NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: (see "RATINGS")
Moody's: Aaa
Standard & Poor's: AA+

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, under existing law, interest on the Series 2015A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2015A Bonds, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, under existing law, interest on the Series 2015A Bonds is exempt from income taxation in the State of Indiana for all purposes, except the State financial institutions tax. See "TAX MATTERS," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM" and APPENDIX C, "FORM OF APPROVING OPINION OF BOND COUNSEL."

PURDUE
UNIVERSITY

$98,070,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Facilities System Revenue Bonds, Series 2015A

Dated: Date of Delivery **Due: July 1, as shown below**

The Trustees of Purdue University (the "Corporation") will issue its Purdue University Student Facilities System Revenue Bonds, Series 2015A (the "Series 2015A Bonds"), pursuant to resolutions adopted by the Board of Trustees of the Corporation and an Indenture of Trust dated as of January 1, 2003, as supplemented and amended to date, and as further supplemented and amended by a Sixteenth Supplemental and Amendatory Indenture dated as of March 1, 2015, by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (the ultimate successor in interest to Bank One Trust Company, National Association), as trustee (the "Trustee"), for the purpose of (i) paying or reimbursing a portion of the costs of the acquisition, construction, equipping and furnishing of certain student housing facilities of the Corporation, (ii) refunding certain of the Corporation's outstanding Purdue University Student Facilities System Revenue Bonds and (iii) paying or reimbursing certain costs of issuing the Series 2015A Bonds, all as described in this Official Statement. See "PLAN OF FINANCE."

Interest on the Series 2015A Bonds is payable on January 1 and July 1 of each year, commencing July 1, 2015. The Series 2015A Bonds are issuable only as fully registered bonds, and will be issued in denominations of $5,000 or any integral multiple thereof. The Series 2015A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2015A Bonds will be made in book-entry only form, and purchasers of a beneficial interest in the Series 2015A Bonds will not receive physical delivery of the certificates representing their interests in the Series 2015A Bonds. The principal of and interest on the Series 2015A Bonds will be paid to DTC or its nominee as the registered owner of the Series 2015A Bonds. Disbursement of such payments to owners of beneficial interests in the Series 2015A Bonds will be the responsibility of DTC and its participants and indirect participants. See "DESCRIPTION OF SERIES 2015A BONDS—Book Entry System."

Certain of the Series 2015A Bonds are subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF SERIES 2015A BONDS–Redemption."

The Series 2015A Bonds are special and limited obligations of the Corporation, secured exclusively by the Pledged Revenues and payable solely from the Pledged Revenues and other Available Funds, all as defined in this Official Statement. The Series 2015A Bonds are not a general obligation, debt or liability of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Series 2015A Bonds against the State of Indiana or the Corporation, or against the property or funds of the State of Indiana or the Corporation, except to the extent of the Pledged Revenues and other Available Funds. The Corporation has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

Principal Amount	Due July 1	Interest Rate	Price	Yield	CUSIP[1]	Principal Amount	Due July 1	Interest Rate	Price	Yield	CUSIP[1]
$ 325,000	2015	3.000%	100.686%	0.25%	746189VE6	$3,680,000	2026	5.000%	121.896%*	2.46%*	746189VR7
1,460,000	2016	5.000	105.859	0.30	746189VF3	3,865,000	2027	5.000	120.835*	2.57*	746189VS5
1,535,000	2017	5.000	109.817	0.60	746189VG1	4,065,000	2028	5.000	119.881*	2.67*	746189VT3
1,615,000	2018	5.000	112.998	0.93	746189VH9	6,240,000	2029	3.000	98.285	3.15	746189VU0
2,630,000	2019	4.000	111.830	1.14	746189VJ5	4,510,000	2030	3.000	97.480	3.21	746189WC9
2,740,000	2020	5.000	118.270	1.38	746189VK2	1,930,000	2030	5.000	118.935*	2.77*	746189VV8
2,875,000	2021	5.000	120.407	1.56	746189VL0	6,660,000	2031	3.125	98.180	3.27	746189VW6
3,030,000	2022	5.000	121.580	1.81	746189VM8	6,945,000	2032	5.000	117.812*	2.89*	746189VX4
3,175,000	2023	5.000	122.623	2.01	746189VN6	5,575,000	2033	5.000	117.440*	2.93*	746189VY2
3,335,000	2024	5.000	123.315	2.20	746189VP1	4,810,000	2034	5.000	117.070*	2.97*	746189VZ9
3,505,000	2025	5.000	123.261*	2.32*	746189VQ9	3,545,000	2035	4.000	105.109*	3.38*	746189WA3

$20,020,000 4.00% Term Bonds due July 1, 2040 Price: 104.516%* Yield: 3.45%* CUSIP[1]: 746189WB1

* Priced to first optional redemption date of January 1, 2025

This cover page contains certain information for quick reference only. It is ***not*** a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2015A Bonds are offered when, as and if issued by the Corporation and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the Corporation by Stuart & Branigin LLP, Lafayette, Indiana, and for the Underwriters by Ice Miller LLP, Indianapolis, Indiana. Blue Rose Capital Advisors, Inc., is serving as financial advisor to the Corporation. It is anticipated that the Series 2015A Bonds will be available for delivery to DTC on or about March 31, 2015.

BofA Merrill Lynch

Barclays **Cabrera Capital Markets, LLC**

Official Statement dated: February 26, 2015

* A vacancy was created on the Board of Trustees by the resignation of Mr. Bruce White in February 2015. Indiana Code § 21-23-3-8 provides that this vacancy is to be filled by a successor appointed by the Governor of Indiana to serve for the balance of the unexpired term, which expires on June 30, 2017.
** Term expires June 30, 2015
*** Term to expire no later than June 30, 2016

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

NO DEALER, BROKER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED BY THE CORPORATION TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION. THIS OFFICIAL STATEMENT SHOULD BE CONSIDERED IN ITS ENTIRETY AND NO ONE FACTOR CONSIDERED MORE OR LESS IMPORTANT THAN ANY OTHER BY REASON OF ITS POSITION IN THIS OFFICIAL STATEMENT. THE INFORMATION, ESTIMATES AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE AS TO THE AFFAIRS OF THE CORPORATION SINCE THE DATE OF THIS OFFICIAL STATEMENT OR SINCE ANY EARLIER DATE AS OF WHICH INFORMATION IS STATED TO BE GIVEN.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY THE SERIES 2015A BONDS IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015A 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 SERIES 2015A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED IN ANY STATE AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT NOR APPROVED THE SERIES 2015A BONDS FOR SALE.

THESE SECURITIES 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 DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SUMMARY STATEMENT

Subject, in all respects, to more complete information contained elsewhere in this Official Statement.

PURDUE UNIVERSITY. Founded in 1869, Purdue University is the land-grant university of the State of Indiana. The Trustees of Purdue University (the "Corporation") is a statutory body corporate created in 1869 by the Indiana General Assembly, with powers (among others) ". . . to organize said university . . . and to do all acts necessary and expedient to put and keep said university in operation . . ." The Corporation's governing body is a ten-member Board of Trustees, also created by Indiana statute.

The main campus of Purdue University is located in West Lafayette, about 60 miles northwest of Indianapolis; regional campuses are maintained in the Cities of Hammond and Westville, and two regional campuses are operated jointly with Indiana University in Fort Wayne and Indianapolis. The West Lafayette campus is organized academically into ten colleges. Undergraduate, masters and doctorate degrees are awarded in each school. Purdue University's 2014 Fall semester headcount enrollment for all campuses exceeded 68,600, excluding the Indianapolis campus. An additional 5,767 Purdue students attend the Indiana University-Purdue University campus in Indianapolis. See Appendix A.

PURPOSES OF ISSUE. The Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2015A (the "Series 2015A Bonds"), are being issued to (a) pay or reimburse a portion of the costs of the acquisition, construction, equipping and furnishing of certain student housing facilities of the Corporation, (b) refund the Corporation's outstanding Purdue University Student Facilities System Revenue Bonds identified in Appendix E (the "Refunded Bonds") and (c) pay or reimburse certain costs of issuing the Series 2015A Bonds, all as described in this Official Statement. See "PLAN OF FINANCE."

SECURITY. The Series 2015A Bonds are being issued under an Indenture of Trust by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (the ultimate successor in interest to Bank One Trust Company, National Association), as trustee (the "Trustee"), dated as of January 1, 2003, as supplemented and amended to date (such Indenture of Trust, as so supplemented and amended, the "Original Indenture"), and as supplemented and amended by a Sixteenth Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, dated as of March 1, 2015 (the "Sixteenth Supplemental Indenture") (the Original Indenture, as so supplemented and amended, the "Indenture"). The Series 2015A Bonds and any other obligations of the Corporation secured by a first lien on the Pledged Revenues under the Indenture (the Series 2015A Bonds and such other obligations, "First Lien Bonds") are special and limited obligations of the Corporation, payable solely from the Pledged Revenues and the other Available Funds and secured exclusively by a pledge of and first lien on the Pledged Revenues.

Upon the issuance of the Series 2015A Bonds, the following First Lien Bonds will be outstanding (after giving effect to the issuance of the 2015A Bonds and the defeasance of the Refunded Bonds): (a) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), $17,600,000 aggregate principal amount of which remain outstanding; (b) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2005A (Adjustable Demand) (the "Series 2005A Bonds"), $6,020,000 aggregate principal amount of which remain outstanding; (c) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2007A (the "Series 2007A Bonds"), $59,840,000 aggregate principal amount of which remain outstanding; (d) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2007B (the "Series 2007B Bonds"), $3,510,000 aggregate principal amount of which remain outstanding; (e) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2007C (Adjustable Demand) (the "Series 2007C Bonds"), $25,520,000 aggregate principal amount of which remain outstanding; (f) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2009A (the "Series 2009A Bonds"), $19,930,000 aggregate principal amount of which remain outstanding; (g) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2009B (the "Series 2009B Bonds"), $37,510,000 aggregate principal amount of which remain outstanding; (h) the Corporation's Purdue University Taxable Student Facilities System Revenue Bonds, Series 2010A (Build America Bonds – Direct Pay Option) (the "Series 2010A Bonds"), $22,750,000 aggregate principal amount of which remain outstanding; (i) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2011A (the "Series 2011A Bonds"), $41,295,000 aggregate principal amount of which remain outstanding; (j) Corporation's Purdue University

Student Facilities System Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), $38,825,000 aggregate principal amount of which remain outstanding; and (k) the Series 2015A Bonds, $98,070,000 aggregate principal amount of which will be outstanding.

The Series 2015A Bonds and all other Bonds (as hereinafter defined) are not a general obligation, debt or liability of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Bonds against the Corporation or the State of Indiana, or against the property or funds of the Corporation or the State of Indiana, except to the extent of the Pledged Revenues. The Corporation has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

PLEDGED REVENUES. Pledged Revenues include: (a) all revenues derived from the operation of the System and any investment income on the Revenue Fund (such revenues and investment income, "Gross Income"), less the sum of (i) all current expenses of operation, maintenance, insurance and repair of the System (such current expenses, "Operation and Maintenance Expenses") and (ii) certain financing costs (such costs, "Financing Expenses") (Gross Income less the sum of Operation and Maintenance Expenses plus Financing Expenses, "Net Income"), (b) any amounts held in the Project Fund and any investment income thereon, and (c) any amounts held in the Sinking Fund and any investment income thereon. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS – Net Income."

AVAILABLE FUNDS. Available Funds include: (a) the Pledged Revenues; and (b) any other available income or funds of the Corporation, any transfer of which income or funds to the Sinking Fund or any use of which income or funds to pay any principal of or premium, if any, or interest on any Bonds does not violate, conflict with or breach, or constitute a default under, (i) any pledge, assignment, security interest, mortgage, lien, encumbrance, trust, appropriation, restriction or authorization to which such income or funds are subject, or (ii) any law, rule or regulation, any contract, agreement, indenture, lease, guaranty, bond, note or instrument, or any order, writ, judgment or decree to which the Corporation or any of its property is subject. **Generally, under Indiana law, state appropriated funds and mandatory student fees assessed to all students may not, without General Assembly approval, be used to pay debt service on any bonds and, therefore, will not be Available Funds.** See "SECURITY AND SOURCES OF PAYMENT FOR BONDS – Available Funds."

SYSTEM. The System consists of certain dormitories and other housing facilities for single and married students and school personnel, certain food service facilities and certain other facilities. See "FACILITIES AND SYSTEM."

BOOK-ENTRY SYSTEM. The Series 2015A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and all payments of principal and interest will be made to Cede & Co. which will in turn remit such payments to DTC Participants and DTC Indirect Participants for subsequent disbursement to the Beneficial Owners of the Series 2015A Bonds. Purchases of the Series 2015A Bonds by investors will be made in book-entry form only and individual purchasers will not receive physical delivery of Series 2015A Bond certificates. See "DESCRIPTION OF SERIES 2015A BONDS—Book Entry System."

DEBT SERVICE COVERAGE. The following projected debt service coverage summary is based solely on Net Income for the Fiscal Years ended June 30, 2014, and June 30, 2013 (excluding any other Available Funds), and the projected average of the annual debt service on the Series 2004A Bonds, the Series 2005A Bonds, the Series 2007A Bonds, the Series 2007B Bonds, the Series 2007C Bonds, the Series 2009A Bonds, the Series 2009B Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the Series 2012A Bonds and the Series 2015A Bonds (which are the only First Lien Bonds that will be outstanding upon the issuance of the Series 2015A Bonds), after giving effect to the issuance of the Series 2015A Bonds and the defeasance of the Refunded Bonds:

	Fiscal Year Ended June 30	
	2014	2013
Net Income	$40,045,430	$36,325,833
Projected coverage[(1)]	1.88	1.70

Projected average annual debt service: $21,323,260 [(1)]

(1) Projected average of annual debt service for Fiscal Years ending June 30, 2015, through and including June 30, 2041, after giving effect to issuance of Series 2015A Bonds and defeasance of Refunded Bonds. Assumes Series 2004A Bonds, Series 2005A Bonds and Series 2007C Bonds (which bear interest at variable rates) bear interest at 3.5% per annum. Debt service not reduced by subsidy payments to be received by Corporation from U.S. Treasury for qualified Build America Bonds.

NO RESERVE FUND. No Reserve Fund Requirement exists for the Series 2015A Bonds, and the Series 2015A Bonds will not have access to any Reserve Fund.

ADDITIONAL OBLIGATIONS. The Corporation may issue: (a) First Lien Bonds on a parity with the Series 2015A Bonds and all other outstanding First Lien Bonds; or (b) obligations payable out of any of the Pledged Revenues (but only after making payment of principal of and interest on the First Lien Bonds then due), any lien on any of the Pledged Revenues securing which obligations is junior and subordinate to the lien on the Pledged Revenues securing any First Lien Bonds (any obligations described in (a) or (b) issued under the Indenture, "Bonds"). See "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Issuance of First Lien Bonds" and "—Issuance of Junior Lien Obligations and Credit Facility Obligations."

CONTINUING DISCLOSURE. Pursuant to the continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the Corporation entered into an Amended and Restated Continuing Disclosure Undertaking Agreement dated as of November 1, 2010, as heretofore supplemented, and as further supplemented by a Seventh Supplement to Continuing Disclosure Undertaking Agreement, dated as of March 1, 2015 (collectively, the "Undertaking Agreement"), pursuant to which the Corporation will agree to provide (i) on an annual basis to the Municipal Securities Rulemaking Board (the "MSRB"), certain annual financial information, and (ii) notice to the MSRB, upon the occurrence of certain events more fully described herein. See "APPENDIX D: SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT."

PROPOSED AMENDMENTS. The Corporation is seeking the consent and approval of the original purchasers of the Series 2015A Bonds to the execution of certain proposed amendments to the Original Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Proposed Amendments." THE ORIGINAL PURCHASERS OF THE SERIES 2015A BONDS WILL, BY THEIR PURCHASE THEREOF, BE DEEMED TO HAVE CONSENTED TO AND APPROVED THE EXECUTION OF SUCH AMENDMENTS. ON THE DATE OF ISSUANCE OF THE SERIES 2015A BONDS, THE OWNERS OF A MAJORITY IN AGGREGATE PRINCIPAL AMOUNT OF THE BONDS THEN OUTSTANDING, INCLUDING THE ORIGINAL PURCHASERS OF THE SERIES 2015A BONDS, WILL HAVE CONSENTED TO AND APPROVED THE EXECUTION OF SUCH AMENDMENTS, AND SUCH AMENDMENTS WILL THEREUPON BECOME EFFECTIVE.

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OFFICIAL STATEMENT

$98,070,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Facilities System Revenue Bonds, Series 2015A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices, is to set forth information concerning the issuance and sale by The Trustees of Purdue University (the "Corporation") of its Purdue University Student Facilities System Revenue Bonds, Series 2015A (the "Series 2015A Bonds").

The Series 2015A Bonds are being issued under Indiana Code 21-32-1-1, *et. seq*., 21-32-2-1, *et seq*., 21-35-1-1, *et seq*., 21-35-3-1, *et seq*., and 21-35-5-1, *et seq*., as amended (the "Act"), and pursuant to resolutions adopted by the Board of Trustees of the Corporation (the "Board") and in accordance with the provisions of an Indenture of Trust by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (the ultimate successor in interest to Bank One Trust Company, National Association), as trustee (the "Trustee"), dated as of January 1, 2003, as supplemented and amended to date (the "Original Indenture"), and as further supplemented and amended by a Sixteenth Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, dated as of March 1, 2015 (the "Sixteenth Supplemental Indenture") (the Original Indenture, as supplemented and amended by the Sixteenth Supplemental Indenture, the "Indenture").

The Indenture permits the Corporation to issue: (a) First Lien Bonds on a parity with the Series 2015A Bonds and all other outstanding First Lien Bonds or (b) obligations payable out of any of the Pledged Revenues (but only after making payment of principal of and interest on the First Lien Bonds then due), any lien on any of the Pledged Revenues securing which obligations is junior and subordinate to the lien on the Pledged Revenues securing any First Lien Bonds (any obligations described in (a) or (b) issued under the Indenture, "Bonds"). Certain terms of the Indenture, including provisions for the issuance of additional First Lien Bonds, are described in this Official Statement in the section entitled "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

The Series 2015A Bonds and any other obligations of the Corporation secured by a first lien on the Pledged Revenues under the Indenture (the Series 2015A Bonds and such other obligations, "First Lien Bonds") are special and limited obligations of the Corporation, payable solely from the Pledged Revenues and the other Available Funds and secured exclusively by a pledge of and first lien on the Pledged Revenues.

Upon the issuance of the Series 2015A Bonds, the following First Lien Bonds will be outstanding (after giving effect to the issuance of the Series 2015A Bonds and the defeasance of the Refunded Bonds): (a) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), $17,600,000 aggregate principal amount of which remain outstanding; (b) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2005A (Adjustable Demand) (the "Series 2005A Bonds"), $6,020,000 aggregate principal amount of which remain outstanding; (c) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2007A (the "Series 2007A Bonds"), $59,840,000 aggregate principal amount of which remain outstanding; (d) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2007B (the "Series 2007B Bonds"), $3,510,000 aggregate principal amount of which remain outstanding; (e) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2007C (Adjustable Demand) (the "Series 2007C Bonds"), $25,520,000 aggregate principal amount of which remain outstanding; (f) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2009A (the "Series 2009A Bonds"), $19,930,000 aggregate principal amount of which remain outstanding; (g) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2009B (the "Series 2009B Bonds"), $37,510,000 aggregate principal amount of which remain outstanding; (h) the Corporation's Purdue University Taxable Student Facilities System Revenue Bonds, Series 2010A (Build America Bonds – Direct Pay Option) (the "Series 2010A Bonds"), $22,750,000 aggregate principal amount of which remain outstanding; (i) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2011A (the "Series 2011A Bonds"), $41,295,000 aggregate principal amount of which remain outstanding; (j) the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), $38,825,000 aggregate principal amount of which remain outstanding; and (k) the Series 2015A Bonds, $98,070,000 aggregate principal amount of which will be outstanding.

The Series 2015A Bonds and all other Bonds are not a general obligation, debt or liability of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Series 2015A Bonds or any other Bonds against the Corporation or the State of Indiana, or against the property or funds of the Corporation or the State of Indiana, except to the extent of the Pledged Revenues. The Corporation has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

The Corporation has covenanted and agreed in the Indenture to pay Net Income to the Trustee on or before each principal or interest payment date (see "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Flow of Funds – Sinking Fund") in an amount sufficient to pay the principal of and interest on the Series 2015A Bonds and all other First Lien Bonds due on such date. Such amounts will be deposited in the Sinking Fund.

Certain of the Series 2015A Bonds are subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF SERIES 2015A BONDS–Redemption."

The Corporation has entered into an Amended and Restated Continuing Disclosure Undertaking Agreement dated as of November 1, 2010, as heretofore supplemented, and as further supplemented by a Seventh Supplement to Continuing Disclosure Undertaking Agreement, dated as of March 1, 2015 (the "Undertaking Agreement"), for the benefit of the beneficial owners of the Series 2015A Bonds, obligating the Corporation to provide certain continuing disclosure as described in "APPENDIX D: SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT."

The information contained under the caption "INTRODUCTION" is qualified by reference to the entire Official Statement, including the Appendices hereto. This introduction is only a brief description and a full review should be made of the entire Official Statement, including the Appendices hereto, as well as documents summarized or described herein. The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument.

PURPOSE OF SERIES 2015A BONDS

The Series 2015A Bonds are being issued for the purpose of (a) paying or reimbursing a portion of the costs of the acquisition, construction, equipping and furnishing of certain student housing facilities of the Corporation, (b) refunding the Corporation's outstanding Purdue University Student Facilities System Revenue Bonds identified in Appendix E (the "Refunded Bonds") and (c) paying or reimbursing certain costs of issuing the Series 2015A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

DESCRIPTION OF SERIES 2015A BONDS

General

The Series 2015A Bonds will be issued in the aggregate principal amount of $98,070,000 and will be dated and bear interest from their date of delivery. The Series 2015A Bonds will bear interest, payable January 1 and July 1 of each year, commencing July 1, 2015 (each such date, an "Interest Payment Date"), at the rates and will mature on the dates and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Series 2015A Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

Each Series 2015A Bond will bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless it is (a) authenticated after the fifteenth day of the month immediately preceding such Interest Payment Date (each fifteenth day of the month immediately preceding an Interest Payment Date, a "Record Date") and on or before the following Interest Payment Date, in which case it will bear interest from such Interest Payment Date, or (b) authenticated before the close of business on the Record Date preceding the first Interest Payment Date, in which case it will bear interest from their date of delivery. However, if, at the time of authentication, interest on any Series 2015A Bond is in default, such Series 2015A Bond will bear interest from the date to which interest has been paid.

Certain of the Series 2015A Bonds are subject to redemption prior to maturity, as described herein. See "Redemption."

The Series 2015A Bonds will be issued in fully registered form in the denomination of $5,000 or any integral multiple thereof (an "Authorized Denomination").

The Series 2015A Bonds will be registered on the books of the Corporation kept for that purpose at the designated corporate trust operations office of the Trustee, as Registrar. The principal of the Series 2015A Bonds is payable when due upon presentation and surrender thereof at the designated corporate trust operations office of the Trustee. Interest on the Series 2015A Bonds is payable when due by check or draft mailed by the Trustee to the registered owners as their names and addresses appear in the Corporation's registration books on the Record Date.

The person in whose name any Series 2015A Bond is registered will be deemed and regarded as the absolute owner thereof for all purposes, and payment of any principal of or premium, if any, or interest on any Series 2015A Bond will be made only to or upon order of the registered owner thereof, or the registered owner's legal representative. The Corporation and the Trustee, Registrar and Paying Agent may deem and treat the registered owner of any Series 2015A Bond as the absolute owner of such Series 2015A Bond, whether such Series 2015A Bond is overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Corporation nor the Trustee, Registrar or Paying Agent will be affected by any notice to the contrary.

Redemption

Optional Redemption. The Series 2015A Bonds maturing on or after July 1, 2025, are subject to redemption prior to maturity at the option of the Corporation at any time on or after January 1, 2025, in whole or in part, in any order of maturity as selected by the Corporation (less than all of the Series 2015A Bonds of a single maturity to be selected by lot in any manner selected by the Trustee), at the redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2015A Bonds maturing on July 1, 2040, are subject to mandatory sinking fund redemption by lot prior to maturity on the dates and in amounts set forth below, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, without premium:

July 1	Amount
2036	$3,690,000
2037	3,840,000
2038	4,000,000
2039	4,160,000
2040*	4,330,000

*Final maturity

Not less than 45 days prior to the dates set forth above, the Trustee will select the Series 2015A Bonds of the respective maturity to be so redeemed and will promptly give notice of redemption as set forth below, which notice will state that Series 2015A Bonds are being redeemed by mandatory sinking fund redemption.

Selection of Series 2015A Bonds to be Redeemed. If less than all of the Series 2015A Bonds within a maturity are called for redemption, the Trustee will select the Series 2015A Bonds or portions thereof within a maturity to be redeemed in any manner the Trustee in its sole discretion deems appropriate.

Notice of Redemption. For so long as the Series 2015A Bonds are registered in the name of DTC or its nominee or its successor, any redemption notice will be given only to DTC or its nominee or successor, as described under "Book Entry System."

Notice of redemption of the Series 2015A Bonds or portions thereof will be given by the Trustee by mailing a copy of the redemption notice by first class mail not less than 30 days nor more than 45 days prior to the date fixed for redemption to the registered owner of each Series 2015A Bond to be redeemed at the address shown on the registration books. In the case of optional redemption of Series 2015A Bonds, notice will also be sent to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2015A Bonds (the sole such depository now being The Depository Trust Company of New York, New York), not less than 30 days nor more than 45 days prior to the date fixed for redemption. Any failure to give any such notice, or any defect therein, with respect to any Series 2015A Bond will not affect the validity of any proceedings for the redemption of any other Series 2015A Bonds. If for any reason it is impossible or impractical to mail such notice of call for redemption in the manner provided, then any mailing in lieu thereof made with the Trustee's approval will constitute sufficient notice.

On and after the redemption date specified in the aforesaid notice, such Series 2015A Bonds, or portions thereof, thus called (provided funds for their redemption are on deposit at the place of payment) will no longer bear interest, will no longer be protected by the Indenture and will no longer be deemed to be Outstanding under the Indenture, and the holders thereof will have the right to receive only the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

No notice of optional redemption of any Series 2015A Bonds will be effective if sufficient funds have not been deposited in the Redemption Fund on the redemption date pursuant to the Indenture, and such event will not constitute an Event of Default under the Indenture and such Series 2015A Bonds will continue to bear interest until paid at the same rate as if such Series 2015A Bonds had not been called for redemption.

Partial Redemption or Purchase. In case any Series 2015A Bond is of a denomination larger than the minimum Authorized Denomination, all or a portion of such Series 2015A Bond may be redeemed (or purchased), provided that the principal amount not being redeemed (or purchased) is in any Authorized Denomination.

Upon surrender of any Series 2015A Bond for redemption (or purchase) in part only, the Corporation will execute and the Trustee will authenticate and deliver to the registered owner thereof, at the Corporation's expense, a new Series 2015A Bond or Series 2015A Bonds of Authorized Denominations in aggregate principal amount equal to the unredeemed portion of such Series 2015A Bond surrendered.

Open Market Purchases. At its option, to be exercised not less than 45 days prior to any redemption date, or such shorter period as is acceptable to the Trustee and Paying Agent, the Corporation may (a) deliver to the Trustee any Series 2015A Bonds purchased with moneys on deposit in the Revenue Fund and available for redemption of such Series 2015A Bonds and (b) instruct the Trustee to apply the principal amount of such Series 2015A Bonds so delivered for credit at 100% of the principal amount thereof against the principal amount of Series 2015A Bonds of the same maturity to be redeemed on the next succeeding redemption date. The Trustee will so credit each such Series 2015A Bond so delivered.

