor restrictions	365,636,609	324,964,990	272,196,675
With donor restrictions	36,371,812	30,717,265	55,387,548
Total Net Assets	<u>\$ 402,008,421</u>	<u>\$ 355,682,255</u>	<u>\$ 327,584,223</u>

**Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion relates to the financial results for the year ended June 30, 2024.

The University's net assets increased by \$46.3 million for fiscal year 2024, an increase of \$18.2 million from the prior year with a 27% increase in revenue and a 15% increase in expenses. The increase in revenue was primarily driven by a 19% increase in tuition and fees, for a total of \$110 million, as well as a \$6.7 million increase in investment returns and a \$6.7 million increase in contributions and grant revenue.

The 19% increase in tuition and fees revenue was primarily driven by a 4% tuition rate increase along with increased enrollment resulting from the inaugural class of students in the College of Dental Medicine.

Net investment returns are comprised of interest, dividends, realized and unrealized gains and losses on investments. Investment returns were primarily impacted by market appreciation of \$11.8 million along with interest and dividend revenue of \$7 million. The University has board approved investment policies governing its cash and investment practices. At June 30, 2024, the University's investment holdings totaled \$237 million with an additional \$4.6 million in Charitable Trusts.

Contribution and grant revenue increased by \$6.6 million largely due to funds raised for the Center for Population Health and Equity initiative in addition to an unrestricted estate gift.

Total expenses increased 15% compared to the prior year with a 16.7% increase in Instructional and Institutional Support. Overall increase in expenses is primarily due to the College of Dental Medicine's first cohort which started in August 2023.

**Outstanding Debt**

The University has no long-term debt commitments outstanding other than the Series 2013 and Series 2017 Bonds. The University has not guaranteed any outstanding indebtedness of any other corporation or entity. At June 30, 2024, the University had \$1.5 million unfunded commitment obligation for an alternative investment fund and \$4.2 million in commitments related to ongoing construction contracts.

## Independent Auditor's Report

The Board of Trustees  
Kansas City University  
Kansas City, Missouri

We have audited the consolidated financial statements of Kansas City University (the University) as of and for the year ended June 30, 2024, and have issued our report thereon dated November 4, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The Ratio of the Net Assets Without Donor Restrictions to Outstanding Indebtedness is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### Ratio of the Net Assets Without Donor Restrictions to Outstanding Indebtedness June 30, 2024

Without Donor Restrictions net assets, as defined	<u>\$ 365,636,609</u>
Outstanding Indebtedness	<u>\$ 33,285,655</u>
Ratio of the Net Assets Without Donor Restrictions to Outstanding Indebtedness	10.98

This computation of the Ratio of the Net Assets Without Donor Restrictions to Outstanding Indebtedness is made in accordance with provisions of a Bond Trust Indenture related to the issuance of \$43,540,000 Health and Educational Facilities Authority of the State of Missouri, Educational Facilities Revenue Bonds (\$25,000,000 Kansas City University Series 2013A and 2013B and \$18,540,000 Kansas City University Series 2017A). The Indenture contains a financial covenant requiring Kansas City University to maintain a Ratio of the Net Assets Without Donor Restrictions to Outstanding Indebtedness of at least 1.25. The Indenture defines Unrestricted Net Assets as the unrestricted net assets (or equivalent measure) of the Kansas City University as shown on the most recent institution financial statements.

In connection with our audit, nothing came to our attention that caused us to believe that the University failed to comply with the terms, covenants, provisions or conditions of the Health and Educational Facilities Authority of the State of Missouri, Educational Facilities Revenue Bonds (Kansas City University Series 2013A, 2013B and 2017A) insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the University's noncompliance with the above-referenced covenants, insofar as they relate to accounting matters.

The Board of Trustees  
Kansas City University

This report is intended solely for the information and use of the board of trustees and management of Kansas City University and the bond trustee for the above-referenced bonds and is not intended to be and should not be used by anyone other than these specified parties.

**Forvis Mazars, LLP**

**Kansas City, Missouri  
November 4, 2024**

**Officer's Certificate of Compliance under Section 508 of**

**Master Trust Indenture Dated as December 1, 2013**

**Among**

**Kansas City University  
And  
UMB Bank, as Master Trustee**

To: UMB Bank, as Successor Trustee  
928 Grand Boulevard, 12<sup>th</sup> Floor  
Kansas City, Missouri 64106  
Attention: Corporate Trust Department, Tracy Rhodes

The undersigned Institution Representative under the Master Trust Indenture hereby certifies that:

- (a) the Institution has maintained the required ratio of Unrestricted Net Assets to Outstanding Indebtedness as of Fiscal Year end of at least 125% detailed in Section 507 of this Master Trust Indenture;
- (b) the Institution has made a review of the activities of the Institution during the Fiscal Year and of performance under this Master Indenture and to the best of my knowledge;
- (c) based on such review, the Institution has fulfilled all its obligations under this Master Indenture throughout such Fiscal Year and there has been no default in the fulfillment of any such obligation.

All capitalized terms not defined herein shall have the meaning given them in the Master Trust Indenture.

Dated: 12/13/2024

By:

  
Authorized Institution Representative