Redeemed Series 2015A Bonds. If the amount necessary to redeem any Series 2015A Bonds called for redemption has been deposited with the Trustee for that purpose on or before the date specified for redemption, and if the notice described above has been duly given and all proper charges and expenses of the Trustee, Registrar and Paying Agent in connection with such redemption have been paid or provided for, the Corporation will be released from all liability on such Series 2015A Bonds, and such Series 2015A Bonds will no longer be deemed to be outstanding under the Indenture. Thereafter, such Series 2015A Bonds will not be secured by the lien of the Indenture, and the holders thereof may look only to the Trustee for payment thereof.

Payment of Principal and Interest

For so long as the Series 2015A Bonds are registered in the name of DTC or its nominee or its successor, payments of principal and interest will be made as described under "Book Entry System." In the event the Series 2015A Bonds are no longer registered under a book-entry only system, payment of the principal of and interest on the Series 2015A Bonds will be made as described above under "General."

Interest Account. The Trustee will establish and maintain, as long as any Series 2015A Bonds are outstanding, a separate account within the Sinking Fund created by the Indenture to be known as the Series 2015A Interest Account. On or before the first day of each January and July (or, if such first day is not a Business Day, on the next succeeding Business Day), the Trustee will deposit in the Series 2015A Interest Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the interest on the Series 2015A Bonds due on such date and (b) the amount of moneys then on deposit in the Series 2015A Interest Account available to pay such interest. The Trustee will use moneys on deposit in the Series 2015A Interest Account to pay the interest on the Series 2015A Bonds whenever such interest is due and payable.

Principal Account. The Trustee will establish and maintain, as long as any Series 2015A Bonds are outstanding, a separate account within the Sinking Fund to be known as the Series 2015A Principal Account. On or before the first day of each July (or, if such first day is not a Business Day, on the next succeeding Business Day), the Trustee will deposit in the Series 2015A Principal Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the principal amount of Series 2015A Bonds maturing or subject to mandatory sinking fund redemption on such date and (b) the amount of moneys then on deposit in the Series 2015A Principal Account available to pay such principal. The Trustee will use moneys on deposit in the Series 2015A Principal Account to pay the principal of the Series 2015A Bonds at maturity or upon mandatory sinking fund redemption.

Redemption Account. The Trustee will establish and maintain, as long as any Series 2015A Bonds are outstanding, a separate account within the Redemption Fund to be known as the Series 2015A Account. On or before any day on which any Series 2015A Bonds are subject to optional redemption, the Trustee will deposit in the Series 2015A Account of the Redemption Fund moneys received from the Corporation in an amount equal to the difference, if any, between (a) the redemption price of the Series 2015A Bonds due on such date and (b) the amount of moneys then on deposit in the Series 2015A Account of the Redemption Fund available to pay such redemption price. The Trustee will use moneys on deposit in the Series 2015A Account of the Redemption Fund to pay the optional redemption price of the Series 2015A Bonds whenever such redemption price is due and payable.

Payments Due on Saturdays, Sundays and Holidays

In the event that the date of maturity of principal of or interest on any Series 2015A Bonds or the date fixed for redemption of any Series 2015A Bonds is a day other than a Business Day, then payment of interest or principal need not be made on such date, but may be made (without additional interest) on the next succeeding Business Day with the same force and effect as if made on the date of maturity or date fixed for redemption.

Transfer and Exchange

For so long as the Series 2015A Bonds are registered in the name of DTC or its nominee or its successor, the transfer and exchange procedures will be as described under "Book Entry System."

Book Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2015A Bonds. The Series 2015A 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 Series 2015A Bonds certificate will be issued for each maturity of the Series 2015A Bonds, in the aggregate principal amount of such maturity, 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 Series 2015A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015A 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 Series 2015A 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 Series 2015A Bonds, except in the event that use of the book-entry system for the Series 2015A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015A 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 Series 2015A 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 Series 2015A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015A 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 Series 2015A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015A Bond documents. For example, Beneficial Owners of Series 2015A Bonds may wish to ascertain that the nominee holding the Series 2015A 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 Series 2015A 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 Series 2015A 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 Corporation 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 Series 2015A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2015A 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 Corporation or the Trustee, on payable 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, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, 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 Series 2015A Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015A Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2015A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry System

In the event that the book-entry system for the Series 2015A Bonds is discontinued, the Trustee would provide for the registration of the Series 2015A Bonds in the name of the Beneficial Owners thereof. The Corporation and the Trustee would treat the person in whose name any Series 2015A Bond is registered as the absolute owner of such Series 2015A Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, except as otherwise described in Appendix D: "SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT," and neither the Corporation nor the Trustee would be bound by any notice or knowledge to the contrary.

Each Series 2015A Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the designated corporate trust operations office of the Trustee, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Trustee. Upon due presentation of any Series 2015A Bonds for transfer or exchange, the Trustee would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new Series 2015A Bond or Series 2015A Bonds, registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Series 2015A Bond or Series 2015A Bonds so presented. The Corporation or the Trustee would require the owner of any Series 2015A Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such Series 2015A Bonds. A Series 2015A Bond would not be subject to transfer or exchange after the mailing of notice calling such Series 2015A Bond for redemption has been made, or during a period of 15 days next preceding the mailing of notice for redemption of any Series 2015A Bonds.

SECURITY AND SOURCES OF PAYMENT FOR BONDS

The Series 2015A Bonds and all other First Lien Bonds are special and limited obligations of the Corporation, secured exclusively by a pledge of and first lien on the Pledged Revenues, as provided in the Indenture, and payable solely from the Pledged Revenues and the other Available Funds. The Series 2015A Bonds and all other Bonds are not a general obligation, debt or liability, or a charge against any property or fund, of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Series 2015A Bonds or any other Bonds against the Corporation or the State of Indiana, except to the extent of the Pledged Revenues. The following sections regarding security for the Bonds summarize certain provisions of the Indenture. For a complete summary of the provisions of the Indenture relating to the security for the Series 2015A Bonds and all other First Lien Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE."

No recourse under or upon any indebtedness, obligation, covenant, agreement or liability contained in the Indenture or any Series 2015A Bonds or other Bonds may be had against any past, present or future officer, trustee, employee, agent or representative of the Corporation. No personal liability whatever will attach to or be incurred by any past, present or future officer, trustee, employee, agent or representative of the Corporation by reason of any of the indebtedness, obligations, covenants, agreements or liabilities contained in the Indenture or any Series 2015A Bonds or other Bonds, or be implied therefrom.

Net Income

In the Indenture, in order to secure the payment of the Bonds and the performance by the Corporation of its covenants in the Indenture and the Bonds, the Corporation pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the following (the "Pledged Revenues"):

(a) (i) all revenues derived from the operation of the System, including without limitation rents, fees, rates and charges for any use of the System, and any investment income on the Revenue Fund (such revenues and income, "Gross Income"), less

(ii) the sum of

(A) all current expenses of operation, maintenance, insurance and repair of the System, including without limitation general administrative expenses of the Corporation allocable to the System, but excluding depreciation expenses (such current expenses of operation, maintenance, insurance and repair of the System, "Operation and Maintenance Expenses") (the Corporation being permitted, in its discretion, to furnish heat, light, power and other utility services to any or all of the System with or without charge therefor, and, if any such utility services are provided without charge, the cost thereof not being included as "Operation and Maintenance Expenses"), plus

(B) any financing costs related to any Bonds, including without limitation any amounts which are payable to the United States of America with respect to any Bonds under Section 148 of the Code (any such amounts, "Rebatable Amounts"), any fees and expenses related to the computation of any Rebatable Amounts, any fees and expenses related to any letter of credit, line of credit, insurance policy, guaranty, surety bond, bond purchase agreement or other instrument providing for the payment of or guaranteeing the payment of any principal of or interest on any Bonds or any purchase price of any Bonds (any such letter of credit, line of credit, insurance policy, guaranty, surety bond, bond purchase agreement or other instrument, a "Credit Facility"), or any fees and expenses related to any other credit facilities or liquidity facilities for any Bonds (any such financing costs related to any Bonds, "Financing Expenses")

(Gross Income less the sum of Operation and Maintenance Expenses plus Financing Expenses, "Net Income");

(b) any amounts held in the Project Fund and any investment income thereon; and

(c) any amounts held in the Sinking Fund and any investment income thereon.

Available Funds

If at any time the moneys in the Revenue Fund are insufficient to pay the principal of and interest on the First Lien Bonds and pay any Credit Facility Obligations and Optional Maturities, the Corporation will make or cause to be made to the Trustee a transfer of moneys for deposit in the Sinking Fund, in an amount equal to such insufficiency, from the following (the "Available Funds"):

(a) the Pledged Revenues; and

(b) any other available income or funds of the Corporation, any transfer of which income or funds to the Sinking Fund or any use of which income or funds to pay any principal of or premium, if any, or interest on any Bonds does not violate, conflict with or breach, or constitute a default under, (i) any pledge, assignment, security interest, mortgage, lien, encumbrance, trust, appropriation, restriction or authorization to which such income or funds are subject, or (ii) any law, rule or regulation, any contract, agreement, indenture, lease, guaranty, bond, note or instrument or any order, writ, judgment or decree to which the Corporation or any of its property is subject.

Generally, under Indiana law, state appropriated funds and mandatory student fees assessed to all students may not, without General Assembly approval, be used to pay debt service on any bonds and, therefore, will not be Available Funds.

No Reserve Fund

The Series 2015A Bonds will have no claim on any reserve fund. However, the Corporation may in the future issue Bonds which will have a claim on the Reserve Fund established under the Indenture in the manner prescribed in the Indenture, for which a reserve fund requirement may exist. See "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Flow of Funds – No Reserve Fund."

Issuance of First Lien Bonds, Junior Lien Obligations and Credit Facility Obligations

The Corporation may issue First Lien Bonds, Junior Lien Obligations and Credit Facility Obligations upon the terms and subject to the conditions set forth in the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Issuance of First Lien Bonds" and "—Issuance of Junior Lien Obligations and Credit Facility Obligations."

DEBT SERVICE COVERAGE

The following projected debt service coverage summary is based solely on Net Income for the Fiscal Years ended June 30, 2014, and June 30, 2013 (excluding any other Available Funds), and the projected average of the annual debt service on the Series 2004A Bonds, the Series 2005A Bonds, the Series 2007A Bonds, the Series 2007B Bonds, the Series 2007C Bonds, the Series 2009A Bonds, the Series 2009B Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the 2012A Bonds and the Series 2015A Bonds (which are the only First Lien Bonds that will be outstanding upon the issuance of the Series 2015A Bonds), after giving effect to the issuance of the Series 2015A Bonds and the defeasance of the Refunded Bonds:

	Fiscal Year Ended June 30	
	2014	2013
Net Income	$40,045,430	$36,325,833
Projected coverage[(1)]	1.88	1.70

Projected average annual debt service: $21,323,260[(1)]

(1) Projected average of annual debt service for Fiscal Years ending June 30, 2015, through and including June 30, 2041, after giving effect to issuance of Series 2015A Bonds and defeasance of Refunded Bonds. Assumes Series 2004A Bonds, Series 2005A Bonds and Series 2007C Bonds (which bear interest at variable rates) bear interest at 3.5% per annum. Debt service not reduced by subsidy payments to be received by Corporation from U.S. Treasury for qualified Build America Bonds.

ANNUAL DEBT SERVICE REQUIREMENT

The projected annual debt service requirement for the Series 2015A Bonds and the other Bonds that will be outstanding upon issuance of the Series 2015A Bonds is as follows:

		Series 2015A Bonds		
Fiscal Year ended June 30	Outstanding Debt Service[(1) (2)]	Principal[(1)]	Interest	Total Debt Service[(1) (2)]
2015	$26,273,892	-	-	$26,273,892
2016	24,915,798	$ 325,000	$3,228,437	28,469,235
2017	24,921,502	1,460,000	4,248,925	30,630,427
2018	25,035,133	1,535,000	4,174,050	30,744,183
2019	25,324,026	1,615,000	4,095,300	31,034,326
2020	24,264,029	2,630,000	4,002,325	30,896,354
2021	21,980,859	2,740,000	3,881,225	28,602,084
2022	21,985,625	2,875,000	3,740,850	28,601,475
2023	22,078,244	3,030,000	3,593,225	28,701,469
2024	22,090,741	3,175,000	3,438,100	28,703,841
2025	22,075,882	3,335,000	3,275,350	28,686,232
2026	22,041,338	3,505,000	3,104,350	28,650,688
2027	22,201,875	3,680,000	2,924,725	28,806,600
2028	22,205,121	3,865,000	2,736,100	28,806,221
2029	22,193,739	4,065,000	2,537,850	28,796,589
2030	16,797,251	6,240,000	2,342,625	25,379,876
2031	12,957,043	6,440,000	2,133,125	21,530,168
2032	11,967,901	6,660,000	1,913,163	20,541,064
2033	11,871,113	6,945,000	1,635,475	20,451,588
2034	7,011,795	5,575,000	1,322,475	13,909,270
2035	2,897,250	4,810,000	1,062,850	8,770,100
2036	2,239,625	3,545,000	871,700	6,656,325
2037	-	3,690,000	727,000	4,417,000
2038	-	3,840,000	576,400	4,416,400
2039	-	4,000,000	419,600	4,419,600
2040	-	4,160,000	256,400	4,416,400
2041	-	4,330,000	86,600	4,416,600

(1) Principal matures on the preceding July 1.

(2) After giving effect to defeasance of Refunded Bonds. Assumes Series 2004A Bonds, Series 2005A Bonds and Series 2007C Bonds (which bear interest at variable rates) bear interest at 3.5% per annum. Debt service not reduced by subsidy payments to be received by Corporation from U.S. Treasury for qualified Build America Bonds.

Note: Totals may not add as a result of rounding.

FACILITIES AND SYSTEM

General

The Student Facilities System (the "System") may include any Purdue University facility permitted under the Acts. As of the date of this Official Statement, the facilities consist of certain student residence, dining and other facilities located on the Corporation's West Lafayette, Fort Wayne and Calumet campuses.

The System dates back to 1927, when the basic operating concepts and principles followed today were formulated. In addition to providing food and shelter, the System is expected to be financially self-supporting and to enrich the resident students' total educational experience. In order to ensure the continued viability of the System, the facilities are designed to be operated and managed in an efficient and business-like manner. The senior financial officer of the Corporation is charged with the System's management, including fiscal affairs, facilities maintenance, residence counseling, educational and student personnel programs.

Currently, the System is owned and generally operated by the Corporation and is comprised of a variety of student residence and dining operation facilities for single undergraduate students, graduate students and married students. Accommodations, including both room and board, room only, and apartments, are available to both undergraduate and graduate students. The West Lafayette campus provides 11,897 spaces for students in 2014-2015. There are 10,199 undergraduate residence hall room and board spaces, 309 graduate housing spaces, 769 single student spaces in apartments with food contract options, and 620 married student spaces in apartments. The Fort Wayne and Calumet campuses provides 1,204 and 744 spaces, respectively, for students in 2014-2015.

Management

The student housing facilities on the West Lafayette campus are managed by a central administrative office under the direction of the Associate Vice President for Housing and Food Services. The Associate Vice President is assisted by the Executive Director of University Residences. The overall management of each facility is delegated to a General Manager whose professional staff is responsible for fiscal affairs, housing, maintenance, student services and counseling. Each facility, except family housing, has formed self-governing student and social organizations offering student representation in the overall operation of the unit. Food services are administered by Purdue University management.

The student housing facilities on the Fort Wayne campus are managed by American Campus Communities. American Campus Communities combines physical plant and financial management with residence life and student development values, designed so that each community may be a well-maintained, well-operated, academically-oriented living and learning center. Management of the Calumet housing facilities are administered by Purdue University management.

West Lafayette Campus Facilities

Single Student Housing. Currently, 10,199 single undergraduate students can be housed in fourteen traditional residence halls. All of these halls are multi-storied facilities containing lounges, recreation rooms and mail room facilities. One additional facility is an apartment complex located on campus that can house 769 single undergraduate students and 27 graduate students. Optional board service is available through the dining services in any of the halls or apartments. A new 304-bed residence hall named Third Street Suites opened in the Fall 2014.

Graduate Housing. Approximately 309 spaces are available in on-campus apartments for graduate students. Facilities include laundry, community and recreation spaces. The graduate housing contracts are for room only, which includes all utilities. Food service is available on a cash basis in any of the dining locations.

Married Student Housing Complex. The complex provides 902 spaces for graduate and married students in apartments within walking distance of the main campus. The spaces consist of unfurnished apartments in one- and two-bedroom units. Rent includes all utilities, including basic telephone service.

Dining Facilities: There are five operating dining court locations: Earhart Hall, Hillenbrand Hall, Windsor Hall, the Fred and Mary Ford Dining Court, and Wiley Dining Court. In addition, the System has two mini-marts and two grill operations.

Regional Campus Facilities

Fort Wayne Student Housing. There are 1,204 spaces consisting of thirteen apartment buildings with two freestanding commons buildings. The housing complex is linked to the main campus by a pedestrian bridge. The furnished apartments are one-, two- and four-bedroom units with shared or private baths. The buildings include recreation rooms and computer learning centers. On-campus housing became available in 2003; the most recent construction was completed in 2010.

Calumet Student Housing. There are 744 spaces available in two free standing buildings. The buildings consist of apartments, most with four private bedrooms and two shared baths. The apartment suites have a kitchen/dining room and a living room. The first apartment facility, Peregrine, was opened to students in the Fall of 2005 and sits on Purdue University property in close proximity to the Physical Education and Recreation Building. A second phase, Griffin, was completed in Fall of 2009.

Current System Housing Facilities	**Initial Construction**	**Fall 2014 Total Spaces Available**
Franklin Levering Cary Quadrangle	1927	1,162
Windsor Residence Halls	1934	687
Hilltop Apartments	1944	796
Virginia C. Meredith Residence Hall	1952	603
Richard Owen Residence Hall	1957	708
Married Student Housing Complex	1957	902
Newton Booth Tarkington Residence Hall	1958	708
Harvey W. Wiley Residence Hall	1958	745
John T. McCutcheon Residence Hall	1963	748
Amelia Earhart Residence Hall	1964	790
Benjamin Harrison Residence Hall	1966	782
George A. Hawkins Graduate House	1968	786
Eleanor B. Shreve Residence Hall	1970	852
Hillenbrand Residence Hall	1993	799
First Street Towers	2007	525
Third Street Suites	2012	304
Fort Wayne Student Housing Complex, I	2003	568
Fort Wayne Student Housing Complex, II	2007	188
Fort Wayne Student Housing, Complex, III	2009	448
Calumet Student Housing, Phase I	2004	376
Calumet Student Housing, Phase II	2008	368
Total		13,845

The Corporation has an ongoing capital improvement program to provide for the renovation and maintenance of the facilities. Expenditures relating to the program are expected to be funded from the System's reserves.

System Occupancy

The following table is a breakdown of the type of residence facility available and the occupancy percentage for the past five academic years by campus.

	Academic Year				
	2014-15[1]	2013-14	2012-13	2011-12	2010-11
West Lafayette Student Facilities					
Single Student Housing					
Spaces Available	10,995	10,775	10,824	10,790	10,773
Spaces Occupied	10,824	10,449	10,646	10,462	10,450
Occupancy Percentage	98.4%	97.0%	98.4%	97.0%	97.0%
Married Student Housing Complex					
Spaces Available	902	963	955	827	817
Spaces Occupied	876	887	826	714	719
Occupancy Percentage	97.1%	92.1%	86.5%	86.3%	88.0%
West Lafayette Occupancy Percentage	98.3%	96.6%	97.4%	96.2%	96.4%
Regional Campus Student Facilities					
Fort Wayne Student Housing Complex					
Spaces Available	1,204	1,204	1,204	1,204	1,204
Spaces Occupied	921	901	912	1,021	1,094
Occupancy Percentage	76.5%	74.8%	75.7%	84.8%	90.9%
Calumet Student Housing Complex					
Spaces Available	744	744	744	744	744
Spaces Occupied	706	572	574	596	606
Occupancy Percentage	94.9%	76.9%	77.2%	80.1%	81.5%

[1]Fall 2014

Housing Rental Rates

The Corporation operates its academic programs on a two semester and summer module basis. The following table gives the Board of Trustees approved minimum and maximum rates by type of facility.

	Academic Year				
	2015-16[1]	2014-15	2013-14	2012-13	2011-12
West Lafayette					
Single Student Housing (including Board)[2]					
Minimum Academic Year Rate[3]	$ 5,444	$ 5,572	$ 5,572	$ 7,076	$ 6,936
Maximum Academic Year Rate	14,898	14,672	15,344	15,806	15,686
Married Student Housing Complex[2]					
Minimum Monthly Rate	$642	$642	$642	$628	$616
Maximum Monthly Rate	785	785	785	767	752
Graduate Housing[2]					
Minimum Monthly Rate	$584	$584	$522	$510	$500
Maximum Monthly Rate	767	767	767	750	735
Fort Wayne Student Housing Complex[2]					
Minimum Monthly 12-Month Rate	$395	$395	$395	$399	$399
Maximum Monthly 12-Month Rate	923	900	876	849	824
Calumet Student Housing Complex[2]					
Minimum Monthly 12-Month Rate	$560	$549	$533	$517	$504
Maximum Monthly 12-Month Rate	706	692	672	652	636

(1) The West Lafayette, Fort Wayne and Calumet housing rates for 2015-16 were approved by the Board of Trustees on December 19, 2014.
(2) Married Student Housing Complex rates are effective July 1, and all others rates are effective with the start of the fall semester in August.
(3) In 2013-14, a reduced meal plan was made available; in 2015-16, a new flex plan will be added.

Food Service Rates

Within the System, the West Lafayette food service operations include traditional food services (five locations), mini-mart operations (two locations), and grill operations (two locations). The meal plans are outlined below.

	Academic Year				
	2015-16[1]	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Flex Unlimited - $500 Dining Dollars[2][3]	$5,398	N/A	N/A	N/A	N/A
Flex Unlimited - $250 Dining Dollars[4]	5,172	$5,172	N/A	N/A	N/A
13 Meal Plan[5]	4,554	4,554	N/A	N/A	N/A
Boiler Block Plan[5][6]	4,292	4,292	$4,518	$4,708	$4,608
8 Meal Plan[7]	2,998	2,998	N/A	N/A	N/A
Boiler Gold Plan[8]	1,500	1,500	N/A	N/A	N/A
20 Meal Plan[9]	N/A	N/A	5,444	5,674	5,554
15 Meal Plan[10]	N/A	N/A	5,072	5,286	5,174
12 Meal Plan[5]	N/A	N/A	4,794	4,996	4,890
10 Meal Plan[9]	N/A	N/A	4,398	4,584	4,488
7 Meal Plan	N/A	N/A	2,988	N/A	N/A

(1) The food service rates for 2015-16 were approved by the Board of Trustees on December 19, 2014.
(2) Will be initially offered in 2015-16.
(3) Unlimited meal swipes per week plus $500 discretionary dining dollars.
(4) Unlimited meal swipes per week plus $250 discretionary dining dollars.
(5) Includes $450 discretionary dining dollars.
(6) 246 meal swipes for full academic year.
(7) Includes no discretionary dining dollars.
(8) No meal swipes, $1,500 discretionary dining dollars.
(9) Includes $250 discretionary dining dollars.
(10) Includes $350 discretionary dining dollars.

Financial Information

The following are the Statements of Revenues, Expenses and Changes in Net Assets for the Purdue University Student Facility System as of June 30, 2014, 2013 and 2012, reported as of December 2014 (unaudited). This information should be used in conjunction with the financial statements and the notes to the Corporation's statements contained in Appendix B to this Official Statement.

FINANCIAL OPERATIONS OF THE SYSTEM
Statement of Revenues, Expenses and Changes in Net Assets
Fiscal Year ended June 30 (Unaudited)

	2014	2013	2012
Operating Revenues			
Housing, Net	$ 66,640,833	$ 64,919,486	$ 64,527,900
Food Service	52,226,753	52,263,448	51,463,151
Other Operating Revenues	3,797,597	3,970,369	2,767,067
Total Operating Revenues	$122,665,183	$121,153,303	$118,758,118
Operating Expenses			
Depreciation[(1)]	$ 19,479,471	$ 17,236,267	$ 16,086,455
Operating Expenses	82,621,597	86,277,267	82,166,659
Total Operating Expenses	$102,101,068	$103,513,534	$ 98,253,114
Operating Income	$ 20,564,116	$ 17,639,769	$ 20,505,004
Non-operating Revenues (Expenses)			
Investment Income[(2)]	$ 1,843	$ 1,449,797	$ 1,847,970
Interest Expense	(12,549,461)	(13,137,867)	(12,665,528)
Other	1,840	2,444	2,326
Total Non-operating Revenues (Expenses), Net	($12,545,778)	($11,685,627)	($10,815,232)
Increase in Net Assets	$ 8,018,338	$ 5,954,143	$ 9,689,772

(1) Operation and Maintenance Expenses, as defined in the Indenture, exclude depreciation expenses.
(2) Effective Fiscal Year 2014, investment income of the System has been reallocated to Purdue University initiatives.

Note: sums may not equal totals due to rounding.

Historical Debt Service Coverage

The historical debt service coverage calculation is the division of Net Income by the principal and interest paid during each respective fiscal year.

	Fiscal Year ended June 30		
	2014[1][2]	2013	2012
Operating Income	$20,564,116	$17,639,769	$20,505,004
Investment Income	1,843	1,449,797	1,847,970
Total Operating Income	$20,565,959	$19,089,566	$22,352,974
Depreciation[3]	19,479,471	17,236,267	16,086,455
Net Income	$40,045,430	$36,325,833	$38,439,429
Principal and interest paid	$31,653,452	$23,129,385	$21,483,383
Debt Service Coverage[4]	1.27x	1.57x	1.79x

(1) Final maturity of Student Facilities System Revenue Bonds, Series 2003A, in the amount of $3,510,000, was called and paid in Fiscal Year 2014, one year before due.
(2) Effective Fiscal Year 2014, investment income of the System has been reallocated to Purdue University initiatives.
(3) Operation and Maintenance Expenses, as defined in the Indenture, exclude depreciation expenses.
(4) Net Income divided by principal and interest paid. Debt service not reduced by subsidy payments received by the Corporation from the U.S. Treasury for qualified Build America Bonds.

Capital Plans

The System currently has ongoing renovations and new construction projects on the West Lafayette, Fort Wayne and Calumet campuses.

West Lafayette Campus. Construction of the 304-bed Third Street Suites has been completed. Several repair and maintenance projects to the housing facilities on the West Lafayette campus are underway. These projects are included in "*Major Construction Projects*" below and are expected to be financed with internal funds.

The Corporation's decisions relating to its strategic plan, enrollment management and resident versus non-resident mix will affect the revenue of the System. During fiscal year 2002, the Corporation announced plans to create Discovery Park, an academic research facility that will occupy approximately half the acreage originally used by the System's married students housing complex. The Corporation continues to review opportunities to enhance housing capacity on this site.

Regional Campuses. The System includes three housing facilities on the Fort Wayne campus, providing 1,204 beds. The Calumet campus has student housing providing 744 beds. Both campuses perform routine maintenance on their respective student housing facilities.

Major Construction Projects. As of December 2014, the System has $7.0 million of projects greater than $500,000 in progress or awarded, which will be internally funded. The System also has $97.4 million in additional projects authorized for the System greater than $500,000 for which construction has not yet been awarded. These projects include (a) the construction of the new $90 million Honors College and Residences, $75 million of which will be funded by a portion of the proceeds of the Series 2015A Bonds and $15 million of which will be internally funded, and (b) repair and rehabilitation projects in the amount of $7.4 million, which will be internally funded.

PLAN OF FINANCE

The Series 2015A Bonds are being issued for the purpose of (a) paying or reimbursing a portion of the costs of the acquisition, construction, equipping and furnishing of any student housing facilities on the West Lafayette campus (including the Honors College and Residences), and any property, real or personal, related thereto (the "Series 2015A Facilities"), (b) refunding the Refunded Bonds and (c) paying or reimbursing certain costs of issuing the Series 2015A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

Series 2015A Facilities

A portion of the proceeds of the Series 2015A Bonds, together with an equity contribution from the Corporation in the amount of $15,000,000, will be applied to pay the costs of acquiring, constructing, equipping and furnishing the Honors College and Residences on the West Lafayette campus. The Honors College and Residences are designed to promote academic success through development of a living learning community. The Honors College and Residences will be located on the southwest corner of Russell and Third Streets, with more than 800 new beds and approximately 40,000 square feet of new academic space.

Refunding of Refunded Bonds

A portion of the proceeds of the Series 2015A Bonds will be applied to refund the Refunded Bonds. The Refunded Bonds will be refunded pursuant to the terms of an Escrow Deposit Agreement between the Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee and escrow trustee (the "Escrow Trustee") for the Refunded Bonds, dated as of March 1, 2015 (the "Escrow Agreement"). The refunding of the Refunded Bonds will be accomplished by (a) creating an irrevocable escrow fund for the Refunded Bonds (the "Escrow Fund") to be held by the Escrow Trustee and (b) depositing in the Escrow Fund, from a portion of the proceeds of the Series 2015A Bonds, a sum of initial cash and certain noncallable, direct obligations of the United States of America (the "Governmental Obligations"), the principal of and interest on which, together with such cash, will be sufficient to pay the principal of and interest on the Refunded Bonds to and including the date on which the Refunded Bonds will be called for redemption prior to maturity.

All cash and Governmental Obligations on deposit with the Escrow Trustee in the Escrow Fund, including investment income, will be pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds, and no such cash or Governmental Obligations will be available to pay the principal of or interest on the Series 2015A Bonds. Upon such deposit, the Corporation will be released from all liability on the Refunded Bonds, which will no longer be deemed to be outstanding, and any lien of the Refunded Bonds on the Pledged Revenues will be released.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to the issuance of the Series 2015A Bonds are summarized below:

Sources of Funds:	
Principal Amount of Series 2015A Bonds	$ 98,070,000
Net Original Issue Premium	11,370,197
Total Sources of Funds	$109,440,197
Uses of Funds:	
Honors College and Residences	$ 75,000,000
Refunding of Refunded Bonds	33,858,398
Costs of Issuance(1)	581,799
Total Uses of Funds	$109,440,197

(1) Includes without limitation the Underwriters' discount, Trustee fees and expenses, financial advisory fees and expenses, escrow verification fees, legal fees and expenses, and other costs of issuance of the Series 2015A Bonds.

SUMMARY OF CERTAIN PROVISIONS OF INDENTURE

The following is a summary of certain provisions of the Indenture not otherwise described in this Official Statement.

Definitions

"Account" means any account established pursuant to the Indenture.

"Act" means Indiana Code Sections 21-32-1-1, *et seq*., 21-32-2-1, *et seq*., 21-35-1-1, *et seq*., 21-35-3-1, *et seq*., and 21-35-5-1, *et seq*., all as supplemented or amended from time to time, and, after any repeal of any of such statutes, any statutes replacing such statutes, all as supplemented or amended from time to time.

"Authorized Denominations" means $5,000 or any integral multiple thereof.

"Available Funds" means: (a) the Pledged Revenues; and (b) any other available income or funds of the Corporation, any transfer of which income or funds to the Sinking Fund or any use of which income or funds to pay any principal of or premium, if any, or interest on any Bonds does not violate, conflict with or breach, or constitute a default under, (i) any pledge, assignment, security interest, mortgage, lien, encumbrance, trust, appropriation, restriction or authorization to which such income or funds are subject, or (ii) any law, rule or regulation, any contract, agreement, indenture, lease, guaranty, bond, note or instrument or any order, writ, judgment or decree to which the Corporation or any of its property is subject. **Generally, under Indiana law, state appropriated funds and mandatory student fees assessed to all students may not, without General Assembly approval, be used to pay debt service on any bonds and, therefore, will not be Available Funds.**

"Bond" means any obligation of the Corporation, including any bond, note, temporary, interim or permanent certificate of indebtedness, debenture, lease or other obligation of the Corporation (including any First Lien Bond, Credit Facility Obligation or Junior Lien Obligation), payable out of any of the Pledged Revenues and authenticated and delivered under the Indenture.

"Bond Expense Fund" means the Student Facilities System Bond Expense Fund established pursuant to the Indenture.

“Bondholder,” “holder of a Bond,” “Owner,” “owner of a Bond” or any similar term means a registered owner of any Bond.

“Business Day” means any day, other than any Saturday, Sunday, legal holiday or other day on which the New York Stock Exchange or banking institutions in Indiana, New York or the state in which the designated corporate trust office of the Trustee, Registrar or Paying Agent is located are authorized or required by law to close or remain closed.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including any subsequent federal income tax statute or code.

“Corporation” means The Trustees of Purdue University, a statutory body corporate created and existing under the laws of the State of Indiana, or any successors or assigns.

“Costs of Issuance” means any costs relating to the issuance, sale or delivery of any Bonds, including without limitation fees and expenses of any Derivative Product, any Credit Facility or any other credit facility or liquidity facility for such Bonds, any fees and expenses of legal counsel, financial feasibility or other consultants, trustees, underwriters and accountants, any costs of preparation and printing of any indenture, preliminary or final official statement or bonds, and any other costs incurred in connection with the issuance of such Bonds, including any costs relating to the issuance, sale or delivery of any Bonds to be reimbursed to the Corporation.

“Credit Facility” means any Liquidity Facility or any letter of credit, line of credit, insurance policy, guaranty, surety bond, bond purchase agreement or other instrument providing for the payment of or guaranteeing the payment of any principal of or interest on any Bonds or any purchase price of any Bonds.

“Credit Facility Obligation” for any Bonds means any obligation of the Corporation to make any payment to any Credit Facility Provider, (a) which obligation is (i) issued under the Indenture or any other instrument, (ii) payable out of any of the Pledged Revenues, (iii) designated as a Credit Facility Obligation in the Supplemental Indenture authorizing the issuance of such Bonds and (iv) payable from the Revenue Fund, but only after making all transfers required by the Indenture to pay Operation and Maintenance Expenses, Financing Expenses and principal and interest on the First Lien Bonds, and (b) any lien on any of the Pledged Revenues securing which obligation is (i) junior and subordinate to the lien on the Pledged Revenues securing any First Lien Bonds and (ii) prior to any lien on any of the Pledged Revenues securing any Junior Lien Obligations.

“Credit Facility Provider” means the provider of any Credit Facility.

“Derivative Product” for any Bonds means any of the following, if identified by the Corporation as a Derivative Product for such Bonds: (a) any agreement (including terms and conditions incorporated by reference in such agreement) that is a rate swap agreement, basis swap, forward rate agreement, interest rate option, rate cap agreement, rate floor agreement, rate collar agreement or any other similar agreement (including any option to enter into any such agreement); (b) any combination of any agreements described in clause (a); or (c) any master agreement for any agreement or any combination of agreements described in clause (a) or (b), together with all supplements to any such agreement.

“Escrow Agreement” means the Escrow Deposit Agreement among the Corporation, the Trustee and the Escrow Trustee, dated as of March 1, 2015.

“Escrow Trustee” means The Bank of New York Mellon Trust Company, N.A.

“Event of Default” means any event defined as an “Event of Default” in the Indenture. See “Defaults and Remedies—Events of Default.”

“Facilities” means any:

(a) dormitories and other housing facilities for single and married students and school personnel;

(b) food service facilities;

(c) student infirmaries and other health service facilities including revenue-producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with any of the foregoing;

(d) parking facilities in connection with academic facilities;

(e) facilities used for clinical, medical, scientific or engineering research and facilities used for other similar qualitative, quantitative or experimental research; or

(f) other facilities, the financing of which is authorized under the Act;

at or in connection with Purdue University, for the purposes of the institution, or any property, real or personal, that, in the judgment of the Corporation, is necessary for the purposes set forth above.

"Federal Securities" means direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Financing Expenses" means any financing costs related to any Bonds, including without limitation any Rebatable Amounts, any fees and expenses related to the computation of any Rebatable Amounts, any fees and expenses related to any Credit Facilities, or any fees and expenses related to any other credit facilities or liquidity facilities for any Bonds.

"First Lien Bond" means any Bond which is secured by a first lien on the Pledged Revenues.

"Fiscal Year" means the period commencing on the first day of July of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other period established by the Corporation from time to time with respect to the System.

"Fixed Rate Bond" means any Bond, the rate or rates of interest on which are fixed and determinable on the date of issuance thereof.

"Fund" means any fund established pursuant to the Indenture.

"Gross Income" means (a) all revenues derived from the operation of the System, including without limitation rents, fees, rates and charges for any use of the System, (b) any investment income on the Revenue Fund and (c) any other income pledged pursuant to the Indenture.

"Indenture" means the Original Indenture, as supplemented and amended to date and as supplemented and amended by the Sixteenth Supplemental Indenture, and as further supplemented or amended from time to time.

"Interest Payment Date" means each January 1 and July 1, commencing July 1, 2015.

"Junior Lien Obligation" means any obligation of the Corporation, including any bond, note, temporary, interim or permanent certificate of indebtedness, debenture, lease or other obligation of the Corporation, (a) which obligation is (i) issued under the Indenture or any other instrument, (ii) payable out of any of the Pledged Revenues and (iii) payable from the Revenue Fund, but only after making the deposits to all funds required by the Indenture to pay Operation and Maintenance Expenses, Financing Expenses, principal and interest on the First Lien Bonds and any Credit Facility Obligations and Optional Maturities, and (b) any lien on any of the Pledged Revenues securing which obligation is junior and subordinate to the lien on the Pledged Revenues securing any First Lien Bonds and any Credit Facility Obligations.

"Liquidity Facility" means any letter of credit, line of credit, bond purchase agreement or other instrument providing for the payment of or guaranteeing payment of any purchase price of any Bonds.

"Net Income" means (a) Gross Income less (b) the sum of Operation and Maintenance Expenses plus Financing Expenses.

"Opinion of Bond Counsel" means a written legal opinion from a lawyer or firm of lawyers experienced in matters relating to state and local obligations and acceptable to the Corporation and the Trustee.

"Operation and Maintenance Expenses" means all current expenses of operation, maintenance, insurance and repair of the System, including without limitation general administrative expenses of the Corporation allocable to the System, but excluding depreciation expenses. The Corporation may, in its discretion, furnish heat, light, power and other utility services to any or all of the System with or without charge therefor, and, if any such utility services are provided without charge, the cost thereof will not be included as "Operation and Maintenance Expenses."

"Optional Maturity" means any Bonds which may, at the option of the owners thereof, be subject to payment, redemption, tender or purchase by or on behalf of the Corporation.

"Original Indenture" means the Indenture of Trust by and between the Corporation and the Trustee, Registrar and Paying Agent, dated as of January 1, 2003, as supplemented and amended to date.

"Outstanding" or "Bonds Outstanding" means all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds deemed to have been redeemed or paid as provided in the Indenture; and

(c) Bonds in lieu of which others have been authenticated under the Indenture.

"Paying Agent" means The Bank of New York Mellon Trust Company, N.A., or any successors or assigns.

"Permitted Investments" means any of the following, to the extent permitted under Indiana law:

(a) Federal Securities;

(b) Shares of any fund registered under the Investment Company Act of 1940, as amended, the shares of which are registered under the Securities Act of 1933, as amended, and are, at the time of purchase, rated by any Rating Agency in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by such Rating Agency for obligations of that nature, including any such shares for which the Trustee or any affiliate of the Trustee performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise; and

(c) Any investments permitted by Indiana Code Section 21-29-2-1, as supplemented or amended from time to time. Indiana Code Section 21-29-2-1 permits the Corporation to acquire and retain any investment which persons of prudence, discretion and intelligence would acquire and retain for their own account.

"Pledged Revenues" means (a) the Net Income, (b) any amounts held in the Project Fund and any investment income thereon, (c) any amounts held in the Sinking Fund and any investment income thereon and (d) any amounts held in the Reserve Fund and any investment income thereon.

"Project Fund" means the Student Facilities System Project Fund established by the Indenture.

"Rating Agency" means any nationally recognized securities rating agency.

"Rebatable Amount" means any amount which is payable to the United States of America with respect to any Bonds under Section 148 of the Code.

"Rebate Fund" means the Student Facilities System Rebate Fund established by the Indenture.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the month immediately preceding such Interest Payment Date.

"Redemption Fund" means the Student Facilities System Redemption Fund established by the Indenture.

"Refunded Bonds" means the Corporation's outstanding Purdue University Student Facilities System Revenue Bonds identified in Appendix E.

"Refunded Bonds Facilities" means any facilities financed with the proceeds of the Refunded Bonds.

"Registrar" means The Bank of New York Mellon Trust Company, N.A., or any successors or assigns.

"Reserve Fund" means the Student Facilities System Reserve Fund established by the Indenture. The Series 2015A Bonds have no claim on the Reserve Fund or any other reserve fund.

"Reserve Fund Credit Instrument" means any insurance policy, surety bond, letter of credit or other instrument which is payable to or may be drawn upon by the Trustee and is deposited in the Reserve Fund in lieu of or in partial substitution for cash required to be on deposit therein, the issuer of which is (a) in the case of any insurance policy or surety bond, an insurer which, at the time of issuance of such insurance policy or surety bond, has been assigned the highest rating accorded insurers by any Rating Agency, (b) in the case of any letter of credit, a banking institution having a credit rating on its long-term, unsecured debt within the two highest rating categories from any Rating Agency, and (c) in the case of any other instrument, any person having a credit rating on its long-term, unsecured debt within the two highest rating categories from any Rating Agency. The Series 2015A Bonds have no claim on the Reserve Fund or any other reserve fund.

"Reserve Fund Requirement" means an amount equal to the least of (a) 10% of the stated principal amount (or, if part of an issue which has more than a *de minimus* amount of original issue discount or premium, the issue price) of all Bonds with any claim on the Reserve Fund, calculated as of the date of issuance thereof, (b) the maximum annual principal and interest requirements on all Bonds with any claim on the Reserve Fund, calculated as of the date of issuance thereof, or (c) 125% of the average annual principal and interest requirements on all Bonds with any claim on the Reserve Fund, calculated as of the date of issuance thereof, all determined in accordance with any Supplemental Indenture authorizing the issuance of any such Bonds; provided, however, that any Bonds may be issued which have no claim on the Reserve Fund. The Series 2015A Bonds have no claim on the Reserve Fund or any other reserve fund.

"Resolutions" means the resolutions adopted by the Corporation's Board of Trustees, authorizing the execution and delivery of the Sixteenth Supplemental Indenture and the issuance of the Series 2015A Bonds.

"Revenue Fund" means the Student Facilities System Revenue Fund established by the Indenture.

"Series" or "Series of Bonds" means any Bonds designated as a series in the Supplemental Indenture authorizing the issuance of such Bonds.

"Series 2015A Bondholder," "Holder of a Series 2015A Bond," "holder of a Series 2015A Bond," "Owner of a Series 2015A Bond," "owner of a Series 2015A Bond" or any similar term means a registered owner of any Series 2015A Bond.

"Series 2015A Bonds" means the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2015A.

"Series 2015A Facilities" means any student housing facilities on the West Lafayette campus (including the Honors College and Residences), and any property, real or personal, related thereto.

"Sinking Fund" means the Student Facilities System Bond and Interest Sinking Fund established by the Indenture.

"Sixteenth Supplemental Indenture" means the Sixteenth Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, Registrar and Paying Agent, dated as of March 1, 2015.

"Supplemental Indenture" means any supplemental or amendatory indenture between the Corporation and the Trustee, Registrar and Paying Agent entered into pursuant to and in compliance with the provisions of the Indenture. See "Supplemental Indentures."

"System" means the Facilities described in the Indenture, as the Indenture may be supplemented or amended from time to time.

"Tax-Exempt Bonds" means any Bonds, the interest on which is intended to be excludable from gross income for federal income tax purposes under Section 103 of the Code.

"Treasurer" means the Treasurer of the Corporation.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., or any successors or assigns.

"Variable Rate Bond" means any Bond which is not a Fixed Rate Bond.

"Written Request" means a request in writing signed by the Treasurer or any other authorized officer of the Corporation.

Issuance of First Lien Bonds

First Lien Bonds may be authorized and executed by the Corporation and authenticated and delivered by the Registrar under the Indenture from time to time in order to provide funds for any one or more of the following purposes: (a) to acquire, erect, construct, reconstruct, extend, remodel, improve, complete, equip or furnish any Facilities; (b) to reimburse the Corporation for funds expended or advanced for interim financing of the cost of any Facilities; (c) to fund or refund any Bonds or other obligations payable out of revenues derived from any Facilities; or (d) any other purpose authorized by the Act.

Any First Lien Bonds may be authorized and executed by the Corporation and authenticated and delivered by the Registrar during any Fiscal Year, if the Corporation certifies that, to the best of its knowledge, the Corporation is in compliance with all covenants contained in the Indenture and is not in default in the performance or observance of any of the terms or provisions thereof.

In addition, any First Lien Bonds may be authorized and executed by the Corporation and authenticated and delivered by the Registrar without compliance with the above provisions, if the Corporation determines that the issuance of such First Lien Bonds: (a) will result in a reduction (on a net present value basis) in the amount of debt service to be paid on the Bonds or other obligations to be funded or refunded or (b) is necessary or appropriate to avoid a default under the Bonds or other obligations to be funded or refunded.

All such required computations will be made by the Treasurer of the Corporation, and compliance with these provisions will be conclusively evidenced to the Trustee and Registrar by a certificate of the Treasurer of the Corporation.

Issuance of Junior Lien Obligations and Credit Facility Obligations

The Corporation may not issue any obligations, including any bonds, notes, temporary, interim or permanent certificates of indebtedness, debentures, leases or other obligations, secured by any lien on any of the Pledged Revenues, except:

(a) First Lien Bonds;

(b) Credit Facility Obligations; or

(c) Junior Lien Obligations.

Flow of Funds

Project Fund. The Corporation will establish and hold a separate fund, designated the "Project Fund" (the "Project Fund"), into which proceeds of any Bonds issued from time to time, along with any other funds for any Facilities for which any Bonds have been issued under the Indenture, may be deposited.

There will be created on the books of the Corporation, within the Project Fund, the following accounts: (a) the "Series 2015A Facilities Account" and (b) the "Series 2015A Refunding Account".

At any time and from time to time, the Corporation may withdraw any money on deposit in the Series 2015A Facilities Account, without any requisition, voucher or other direction or authorization, for the purpose of paying or reimbursing the Corporation for the payment of any costs of acquiring, erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, furnishing or financing the Series 2015A Facilities. After acquisition, erection, construction, reconstruction, extension, remodeling, improvement, completion, equipping, furnishing or financing of the Series 2015A Facilities has been completed, the Corporation will transfer any money remaining in the Series 2015A Facilities Account to the Series 2015A Account of the Bond Expense Fund, the Sinking Fund or the Redemption Fund, for application in accordance with any instructions from the Corporation.

Immediately upon its receipt of any money in the Series 2015A Refunding Account of the Project Fund, the Corporation will transfer or cause to be transferred such money to the Escrow Trustee for application in accordance with the Escrow Agreement.

Bond Expense Fund. The Corporation will establish and hold a separate fund designated as the "Student Facilities System Bond Expense Fund" (the "Bond Expense Fund"), into which any moneys may be deposited from proceeds of the Bonds of each Series. Moneys deposited to the credit of the Bond Expense Fund will be used to pay from time to time the costs of issuance of the Bonds of such Series.

There will be created on the books of the Corporation, within the Bond Expense Fund, the "Series 2015A Account."

A portion of the proceeds of the Series 2015A Bonds will be deposited in the Series 2015A Account of the Bond Expense Fund.

At any time and from time to time, the Corporation may withdraw any money on deposit in the Series 2015A Account of the Bond Expense Fund, without any requisition, voucher or other direction or authorization, for the purpose of paying, or reimbursing the Corporation for the payment of, any Costs of Issuance of the Series 2015A Bonds. The Corporation will transfer any money in the Series 2015A Account of the Bond Expense Fund remaining after payment of Costs of Issuance of the Series 2015A Bonds to the Series 2015A Facilities Account of the Project Fund, the Sinking Fund or the Redemption Fund, for application in accordance with any instructions from the Corporation.

Revenue Fund. The Corporation will create and, so long as any Bonds are Outstanding, maintain a special fund or funds upon the books and records of the Corporation, separate and apart from all other funds, to be designated the "Student Facilities System Revenue Fund" (the "Revenue Fund"). Into the Revenue Fund there will be set aside and deposited from time to time as received all Gross Income. The Corporation may establish such accounts of the Revenue Fund from time to time as it may deem necessary or appropriate. All Operation and Maintenance Expenses and Financing Expenses will be paid by the Corporation out of the Revenue Fund. After payment of all Operation and Maintenance Expenses and Financing Expenses, the Corporation will make the required transfers from the Revenue Fund to the Sinking Fund discussed below (see "Sinking Fund"), provided that, prior to making the deposits required by the Indenture to pay any Credit Facility Obligations or Optional Maturities, the Corporation may transfer moneys from the Revenue Fund to a separate fund created pursuant to any Supplemental Indenture authorizing the issuance of any Optional Maturities for the payment of the purchase price of such Optional Maturities. After making the deposits to all funds required under the Indenture, moneys held in the Revenue Fund may be applied in the discretion of the Corporation: (a) to pay the cost of the acquisition, erection, construction, reconstruction, extension, remodeling, improvement, completion, equipping or furnishing of any Facilities, or to accumulate a reserve for such purpose; (b) to purchase or redeem any First Lien Bonds, or to accumulate a reserve for such purpose; (c) to pay any principal of or interest on any Junior Lien Obligations; (d) to pay any other lawful expenditure or cost related to the System; and (e) for any other lawful purpose of the Corporation, including any purpose not related to the System.

Sinking Fund. The Corporation will create and maintain a separate fund on deposit with the Trustee known as the "Student Facilities System Bond and Interest Sinking Fund" (the "Sinking Fund"). On or before each principal or interest payment date (including any mandatory redemption date), the Corporation will transfer from the Revenue Fund, by wire transfer or otherwise in immediately available funds, and remit to the Trustee for deposit in the Sinking Fund, an amount which, when added to any amount in the Sinking Fund available for such purpose, equals the sum of the principal of and interest on (including any mandatory redemption price of) the First Lien Bonds becoming due on such date (other than any Optional Maturities payable from any Credit Facility) and any deficiencies then in existence in the Sinking Fund, which amount will be used by the Trustee to pay the principal of and interest on (including any mandatory redemption price of) the First Lien Bonds (other than any Optional Maturities payable from any Credit Facility) pursuant to the Indenture and the Supplemental Indenture authorizing the issuance of such First Lien Bonds.

On or before any Credit Facility Obligation or Optional Maturity not paid through any Credit Facility is due, after making all transfers required to pay all Operation and Maintenance Expenses and Financing Expenses and all principal of and interest on all First Lien Bonds, the Corporation will transfer from the Revenue Fund, by wire transfer or otherwise in immediately available funds, and remit to the Trustee for deposit in a special account therefor in the Sinking Fund, an amount which, when added to any amount in such special account available for such purpose (including without limitation any amount held in a separate fund created pursuant to the Supplemental Indenture authorizing the issuance of such Optional Maturity for payment of such Optional Maturity not paid through a Credit Facility), equals such Credit Facility Obligation or Optional Maturity, all in any priority provided by any Supplemental Indenture, which amount will be used by the Trustee to pay such Credit Facility Obligation or Optional Maturity. Payments of such Credit Facility Obligation or Optional Maturity from the Sinking Fund will be junior and subordinate to the payment of any principal of or interest on (including any mandatory redemption of) any First Lien Bonds.

If at any time the funds in the Revenue Fund are insufficient to permit any transfer to the Trustee to pay any principal of or interest on any First Lien Bonds or any Credit Facility Obligation or Optional Maturity, the Corporation will make or cause to be made to the Trustee a transfer of funds for deposit in the Sinking Fund, in an amount equal to such insufficiency, from any Available Funds.

There will be remitted to the Trustee for deposit in the Sinking Fund all sums received as accrued interest upon the issuance and sale of any Bonds.

No Reserve Fund. The Series 2015A Bonds will have <u>no</u> claim on the Reserve Fund or any other reserve fund.

However, the Corporation may in the future issue Bonds which have a claim on a separate fund on deposit with the Trustee known as the "Student Facilities System Reserve Fund" (the "Reserve Fund"), and deposit in the Reserve Fund an amount sufficient to maintain the Reserve Fund in an amount equal to the Reserve Fund Requirement for such Bonds.

Redemption Fund. The Corporation will create and maintain a separate fund on deposit with the Trustee known as the "Student Facilities System Redemption Fund" (the "Redemption Fund"). Moneys will be deposited to the Redemption Fund and disbursed from the Redemption Fund to pay any optional redemption of any Bonds, in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Bonds.

Rebate Fund. So long as any Bonds are Outstanding and are subject to a requirement that arbitrage profits be rebated to the United States of America, the Trustee will, upon direction from the Corporation, establish and maintain a separate Fund to be known as the "Student Facilities System Rebate Fund" (the "Rebate Fund"). The Trustee will make information regarding the Bonds and investments under the Indenture available to the Corporation. The Corporation may make, or cause to be made, deposits into and payments to the United States of America from the Rebate Fund in the amounts and at the times required by the Code, and may deposit, or cause to be deposited, income from such investments immediately upon receipt thereof in the Rebate Fund. If a deposit to the Rebate Fund is required as a result of the computations made or caused to be made by the Corporation, then, upon receipt of direction from the Corporation, the Trustee will accept such payment for the benefit of the Corporation and make transfers of moneys from the Revenue Fund to the Rebate Fund to comply with such direction. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee will, upon written direction from the Corporation, transfer such amount to the Revenue Fund. Records of such determinations required and such investment instructions for the Bonds of each Series will be retained by the Trustee until three years after the Bonds of such Series are no longer Outstanding. Not later than 60 days after the date which is five years after the date of issuance of the Bonds of any Series, and every five years thereafter, to the extent required by law, the Trustee will, upon receipt of direction from the Corporation, pay to the United States of America 90% of the amount required to be paid to the United States of America as of such payment date. Not later than 60 days after the final retirement of the Bonds of any Series, the Trustee will, upon receipt of direction from the Corporation, pay to the United States of America the amount required to be paid to the United States of America. Each such payment required to be made to the United States of America will be filed with the Internal Revenue Service at the appropriate location and with the appropriate reports, forms and documentation as the Code requires.

Additional Funds and Accounts. The Corporation may establish additional Funds and Accounts within any existing Funds and Accounts, as may be necessary or convenient in connection with the issuance of any Bonds.

Investments. All moneys on deposit in the Funds and Accounts established under the Indenture held by the Corporation may be commingled for investment purposes in the Corporation's other investments and will be invested in Permitted Investments. The funds held by the Trustee will be invested by the Trustee as directed in writing by the Corporation in Permitted Investments. The Trustee may conclusively rely upon such directions as to both the suitability and legality of the directed investments. The Trustee may make any such investments through any investment department of the Trustee or any affiliate or subsidiary of the Trustee. Interest earned or gains or losses realized on investment of Funds and Accounts held by the Corporation or the Trustee will be credited or debited to the respective Fund or Account. However, interest earned or gains or losses realized on the Reserve Fund in excess of the Reserve Fund Requirement will be credited or transferred to the Sinking Fund or as otherwise provided in the applicable Supplement Indenture. Further, interest earned or gains or losses realized on the Rebate Fund will be applied as described under "Rebate Fund." Notwithstanding the foregoing, the Supplemental Indenture authorizing the issuance of any Bonds may provide for different disposition of investment income from proceeds of such Bonds deposited in the Funds and Accounts relating to such Bonds.

Additional Covenants of Corporation

Use and Occupancy of System. The Corporation covenants that it has a valid and existing right to the use and occupancy of the System and to acquire, erect, construct, reconstruct, extend, remodel, improve, complete, equip, operate, control, manage and use the System.

Payment of Principal, Premium and Interest. The Corporation covenants that it will duly and punctually pay or cause to be paid from Pledged Revenues or other Available Funds the principal of and premium, if any, and the interest on the Bonds, at the dates and places and in the manner provided in the Bonds, according to the terms thereof.

Taxes. The Corporation covenants that it will pay and discharge all taxes, assessments and governmental charges which are lawfully imposed upon the System. However, the Corporation will not be required to pay any such tax, assessment or charge so long as the Corporation in good faith and by appropriate legal proceedings contests the validity thereof or its enforceability as a lien, and, further, any delay occasioned thereby does not subject the System to forfeiture or sale.

Payment of Trustee's, Registrar's, Paying Agent's and Bondholders' Costs and Expenses. The Corporation covenants that it will pay the costs, charges and expenses (including reasonable attorney fees) reasonably incurred or paid at any time by the Trustee, Registrar or Paying Agent or by any Bondholder because of the Corporation's failure to perform any of its covenants in the Bonds or the Indenture.

Additional Security. At any time, by a Supplemental Indenture the Corporation may pledge or mortgage any additional property, income, revenues or funds to the Trustee to secure any or all Bonds of any or all Series, as specified in such Supplemental Indenture.

Record Keeping. The Corporation covenants that it will, in any manner consistent with any then current document retention policy of the Corporation, keep records for the System.

Financial Statements. The Corporation covenants that, after each Fiscal Year, it will furnish to the Trustee a copy of financial statements of the Corporation for such Fiscal Year.

Inspection of Records by Trustee. The Corporation covenants that the books, documents and vouchers relating to the System will at all reasonable times be open to inspection by authorized agents of the Trustee.

Facilities Not Included in System. The Corporation may, without any limitation or restriction whatsoever by virtue of the Indenture:

(a) Acquire, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, manage or use, or permit any other person to acquire, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, manage or use, any Facilities, which need not be included in the System and which may compete with the System;

(b) Issue and sell bonds or other obligations under the Act, or otherwise, for the purpose of raising funds to acquire, erect, construct, reconstruction, extend, remodel, improve, complete, equip, operate, manage or use, or permit any other person to acquire, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, manage or use, any Facilities, which need not be included in the System and which may compete with the System; or

(c) Provide funds in any manner other than by the issuance and sale of bonds or other obligations under the Act, or otherwise, for the purpose of raising funds to acquire, erect, construct, reconstruct, extend, remodel, improve, complete, equip, operate, manage or use, or permit any other person to acquire, erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, manage or use, any Facilities, which need not be included in the System and which may compete with the System.

Additions to and Removals from System. At any time and from time to time, the Corporation may add any Facilities to or remove any Facilities from the System.

Tax Covenants. The Corporation will not permit the Series 2015A Facilities or the Refunded Bonds Facilities to be used in a manner that would result in the loss of exclusion of interest on any Series 2015A Bonds or any Refunded Bonds from gross income for federal tax purposes under Section 103 of the Code, as in effect on the date of issuance of the Series 2015A Bonds; nor will the Corporation act in any other manner that would result in the loss of exclusion of interest on any Series 2015A Bonds or any Refunded Bonds from gross income for federal income tax purposes under Section 103 of the Code, as in effect on the date of issuance of the Series 2015A Bonds.

The Corporation will not make any investment or do any other act or thing during the period that any Series 2015A Bonds or any Refunded Bonds are Outstanding that would cause any Series 2015A Bonds or any Refunded Bonds to become or to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code, as in effect on the date of issuance of the Series 2015A Bonds.

It will not be an Event of Default under the Indenture if the interest on any Series 2015A Bonds or any Refunded Bonds is not excludable from gross income for federal income tax purposes or is otherwise subject to federal income taxation pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2015A Bonds.

Defaults and Remedies

Events of Default. If any of the following events occurs, it is defined as, is declared to be and constitutes an "Event of Default":

(a) Any default occurs in the payment by the Corporation of the principal of or premium, if any, or interest on any Bond, when the same becomes due and payable; or

(b) Any default is made by the Corporation in the performance or observance of any other of the covenants or agreements of the Corporation in the Indenture or the Bonds, and such default continues for a period of 60 days after the Corporation has been given written notice of such default by the Trustee.

Remedies; Rights of Bondholders. Upon the occurrence and continuance of any Event of Default, the Trustee will (a) notify the holders of all Outstanding Bonds of such Event of Default by registered or certified mail and (b) have the following rights and remedies:

(i) The Trustee may pursue any available legal or equitable remedy to enforce payment of the principal of and premium, if any, and interest on the Bonds then Outstanding, including any and all such actions as may be necessary to require the Corporation to transfer any Available Funds to the Sinking Fund for such payment;

(ii) The Trustee may by action at law or in equity require the Corporation to account as if it were the trustee of an express trust for the Bondholders, and may then take any action which the Trustee deems necessary, appropriate or in the best interest of the Bondholders; and

(iii) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and the Bondholders under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Pledged Revenues, and any issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment confers.

If an Event of Default occurs and continues, and if requested to do so by the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and if indemnified as provided in the Indenture, the Trustee will be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, deems most expedient in the interest of the Bondholders.

Right of Bondholders to Direct Proceedings. The owners of a majority in aggregate principal amount of the Bonds then Outstanding will have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, 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

Indenture, or for the appointment of a receiver or any other proceedings under the Indenture, as long as such direction is not otherwise than in accordance with the provisions of law and the Indenture.

Rights and Remedies of Bondholders. No Bondholder will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust of the Indenture or for any other remedy under the Indenture, unless: (a) a default has occurred; (b) such default has become an Event of Default; (c) the owners of 25% in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name; (d) such Bondholders have offered to the Trustee indemnity as provided in the Indenture; and (e) the Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed, to exercise the remedies granted in the Indenture, or to institute such action, suit or proceeding in its own name. Such notification, request and offer of indemnity are at the option of the Trustee conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, and for the appointment of a receiver or for any other remedy under the Indenture. No Bondholder will have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and all proceedings at law or in equity must be instituted, had and maintained in the manner in the Indenture provided and for the equal benefit of the holders of all of the Bonds then Outstanding. Nothing contained in the Indenture will, however, affect or impair the right of any holder of any Bond to enforce the payment of the principal of and premium, if any, and interest on such Bond at and after the maturity thereof, or the special and limited obligation of the Corporation to pay the principal of and premium, if any, and interest on each of the Bonds issued under the Indenture to the respective holders thereof at the time and place, from the source and in the manner expressed in the Indenture and in such Bond.

Termination of Proceedings. In case the Trustee or any Bondholder has proceeded to enforce any right under the Indenture by appointment of a receiver or otherwise and such proceeding has been discontinued or abandoned for any reason or has been determined adversely, then and in every such case the Corporation, the Trustee and the Bondholders will be restored to their former positions and rights under the Indenture with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee and the Bondholders will continue as if no such proceeding had been taken.

Notice of Defaults. No default specified in subparagraph (b) under "Events of Default" will constitute an Event of Default until actual notice of such default by registered or certified mail is given by the Trustee or the holders of not less than 25% in aggregate principal amount of all the Bonds then Outstanding to the Corporation and the Corporation has had 60 days after receipt of such notice to correct such default or cause such default to be corrected, and has not corrected such default or caused such default to be corrected within such period. However, if any default specified in subparagraph (b) under "Events of Default" is correctable, but cannot be corrected within such period, it will not constitute an Event of Default if corrective action is instituted by the Corporation within the applicable period and diligently pursued until the default is corrected. Any defaults so cured will not constitute an Event of Default.

Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default under the Indenture and its consequences and may rescind any declaration of maturity of all the Bonds, and will do so upon the written request of the holders of (a) two-thirds in aggregate principal amount of all of the Bonds then Outstanding, in the case of a default in the payment of principal of or interest on the Bonds, or (b) a majority in aggregate principal amount of all of the Bonds then Outstanding in the case of any other default. However, there may not be waived (i) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (ii) any Event of Default in the payment when due of the interest on any Outstanding Bond unless, prior to such waiver, all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default have been paid or provided for, and in the case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default has been discontinued or abandoned or determined adversely, then and in every such case the Corporation, the Trustee and the Bondholders will be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission will extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Corporation to Remain in Possession Until Default. Unless an Event of Default has occurred and has not been cured, the Corporation will (a) remain in full possession, enjoyment and control of the System; (b) manage, operate and use the System, subject to the observance of the covenants set forth in the Indenture with respect thereto; and (c) subject to the provisions of the Indenture, receive, take and use all rents, earnings, revenues, fees, charges and income thereof in the same manner and with the same effect as if the Indenture had not been made.

Discharge of Indenture

Defeasance. Except as provided below, if payment or provision for payment is made to the Trustee of the whole amount of principal of and interest due and to become due on all of the Bonds then Outstanding under the Indenture at the times and in the manner stipulated in the Bonds and the Indenture, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of the Indenture, then the rights granted by the Indenture will cease, determine and be void. In such event, the Trustee will cancel and discharge the lien of the Indenture and execute and deliver to the Corporation such instruments in writing as are requisite to cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Corporation any and all of the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee by the Indenture or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond will be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of such Bond and interest thereon to the due date thereof (whether by reason of maturity or upon redemption as provided in the Indenture or otherwise), either (i) has been made or been caused to be made in accordance with the terms thereof or (ii) has been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (A) moneys sufficient to make such payment or (B) Federal Securities, which do not contain provisions permitting the redemption thereof at the option of the issuer thereof, and maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will assure the availability of sufficient moneys to make such payment, or (C) a combination of such moneys and Federal Securities; and (b) all other sums payable under the Indenture by the Corporation, including the necessary and proper fees and expenses of the Trustee, Registrar and Paying Agent pertaining to the Bonds and the amount, if any, required to be rebated to the United States of America, have been paid to or deposited with the Trustee.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph will be deemed a payment of such Bonds as aforesaid until the Corporation has given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of such Bonds is to be paid, whether at maturity or on a redemption date (which will be any redemption date permitted by the Indenture and set forth in the Supplemental Indenture authorizing the issuance of such Bonds);

(b) to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to subparagraph (a) of this paragraph; and

(c) to mail, as soon as practicable, in the manner prescribed for notice of redemption of such Bonds, a notice to the owners of such Bonds that the deposit required by the preceding paragraph has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of or redemption price, if applicable, on such Bonds as specified in subparagraph (a) of this paragraph.

Any moneys so deposited with the Trustee may at the written direction of the Corporation also be invested and reinvested in Federal Securities, maturing in the amounts and times set forth above, and all income from all such Federal Securities in the hands of the Trustee which is not required for the payment of the principal of and interest on the Bonds, with respect to which such moneys have been so deposited, will be transferred to the Corporation for deposit in the Revenue Fund as and when realized and collected for use and application together with other moneys deposited in the Revenue Fund.

No such deposit will be made or accepted under the Indenture and no use made of any such deposit unless the Trustee has received an Opinion of Bond Counsel to the effect that such deposit and use would not cause any Tax-Exempt Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code. No such deposit will be deemed a payment of any Bonds, unless: (a) such deposit is sufficient to pay the principal of and premium, if any, and interest on such Bonds to the due date, whether such due date be by reason of maturity or upon redemption, without consideration of any investment of such deposit; or (b) the Trustee receives a verification certified by an expert of national reputation on such matters, and acceptable to the Trustee and Bond Counsel, verifying the sufficiency of such deposit to pay the principal of and premium, if any, and interest on such Bonds to the due date, whether such due date be by reason of maturity or upon redemption.

All moneys or Federal Securities so set aside and held in trust for the payment of principal of and premium, if any, and interest on any Bonds (including interest thereon but excluding any amounts set aside for rebate to the United States of America) will be applied to and used solely for the payment of principal of and premium, if any, and interest on such Bonds.

Upon the deposit with the Trustee, in trust, at or before maturity, of moneys or Federal Securities in the necessary amount to pay or redeem all Outstanding Bonds as provided in the Indenture (whether upon or prior to their maturity or the redemption date of such Bonds), and in compliance with the other payment requirements under the Indenture, the Indenture may be discharged in accordance with the provisions of the Indenture. However, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption must have been given as provided in the Indenture, or provisions satisfactory to the Trustee must have been made for the giving of such notice. Following such discharge, the Bondholders will be entitled to payment only out of such moneys or Federal Securities.

Bonds Not Presented For Payment When Due. Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for five years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agent at such date, or for five years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, will, at the written request of the Corporation, be repaid by the Trustee or Paying Agent to the Corporation, as its absolute property and free from trust, and the Trustee and Paying Agent will thereupon be released and discharged with respect thereto and the Bondholders must look only to the Corporation for the payment of such Bonds. However, before being required to make any such payment to the Corporation, the Trustee or Paying Agent will, at the expense of the Corporation, cause to be published at least twice, at an interval of not less than seven days between publications, in a newspaper or financial journal of general circulation published in New York, New York, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date will be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Corporation. Any such moneys in an amount of not less than $10,000 unclaimed after seven months will be invested by the Trustee or Paying Agent in Federal Securities, and any income earned thereon will be paid to the Corporation for deposit in the Revenue Fund.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Bondholders. The Corporation, the Trustee, the Registrar and the Paying Agent, without the consent of or notice to any Bondholders, may enter into an indenture or indentures supplemental to the Indenture, not inconsistent with the terms and provisions thereof, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture or any Supplemental Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the holders of any or all Bonds then Outstanding any additional benefits, rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Trustee for the benefit of such holders;

(c) To subject to the lien of the Indenture, for the benefit and security of the owners of any or all Outstanding Bonds, additional property, income, revenues or funds;

(d) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any other similar federal statute hereafter in effect or to permit the qualification of any Bonds for sale under any federal or state securities laws, and, in connection therewith, to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by the Trust Indenture Act of 1939, as amended, or any other federal or state statute pertaining to any of the foregoing; provided, that any such Supplemental Indenture is not, in the judgment of the Trustee, which may rely on an opinion or advice of counsel, to the material prejudice of the holders of any of the Bonds;

(e) To evidence the appointment of any successor Trustee, Registrar or Paying Agent;

(f) To effect or facilitate the issuance of any Bonds in accordance with the Indenture;

(g) To supplement or amend the Indenture, to add any Facilities to or remove any Facilities from the System;

(h) To make any modification or amendment to the provisions of the Indenture necessary or desirable to permit the Corporation to issue Fixed Rate Bonds, Variable Rate Bonds or Optional Maturities or to utilize any Credit Facility or Derivative Product; provided, however, that the Corporation obtains written confirmation that such modification or amendment will not materially and adversely affect the then-current rating or ratings assigned to any Outstanding Bonds by any Rating Agency then rating such Bonds;

(i) To modify, amend or supplement the Indenture or any Supplemental Indenture in any manner which the Corporation determines in good faith will not have a material adverse effect on any Bondholders; or

(j) Otherwise to modify any of the provisions of the Indenture or to relieve the Corporation from any of the obligations, conditions or restrictions contained in the Indenture; provided that no such modifications is or becomes operative or effective, or materially impairs any of the rights of any Bondholders or the Trustee (except as otherwise provided in the Indenture), while any Bonds issued prior to the execution of such Supplemental Indenture remain Outstanding; and provided, further, that such Supplemental Indenture is specifically referred to in the text of all Bonds issued after the execution of such Supplemental Indenture.

Supplemental Indentures Requiring Consent of Bondholders. Except for Supplemental Indentures authorized as described above under “Supplemental Indentures Not Requiring Consent of Bondholders” and subject to the terms and provisions described below, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (exclusive of any such Bonds held by the Corporation) will have the right from time to time to consent to and approve the execution by the Corporation and the Trustee, Registrar and Paying Agent of any Supplemental Indenture as is deemed necessary or desirable by the Corporation or the Trustee, Registrar or Paying Agent for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or any Supplemental Indenture. However, this does not permit, without the consent of the owners of all Bonds then Outstanding: (a) an extension of the stated maturity or redemption date or a reduction in the principal amount of or redemption premium, or reduction in the rate or extension of the time of payment of interest on, any Bonds; (b) the creation of any lien on any of the Pledged Revenues prior to or on a parity with the lien of the Indenture other than a lien ratably securing all of the First Lien Bonds at any time Outstanding under the Indenture; (c) a reduction in the aggregate principal amount of Bonds the owners of which are required to consent to any such Supplemental Indenture; (d) except with regard to Junior Lien Obligations or Credit Facility Obligations, the creation of a privilege, priority or preference of any one Bond or Bonds over any other Bond or Bonds; or (e) any amendment or modification of the trusts, powers, obligations, remedies, rights, duties or immunities of the Trustee without the written consent of the Trustee.

The consent of any owners of any Bonds to, and the approval by any owners of any Bonds of, the execution of any Supplemental Indenture may be evidenced by any means which the Trustee, Registrar and Paying Agent may deem to be sufficient.

The Trustee, Registrar and Paying Agent may receive and rely upon an opinion of counsel acceptable to the Corporation as conclusive evidence that any Supplemental Indenture entered into by the Corporation and the Trustee, Registrar and Paying Agent complies with the provisions of the Indenture.

Proposed Amendments

The Corporation is seeking the consent and approval of the original purchasers of the Series 2015A Bonds to the execution of certain proposed amendments to the Original Indenture, which amendments would, from and after the date such amendments become effective:

(a) **delete all conditions**, to be satisfied by the Corporation prior to the issuance of any First Lien Bonds during any Fiscal Year, that the Net Income (or adjusted Net Income) during the immediately preceding Fiscal Year be not less than the average annual debt service to become due in all succeeding Fiscal Years for the payment of principal of and interest on the Bonds then Outstanding under the Indenture and on such First Lien Bonds; and

(b) **delete all covenants**, to be performed by the Corporation, to (i) adopt a budget for the System for each Fiscal Year, (ii) establish and collect rents, fees, rates and other charges for the System so as to generate Net Income in each Fiscal Year equal to not less than the sum of (A) the annual debt service requirement on the Bonds for such Fiscal Year, (B) any amount required to be paid into the Reserve Fund or to the provider of any Reserve Fund Credit Instrument in such Fiscal Year plus (C) any other amounts reasonably required or anticipated to be paid from Net Income in such Fiscal Year in accordance with the Indenture and (iii) monitor, adjust and re-establish rents, fees, rates and other charges for the System so as to generate Net Income sufficient to make the required deposits into the Sinking Fund.

THE ORIGINAL PURCHASERS OF THE SERIES 2015A BONDS WILL, BY THEIR PURCHASE THEREOF, BE DEEMED TO HAVE CONSENTED TO AND APPROVED THE EXECUTION OF SUCH AMENDMENTS. ON THE DATE OF ISSUANCE OF THE SERIES 2015A BONDS, THE OWNERS OF A MAJORITY IN AGGREGATE PRINCIPAL AMOUNT OF THE BONDS THEN OUTSTANDING, INCLUDING THE ORIGINAL PURCHASERS OF THE SERIES 2015A BONDS, WILL HAVE CONSENTED TO AND APPROVED THE EXECUTION OF SUCH AMENDMENTS, AND SUCH AMENDMENTS WILL THEREUPON BECOME EFFECTIVE.

TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, under existing law, interest on the Series 2015A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2015A Bonds (the "Code"). This opinion relates only to the exclusion from gross income of interest on the Series 2015A Bonds for federal income tax purposes under Section 103 of the Code. The opinion of Barnes & Thornburg LLP is based on certain certificates, covenants and representations of the Corporation and is conditioned on continuing compliance therewith. In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, under existing law, interest on the Series 2015A Bonds is exempt from income taxation in the State of Indiana for all purposes except the State financial institutions tax. See APPENDIX C for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2015A Bonds as a condition to the exclusion from gross income of interest on the Series 2015A Bonds for federal income tax purposes. Noncompliance with such requirements may cause interest on the Series 2015A Bonds to be included in gross income for federal tax purposes retroactive to the date of issue, regardless of the date on which noncompliance occurs. Should the Series 2015A Bonds bear interest that is not excluded from gross income for federal income tax purposes, the market value of the Series 2015A Bonds would be materially and adversely affected. It is not an event of default if interest on the Series 2015A Bonds is not excludable from gross income for federal tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2015A Bonds.

The interest on the Series 2015A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; however, such interest is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax will be measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the Series 2015A Bonds is excludable from gross income for federal tax purposes and exempt from State income tax, the accrual or receipt of interest on the Series 2015A Bonds may otherwise affect an owner's federal or State tax liability. The nature and extent of these other tax consequences will depend upon the owner's particular tax status and the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2015A Bonds should consult their own tax advisors with respect to the other tax consequences of owning the Series 2015A Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the Series 2015A Bonds. Prospective purchasers of the Series 2015A Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Series 2015A Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Series 2015A Bonds maturing on July 1, 2029, the Series 2015A Bonds maturing on July 1, 2030, and bearing interest at 3.00% per annum, and the Series 2015A Bonds maturing on July 1, 2031 (collectively, the "Discount Bonds"), is less than the principal amount payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds, will be treated as "original issue discount." The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity may treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners of Discount Bonds not purchased in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible that, under the applicable provisions governing the determination of state or local income taxes, accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

BOND PREMIUM

The initial public offering price of the Series 2015A Bonds maturing on or before July 1, 2028, the Series 2015A Bonds maturing on July 1, 2030, and bearing interest at 5.00% per annum, and the Series 2015A Bonds maturing on or after July 1, 2032 (collectively, the "Premium Bonds"), is greater than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (a) the amount of amortizable Bond Premium and (b) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found at Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

LITIGATION

Absence of Litigation Related to Series 2015A Bonds

As of the date of delivery the Series 2015A Bonds, the Corporation will certify that there is no litigation or other proceeding pending or, to the knowledge of the Corporation, threatened in any court, agency or other administrative body restraining or contesting the issuance, sale, execution or delivery of the Series 2015A Bonds or the pledging of the Pledged Revenue, or in any way contesting, questioning or affecting the validity of any provision of the Series 2015A Bonds, the proceedings or the authority of the Corporation taken with respect to the issuance or sale thereof, the resolutions authorizing the Series 2015A Bonds, or the Indenture. Neither the creation, organization or existence of the Corporation nor the title of any of the present Board members or other Corporation officers to their respective offices is being contested.

Other Proceedings

From time to time, the Corporation is involved in ordinary routine litigation or claims incidental to its business. However, the Corporation believes that the ultimate result of proceedings to which it is a party and claims asserted against it as of the date hereof, even if determined adversely to the Corporation, would not have a materially adverse effect upon the Corporation's financial condition or results of operation.

VERIFICATION

The arithmetical accuracy of the mathematical computations as to the adequacy of the maturing principal amounts of, and interest on, the Governmental Obligations held under the Escrow Agreement, together with cash held under the Escrow Agreement, to pay the principal of and interest on the Refunded Bonds, and the mathematical computations supporting the conclusions of Barnes & Thornburg LLP, Bond Counsel, that the refunding of the Refunded Bonds will not cause the Series 2015A Bonds to be "arbitrage bonds" under the Code, will be verified by Causey Demgen & Moore P.C. Such verifications will be based upon information supplied to Causey Demgen & Moore P.C. by the Underwriters.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. ("S&P"), have given the Series 2015A Bonds the ratings of "Aaa" and "AA+," respectively. An explanation of the rating by Moody's may be obtained from such agency at 7 World Trade Center, 250 Greenwich Street, New York, New York, 10007, and an explanation of the rating by S&P may be obtained from such agency at 55 Water Street, New York, New York, 10041. Any such rating reflects only the view of the respective rating agency and is not a recommendation to buy, sell or hold any of the Series 2015A Bonds. There is no assurance that any rating will continue for any given period of time, and any rating may be revised downward or withdrawn entirely, if, in the judgment of the respective rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price or marketability of the Series 2015A Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2015A Bonds are subject to the approval of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the Corporation by Stuart & Branigin LLP, Lafayette, Indiana, and certain legal matters will be passed on for the Underwriters by Ice Miller LLP, Indianapolis, Indiana. The form of the approving opinion of Bond Counsel with respect to the Series 2015A Bonds is attached as Appendix C.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Series 2015A Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the Trustee upon a default are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies may not be readily available or may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Series 2015A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

These exceptions would encompass any exercise of federal, state or local police powers in a manner consistent with the public health and welfare. Enforceability of the provisions of the Series 2015A Bonds in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc. and Cabrera Capital Markets, LLC (the "Underwriters"), have agreed to purchase the Series 2015A Bonds subject to certain conditions precedent, and the Underwriters are obligated to purchase all Series 2015A Bonds issued at an underwriting discount of $254,375.53 from the initial public offering prices producing the prices or yields set forth on the cover page of this Official Statement. The Underwriters may offer and sell the Series 2015A Bonds to certain dealers (including dealers depositing the Series 2015A Bonds into unit investment trusts) and to others at a price lower than that offered to the public. The initial public offering price may be changed from time to time by the Underwriters.

FINANCIAL ADVISOR

The Corporation has engaged Blue Rose Capital Advisors, Inc., to serve as its financial advisor on debt and capital related issues, including the issuance of the Series 2015A Bonds.

OTHER RELATIONSHIPS

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Corporation. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MISCELLANEOUS

During the initial offering period for the Series 2015A Bonds, a copy of the Indenture will be available for inspection at the Office of the Treasurer of the Corporation, Hovde Hall, West Lafayette, Indiana 47907, and at the offices of Merrill Lynch, Piece, Fenner & Smith Incorporated, 540 West Madison Street, 28th Floor, Chicago, Illinois 60661.

THE TRUSTEES OF PURDUE UNIVERSITY

/s/ James S. Almond
James S. Almond, Assistant Treasurer

Dated: February 26, 2015

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APPENDIX A

PURDUE UNIVERSITY
AND
THE TRUSTEES OF PURDUE UNIVERSITY

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Purdue University
and
The Trustees of Purdue University

General

Purdue University (the "University") was established in 1869 as one of the land-grant colleges and universities created as a result of the Morrill Act of 1862. The University was originally established to teach agricultural and mechanical arts and was named in honor of John Purdue, a substantial donor to the University. The University is one of the seven state-supported universities in Indiana. The University has grown from 39 students and six instructors at its inception, to an estimated population in excess of 68,000 full-time and part-time students and approximately 5,000 faculty and lecturers on its main, regional, and statewide campuses as of Fall 2014. An additional 5,767 Purdue students were enrolled in Fall 2014 at the Indiana University-Purdue University campus in Indianapolis.

Purdue University is composed of four campuses, with its main campus in West Lafayette and regional campuses serving other areas of the state located in Hammond (Calumet), Fort Wayne (IPFW), and Westville (North Central). Indiana University and Purdue University jointly offer academic programs at the Fort Wayne campus and at the campus in Indianapolis (IUPUI). Purdue University has fiscal responsibilities for IPFW while Indiana University has fiscal responsibilities for IUPUI. Purdue University also operates a Statewide Technology Program at numerous locations throughout Indiana. In July 2014, the Calumet and North Central campuses began administration consolidation under a new name, Purdue Northwest. The target for completion of the unification is July 2016.

Academic Colleges and Schools of Purdue University

The University divides its academic year into two semesters and a summer term. The University offers courses in the arts, humanities, engineering, science, technology, and professional fields. The University also has a continuing education program, offers non-degree lifelong learning programs, and provides outreach through its extension educators located in the 92 counties of Indiana. The major areas and fields of study at Purdue University's campuses are organized into specific colleges and schools.

The major areas and fields of study at the West Lafayette campus are organized into the ten academic colleges as follows: Agriculture; Education; Engineering; Health and Human Sciences; Liberal Arts; Management; Pharmacy; Science; Technology; and Veterinary Medicine. Undergraduate, Masters, and Doctor of Philosophy degrees are awarded in all schools. The University also awards the professional degrees of Doctor of Pharmacy and Doctor of Veterinary Medicine.

The major areas and fields of study at the regional campuses are organized as follows:

Calumet – Business; Education; Engineering, Mathematics & Science; Liberal Arts & Social Sciences; Nursing; and Technology.

IPFW - Arts & Sciences; Business; Continuing Studies; Education and Public Policy; Engineering, Technology & Computer Science; Health and Human Services; and Visual & Performing Arts.

North Central - Business; Engineering and Technology; Liberal Arts; and Science.

Accreditation and Membership

The University is fully accredited in all of its departments and divisions by the Higher Learning Commission of the North Central Association of Colleges and Schools. Twenty-five other professional agencies have accredited various schools, departments and programs within the University. The University is also a member of the Association of American Universities.

Purdue Moves

In 2013, Purdue’s President Mitch Daniels announced a new set of initiatives to leverage Purdue’s strengths as a university and invest in those disciplines with the greatest potential to change the world. Named Purdue Moves, three broad categories define these initiatives:

•Purdue will forge ahead in STEM leadership
- Expand the College of Engineering to meet future engineering challenges
- Transform the College of Technology to focus on demand-driven innovation and entrepreneurship, including creation of the Purdue Polytechnic Institute
- Strengthen computer science development with new hardware and software models

•Purdue will deliver world-changing research
- Invest in drug discovery to change the course of diseases
- Advance plant science research to provide for an increasing world population

•Purdue will be a leader in transformative higher education
- Change the way learning occurs to improve student outcomes
- Engage students with international experiences
- Increase success and value with more affordable on-campus living opportunities for students
- Offer full class opportunities as a year-round university, enabling students to complete academic requirements, study abroad and participate in internships at various times

An overarching theme to these initiatives is affordability and accessibility in higher education. Purdue seeks to improve the cost/value offering by reducing the financial burden on students and their families, increasing scholarships and increasing the value of the Purdue degree. Each area of the University is engaged in moving the University forward, dedicated to offering higher education at its highest proven value.

Trustees

The Trustees of Purdue University (the "Corporation") is a statutory body corporate created in 1869 to operate the University. The Board of Trustees of the Corporation consists of ten members appointed by the Governor of Indiana. Three of these members - one of whom must be a graduate of the School of Agriculture - are nominated by the Purdue Alumni Association. The 1975 General Assembly provided for the 10th member, a student. The Board of Trustees selects the president of the University, decides major policy lines, approves the financial program and budget, approves the president's nominations for major appointments, and approves major construction projects and contracts. All members of the Board of Trustees are appointed for terms of three years, except for the student member whose term is two years. The current members of the Board of Trustees follow.

The Board of Trustees of the Corporation*

Sonny Beck	Gary J. Lehman
Michael Berghoff**	Kelsey Quin**
JoAnn Brouillette**	Thomas E. Spurgeon
Vanessa Castagna**	Don Thompson
John D. Hardin, Jr.	

Officers of the Corporation

The current officers of the Corporation are listed below.

Thomas E. Spurgeon, *Chairman***
Michael Berghoff, *Vice Chairman*
William E. Sullivan, *Treasurer*
James S. Almond, *Assistant Treasurer and Assistant Secretary*
Janice A. Indrutz*, Corporate Secretary*
Steven R. Schultz, *Legal Counsel*
Thomas B. Parent, *Assistant Legal Counsel*

Principal Administrative Officers of the University

The principal administrative officers who manage the business and academic affairs of the University are listed below.

Mitchell E. Daniels Jr., *President*
Debasish Dutta, *Executive Vice President for Academic Affairs and Provost*
William E. Sullivan, *Treasurer and Chief Financial Officer*
James S. Almond, *Senior Vice President and Assistant Treasurer*
Morgan J. Burke, *Director of Intercollegiate Athletics*
Michael B. Cline, *Vice President for Physical Facilities*
Peggy L. Fish, *Director of Audits*
Suresh Garimella, *Executive Vice President for Research and Partnerships*
Julie K. Griffith, *Vice President for Public Affairs*
Trenten D. Klingerman*, Interim Vice President for Human Resources*
William G. McCartney, *Vice President for Information Technology and Chief Information Officer*
Alysa C. Rollock, *Vice President for Ethics and Compliance*
Steven R. Schultz, *Legal Counsel*
Christine Taylor, *Chief Diversity Officer*

Regional Campus Staff
Thomas L. Keon, *Chancellor, Purdue University Calumet*
James B. Dworkin, *Chancellor, Purdue University North Central****
Vicky L. Carwein, *Chancellor, Indiana University-Purdue University Fort Wayne*

Principal Administrators of the Purdue Research Foundation

Daniel J. Hasler, *President and Chief Entrepreneurial Officer*
Amy Noah, *Vice President for Development*
Scott W. Seidle, *Chief Investment Officer*

* A vacancy was created on the Board of Trustees by the resignation of Mr. Bruce White in February 2015. Indiana Code § 21-23-3-8 provides that this vacancy is to be filled by a successor appointed by the Governor of Indiana to serve for the balance of the unexpired term, which expires on June 30, 2017.
** Term expires June 30, 2015.
*** Term to expire no later than June 30, 2016.

Student Admissions

The table below sets forth the total number of first year applications received and accepted, and the number of students enrolled at the West Lafayette campus for the academic years indicated. The University is managing admissions such that the total undergraduate enrollment on the West Lafayette Campus is approximately 29,300.

ACADEMIC YEAR	APPLICATIONS RECEIVED	APPLICATIONS ACCEPTED	PERCENT ACCEPTED	STUDENTS ENROLLED	YIELD OVERALL	YIELD IN STATE
2010-11	30,707	19,993	65.1%	6,347	31.7%	54.5%
2011-12	29,513	20,163	68.3%	6,659	33.0%	57.3%
2012-13	30,903	18,951	61.3%	6,291	33.2%	58.4%
2013-14	30,955	18,684	60.4%	6,283	33.6%	59.2%
2014-15	39,706	23,506	59.2%	6,373	27.1%	55.9%

The freshman applicants at the West Lafayette campus for the fall semesters 2010 through 2014 had an average combined score for the Scholastic Aptitude Test (SAT) verbal and mathematical test of 1166, 1175, 1186, 1200, and 1213. Approximately 80% of the Fall 2014 freshman class had a high school grade point average between 3.5 and 4.0 and 98% of the Fall 2014 freshman class had a high school grade point average between 3.0 and 4.0.

Tuition and Fees

The University operates its programs on a two semester and summer session basis. Fees, tuition and other costs of attending the University vary by campus and resident status. For resident students at the West Lafayette campus, educational costs include general academic fees, other special fees, and room and board. Non-resident students are also charged a tuition fee. Fees and tuition are charged per semester for students on the West Lafayette campus. Charges for students attending the regional campuses are based on the number of credit hours taken.

Student Fees, Tuition and Other Fees: The table below sets forth the tuition and general fees applicable to both full-time and part-time students at the West Lafayette campus for the academic years 2010-11 through 2014-15. Approximately 52% of the total undergraduate and graduate students at the West Lafayette campus and approximately 12% of regional campus students were non-residents of the State of Indiana at Fall 2014.

WEST LAFAYETTE CAMPUS TUITION AND FEES

ACADEMIC YEAR		FULL-TIME (PER ACADEMIC YEAR) INDIANA RESIDENT	FULL-TIME (PER ACADEMIC YEAR) NON-RESIDENT	PART-TIME (PER CREDIT HOUR) INDIANA RESIDENT	PART-TIME (PER CREDIT HOUR) NON-RESIDENT
2010-11	[1,2]	$9,070	$26,622	$325	$885
2011-12	[1,2,3,4]	9,478	27,646	336	916
2012-13	[1,2,3,4]	9,900	28,702	348	948
2013-14	[1,2,3,4]	9,992	28,794	348	948
2014-15	[1,2,3,4]	10,002	28,804	348	948

[1] Includes the Repair & Rehabilitation (R&R) fee per semester of $151 in Fall 2010, $156 in Fall 2011, $161 in Fall 2012 and thereafter. For purposes of assessing the R&R fee, students are defined as those beginning Summer 2006 and thereafter. All students are assessed the R&R fee effective Fall 2011.
[2] A new Student Success fee of $250 was added to the general service fee for new students beginning in Fall 2009 and has been fully phased in as of Fall 2014.
[3] Includes a Student Fitness and Wellness fee per semester of $46 in Fall 2011, $81 in Fall 2012, and $122 in Fall 2013 and thereafter.
[4] International Students enrolling between the Summer of 2011 and Spring of 2012 were charged an additional $518 per semester, and $1,000 per semester thereafter.

The full-time summer session fee is one half of the regular academic year fee. The fees for undergraduate and graduate students are the same.

The table below sets forth the tuition and fees charged per academic year to students attending each regional campus of the University for the academic years 2010-11 through 2014-15. The tuition and fees listed assume that undergraduate students are enrolled for 30 hours per academic year and graduate students are enrolled for 24 hours per academic year.

REGIONAL CAMPUS TUITION AND FEES
(PER ACADEMIC YEAR)

CALUMET

ACADEMIC YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT
2010-11	[1,2]	$6,623	$14,961	$6,454	$13,744
2011-12	[1,3]	6,789	15,336	6,616	14,088
2012-13	[1,4]	6,959	15,720	6,781	14,441
2013-14	[1,5]	7,098	16,035	6,917	14,730
2014-15	[1,6]	7,241	16,356	7,055	15,025

FORT WAYNE

ACADEMIC YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT
2010-11	[1,2]	$7,272	$17,466	$7,172	$16,241
2011-12	[1,3]	7,454	17,903	7,351	16,646
2012-13	[1,4]	7,640	18,350	7,535	17,063
2013-14	[1,5]	7,793	18,717	7,686	17,404
2014-15	[1,6]	7,949	19,092	7,840	17,752

NORTH CENTRAL

ACADEMIC YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT
2010-11	[1,2]	$6,704	$15,960	$6,515	$14,666
2011-12	[1,3]	6,872	16,359	6,678	15,034
2012-13	[1,4]	7,044	16,769	6,845	15,409
2013-14	[1,5]	7,185	17,105	6,982	15,718
2014-15	[1,6]	7,329	17,447	7,121	16,032

[1] For purposes of the R&R fee, assessments were applied to students beginning Summer 2006 and thereafter for North Central and Fall 2006 and thereafter for Calumet and Fort Wayne. All students were assessed the R&R fee effective Fall 2011

[2] Includes the R&R fee of $3.25, $2.95 and $2.40 per credit hour for Calumet, Fort Wayne and North Central, respectively, in Fall 2010.

[3] Includes the R&R fee of $3.35, $3.00 and $2.45 per credit hour for Calumet, Fort Wayne and North Central, respectively, in Fall 2011.

[4] Includes the R&R fee of $3.45, $3.10 and $2.50 per credit hour for Calumet, Fort Wayne and North Central, respectively, in Fall 2012.

[5] Includes the R&R fee of $3.50, $3.15 and $2.55 per credit hour for Calumet, Fort Wayne and North Central, respectively, in Fall 2013.

[6] Includes the R&R fee of $3.55, $3.20 and $2.60 per credit hour for Calumet, Fort Wayne and North Central, respectively, in Fall 2014.

Student Enrollment

The University attracts students from a variety of backgrounds and geographical locations. In the most recent year reported below, approximately 55% of the University's undergraduate students are residents of Indiana. The student body represents all 50 states and 126 countries. The following table presents the University's combined headcount enrollment for the Fall semester of the academic years 2010-11 through 2014-15.

	WEST LAFAYETTE CAMPUS			REGIONAL CAMPUSES				
ACADEMIC YEAR	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	STATEWIDE TECHNOLOGY	UNIVERSITY TOTAL[1]
2010-11	36,392	3,334	39,726	18,083	10,530	28,613	1,355	69,694
2011-12	36,193	3,444	39,637	17,160	12,231	29,391	1,231	70,259
2012-13	35,759	3,497	39,256	16,219	13,654	29,873	1,145	70,274
2013-14	35,213	3,575	38,788	15,960	14,041	30,001	1,018	69,807
2014-15	34,995	3,775	38,770	14,930	13,962	28,892	987	68,649

The following table sets forth the undergraduate and the graduate and professional headcount enrollment and the full-time equivalent for the West Lafayette campus and the full-time equivalent for the Purdue System.

	WEST LAFAYETTE				PURDUE SYSTEM
ACADEMIC YEAR	UNDER GRADUATE	GRADUATE & PROFESSIONAL	TOTAL	FULL-TIME EQUIVALENT[2]	FULL-TIME EQUIVALENT[1, 2]
2010-11	30,836	8,890	39,726	37,959	59,271
2011-12	30,776	8,861	39,637	38,216	58,928
2012-13	30,147	9,109	39,256	37,976	58,706
2013-14	29,440	9,348	38,788	37,401	57,285
2014-15	29,255	9,515	38,770	36,984	56,700

[1] Includes the Indiana University students enrolled at the Indiana University-Purdue University campus in Fort Wayne and excludes the Purdue University students enrolled at the Indiana University-Purdue University campus in Indianapolis.

[2] Calculated by dividing total credit hours by 15 for undergraduate, professional and certificate students and by 12 for graduate students.

Faculty and Employees

As of November 1, 2014, the University's faculty and staff aggregate total was 19,701. Of the total faculty, 64% hold tenured/tenure track appointments. No labor organization is a collective bargaining representative for any of the Corporation's employees.

	West Lafayette	Regional & Statewide Technology	Total
Tenured/Tenure Track Faculty			
Academic, Associate and Assistant Deans	60	21	81
Academic Department Heads	90	44	134
Professors	806	126	932
Associate Professors	560	296	856
Assistant Professors	364	117	481
Instructors	0	3	3
Sub-Total of Tenured/Tenure Track Faculty	**1,880**	**607**	**2,487**
Non-Tenure Appointments			
Clinical/Professional	147	47	194
Research Faculty	35	1	36
Visiting Faculty	114	72	186
Post Doctoral	380	2	382
Sub-Total of Non-Tenure Appointments	**676**	**122**	**798**
Continuing Lecturers and Limited-Term Lecturers			
Continuing Lecturers	174	105	279
Limited-Term Lecturers	178	810	988
Sub-Total of Continuing Lecturers and Limited-Term Lecturers	**352**	**915**	**1,267**
Adjunct Faculty			
Adjunct Faculty	352	234	586
Sub-Total of Adjunct Faculty	**352**	**234**	**586**
Graduate Student Staff			
Graduate Assistants	1,707	140	1,847
Fellow Administered as Graduate Assistant	185	0	185
Graduate Lecturers	37	0	37
Graduate Research Assistants	2,494	28	2,522
Graduate Administrative/Professional	251	24	275
Graduate Aides	0	63	63
Sub-Total of Graduate Student Staff	**4,674**	**255**	**4,929**
Staff			
Management	535	112	647
Administrative Staff	1,130	294	1,424
Operations Assistant	455	86	541
Professional Staff	320	13	333
Professional Assistant	1,259	177	1,436
Technical Assistant	261	24	285
Extension Educators	241	0	241
Clerical Staff - Regular	933	273	1,206
Clerical Staff - Temporary	82	49	131
Service Staff - Regular	1,852	260	2,112
Service Staff - Temporary	1,007	271	1,278
Sub-Total of Staff	**8,075**	**1,559**	**9,634**
GRAND TOTAL ALL STAFF	**16,009**	**3,692**	**19,701**

Facilities (As of Fall 2014)

Academic, Administrative, Athletic and Residential Facilities: The University has 229 principal buildings of 10,000 or more square feet used for academic instruction, research, athletics, residential and administrative functions. These buildings are located on the University's four campuses that comprise approximately 4,500 acres. The University, together with related foundations, also owns approximately 14,700 acres of land used for agricultural purposes throughout the state.

Libraries: The Purdue University Libraries system on the West Lafayette campus includes 11 subject-oriented libraries, the Hicks Undergraduate Library and the Virginia Kelly Karnes Archives and Special Collections Research Center. The campus library system consists of 2.1 million printed volumes, over 1.5 million electronic books, 129,525 electronic and print journals, more than 608,000 government documents, and 1,656,833 e-resources, with access to more.

Research Facilities: The University has approximately 1.51 million square feet of research laboratories located on its West Lafayette campus. In addition to the laboratories for research within a department or school, there are many other specialized research facilities, some of an interdisciplinary nature.

Housing and Dining Facilities: The University provides a variety of student residence and dining operation facilities for single undergraduate students, graduate students and married students. Accommodations, including room and board, room only and apartments, are available to both undergraduate and graduate students.

The West Lafayette campus provided 11,897 spaces for students in Fall 2014. The Fort Wayne campus provided 1,204 spaces and the Calumet campus provided 744 spaces for students in Fall 2014. Occupancy on the West Lafayette campus was 99% for Fall 2014. Occupancy was 77% on the Fort Wayne campus and 94% on the Calumet campus for Fall 2014.

The predominant rates for room and board at the West Lafayette campus for the 2014-15 academic year are $10,032 with unlimited meals per week, $9,414 with 13 meals per week, and $7,858 with 8 meals per week. The 2014-15 monthly housing rates at the Fort Wayne campus and Calumet campus range from $395 to $818 and $548 to $672, respectively.

Athletic Facilities: The University's West Lafayette campus is home to Ross-Ade football stadium which seats 57,236 and Mackey Arena which seats 14,264 for basketball games. Additional facilities include the Birck Boilermaker Golf Complex, Boilermaker Aquatic Center, Holloway Gymnasium, Drew and Brittany Brees Student-Athlete Academic Center, Lambert Fieldhouse, Mollenkopf Athletic Center, Rankin Track and Field, Schwartz Tennis Center, the Northwest Athletic site for baseball and soccer, a softball complex, and a cross country course.

Parking Facilities: The University has nine parking garages on the West Lafayette campus, one on the Calumet campus and three on the Fort Wayne campus. Additional parking capacity is provided by surface lots on all four campuses.

Other Facilities: The University's other facilities at the West Lafayette campus include the Purdue University Airport; the Edward C. Elliott Hall of Music which seats 6,025 people; and the Slayter Center of the Performing Arts. In addition, Discovery Park provides facilities for interdisciplinary research and education.

Financial Operations of the Corporation

The financial statements of the University have been prepared in accordance with the principles contained in GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis –for State and Local Governments" as amended by GASB Statement No. 35, "Basic Financial Statements – and Management's Discussion and Analysis - for Public Colleges and Universities."

During fiscal year 2014, the University adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". During fiscal year 2013, the University adopted GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements"; GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34"; GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements"; and GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."

The effect of GASB Statement No. 61:

- Changed the presentation of Ross-Ade Foundation from a blended component unit to a discretely presented component unit; Ross-Ade Foundation's net position was approximately $1,611,000 as of June 30, 2013;
- Recognized IPFW Foundation as a discretely presented component unit; IPFW Foundation's net position was approximately $17,951,000 as of June 30, 2013.

The effect of GASB Statement No. 65:

- Changed the presentation of certain items previously required to be reported as assets or liabilities to properly record them as either deferred outflows of resources or deferred inflows of resources, or to recognize certain items that were previously reported as assets or liabilities as outflows of resources (expenses) or inflows of resources (revenues).

The complete financial report for Purdue University is attached as Appendix B hereto.

FINANCIAL OPERATIONS OF THE CORPORATION
Statement of Revenues, Expenses, and Changes in Net Assets

	Fiscal Year Ended June 30 (dollars in thousands)			
	2014	**2013**	**2012***	**2011***
Operating Revenues				
Tuition and Fees	$839,367	$834,222	$805,295	$757,072
Less: Scholarship Allowance	(112,111)	(103,972)	(97,499)	(97,240)
Net Tuition and Fees	$727,256	$730,250	$707,796	$659,832
Federal Grants	16,398	14,970	14,331	15,683
County Grants	7,760	8,241	9,012	7,951
Grants and Contracts	344,537	364,697	375,341	366,567
Sales and Services	74,721	73,866	72,526	65,219
Auxiliary Enterprises (Net of Scholarship Allowance of $14,254, $13,895, $12,725, and $13,344 respectively)	254,567	249,379	250,744	232,213
Other Operating Revenues	9,970	8,728	6,822	4,004
GASB 61 Paper Adjustment				4
Total Operating Revenues	**$1,435,209**	**$1,450,131**	**$1,436,572**	**$1,351,469**
Operating Expenses				
Compensation and Benefits	$1,201,478	$1,252,812	$1,220,731	$1,201,083
Supplies and Services	503,556	424,676	418,340	395,617
Depreciation Expense	148,356	135,846	126,284	119,820
Scholarships, Fellowships, and Student Awards	72,291	63,775	68,365	70,173
Total Operating Expenses	**$1,925,681**	**$1,877,109**	**$1,833,720**	**$1,786,693**
Net Operating Loss	**($490,472)**	**($426,978)**	**($397,148)**	**($435,224)**
Non-operating Revenues (Expenses)				
State Appropriations	$392,293	$370,382	$389,078	$385,300
Grants and Contracts	61,534	65,687	73,261	77,973
Private Gifts	85,226	61,009	70,647	67,160
Investment Income	280,979	150,321	16,034	270,794
Interest Expense	(23,142)	(34,535)	(32,843)	(27,665)
Other Non-operating Revenues, Net	6,223	5,575	3,623	6,128
Total Non-operating Revenues before Capital/Endowments	**$803,113**	**$618,439**	**$519,800**	**$779,690**
Capital and Endowments				
State Capital Appropriations	$6,322	$0	$0	$0
Capital Gifts	$16,116	$11,122	$133	$5,287
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	29,075	26,351	20,048	23,817
Gain (Loss) on Retirement of Capital Assets, Net of Proceeds and Insurance Recoveries	257	(1,458)	(6,349)	(4,759)
Total Capital and Endowments	**$51,770**	**$36,015**	**$13,832**	**$24,345**
Increase in Net Assets	**$364,411**	**$227,476**	**$136,484**	**$368,811**
Net Assets, Beginning of Year	**$3,811,958**	**$3,584,482**	**$3,447,998**	**$3,079,187**
Net Assets, End of Year	**$4,176,369**	**$3,811,958**	**$3,584,482**	**$3,447,998**

* Restatement due primarily as a result of the Ross-Ade Foundation changing from a blended component unit to a discretely presented component unit in 2013 as a result of GASB 61. Non-material changes related to consolidation of Student Organization activity were also restated for 2012, but not in previous years.

Student Fees

The "Student Fees" (for purposes of the Corporation's student fee indenture) for the past four years are listed on the previous page in the table labeled "Financial Operations of the Corporation" on the line item "Net Tuition and Fees".

Budgeting

The University's Board of Trustees approves an operating budget for each fiscal year based upon the proposed budget submitted by the President and senior administrative officers of the University. To establish an operating budget, the University takes into consideration appropriations from the State and revenue from all other sources including student fees. On a biennial basis the University submits a request to the Indiana Commission for Higher Education and the State Budget Agency seeking appropriations from the General Assembly. The State appropriations include funding for operations, fee replacement (debt service), capital, repair and rehabilitation and other public service functions. See "State Appropriations".

State Appropriations

To sustain its mission and educational activities, the University receives a portion of revenues from the State of Indiana. Other revenues are derived substantially from student fees and the federal government.

The University has annually received and anticipates receiving appropriations from the Indiana General Assembly. These appropriations have been and are to be applied to the educational and general expenditures of the University, to fund major repair and rehabilitation projects and to assist with debt service.

The State appropriations received by the University for fiscal years 2010 through 2014, and budgeted for fiscal year 2015 are set forth below. This information should be reviewed in conjunction with the University's financial statements, including the Management Discussion and Analysis, and the Notes to the statements.

STATE APPROPRIATIONS
(dollars in thousands)

	Normal Recurring Appropriations					
	Unrestricted		Restricted			
Fiscal Year Ended June 30	General Operating	Fee Replacement	Repair & Rehabilitation	Special	Non-Recurring Appropriations	Total
Historical						
2010	$324,308	$30,567	-	$26,919	- [1]	$381,794
2011	317,986	31,779	-	26,919	$ 9,534 [1]	386,218
2012	312,325	29,009 [2]	-	26,954	-	368,288
2013	312,325	31,069 [3]	-	26,953	-	370,347
2014	318,606	30,146	9,265	34,276	5,750 [5]	398,043
Budgeted						
2015	325,109 [4]	29,637	9,265	34,093	65,600 [5]	463,704

[1] Separately, a non-recurring appropriation of $45,474,070 was designated by the State for the 2009-2011 biennium for (a) R&R or (b) R&R or General Operating Expense. These funds were initially appropriated by the State under the American Recovery and Reinvestment Act (ARRA) of 2009. During 2009-2010, $35,131,844 reverted to the State and the balance of $10,342,226 was available for 2010-2011 but not appropriated. An additional $10 million was available to be allocated between Purdue and Indiana University in fiscal year 2011 at the discretion of the State Budget Agency but was not appropriated.

[2] Net of bond proceeds interest income in the amount of approximately $2.8 million, appropriated by the State but not claimed by the University.

[3] Net of interest savings of $272,100 and other savings in the amount of $842,486 appropriated by the State but not claimed by the University.

[4] Indiana's Governor, Mike Pence, announced plans to reduce appropriations to state agencies and universities starting in fiscal year 2015. If State tax collections in fiscal year 2015 meet expectations, the appropriations will be restored. The system-wide impact for Purdue is expected to be approximately $7.2 million. This reduction is not reflected in the table.

[5] Capital appropriations towards construction of West Lafayette Active Learning Center ($50,000,000) and IPFW South Campus Renovations ($21,350,000) will be funded based on the actual timing of the recognition of expenses.

Student Financial Aid

Among Purdue students, there was a 4.11% increase in State Awards and a 6.12% decrease in Federal Pell Grants from academic year 2012-13 to 2013-14. Total grants and scholarships increased by 0.7% compared to an increase of 1.7% in total loans in 2013-14 from the previous year.

The following table summarizes the financial aid provided to students of the University from a limited set of various sources for the 2013-14 academic year.

STUDENT FINANCIAL ASSISTANCE[1]

Academic Year 2013-14

	West Lafayette	Regional Campuses	Total
Scholarships and Grants:			
University Scholarships, Grants & Fee Remissions	$78,658,248	$9,778,414	$88,436,662
University Incentive Grant	12,296,129	0	12,296,129
Purdue Opportunity Awards [2]	390,457	0	390,457
Athletic Grant-in-Aid	10,860,122	2,651,555	13,511,677
State Awards	25,742,698	20,290,788	46,033,486
Private Awards	11,922,809	3,671,046	15,593,855
Fellowships	13,126,738	0	13,126,738
Federal Pell Grants	24,998,410	34,012,018	59,010,428
Federal SEOG	1,840,433	514,189	2,354,622
Other Federal Grants	15,715,817	921,949	16,637,766
Total Scholarships and Grants	**$195,551,861**	**$71,839,959**	**$267,391,820**
Loans[3]:			
Federal Stafford Loans	$101,365,625	$88,607,931	$189,973,556
Federal Parent Loans for Undergraduate Students	48,497,913	5,746,061	54,243,974
Federal Graduate PLUS Loans	4,438,872	382,748	4,821,620
Federal Perkins and Health Professions Loans	3,140,793	565,935	3,706,728
Purdue Loans	4,691,156	-	4,691,156
Private Loans	21,465,475	4,323,539	25,789,014
Total Loans	**$183,599,834**	**$99,626,214**	**$283,226,048**
Employment and Employment Related:			
Work-Study Salaries	$1,532,590	$678,025	$2,210,615
Graduate Student Staff Salaries	89,846,408	2,165,752	92,012,160
Other Part-Time University Salaries	19,371,603	4,407,995	23,779,598
Employment Related Fee Remissions	53,086,241	2,089,099	55,175,340
Other Employment Related Awards	2,873,797	-	2,873,797
Total Employment Related	**$166,710,639**	**$9,340,871**	**$176,051,510**
Total Student Financial Assistance	**$545,862,334**	**$180,807,044**	**$726,669,378**

[1] Reported by Academic Year. Data does not tie to Fiscal Year reporting provided in the Financial Report.
[2] Purdue Opportunity Awards have been discontinued. Many recipients have been provided Purdue Promise funds within University Scholarships, Grants & Fee Remissions.
[3] Starting in 2013-14 financial aid packages for non-resident students did not automatically include Parent Plus loans.

Other Post-Employment Benefits (OPEB)

In the financial statements for the year ending June 30, 2014, the University reported Other Post-Employment Benefits (OPEB) annual cost of $7,523,000. The University currently offers participation in its medical plan to retirees (1) who are 55 or older, (2) whose sum of age plus years of service is equal to or greater than 70 and (3) who have at least ten years of service in a benefits eligible position. Beginning July 1, 2014, the requirement to meet the combination of age and years of service to equal 70 or more has been eliminated. Early retirees are given the option to continue their medical insurance if they pay the entire cost of the blended medical plan rate, which includes both active employees and early retirees. The early retirees benefit in that the cost of the benefit exceeds the cost of the plans, which creates an implicit rate subsidy. After the retiree reaches the age of 65, the program is no longer offered. Purdue also offers a long-term disability program providing income continuation payments. Based on date of disability, some additional "auxiliary benefits" may be extended. Prior to January 1, 2013, the program included retirement benefit payments, medical benefit payments and life insurance premium payments for a small required premium paid by the employee. Those who were participating in the program at that date continue to receive the benefits until they reach the age of 65. Individuals with a date of disability beginning on or after January 1, 2013, may continue medical benefits at the existing employee premiums until the employee becomes eligible for Medicare or for a maximum of three years after the employee becomes disabled, whichever comes first. All future and existing disability income benefit liability is fully insured through an insurance carrier.

See Note 7 to the Financial Statements contained in Appendix B and “Retirement Plans” below for further information.

Endowment and Similar Funds

The Corporation’s endowment and similar funds include (1) endowment funds which are subject to the restrictions of gift instruments requiring that the principal be maintained in perpetuity, the current income and capital appreciation of which are distributed at an annualized rate based on the market value of the endowment, either for donor-specified purposes or for general purposes of the University and (2) funds functioning as endowments which represent expendable funds received which, by decision of the Board of Trustees of the Corporation, have been retained and invested for future use, in accordance with the donor’s restrictions or at the discretion of the Board of Trustees of the Corporation. The market value figures at the end of fiscal years 2010 through 2014 are shown below. These values are not pledged under the Indenture and do not include endowments separately held by the Corporation valued at $47,508,223 on June 30, 2014. The current spending policy for the endowment is 5.0%, based on a 12-quarter rolling average.

FISCAL YEAR ENDED JUNE 30	ENDOWMENT MARKET VALUE
2010	$ 987,207,372
2011	1,239,002,010
2012	1,194,501,367
2013	1,400,657,554
2014	1,592,824,888

As of December 31, 2014, the unaudited market value of the Corporation’s endowment was $1,459,142,978 and the unaudited consolidated market value of the endowment (including Purdue Research Foundation) was $2,309,135,905 (including net additions).

Related Foundations

The foundations listed below are organized exclusively to serve the Corporation and the University by providing funds and other resources. The asset value, income and support to the Corporation for each foundation for the fiscal year ending June 30, 2014 is shown in the following table.

FOUNDATION	ASSET (BOOK) VALUE	INCOME	DISBURSED TO/FOR THE CORPORATION
Purdue Research Foundation	$2,334,739,876	$127,762,927	$40,410,859
Ross-Ade Foundation	129,905,552	6,546,335	6,496,207
The Purdue Foundation, Inc.	3,367,291	48,527,568	48,527,568
Indiana-Purdue Foundation at Fort Wayne	12,677,639	1,684,954	1,991,605
Total	**$2,480,690,358**	**$184,521,784**	**$97,426,239**

Purdue Research Foundation: The Purdue Research Foundation is a nonprofit corporation that may accept gifts, administer trusts, acquire property, negotiate research contracts and perform other services helpful to the University. Its objectives are exclusively to aid the University. This Foundation developed the Purdue Research Park that provides a program for collaboration between research and development activities of industry and the basic research of the University. The Foundation owns 7,363 acres of land, 6,166 acres of which are leased to the University. See "Transfer of the Development Office and the Office of Investments to Purdue Research Foundation."

Ross-Ade Foundation: The Ross-Ade Foundation was organized in 1923 through gifts from alumni to promote and develop the educational and physical welfare of students with funds that could not be provided from state appropriations. This Foundation has built the football stadium and parking garages, and has been instrumental in the development of the regional campuses by acquiring the land and constructing the facilities. All the facilities are leased to the Corporation on a cost basis. The five-member Board of Directors of this Foundation includes two members of the Board of Trustees of the Corporation and the University President, who serves as President of the Board.

The Purdue Foundation, Inc.: The Purdue Foundation, Inc. was incorporated in 1979 for the purpose of consolidating the solicitation, receipt and acceptance of gifts, donations and bequests from the general public, including individuals, corporations and other sources, for the benefit of the Corporation. Included on the nine-member Board of Directors are five members who are elected by the Board of Trustees of the Corporation.

IPFW Foundation: The IPFW Foundation at Fort Wayne was incorporated in 1958 exclusively to promote the needs and programs of Indiana University and Purdue University. This Foundation has helped finance the construction of an academic building and has given land to these universities. The 15 member Board of Directors of this Foundation includes two members of the Board of Trustees of the Corporation.

Fund Raising Activity

The University recently completed a targeted $304 million "Student Access and Success" campaign. The first phase of this campaign provided for the Intercollegiate Athletics program at Purdue, and raised $33.9 million (compared to a goal of $32 million) as of the close of this portion of the campaign on March 1, 2012. This phase of the campaign supplemented the funding of a Mackey Arena complex renovation and addition with an authorized budget of $99.5 million. The project provided necessary facility upgrades for academic tutoring, athletic training and practice areas, program space, fan amenities, and accessibility for the University's 500+ student-athletes

The second phase of the campaign, Student Access and Success, raised money for student programs, scholarships, and fellowships. At the close of the campaign on June 30, 2014, $308 million was raised, exceeding the $304 million goal.

In addition, the April 30, 2014, Purdue Day of Giving raised a total of $7.5 million from more than 6,500 donors, including nearly $1 million for Student Affordability and Accessibility.

Overall, Purdue University raised more than $235 million in gifts from more than 65,000 donors and, in the process, set records for first-time donors and student support for the fiscal year that ended June 30, 2014. Both the amount raised and the number of donors are substantial increases over the previous fiscal year.

Planning for fiscal year 2015 includes additional projects related to Purdue Moves initiatives and a second annual Purdue Day of Giving in an effort to continue to broaden Purdue's base of support.

Gift giving is shown below for fiscal years 2010 through 2014.

TOTAL GIFT GIVING BY CATEGORY
(dollars in thousands)

	2014	2013	2012	2011	2010
Cash/Securities *	$119,538	$100,923	$109,364	$121,863	$140,823
Real Estate	4,178	0	70	0	0
Gifts-in-Kind	54,930	50,446	64,890	72,812	62,933
Irrevocable Deferred	4,666	6,003	18,645	7,127	8,422
Revocable Deferred	47,643	91,921	24,213	37,064	29,428
New Pledge Balances*	72,192	30,498	120,170	37,972	30,186
Total Production	**$303,147**	**$279,791**	**$337,352**	**$276,838**	**$271,792**
Less: Prior Year Pledge payments *	-$67,493	-$60,863	-$38,533	-$47,597	-$56,897
Net Production	**$235,654**	**$218,928**	**$298,819**	**$229,241**	**$214,895**

* New pledge balances are recorded at the total pledge amount in the year in which the commitment is made. Payments made on those pledges in subsequent years are processed and recorded as Cash/Securities in the year in which the payments are received, then subtracted as Prior Year Pledge payments to provide annual Net Production.

Grants and Contracts

System-wide sponsored program expenditures for the fiscal year 2014 were $351.1 million, a decrease of $29.5 million, or approximately 8%, below previous year expenditures. Departments with sponsored research program expenditures in excess of $5 million were: Civil Engineering, $35.0 million; Electrical & Computer Engineering, $32.9 million; Mechanical Engineering, $2920.4 million; Biological Sciences, $17.0 million; Computer Sciences, $14.6 million; Chemistry, $13.6 million; Aeronautics & Astronautics, $10.9 million; Physics, $10.8 million; Chemical Engineering, $9.5 million; Agronomy, $9.0 million; Biomedical Engineering, $9.0 million; Nutrition Science, $8.7 million; Agricultural & Biological Engineering, $6.1 million; College of Pharmacy, $6.0 million; Human Development and Family Studies, $5.7 million; Botany and Plant Pathology, $5.5 million; Medicinal Chemistry and Molecular Pharmacology, $5.1 million; Forestry and Natural Resources, $5.0 million; and Nuclear Engineering, $5.0 million.

GRANTS AND CONTRACTS BY SOURCE
Fiscal Year Ended June 30
(dollars in thousands[1])

	2014	**2013**	**2012**	**2011**	**2010**
Federal Sources					
Department of HHS	$44,424	$56,779	$53,949	$60,764	$57,293
National Science Foundation	84,696	91,826	93,839	88,863	72,251
Department of Energy	26,384	30,543	35,582	30,825	28,012
Department of Defense	28,659	35,087	34,492	32,942	32,927
Department of Agriculture	22,172	22,325	23,518	18,966	15,852
Other Federal Agencies	29,299	35,360	39,103	34,194	33,315
Total Federal Sources	**$235,634**	**$271,920**	**$280,484**	**$266,553**	**$239,650**
State of Indiana	17,513	19,855	24,317	25,312	28,873
Business and Foundations	76,187	75,240	75,044	67,305	70,129
Non-Profit Organizations	17,675	11,260	9,781	10,916	10,871
Foreign Government	4,060	2,309	2,519	1,962	1,356
Total Non-Federal Sources	**$115,435**	**$108,664**	**$111,660**	**$105,495**	**$111,229**
Total All Sources	**$351,069**	**$380,584**	**$392,144**	**$372,048**	**$350,879**

[1] Sums may not equal totals due to rounding

Outstanding Indebtedness

The Corporation is authorized by various acts of the Indiana General Assembly to issue bonds for the purpose of financing construction of student union buildings, academic and athletic facilities, dormitories, and qualified energy savings projects, among other purposes. The Corporation has never failed to pay punctually, and in full, all amounts due for principal and interest on any indebtedness. Total outstanding indebtedness of the Corporation is summarized in the following table.

Debt Outstanding	Final Maturity	Amount Outstanding as of 2/26/2015	
Bonds Outstanding			
Student Fee Bonds, Series P	2017	11,475,000	(1)
Student Fee Bonds, Series U	2022	24,670,000	(1)
Student Fee Bonds, Series W	2015	1,895,000	(1)
Student Fee Bonds, Series X	2028	85,510,000	(1)
Student Fee Bonds, Series Y	2027	58,255,000	(1)
Student Fee Bonds, Series Z1	2024	42,155,000	(1)
Student Fee Bonds, Series Z2	2035	99,305,000	(1)(4)
Student Fee Bonds, Series AA	2032	51,025,000	(1)
Student Fee Bonds, Series BB-1	2034	48,630,000	(1)
Student Fee Bonds, Series BB-2	2032	18,985,000	(1)(5)
Student Facilities System Revenue Bonds, Series 2004A	2033	17,600,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2005A	2029	6,020,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2007A	2029	59,840,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2007B	2032	22,345,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2007C	2032	25,520,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2009A	2034	32,680,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2009B	2035	37,510,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2010A	2030	22,750,000	(2)(3)(4)
Student Facilities System Revenue Bonds, Series 2011A	2025	41,295,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2012A	2032	38,825,000	(2)(3)
Leasehold Indebtedness			
COPS 1998	2015	895,000	(3)
COPS 2006	2025	35,455,000	(3)
COPS 2009A	2015	2,025,000	(3)
COPS 2009B	2031	42,795,000	(3)(4)
COPS 2011A	2035	32,185,000	(3)
COPS 2014A	2027	21,955,000	(3)
Total Outstanding Indebtedness		**$881,600,000**	

(1) Secured by a pledge of Student Fees
(2) Secured by a pledge of the Net Income of the designated Auxiliary Enterprise
(3) Payable from available funds of the Corporation
(4) Taxable Build America Bonds

Physical Property

Physical property owned by the Corporation, or otherwise available to and utilized by the University, consists primarily of 19,237 acres of land and 470 buildings. The buildings, together with equipment and furnishings, were valued at an estimated replacement cost for insurance purposes at approximately $6.3 billion as of August 30, 2014. The following table sets forth the increase in net plant investment for the five years ended June 30, 2010 through 2014. Additions are valued at cost or, in the case of gifts, at fair value at the date of donation.

FISCAL YEAR ENDED JUNE 30	INVESTMENT IN PLANT (AT COST[1])	ACCUMULATED DEPRECIATION	NET BOOK VALUE IN PLANT
2010	$ 2,983,743,727	$1,271,122,957	$ 1,712,620,770
2011	3,199,534,972	1,363,558,581	1,835,976,391
2012	3,419,911,763	1,475,574,875	1,944,336,889
2013	3,602,007,093	1,589,082,494	2,012,924,600
2014	3,782,512,325	1,712,859,720	2,069,652,605

[1] Sums may not equal totals due to rounding

Insurance

All Risk Coverage: All facilities of the Corporation are insured under a blanket form property policy, including new construction not yet completed. The blanket form covers buildings for loss up to the total of its replacement cost value (unless otherwise specified as actual cash value). There is a $250,000 deductible clause which is applicable to each occurrence of loss. The Corporation self-insures losses within the $250,000 deductible through its Risk Management reserve fund. The Risk Management Department allocated reserve fund balance was at $6.2 million as of June 30, 2014.

The Corporation also maintains business interruption insurance for protection against loss of income due to temporary shutdown of operations resulting from physical damage to property. The total value of business interruption reported to the Corporation's insurer is $937 million, which is based on values gathered from the annual IPEDS Finance Survey. A $250,000 deductible applies per occurrence and is funded by the Risk Management departmental reserve fund.

Premises and Operations Liability: The Corporation procures insurance for liability brought by third parties arising out of accidents on University premises and in connection with its operations globally. Except for the airport (covered by a separate $50,000,000 liability policy) and the aircraft (covered by a separate $25,000,000 policy), the Corporation's primary liability policy is in the amount of $40,000,000 per occurrence/wrongful act/annual aggregate over a $2,000,000 per occurrence or claim self-insured retention. Losses handled within this retention are financed through the Risk Management Department allocated reserve fund.

Capital Programs

The Corporation has an on-going capital improvement program consisting of new construction and the renovation of existing facilities. Capital improvement projects are expected to be funded from a variety of sources, including gifts, state appropriations, bond financing and Corporation funds. Major construction recently completed on the West Lafayette campus includes: the Center for Student Excellence and Leadership; Third Street Suites; Lyles-Porter Hall; Ralph and Bettye Bailey Hall; a drug discovery facility; the Bindley Bioscience addition; and Harrison Street Parking Garage. Major projects currently under construction on the West Lafayette campus include: strategic infrastructure and utility improvements; a softball stadium; the Active Learning Center; the Honors College and Residences; and a variety of repair and rehabilitation projects. Renovations of the South Campus are underway on the Fort Wayne Campus. On the North Central campus, a new student services and activities complex is under construction.

The four campuses are each authorized to issue up to $15 million in qualified energy savings (QES) bonds. Several QES projects are completed or under construction. Total debt outstanding for these QES projects is $8.8 million.

Retirement Plans

The Corporation participates in a defined contribution retirement plan for its faculty and administrative-professional staff. The retirement plan provides fully-vested, fully-funded, investment options. Employees are required to make a mandatory contribution equal to 4% of salary combined with the University's contribution of 10% of salary. This plan is administered by Fidelity Investments. The Corporation is current with all payments due to Fidelity Investments.

The clerical and service staff hired prior to September 9, 2013 participates in the Public Employees Retirement Fund ("PERF") of the State of Indiana, which is the defined benefit retirement plan for all State employees. The Corporation's liability under this retirement plan is limited to a required annual contribution with respect to each participating employee. The annual required contribution from the University is established by PERF and may increase or decrease from year to year, depending on factors outside of the University's control. The Corporation is current with all payments due to PERF. All clerical and service staff hired on or after September 9, 2013 participate in a defined contribution retirement plan which is subject to a three year cliff vesting. The University will contribute 4% of an employee's salary and make an additional match up to 4% of the employee's salary.

The Corporation participates in a supplemental pension program for the University's police officers and firefighters. This plan is a defined benefit plan sponsored by the University which, together with the PERF plan described above, provides for a total retirement benefit that is comparable to the benefits received by municipal police and fire personnel in Indiana. The program is an agent single-employer defined benefit plan administered by TIAA-CREF. The Corporation is current with all payments due to TIAA-CREF.

With respect to the PERF plan, it should be noted that (i) the information included in this pension disclosure relies on information produced by the PERF pension plan and their independent accountants and actuaries, (ii) actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and (iii) actuarial assessments are based upon a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future, and will change with the future experience of the PERF pension plan.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing to: Public Retirement Fund, One North Capitol Ave., Suite 001, Indianapolis, IN 46204, or visiting www.in.gov/perf.

See Note 9 to the Financial Statements contained in Appendix B for further information.

Transfer of the Development Office and the Office of Investments to Purdue Research Foundation

Purdue University transferred its fund raising and investment offices to Purdue Research Foundation effective January 1, 2014. The move put Purdue in alignment with its peer institutions. The decision followed a review by Purdue University and Purdue Research Foundation conducted during 2013 with a goal to enhance the Foundation's role as a supporting organization for Purdue. The move provides:

- An avenue to support long-term sustainability as one organization solicits, processes and stewards all gifts.
- Efficiencies through administrative synergies and streamlining of processes within the University Development Office and the Office of Investments.
- Positive outcomes that include the consolidation of the development and investment functions to create a singular focus on raising funds and maximizing returns on investments.

The move is consistent with other initiatives of the Foundation, which is a private, nonprofit entity created to advance the mission of Purdue. Established in 1930, the Foundation currently accepts gifts, administers trusts, funds scholarships and grants, and acquires property on behalf of Purdue. Services provided by the Foundation benefit the University's academic endeavors and support economic development initiatives.

Review of Indiana University-Purdue University Fort Wayne Fiscal Oversight

In August 2014, Policy Analytics, LLC presented the “IPFW Roles and Governance Report” to the Northeast Indiana Regional Partnership “to determine the most appropriate role for IPFW within the community and to analyze whether the current governance structures were the most educationally productive.” One of the recommendations of the report was to shift fiscal oversight of the Fort Wayne campus to Indiana University. Purdue University and Indiana University have begun preliminary conversations to assess the recommendation. The full report is available at http://www.neindiana.com/docs/21st-century-talent/ipfw-roles-and-governance-study.pdf?sfvrsn=2

Forward Looking Statements

Certain information contained in this document and in the Financial Report accompanying this document in Appendix B contains “forward looking statements” based on current expectations, estimates, forecasts and projections about and assumptions made by the University. These forward-looking statements may be identified by the use of forward-looking terms such as “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “targets,” “forecasts,” and “seeks” or the negatives of such terms or other variations on such terms or comparable terminology. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially. These risks and uncertainties include demographic changes, demand for higher education services of the University, competition with other higher education institutions and general domestic economic conditions including economic conditions of the State of Indiana. The University disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

APPENDIX B

PURDUE UNIVERSITY
FINANCIAL REPORT

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PURDUE
UNIVERSITY

2014 FINANCIAL REPORT

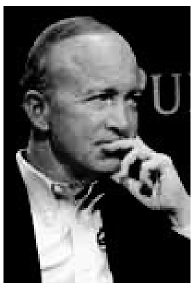
PURDUE MOVES THE WORLD FORWARD

HIGHER EDUCATION
AT THE HIGHEST
PROVEN VALUE

LETTER OF TRANSMITTAL

October 24, 2014

To the Board of Trustees of Purdue University:



President Mitchell E. Daniels, Jr.

We are pleased to submit this, the 92nd annual financial report of Purdue University. This report is for the fiscal year that ended June 30, 2014, and sets forth the complete and permanent record of the financial status of the University for the year.

The University Financial Statements have been audited by the Indiana State Board of Accounts, and the Auditors' Report appears on Pages 5 and 6.

Respectfully submitted,

MITCHELL E. DANIELS, JR.
President

Respectfully submitted,

WILLIAM E. SULLIVAN
Treasurer and
Chief Financial Officer

Approved for publication and transmission to the governor of the state.

REPORT OF THE TREASURER

This report presents Purdue University's financial statements for the fiscal years ended June 30, 2014 and 2013. We provide this information on our financial position and the results of operations as part of the University's commitment to report annually on its fiscal affairs. These financial statements have been audited by the Indiana State Board of Accounts, and its report, which is an unmodified opinion, appears on Pages 5 and 6.

At perhaps no other moment in history has Purdue been more focused on aggressive action to benefit the state, Hoosier students, and Indiana families. Through a series of initiatives known as Purdue Moves, the University is poised to offer higher education at the highest proven value. Through these initiatives, the campus is finding efficiencies, generating savings, reducing the financial burden on students, and investing in efforts that are most likely to generate jobs and attract new businesses to the Hoosier economy. These initiatives are at the heart of our budget planning.

The first area of Purdue Moves describes our efforts to enhance Purdue's science, technology, engineering, and mathematics (STEM) leadership by expanding the College of Engineering, transforming the College of Technology into the Purdue Polytechnic Institute, and growing Purdue's computer science program. To compete in the future as the U.S. economy becomes even more technology-based, Indiana will need more STEM-trained residents and more STEM employers. Purdue's investments in STEM leadership support both the supply and demand sides of Indiana's STEM economy.

World-changing research is a second area of Purdue Moves emphasis. In the past fiscal year, our faculty, staff, and students started 24 businesses that are based on Purdue research. This is more than double the previous school record and four times the Big Ten five-year average. Likewise, Purdue researchers in the past year obliterated the previous school record for the number of U.S. and global patents issued in a fiscal year. The goal of Purdue's world-changing research initiative is to continue the kind of vital research that is both important to our state and helpful to society.

Purdue's strength in research extends into studying how students best learn. The result is the third area of emphasis, developing a transformative education. Purdue is challenging traditional teaching methods and developing new ways to incorporate active, engaged learning into the classroom. Purdue is a national leader in the development of student-centered courses that are empirically proven to better generate confidence and competence in the curriculum.

Finally, while we develop each of these areas, we remain dedicated to affordability and accessibility. Purdue's commitment to freeze tuition for at least three years means that four-year graduates in the class of 2016 will be the first in 40 years to enjoy one base tuition rate throughout their entire undergraduate experience.

Of course, the future remains uncertain. But by implementing prudent financial strategies and planning for what might lie ahead, Purdue will meet challenges head-on and flourish as a result. I encourage you to read our financial statements to get a deeper and closer look at the finances of the University and see firsthand how we are realizing our resource stewardship goal. We welcome your continued interest in this great university.

Sincerely,
William E. Sullivan
Treasurer and Chief Financial Officer

BOARD OF TRUSTEES

July 1, 2013-June 30, 2014

The responsibility for making rules and regulations to govern the University is vested in a 10-member Board of Trustees appointed by the governor. The selection of these Trustees is prescribed in Indiana Code IC 21-23-3. Three of the Trustees are selected by the Purdue Alumni Association. The remaining seven Trustees are selected by the governor. Two of the Trustees must be involved in agricultural pursuits, and one must be a full-time student of Purdue University. All Trustees serve for a period of three years except for the student member, who serves for two years.

OFFICERS OF THE UNIVERSITY

As of June 30, 2014

OFFICERS OF THE BOARD OF TRUSTEES

Thomas E. Spurgeon, Chairman

Michael R. Berghoff, Vice Chairman

William E. Sullivan, Treasurer

James S. Almond, Assistant Treasurer and Assistant Secretary

Janice A. Indrutz, Corporate Secretary

Steven R. Schultz, Legal Counsel

Thomas B. Parent, Assistant Legal Counsel

ADMINISTRATIVE OFFICERS

Mitchell E. Daniels, Jr., President

William E. Sullivan, Treasurer and Chief Financial Officer

Laurel Weldon, Interim Executive Vice President for Academic Affairs and Provost

James S. Almond, Senior Vice President for Business Services and Assistant Treasurer

Suresh Garimella, Executive Vice President for Research and Partnerships

Morgan J. Burke, Director of Intercollegiate Athletics

Michael B. Cline, Vice President for Physical Facilities

Peggy L. Fish, Director of Audits

Julie K. Griffith, Vice President for Public Affairs

Michael J. Gulich, Director of Sustainability

Joseph B. Hornett, Senior Vice President and Treasurer, Purdue Research Foundation

Luis E. Lewin, Vice President for Human Resources

William G. McCartney, Vice President for Information Technology and System Chief Information Officer

Jesse L. Moore, Director, Supplier Diversity Development

Rabindra N. Mukerjea, Executive Director of Strategic Planning and Assessment

Alysa Christmas Rollock, Vice President for Ethics and Compliance

Ken L. Sandel, Director of Physical and Capital Planning

Carol A. Shelby, Senior Director, Environmental Health and Public Safety

Steven R. Shultz, University Legal Counsel

Robert D. Wynkoop, Managing Director, Office of the Treasurer and Chief Financial Officer

REGIONAL CAMPUS STAFF

Vicky L. Carwein, Chancellor, Indiana University-Purdue University Fort Wayne

James B. Dworkin, Chancellor, Purdue University North Central

Thomas L. Keon, Chancellor, Purdue University Calumet

Stephen R. Turner, Vice Chancellor for Finance and Administration, Purdue University North Central and Purdue University Calumet

David Wesse, Vice Chancellor for Financial and Administrative Affairs, Indiana University-Purdue University Fort Wayne

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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF PURDUE UNIVERSITY, WEST LAFAYETTE, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Purdue University (University), a component unit of the State of Indiana, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of Purdue Research Foundation (Foundation), a component unit of the University as discussed in Note 1, which represents 95 percent of the assets, 98 percent of net assets, and 95 percent of revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2014 and 2013, and the respective changes in financial position, where applicable, and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide an assurance on the information because of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Letter of Transmittal, Report of Treasurer, Board of Trustees, Officers of the University, In-State Enrollment, and Acknowledgements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Letter of Transmittal, Report of Treasurer, Board of Trustees, Officers of the University, In-State Enrollment, and Acknowledgements have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on this information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2014, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Universities internal control over financial reporting and compliance.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 24, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014 and 2013

We are pleased to present this financial discussion and analysis of Purdue University (the University). It is intended to make the University's financial statements easier to understand and communicate our financial situation in an open and accountable manner. The primary purpose of financial reporting, whether for a commercial enterprise or for a university, is to provide information that will assist management in the effective allocation and use of the organization's resources, and the general public, investors, creditors, and others in evaluating the effectiveness of management in achieving organizational objectives. The nature of the organization, its resources, and its objectives all serve to influence the form and process by which the accounting is accomplished and information reported.

The following discussion and analysis provides an overview of the financial position and activities of the University for the fiscal years ended June 30, 2014 and 2013, with comparative financial information for fiscal year 2012. Since this presentation includes highly summarized data, it should be read in conjunction with the financial statements, which have the following other parts.

- **Report of Independent Auditors** presents an unmodified opinion prepared by our auditors (the Indiana State Board of Accounts) on the fairness (in all material respects) of our financial statements.
- **Statements of Net Position** present the assets, liabilities, and net position of the University at a point in time (June 30, 2014 and 2013). Their purpose is to present a financial snapshot of the University. They aid readers in determining the assets available to continue the University's operations; how much the University owes to employees, vendors, and investors; whether the University has any deferred inflows or outflows other than assets or liabilities; and a picture of net position and its availability for expenditure by the University.
- **Statements of Revenues, Expenses, and Changes in Net Position** present the total revenues earned and expenses incurred by the University for operating, nonoperating, and other related activities, during a period of time (the fiscal years ended June 30, 2014 and 2013). Their purpose is to assess the University's operating and nonoperating activities.
- **Statements of Cash Flows** present cash receipts and payments of the University during a period of time (the fiscal years ended June 30, 2014 and 2013). Their purpose is to assess the University's ability to generate net cash flows and meet its obligations as they come due.
- **Notes to the Financial Statements** present additional information to support the financial statements and are commonly referred to as "Notes." Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found.

The financial information presented in this report is designed to enable the user to review how the University managed its resources to meet its primary missions of discovery, learning, and engagement. It should be recognized that a presentation of the financial performance of the University is not a full measure of the value of the discovery, learning, and engagement functions carried out during the year. This report deals with the costs and sources of revenue used to provide the quality and diversity in higher education that the University believes necessary to meet its goals and objectives. We suggest that you combine this financial analysis and discussion with relevant nonfinancial indicators to assess the University overall. Examples of nonfinancial indicators include trend and quality of applicants, freshman class size, student retention, building condition, and campus safety. Information about nonfinancial indicators is not included in this analysis but may be obtained from the University's Office of Institutional Research, Assessment and Effectiveness (see http://www.purdue.edu/datadigest).

FINANCIAL HIGHLIGHTS

Statement of Net Position

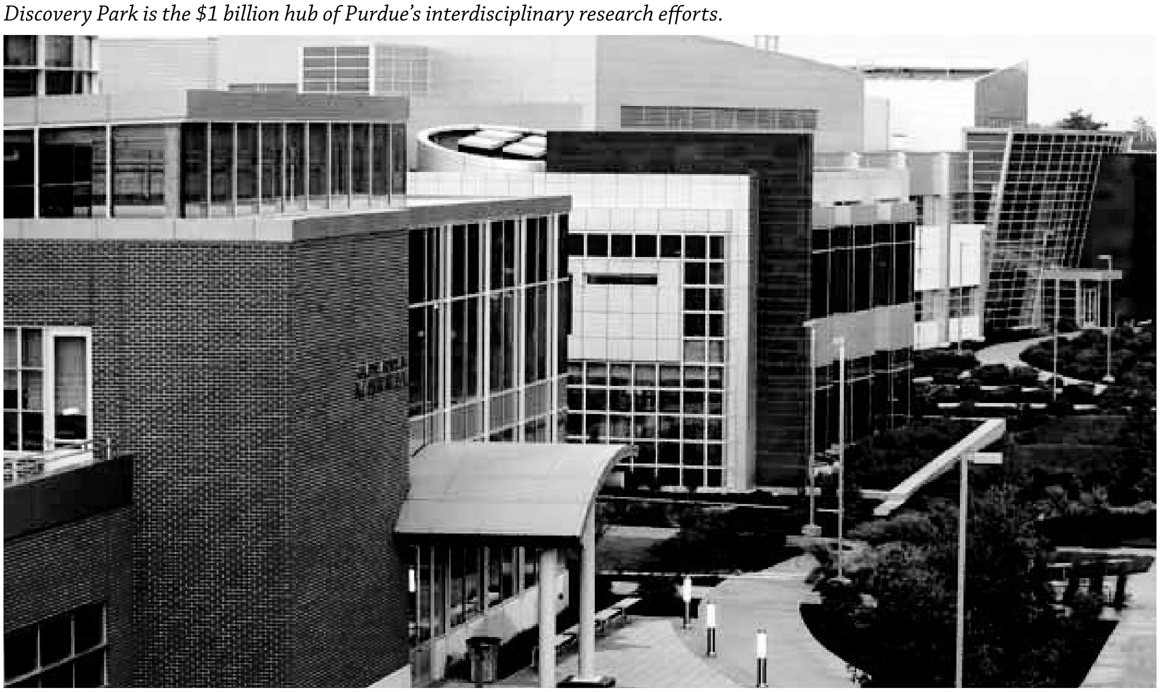
A summarized comparison of the University's assets, liabilities, and net position appears in Table 1 and demonstrates that the University has grown over the past three fiscal years.

Table 1. Summary Statement of Net Position

For the Year Ended June 30 (Dollars in Thousands)

	2014	2013	2012
Current Assets	$642,052	$686,626	$639,547
Capital Assets	2,072,125	2,012,925	1,944,336
Other Assets	2,701,680	2,389,315	2,224,312
Total Assets	**$5,415,857**	**$5,088,866**	**$4,808,195**
Deferred Outflows of Resources	$7,227	$8,011	$8,686
Current Liabilities	$355,176	$350,987	$337,022
Noncurrent Liabilities	891,527	933,914	895,354
Total Liabilities	**$1,246,703**	**$1,284,901**	**$1,232,376**
Deferred Inflows of Resources	$12	$18	$23
Net Investment in Capital Assets	$1,166,479	$1,139,118	$1,094,127
Restricted-Nonexpendable	548,952	508,524	472,579
Restricted-Expendable	977,855	796,503	715,954
Unrestricted	1,483,083	1,367,813	1,301,822
Total Net Position	**$4,176,369**	**$3,811,958**	**$3,584,482**

Discovery Park is the $1 billion hub of Purdue's interdisciplinary research efforts.



Current assets include those that may be used to support current operations, such as cash and cash equivalents, accounts and other receivables, and inventories. Noncurrent assets include capital assets, certain pledges receivable, and investments. As of June 30, 2014 and 2013, total assets were approximately $5,415,857,000 and $5,088,866,000, respectively, an increase of $326,991,000, or 6.4%, and $280,671,000, or 5.8%, for fiscal years 2014 and 2013, respectively. The overall growth in assets is attributed to increases in investments and capital assets.

Figure 1

Capital vs. Other Assets

(Dollars in Millions)

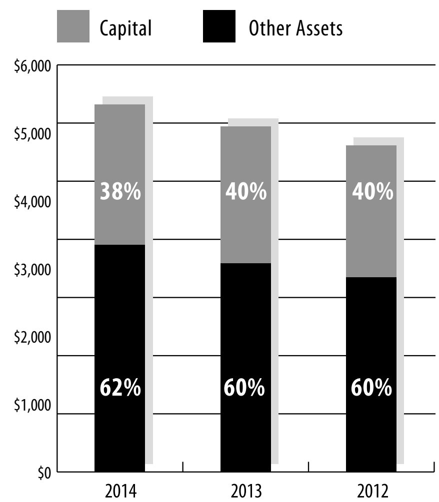


Figure 1 depicts the portion of total assets that were capital. More information about capital assets is provided in the Capital Asset and Debt Administration section and in Note 4.

Current assets decreased approximately $44,574,000 and increased approximately $47,079,000 as of June 30, 2014 and 2013, respectively. As of June 30, 2014 and 2013, cash and cash equivalents were approximately $379,414,000 and $436,164,000, respectively, a decrease of $56,750,000 and an increase of $12,237,000, respectively. As detailed in the Capital Asset and Debt Administration section, the University has an active capital financing program that has resulted in invested bond proceeds of $43,332,000 and $85,229,000 as of June 30, 2014 and 2013, respectively. As of June 30, 2014 and 2013, the remaining $336,082,000 and $350,935,000, respectively, of cash and cash equivalents are available for operations.

As of June 30, 2014 and 2013, noncurrent assets increased $371,565,000, or 8.4%, and $233,592,000, or 5.6%, respectively. Noncurrent investments increased approximately $302,337,000 in fiscal year 2014 compared to the $170,662,000 increase in fiscal year 2013. The increases in fiscal years 2014 and 2013 were primarily driven by fluctuations in the market for these securities. Please reference a more detailed discussion in the Statement of Revenues, Expenses, and Changes in Net Position section and in Note 2.

Current liabilities generally are due and payable over the course of the following fiscal year. These include accounts and other payables, unearned revenues, the current portion of long-term debt, liability for securities lending activity, and salaries and related compensation payables. Current liabilities include variable-rate demand bonds, although most of the bonds are expected to be paid in future fiscal years. Noncurrent liabilities include bonds, notes, and leases payable. Total liabilities were approximately $1,246,703,000 and $1,284,901,000 on June 30, 2014 and 2013, respectively.

Figure 2

Long-Term Debt vs. Other Liabilities

(Dollars in Millions)

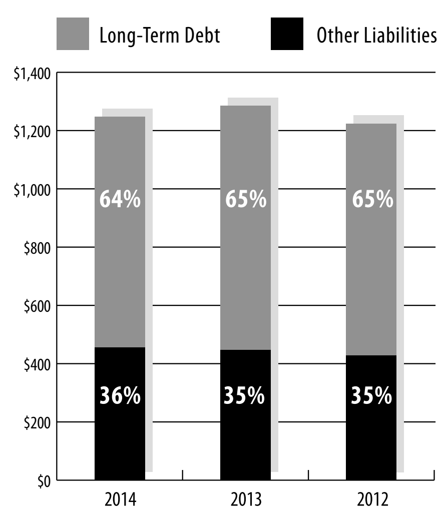


Figure 2 depicts the portion of long-term debt (noncurrent) relative to total liabilities.

Bonds, leases, and notes payable decreased by $37,739,000 in fiscal year 2014 and increased by $46,138,000 in fiscal year 2013, respectively. A discussion of the University's capital financing activities appears in the Debt and Financing Activities section as well as in Note 6.

Net position is classified into four categories:

- Net investment in capital assets represents the University's investment in capital assets such as movable equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation and related debt.
- Restricted-nonexpendable represents the University's permanent endowment funds received from donors for the purpose of creating present and future income. These funds must be held inviolate and in perpetuity and are, therefore, not expendable. Earnings on these funds support various programs determined by donors.
- Restricted-expendable represents funds that have purpose restrictions imposed by third parties. Examples include but are not limited to scholarship funds and contract and grant funds.
- Unrestricted funds have no third-party restrictions, although management routinely designates the majority of these funds for a particular purpose. It is management's practice to designate unrestricted net position for specific purposes at the close of each fiscal year.

Total net position for the University was $4,176,369,000 and $3,811,958,000 as of June 30, 2014 and 2013, respectively. Figure 3 provides a comparison between fiscal years as well as the composition of net position.

Net investment in capital assets increased $27,361,000 and $44,991,000 in fiscal years 2014 and 2013, respectively. For the periods ended June 30, 2014 and 2013, the University added capital assets of $208,256,000 and $206,047,000, respectively, offset by annual depreciation of $148,356,000 and $135,846,000, respectively.

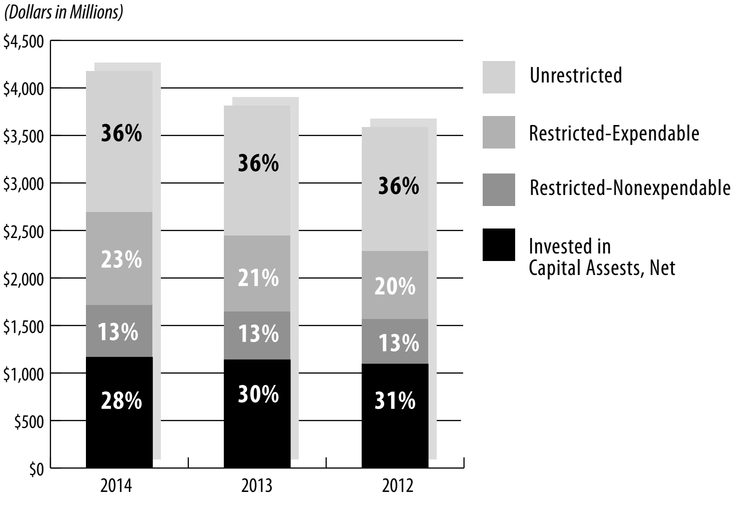
Restricted-nonexpendable increased $40,428,000 and $35,945,000 in fiscal years 2014 and 2013, respectively, primarily resulting from contributions to endowments and investment performance during the fiscal years.

In the fiscal year ended June 30, 2014, restricted-expendable increased $181,352,000 compared to an increase of $80,549,000 in the prior year. These increases were principally driven by the change in net appreciation of the University investments.

Consistent with operational results (detailed in the Statement of Revenues, Expenses, and Changes in Net Position section), unrestricted funds increased $115,270,000 and $65,991,000 for the fiscal years ending 2014 and 2013, respectively.

Figure 3

Composition of Net Assets
(Dollars in Millions)



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

A summarized comparison of the University's revenues, expenses, and changes in net position follows in Table 2.

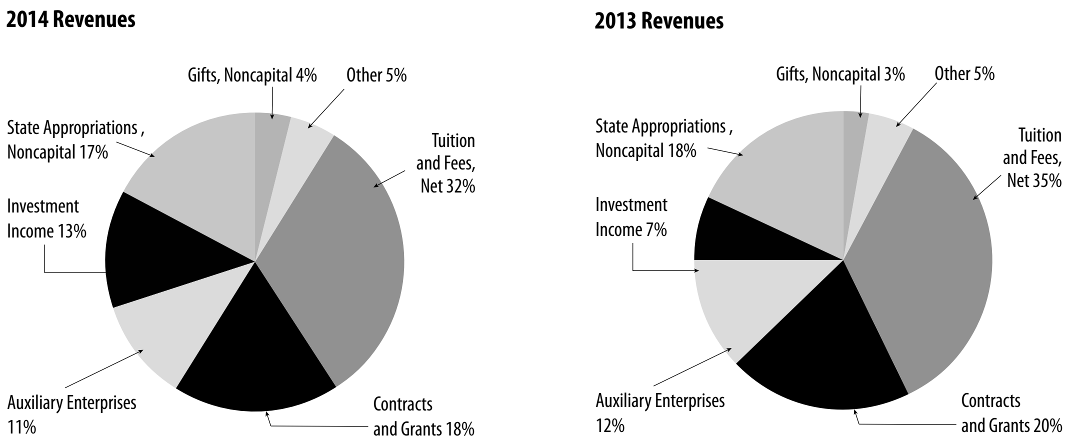
Table 2. Summary Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30 (Dollars in Thousands)

	2014	2013	2012
Operating Revenues			
Tuition and Fees, Net	$727,256	$730,250	$707,796
Grants and Contracts	344,537	364,697	375,341
Auxiliary Enterprises, Net	254,567	249,379	250,744
Other Operating Revenues	108,849	105,805	102,691
Total Operating Revenues	**$1,435,209**	**$1,450,131**	**$1,436,572**
Operating Expenses			
Depreciation	$148,356	$135,846	$126,284
Other Operating Expense	1,777,325	1,741,263	1,707,436
Total Operating Expenses	**$1,925,681**	**$1,877,109**	**$1,833,720**
Operating Loss	($490,472)	($426,978)	($397,148)
Nonoperating Revenue			
Other Nonoperating Revenue	$803,113	$618,439	$519,800
Capital and Endowments	51,770	36,015	13,832
Total Nonoperating Revenues	**$854,883**	**$654,454**	**$533,632**
Increase in Net Position	$364,411	$227,476	$136,484
Net Position, Beginning of Year	3,811,958	3,584,482	3,447,998
Net Position, End of Year	**$4,176,369**	**$3,811,958**	**$3,584,482**

The University invests in drug discovery as part of its mission to meet grand challenges in the U.S. and abroad.

Revenues are classified as either operating or nonoperating. Operating revenues include tuition and fees, grants and contracts, auxiliary enterprises, and sales and services. Tuition and fees and housing are shown net of an allowance for scholarships. Nonoperating revenues include state appropriations, investment income, and private gifts. Because Purdue is a public university, nonoperating revenues are an integral part of its operating budget. Private gifts for capital projects and additions to the University's endowment are also considered nonoperating sources of revenue but are not part of the University's operating budget. Figure 4 provides information about the University's sources of revenues, excluding endowments and capital, for fiscal years 2014 and 2013. Overall, for the fiscal years ended June 30, 2014 and 2013, the University had a net increase in net position of $364,411,000 and $227,476,000, respectively.

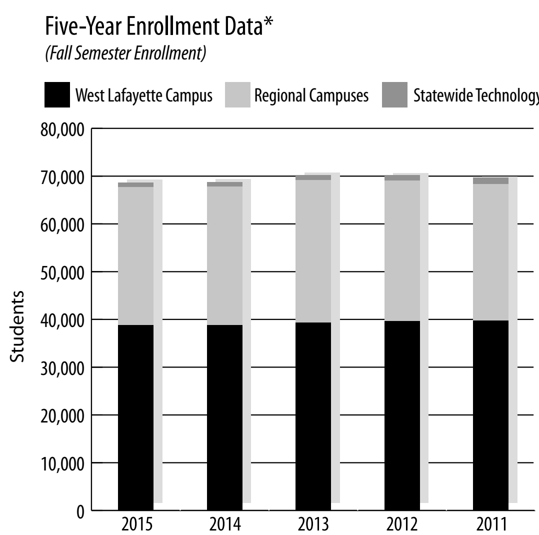
Figure 4



Total operating revenues decreased $14,922,000, or 1.0%, from $1,450,131,000 in fiscal year 2013 to $1,435,209,000 in fiscal year 2014. There was an increase of $13,559,000 from fiscal year 2012 to fiscal year 2013. Net tuition and fee revenue decreased $2,994,000 and increased $22,454,000 in fiscal years 2014 and 2013, respectively. The decrease in fiscal year 2014 primarily resulted from a small decrease in enrollment, and tuition and fees remaining flat. The increase in fiscal year 2013 primarily resulted from a student fee rate increase of approximately 3.5% for West Lafayette and the regional campuses. Enrollment patterns for the past five years are illustrated in Figure 5.

Operating grant and contract revenue decreased $20,160,000 and $10,644,000 in fiscal years 2014 and 2013, respectively. The decrease in fiscal year 2014 is principally due to the expiration of the American Recovery and Reinvestment Act (ARRA) and lower awards received during the period.

Figure 5



* *Enrollment figures do not include Purdue University students enrolled at the Indiana University-Purdue University Indianapolis campus.*

Auxiliary enterprise revenue increased $5,188,000 and decreased $1,365,000 in fiscal years 2014 and 2013, respectively.

Total operating expenses increased from $1,877,109,000 in the fiscal year ended June 30, 2013, to $1,925,681,000 in the fiscal year ended June 30, 2014. Details are presented in Note 8.

Nonoperating revenues (net of expenses) increased $184,674,000 in fiscal year 2014 and $98,639,000 in fiscal year 2013. The primary reason for the change was an increase in investment income of approximately $130,658,000 and $134,287,000 for fiscal years ended June 30, 2014 and 2013, respectively. The University endowments net investment performance was 17.1% and 11.8% for the fiscal years ended June 30, 2014 and 2013, respectively. The University's endowment was invested 44.5% in public equities, 12.7% in fixed income, and 42.8% in private investments. The portfolio composition did not materially change from prior years.

Capital and endowments income increased $15,755,000, or 43.7%, over the previous year from $36,015,000 in fiscal year 2013 to $51,770,000 in fiscal year 2014. Capital gifts increased $4,994,000 and $10,989,000 in fiscal years 2014 and 2013, respectively. Private gifts for endowments increased $2,724,000 and $6,303,000 as of June 30, 2014 and 2013, respectively.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides a means to assess the financial health of the University by providing relevant information about the cash receipts and cash payments of the University during the fiscal year. It assists in determining whether an entity has the ability to generate future net cash flows to meet its obligations as they become due, and to determine the need for external financing. The Statement of Cash Flows presents sources and uses of cash and cash equivalents in four activity-based categories: operating, noncapital financing, investing, and capital and related financing. Table 3 provides a summarized comparison of the University's sources, uses, and changes in cash and cash equivalents.

Numerous graduate and undergraduate students at Purdue benefit from extensive experience in state-of-the-art labs.

Table 3. Summarized Comparison of Changes in Cash and Cash Equivalents
For the Year Ended June 30 (Dollars in Thousands)

	2014	2013	2012
Cash Used by Operating Activities	($321,369)	($293,488)	($274,627)
Cash Provided by Noncapital Financing Activities	577,382	532,179	559,613
Cash Used by Investing Activities	(50,525)	(39,130)	(66,486)
Cash Used by Capital and Related Financing Activities	(262,238)	(187,324)	(304,765)
Net Increase (Decrease) in Cash and Cash Equivalents	($56,750)	$12,237	($86,265)
Cash and Cash Equivalents, Beginning of Year	436,164	423,927	510,192
Cash and Cash Equivalents, End of Year	**$379,414**	**$436,164**	**$423,927**

The fluctuation in noncapital financing activities reflects the nonoperating revenue changes described above. The use of cash in investing activities reflects an increase in the investment portfolio. The fluctuation in cash flows used by capital and related financing activities over the past three fiscal years reflects the financing strategy and timing of the University's capital plan, which is outlined in the Capital Asset and Debt Administration section.

CAPITAL ASSET AND DEBT ADMINISTRATION

Major Construction Projects

The University continues to expand its campuses and renovate existing facilities to meet the needs of its students, faculty, and staff. Significant projects (over $20 million) completed during fiscal years 2014 and 2013 are listed in Table 4. Significant projects (over $20 million) in progress and projects planned but not started as of June 30, 2014, are listed in Table 5.

Table 4. Major Projects Completed, More than $20 Million
For the Year Ended June 30 (Dollars in Thousands)

Projects Completed in 2014	Project Budget
Center for Student Excellence and Leadership	$28,100
Drug Discovery Facility	28,694
Health and Human Sciences Facility	38,000
Total Major Projects Completed	**$94,794**

Projects Completed in 2013	Project Budget
Herrick Laboratory Replacement, Phase I	$23,500
Lilly Hall West Wing Renovations	28,550
Mackey Complex Renovation and Addition	99,500
Windsor Residence Halls Renovation	59,600
Total Major Projects Completed	**$211,150**

Table 5. Major Construction Projects in Progress and Authorized But Not Started (Budgets)

For the Year Ended June 30 (Dollars in Thousands)

Projects in Progress and Authorized But Not Started	Project Budget
Active Learning Center	$79,000
Flex Lab	54,000
Fort Wayne South Campus Renovations, Phase I	21,350
Honors College	90,000
North Central Student Service and Activity Complex	33,428
Vawter Field Housing	37,397
Wade Production Distribution	33,100
Total Major Projects in Progress and Authorized But Not Started	**$348,275**

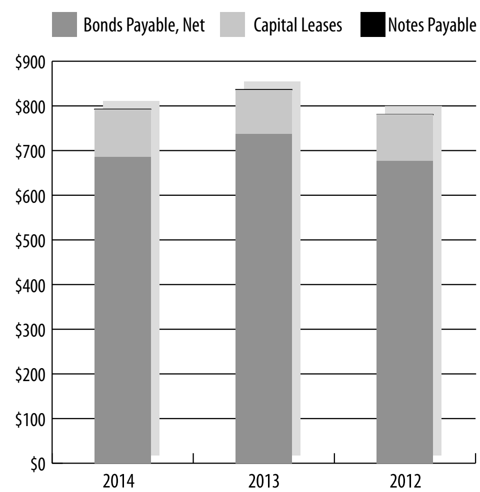
Debt and Financing Activities

Bonds, leases, and notes (net) obligations totaled $948,958,000 and $986,697,000 as of June 30, 2014 and 2013, respectively. These obligations are approximately 76% and 77% of the total liabilities of the University at fiscal year end 2014 and 2013, respectively. The University's debt portfolio as of June 30, 2014, consisted of $99,633,000 of variable-rate instruments, or 10.5%, compared to $849,325,000 in fixed-rate obligations. The University's debt portfolio as of June 30, 2013, consisted of $89,704,000 of variable-rate instruments, or 9.0%, compared to $896,993,000 in fixed-rate obligations. Figure 6 compares the composition of long-term debt (noncurrent portion) by fiscal year. For additional details see Note 6.

Figure 6

Composition of Long-Term Debt

(Dollars in Millions)



As of June 30, 2014 and 2013, the University had a credit rating of Aaa from Moody's Investors Service. Purdue's Standard & Poor's rating for fixed-rate debt was AA+ as of June 30, 2014 and 2013. The University was one of only eight public higher education institutions whose Moody's credit rating was Aaa. In addition, the University's variable-rate debt received short-term ratings from Moody's of VMIG-1/P-1 and from Standard & Poor's of A-1+.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Entering the second year of the 2013-15 biennial period, fiscal year 2015 state operating appropriations for the University remained flat at fiscal year 2014 levels. Repair and rehabilitation has also been partially funded by the state at $18.5 million for the biennium. Academic year 2014-15 tuition for Indiana residents and for nonresident students will remain flat at the West Lafayette campus for the second year in a row. Tuition rates at each of the regional campuses will increase 2% for Indiana residents and for nonresident students. Each campus continues its efforts to identify operational efficiencies, cost-savings initiatives, and new sources of revenue to supplement its operating budget. Efforts to support student affordability and accessibility are a priority at all campuses.

The University has submitted its 2015-17 legislative request to the state, based on instructions issued from the Indiana Commission for Higher Education (ICHE) and the Indiana State Budget Agency. Operating appropriations will be based on a performance funding formula, with values to be recommended by ICHE. The formula is based on a series of metrics, many of them student-based: overall degree completion, at-risk student degree completion, high-impact degree completion, a student persistence incentive, an on-time graduation rate metric, and an institution-defined productivity metric. Any adjustments for growth in dual-credit offerings will be considered by ICHE outside the funding formula. The January 2015 legislative session will set Purdue's operating appropriations for the next biennium.

Enrollment at all Purdue campuses was 68,649* for the fall semester of the 2014-15 academic year. Enrollment at the West Lafayette campus was 38,770, nearly steady from the fall semester of the prior academic year. First-year students totaled 6,373. Purdue is experiencing record-high retention and graduation rates due to a University-wide commitment to student success. The first-year retention rate at the West Lafayette campus is at 92.6% compared to 91.0% last year, and the second-year retention rate is at 86.1%, up from last year's 84.3%. Both the four-year and six-year graduation rates increased to 49.2% and 73.8% from 46.8% and 70.7%, respectively. This is also the eighth consecutive year that first-year students have posted an increase in test scores and preparedness, representing all-time highs in test scores and grade point averages. The class average SAT scores increased 16 points to a combined 1789 on the critical reading, math and writing sections. In eight years, the cumulative point gain for incoming students' SAT scores is 105.

** Enrollment figures do not include Purdue University students enrolled at the Indiana University-Purdue University Indianapolis campus.*

Not pearls or polka dots, but innovation prize-winning SOYTABS, developed by students as a binding agent for pharmaceuticals.

Ralph Taylor, Purdue alumnus and former basketball player, shares some thoughts with a liberal arts class.

STATEMENT OF NET POSITION

For the Year Ended June 30 (Dollars in Thousands)

	2014	2013
Assets and Deferred Outflows of Resources:		
Current Assets:		
Cash and Cash Equivalents	$379,414	$436,164
Investments	112,700	82,970
Accounts Receivable, Net of Allowance for Uncollectible Amounts	83,669	85,270
Pledges Receivable, Net of Allowance for Uncollectible Amounts	26,944	27,931
Notes and Bonds Receivable, Net of Allowance for Uncollectible Amounts	12,551	4,909
Other Assets	26,774	49,382
Total Current Assets	**642,052**	**686,626**
Noncurrent Assets:		
Investments	2,607,608	2,305,271
Pledges Receivable, Net of Allowance for Uncollectible Amounts	29,030	20,680
Notes Receivable, Net of Allowance for Uncollectible Amounts	53,996	53,068
Interest in Charitable Remainder Trusts	11,046	10,296
Capital Assets, Net of Accumulated Depreciation	2,072,125	2,012,925
Total Noncurrent Assets	**4,773,805**	**4,402,240**
Total Assets	**$5,415,857**	**$5,088,866**
Deferred Outflows of Resources		
Deferred Loss from Debt Refunding	$7,227	$8,011
Liabilities and Deferred Inflows of Resources:		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$109,307	$97,371
Unearned Revenue	37,338	41,304
Deposits Held in Custody for Others	25,194	35,429
Accrued Compensated Absences	26,361	26,856
Bonds (Net), Leases and Notes Payable	156,976	150,027
Total Current Liabilities	**355,176**	**350,987**
Noncurrent Liabilities:		
Accrued Compensated Absences	30,996	33,789
Other Post-Employment Benefits	38,568	36,179
Other Retirement Benefits	1,898	
Funds Held in Trust for Others	8,153	7,344
Advances from Federal Government	19,930	19,932
Bonds (Net), Leases, and Notes Payable	791,982	836,670
Total Noncurrent Liabilities	**891,527**	**933,914**
Total Liabilities	**$1,246,703**	**$1,284,901**
Deferred Inflows of Resources		
Deferred Gain from Debt Refunding	$12	$18

STATEMENT OF NET POSITION (continued)

	2014	2013
Net Position:		
Net Investment in Capital Assets	**$1,166,479**	**$1,139,118**
Restricted:		
Nonexpendable:		
Instruction and Research	279,578	258,684
Student Aid	247,332	227,767
Other	22,042	22,073
Total Nonexpendable	**548,952**	**508,524**
Expendable:		
Instruction, Research, and Public Service	167,275	150,740
Student Aid	97,021	86,411
Construction	83,016	45,207
Other	630,543	514,145
Total Expendable	**977,855**	**796,503**
Unrestricted	**1,483,083**	**1,367,813**
Total Net Position	**$4,176,369**	**$3,811,958**

See accompanying Notes to the Financial Statements.

Students are vital to the success of nationally recognized Purdue Family Health Clinics in Carroll and White counties.

COMPONENT UNITS

For the Year Ended June 30 (Dollars in Thousands)

Consolidated Statement of Financial Position

	2014	2013
Assets:		
Cash and Cash Equivalents	$6,913	$16,954
Accounts Receivable, Net	33,015	25,976
Other Assets	5	30
Investments	2,608,744	890,484
Lease Purchase Agreements	122,191	127,897
Notes Receivable, Net	12,323	3,643
Interest in Charitable Perpetual Trusts	16,016	14,592
Capital Assets, Net of Accumulated Depreciation	166,074	162,680
Total Assets	**$2,965,281**	**$1,242,256**
Liabilities:		
Accounts Payable and Accrued Expenses	$26,875	$22,463
Due on Split-Interest Agreements	58,290	53,157
Deposits Held in Custody for Others	1,668,966	53,706
Bonds (Net), Leases, and Notes Payable	213,862	218,181
Other Liabilities	21,112	21,526
Total Liabilities	**$1,989,105**	**$369,033**
Net Assets:		
Temporarily Restricted	$708,982	$619,726
Permanently Restricted	139,096	135,050
Unrestricted	128,098	118,447
Total Net Assets	**$976,176**	**$873,223**

In-depth research, geared to improve performance of "smart" wind turbines, propels energy sustainability.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30 (Dollars in Thousands)

	2014	2013
Operating Revenues:		
Tuition and Fees (Net of Scholarship Allowance Pledged of $112,112 and $103,972, respectively. See Note 6)	$727,256	$730,250
Federal Grants	16,398	14,970
County Grants	7,760	8,241
Grants and Contracts	344,537	364,697
Sales and Services	74,721	73,866
Auxiliary Enterprises (Net of Scholarship Allowance Pledged of $14,254 and $13,895, respectively. See Note 6)	254,567	249,379
Other Operating Revenues	9,970	8,728
Total Operating Revenues	**$1,435,209**	**$1,450,131**
Operating Expenses:		
Instruction	646,683	613,664
Research	235,007	236,388
Extension and Public Service	148,081	143,453
Academic Support	135,762	146,293
Student Service	45,985	48,712
General Administration and Institutional Support	163,006	150,529
Physical Plant Operations and Maintenance	149,236	136,233
Depreciation	148,356	135,846
Student Aid	72,291	63,775
Auxiliary Enterprises	181,274	202,216
Total Operating Expenses	**$1,925,681**	**$1,877,109**
Net Operating Loss	**(490,472)**	**(426,978)**
Nonoperating Revenues (Expenses):		
State Appropriations	392,293	370,382
Grants and Contracts	61,534	65,687
Private Gifts	85,226	61,009
Investment Income	280,979	150,321
Interest Expense	(23,142)	(34,535)
Other Nonoperating Revenues, Net of Nonoperating Expenses of $346 and $778, respectively	6,223	5,575
Total Nonoperating Revenues before Capital and Endowments	**$803,113**	**$618,439**
Capital and Endowments:		
State Capital Appropriations	6,322	—
Capital Gifts	16,116	11,122
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	29,075	26,351
Gain (Loss) on Retirement of Capital Assets, Net of Proceeds and Insurance Recoveries	257	(1,458)
Total Capital and Endowments	**$51,770**	**$36,015**
Total Nonoperating Revenues	**854,883**	**654,454**
INCREASE IN NET POSITION	**$364,411**	**$227,476**
Net Position, Beginning of Year	3,811,958	3,584,482
Net Position, End of Year	$4,176,369	$3,811,958

See accompanying Notes to the Financial Statements.

COMPONENT UNITS

For the Year Ended June 30 (Dollars in Thousands)

Consolidated Statement of Activities

	2014	2013
Revenue and Support:		
Amount Received for Purdue University Research Projects	$2,380	$250
Less Payments to Purdue University	(2,380)	(250)
Administrative Fee on Research Projects	—	—
Contributions	17,484	21,996
Income on Investments	20,737	19,541
Net Unrealized and Realized Gains	132,153	84,176
Decrease in Value of Split-Interest Agreements	(9,044)	(6,044)
Increase in Interests in Perpetual Trusts	1,424	791
Rents	11,954	14,226
Royalties	6,963	6,313
Other	17,278	5,150
Total Revenue and Support	**$198,949**	**$146,149**
Expenses and Losses:		
Expenses for the Benefit of Purdue University:		
Contributions to Purdue University	$20,050	$20,937
Patent and Royalty	6,281	5,968
Grants	12,589	12,690
Services for Purdue University	340	265
Development Office	750	748
Other	2,266	2,873
Total Expenses for the Benefit of Purdue University	**$42,276**	**$43,481**
Administrative and Other Expenses:		
Salaries and Benefits	$18,062	$10,465
Property Management	12,529	28,598
Professional Fees	3,874	3,542
Supplies	718	587
Interest	8,744	9,249
Research park	1,384	671
Other	8,409	5,601
Total Administrative and Other Expenses	**$53,720**	**$58,713**
Change in Net Assets	$102,953	$43,955
Net Assets, Beginning of Period	873,223	825,297
Change in Reporting Entity	—	3,971
Net Assets, End of Period	**$976,176**	**$873,223**

STATEMENT OF CASH FLOWS

For the Year Ended June 30 (Dollars in Thousands)

	2014	2013
Cash Flows From Operating Activities:		
Tuition and Fees, Net of Scholarship Allowances	$731,848	$729,925
Federal Grants	16,398	14,970
County Grants	7,760	8,241
Grants and Contracts	342,137	372,847
Sales and Services	76,680	71,987
Auxiliary Enterprises, Net of Scholarship Allowances	252,463	249,654
Other Operating Revenues	(8,140)	11,016
Compensation and Benefits	(1,200,387)	(1,245,517)
Supplies and Services	(468,751)	(441,032)
Scholarships, Fellowships, and Student Awards	(71,931)	(64,288)
Student Loans Issued	(8,411)	(10,221)
Student Loans Collected	8,965	8,930
Cash Used by Operating Activities	**($321,369)**	**($293,488)**
Cash Flows From Noncapital Financing Activities:		
State Appropriations	$392,293	$370,382
Grants and Contracts	61,534	65,687
Gifts for Other than Capital Purposes	113,798	89,641
Funds Held in Trust for Others	3,534	894
Other Nonoperating Revenues, Net	6,223	5,575
Cash Provided by Noncapital Financing Activities	**$577,382**	**$532,179**
Cash Flows From Investing Activities:		
Purchases of Investments	($3,105,503)	($2,939,414)
Proceeds from Sales and Maturities of Investments	3,014,968	2,862,043
Interest and Dividends on Investments, Net	40,010	38,241
Cash Used by Investing Activities	**($50,525)**	**($39,130)**
Cash Flows From Capital and Related Financing Activities:		
Debt Repayment	($74,565)	($63,074)
Capital Debt Proceeds	35,455	114,856
Interest Expense	(40,821)	(38,164)
Capital Gifts Received	8,356	11,511
State Appropriations for Capital Projects	6,322	—
Construction or Purchase of Capital Assets	(196,985)	(212,453)
Cash Used by Capital and Related Financing Activities	**($262,238)**	**($187,324)**
Net Increase (Decrease) in Cash and Cash Equivalents	($56,750)	$12,237
Cash and Cash Equivalents, Beginning of Year	436,164	423,927
Cash and Cash Equivalents, End of Year	**$379,414**	**$436,164**

STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30 (Dollars in Thousands)

Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities

	2014	2013
Operating Loss	($490,472)	($426,978)
Depreciation Expense	148,356	135,846
Noncash Investing, Capital, and Financing Activities	792	140
Changes in Assets and Liabilities:		
Accounts Receivable	(1,830)	5,444
Notes Receivable	96	(1,295)
Other Assets	21,255	(19,504)
Accrued Compensated Absences	999	6,443
Accounts Payable	14,255	5,138
Deferred Revenue	(16,168)	1,270
Deposits Held in Custody for Others	1,350	—
Advances from Federal Government	(2)	8
Cash Used by Operating Activities	**($321,369)**	**($293,488)**

See accompanying Notes to the Financial Statements.

The new Krach Leadership Center gives students centralized access to an array of resources.

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2014

NOTE 1 — BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION:

Established in 1869, Purdue University (the University) is the land-grant university for the State of Indiana. The University is a comprehensive degree-granting research university with 28 schools and colleges on its main campus in West Lafayette and the following regional campuses:

- Indiana University-Purdue University Fort Wayne
- Purdue University Calumet
- Purdue University North Central

In addition to its academic programs offered at the above campuses, the University offers learning and other assistance programs at several other locations in the state of Indiana through:

- College of Technology Statewide Technology Program
- Purdue Extension
- Technical Assistance Program

The responsibility for making rules and regulations to govern the University is vested in a 10-member Board of Trustees (the Trustees). The selection of these Trustees is prescribed in Indiana Code IC 21-23-3. Three of the Trustees are selected by the Purdue Alumni Association. The other seven Trustees are selected by the governor. Two of the Trustees must be involved in agricultural pursuits, and one must be a full-time student of the University. All Trustees serve for a period of three years, except for the student member, who serves for two years.

REPORTING ENTITY:

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB No. 61, "The Financial Reporting Entity: Omnibus — an Amendment of GASB Statements No. 14 and No. 34" define the financial reporting entity as an entity that consists of the primary government and all of its component units. Component units are legally separate organizations that have a fiscal dependency and financial benefit or burden relationship with the primary government and other organizations for which the significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete.

The Purdue Foundation Inc. was created in 1979 as a separately incorporated, not-for-profit entity. The purpose of the foundation was to provide charitable, educational, and scientific support to the University, including the solicitation, receipt, and acceptance of gifts, donations, and bequests of funds and other property for the benefit of the University. The University is the sole beneficiary of the Purdue Foundation, and the governing body is substantively the same as the University's. As a result, the Purdue Foundation is reported as a blended component unit of the University. The Purdue Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Complete financial statements for the foundation can be obtained by writing to: The Purdue Foundation, 1281 Win Hentschel Boulevard, West Lafayette, IN 47906-4182.

As additionally required by GASB Statement No. 39, organizations that raise and hold economic resources for the direct benefit of the University are included in the reporting entity as discretely presented component units. All of the current discretely presented component units report under Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117, "Financial Reporting of Not-for-Profit Organizations." As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the foundation's financial information in the University's financial report for these differences.

Purdue Research Foundation (PRF) was created in 1930 as a separately incorporated, not-for-profit entity. Its primary purpose is to promote the educational purpose of the University; award scholarships, grants, or other financial assistance to students and faculty; seek, acquire, invest, and hold gifts and endowments for the needs of the University; and acquire property or facilities for the future use or benefit of the University. The economic resources received or held by PRF are entirely, or almost entirely, for the direct benefit of the University; however, the University does not appoint the voting majority of PRF's Board of Directors. As a result, PRF is reported as a discretely presented component unit. PRF is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. PRF includes several wholly owned subsidiary LLC corporations, all of which support the purposes of PRF and the University. PRF also includes the wholly owned subsidiary McClure Park, LLC, which is a for-profit Indiana corporation that was formed to acquire, construct, lease, operate, convey, and mortgage real estate and personal property of every kind and any interest therein. McClure Park wholly owns single-member limited liability subsidiaries and participates in several limited liability corporations primarily accounted for using the equity method. Complete financial statements for the foundation can be obtained by writing to: Purdue Research Foundation, 1281 Win Hentschel Boulevard, West Lafayette, IN 47906-4182.

Ross-Ade Foundation was created in 1923 as a separately incorporated, not-for-profit entity. The Ross-Ade Foundation constructs athletic and parking facilities on behalf of the University. The Ross-Ade Foundation provides services entirely, or almost entirely, to the University or otherwise exclusively, or almost exclusively, benefits the University even if it does not provide services directly to it. The University also appoints the voting majority of the Ross-Ade Foundation's Board of Directors, but it is not substantively the same as the University's Board of Directors. As a result, the Ross-Ade Foundation is reported as a discretely presented component unit. Complete financial statements for the foundation can be obtained by writing to: Ross-Ade Foundation, 1281 Win Hentschel Boulevard, West Lafayette, IN 47906-4182.

Indiana-Purdue Fort Wayne (IPFW) Foundation was created in 1958 to promote the educational purposes of Indiana University-Purdue University Fort Wayne. The IPFW Foundation accomplishes that purpose by owning and leasing land and buildings; receiving gifts of money or property; and investing, transferring, or leasing personal or real property for educational or charitable purposes. The IPFW Foundation provides services entirely to the University or otherwise exclusively benefits the University even if it doesn't provide services directly to it; however, the University does not appoint the voting majority of the IPFW Foundation's Board of Directors. As a result, the IPFW Foundation is reported as a discretely presented component unit. The IPFW Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Complete financial statements for the foundation can be obtained by writing to: IPFW Foundation, c/o Matt Whitney, 2101 E. Coliseum Boulevard, KT G06, Fort Wayne, IN 46805-1499.

Purdue University has an association with Indiana University-Purdue University Indianapolis for which it is not financially accountable and does not have primary access to the resources. Accordingly, this organization has not been included in the University's financial statements.

RELATIONSHIP TO THE STATE OF INDIANA:

As one of seven public universities in the state, the University is a component unit of the State of Indiana. The University receives funding from the state for operations, repair and maintenance, and debt service. A segment of its nonexempt employees participate in the state's public employees' retirement program.

TAX-EXEMPT STATUS:

The income generated by the University, as an instrument of the state, is generally excluded from federal income taxes under Section 115(a) of the Internal Revenue Code. The University also has a determination letter from the Internal Revenue Service stating that it is exempt under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Income generated from activities unrelated to the University's exempt purpose is subject to tax under Internal Revenue Code Section 511(a)(2)(B). There was no tax liability related to income generated from activities unrelated to the University's exempt purpose as of June 30, 2014 and 2013.

BASIS OF PRESENTATION:

The financial statements of the University have been prepared in accordance with the principles contained in GASB Statement No. 34, "Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments" as amended by GASB Statement No. 35, "Basic Financial Statements — and Management's Discussion and Analysis — for Public Colleges and Universities."

During fiscal year 2014, the University adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." During fiscal year 2013, the University adopted GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements"; GASB Statement No. 61, "The Financial Reporting Entity: Omnibus — an Amendment of GASB Statements No. 14 and No. 34"; GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements"; and GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."

The effect of GASB Statement No. 61:

- Changed the presentation of Ross-Ade Foundation from a blended component unit to a discretely presented component unit; Ross-Ade Foundation's net position was approximately $1,611,000 as of June 30, 2013.
- Recognized IPFW Foundation as a discretely presented component unit; IPFW Foundation's net position was approximately $17,951,000 as of June 30, 2013.

The effect of GASB Statement No. 65:

- Changed the presentation of certain items previously required to be reported as assets or liabilities to properly record them as either deferred outflows of resources or deferred inflows of resources, or to recognize certain items that were previously reported as assets or liabilities as outflows of resources (expenses) or inflows of resources (revenues).

BASIS OF ACCOUNTING:

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred.

The University applies all applicable GASB pronouncements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Cash and Cash Equivalents. Cash and cash equivalents include cash, revolving and change funds, cash in transit, credit card deposits in transit, unspent debt proceeds, and certain investments with maturities of three months or less as of the balance sheet date. It is the University's practice to invest operating cash balances and bond proceeds in investments of varying maturity dates. Investments, exclusive of endowment funds, that are included in cash equivalents represent short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near their maturity date that they present insignificant risk of changes in value because of changes in interest rates.

Investments. Investments, exclusive of institutional physical properties, are generally reported at fair value. Fair value is generally based on quoted market price as of June 30, except for certain investments, primarily private equity partnerships, hedge funds, and similar alternative investments, for which quoted market prices are not available. The estimated fair value of these investments is based on valuations provided by external investment managers within the past fiscal year through June 30. Because alternative investments are not readily marketable, their estimated value may differ from the value that would have been used had a ready market value for such investments existed. Investments, exclusive of endowment funds, may be classified current or noncurrent, depending on the individual investment's maturity date at June 30. Endowment funds are primarily included in noncurrent investments, with the exception of amounts designated for distribution.

Accounts Receivable. Accounts receivable primarily represent grant, contract, and student payments due the University and are shown net of an allowance for doubtful accounts.

Pledges Receivable. Pledges receivable are accrued as of the end of the fiscal year, provided the pledge is verifiable, measurable, and probable of collection. Pledges receivable do not include gifts made in anticipation of estates, telephone solicitations, or promises of endowment funds. An allowance for uncollectible pledges is calculated based on the University's experience.

Notes and Bonds Receivable. Notes and bonds receivable consist of student loan repayments due the University net of allowance for doubtful accounts and other receivables as well as bond proceeds receivable as of the fiscal year end.

Inventories. Inventories principally consist of consumable supplies and items held for resale or recharge within the University, and they are valued using a variety of methods, including first in first out (FIFO), weighted average, and moving average — depending upon the type of inventory. Agricultural commodities are reported using the consumption method, measured by physical count and valued at market.

Prepaid Expenses. Prepaid expenses include amounts paid for services attributable to future fiscal years. These services include insurance, equipment leases, services of consultants, subscriptions, and certain subcontracts.

Interest in Charitable Trusts and Contracts. The University and Purdue Research Foundation act as Trustees for certain endowments and trust funds, for which they or others have beneficiary interests. In addition, the University and PRF have beneficiary interests in insurance contracts and gift annuity programs.

Various revocable and irrevocable trusts established for the benefit of the University, PRF, the former Purdue Alumni Foundation, and affiliates exist where PRF acts as trustee, commonly referred to as the PRF Trust Funds. The Internal Revenue Service has determined that the PRF Trust Funds are exempt from federal income tax as defined in Sections 642 and 664 of the Internal Revenue Code.

The University records its interest in PRF Trusts' charitable remainder trusts based on the estimated present value of future cash flows. Future cash flows are estimated using an assumed investment rate of return on the underlying investments that will satisfy the trust requirements and an applicable discount rate at the time of contribution. Change in fair value from one fiscal year to the next is reflective of changes in the market value of the underlying investments, new trusts being added, and the maturation and liquidation of existing trusts.

PRF records its interest in a charitable perpetual trust (for which a bank acts as trustee) at the fair value of the trust's assets. The increase in the estimated present value of future cash flows of PRF's interest in the charitable perpetual trust is recorded as an increase to permanently restricted net assets in PRF's consolidated statements of activities.

The University receives certain charitable contributions from donors, which in accordance with the donor's wishes are used for annual premium payments toward insurance contracts for which the University is a beneficiary.

The endowment funds are invested under an investment agency agreement between Purdue University and the Purdue Research Foundation. These endowment funds are managed in accordance with donor restrictions consistent with the University's endowments. The assets held in trust are equal to the fair market value of the endowment principal plus, or less, any undistributed earnings.

PRF holds life income funds for beneficiaries of a gift annuity program. These funds generally pay lifetime income to the beneficiaries, after which the principal is made available to the University in accordance with donor intentions. All life income funds are recorded at fair value net of related liabilities for the present value of estimated future payments due to beneficiaries.

Capital Assets. Capital assets are stated at cost or fair market value at date of gift. Items are capitalized when their value exceeds the threshold shown in the following table and their estimated useful life is greater than one year. Depreciation is computed on a straight-line basis over the estimated useful life, as shown in the following table. Capital assets are removed from the records at the time of disposal.

Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project. Interest incurred during the construction phase is included as part of the value of the construction in progress.

Assets under capital leases are capitalized when valued over $500,000 and recorded at the present value of future minimum lease payments. They are amortized using the straight-line method over the shorter of the lease term or the estimated useful life. Such amortization is included as depreciation expense in the accompanying financial statements.

The University does not capitalize works of library collections and art or historical treasures that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means.

Property Class	Threshold	Useful Life
Land	$100,000	Not depreciated
Land Improvements	$100,000	5-25 years
Infrastructure	$100,000	5-25 years
Buildings and Related Components	$100,000	10-50 years
Moveable Equipment (Including Fabricated Equipment)	$5,000	More than one year
Intangible Assets (Software)	$500,000	7 years

Accrued Compensated Absences. Liabilities for compensated absences are recorded for vacation leave based on actual amounts earned as of the balance sheet date. Exempt employees may accrue vacation benefits up to a maximum of 44 days. Clerical and service staff may earn vacation up to 320 hours. For all classes of employees, accrued vacation is payable upon termination. An estimate of sick leave liability is recorded for regular clerical and service staff based on historical termination payments. Upon meeting the definition of an official University retiree, regular clerical and service staff are eligible to receive cash payments for a portion of their accrued sick leave. The liability for compensated absences is expected to be funded by various sources of revenue that are available in future years when the liability is paid.

Unearned Revenue. Unearned revenue consists of amounts received in advance of an event, such as student tuition and advance ticket sales related to future fiscal years.

Deposits Held in Custody for Others. Deposits of affiliates and others represent cash and invested funds held by the University as a result of agency relationships with various groups. Noncurrent deposits of affiliates represent the portion of endowment and similar funds held by the University on behalf of others.

Funds Held in Trust for Others. Liabilities to other beneficiaries related to the charitable trusts or endowments where the University serves as trustee for the component unit or related party.

Net Position. University resources are classified for accounting and financial reporting purposes into four net position categories:

- Net invested in capital assets: Resources resulting from capital acquisition or construction, net of accumulated depreciation and net of related debt. To the extent that debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.
- Restricted-nonexpendable: Net position subject to externally imposed stipulations that the funds be maintained inviolate and in perpetuity. Such assets include the University's permanent and term endowment funds and are categorized as instruction and research, student aid, and other.
- Restricted-expendable: Net position that may be spent provided certain third-party restrictions are met. The following categories of restricted-expendable net position are presented: instruction, research, and public service; student aid; construction; and other. A significant portion of the "other" category is related to donor-restricted funds that are undistributed gains on endowments or funds functioning as endowments.
- Unrestricted: Net position not subject to externally imposed stipulations pertaining to their use. Management may designate that these funds will be spent for certain projects or programs or to fulfill certain long-term goals. Management has designated substantially all unrestricted net position for academic and capital purposes.

Intra-University Transactions. Intra-University transactions are eliminated from the statements to avoid double counting of certain activities. Examples of these transactions are internal loans and sales and services between University departments.

Classification of Revenues and Expenses. The University has classified revenues and expenses as operating or nonoperating based upon the following criteria:

- Operating Revenues: Revenues derived from activities associated with providing goods and services for instruction, research, public service, health services, or related support to entities separate from the University and that result from exchange transactions. Exchange activities are transactions where the amount received approximates the fair market value of the goods or services given up. Examples include student tuition and fees, grants and contracts, auxiliary operations (such as Intercollegiate Athletics and Housing and Food Services) sales and service operations, federal land-grant appropriations, and county appropriations.

- Operating Expenses: Expenses paid to acquire or produce goods and services provided in return for operating revenues and to carry out the mission of the University. Examples include compensation and benefits, travel, and supplies. Graduate, staff, staff dependent, and staff spouse fee remissions are included with compensation and benefits. Expenses are reported using functional classifications in the Statement of Revenues, Expenses, and Changes in Net Position. Natural classification reporting appears in Note 8. Indirect expenses, such as depreciation, are not allocated across functional categories.
- Nonoperating Revenues and Expenses: Revenues and related expenses that do not meet the definition of operating revenues, capital revenues, or endowment additions. They are primarily derived from activities that are nonexchange transactions and from activities defined as such by the GASB cash flow standards. Examples include state appropriations, private gifts, investment income, and certain federal financial aid. Nonoperating expenses primarily include interest on short-term and long-term borrowings.

Application of Restricted and Unrestricted Resources. When both restricted and unrestricted resources are available for a particular expenditure, University departments may select the most appropriate fund source based on individual facts and circumstances. The University, as a matter of policy, does not require funds to be spent in a particular order, only that the expenditure be allowable, allocable, and reasonable to the fund source selected. Restricted funds are categorized as restricted until the external stipulations have been satisfied.

Tuition and Fees. Tuition and fees assessed to students are reported net of scholarship allowances. Scholarship allowances represent amounts credited to students' tuition and fees and include scholarships, grants, and various other types of aid. Student loans are not included in this calculation. Aid applied to housing is shown as an allowance against auxiliary revenues. Aid remitted directly to students is shown as scholarships, fellowships, and student awards expenses. Graduate and other employment-related remissions are included with compensation and benefits expenses.

Grants and Contracts. The University has been awarded grants and contracts for which the monies have not been received or expended. These awards have not been reflected in the financial statements but represent commitments of sponsors — both government and other — to provide funds for specific research and training projects.

The University makes commitments to share in the cost of various sponsored projects. Funds to satisfy these commitments are designated when grants and contracts are awarded. As sponsor dollars are spent, the University matches according to the terms of the agreement.

Gifts. The University receives pledges of financial support from many different sources. Gift income is recognized when received or pledged. In-kind gifts of tangible or intangible property are recognized at fair value on the date of the gift and are capitalized, if appropriate, subject to the University's policies on capitalization. Revenue from gifts-in-kind of approximately $931,000 and $903,000 was recognized during the years ending June 30, 2014 and 2013, respectively.

Use of Estimates. To prepare the financial statements in conformity with generally accepted accounting principles, management must make estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications. Certain prior-year amounts have been reclassified to conform to the presentation used in the current year.

NOTE 2 — DEPOSITS AND INVESTMENTS

Deposits. As of June 30, 2014 and 2013, the bank balance of the University's deposits (demand deposit accounts) was approximately $90,909,000 and $90,582,000, respectively. Federal depository insurance covered $250,000, and the remaining balance was insured by the State of Indiana's Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

University Investments. Authorization for investment activity is stated in Indiana Code IC 21-29-2-1. Additionally, the Bylaws of the Trustees, revised and amended on December 15, 2012, authorize the treasurer of the Trustees to implement investment activity. Except for some investments that are separately held in accordance with donor restrictions or bond covenants, the University investments are managed by two separate policies, the Cash Management Investment Policy (CMIP) and the Endowment Investment Policy (EIP), both of which are approved by the Trustees. The University had the following investments:

(Dollars in Thousands)

Investment Type	June 30, 2014	June 30, 2013
Corporate Bonds	$1,968	$1,030
Investment Held by State Treasurer	340	340
U.S. Equity	37,544	29,497
Public Real Estate	1,628	1,573
U.S. Agencies	10	15
Venture Capital/Private Equity	1,795	1,804
BOND PROCEEDS INVESTED:		
Mutual Funds and Cash	43,332	85,229
CMIP:		
Asset-Backed Securities	41,287	28,347
Corporate Bonds	368,556	328,509
Mortgage-Backed Securities	218,785	251,958
U.S. Agencies	106,988	108,660
U.S. Treasuries and Securities	367,647	327,315
Mutual Funds and Cash	212,387	168,938
EIP:		
Emerging Markets	107,299	90,786
Fixed Income	107,730	164,170
International Equity	219,143	173,512
U.S. Equity	375,303	336,254
Marketable Alternatives	361,657	294,409
Private Natural Resources	79,360	53,918
Public Natural Resources	7,182	39,491
Private Real Estate	47,031	36,683
Public Real Estate	38,366	37,195
Venture Capital/Private Equity	170,974	101,689
Mutual Funds and Cash	92,501	72,501
Total	**$3,008,813**	**$2,733,823**

Investment values included accumulated unrealized gains of $339,959,000 and $193,492,000 as of June 30, 2014 and 2013, respectively. Investment income included unrealized gains of $146,467,000 and $69,722,000 during the year ended June 30, 2014 and 2013, respectively.

PRF Investments. PRF investments are managed under the EIP, which is also approved by the PRF Trustees. The fair value of investments at June 30, 2014 and 2013, which includes the University's investment in the Purdue investment pool, is as follows:

(Dollars in Thousands)

Investment Type	June 30, 2014	June 30, 2013
Short-Term Investments	$47	$42
U.S. Equity	17,576	16,833
Fixed Income	5,220	5,697
Venture Capital	149	88
Pooled Funds:		
Short-Term Investments	120,474	27,926
U.S. Equity	579,248	144,419
International Equity	340,164	75,608
Fixed Income	251,320	94,686
Funds Invested with University	12,500	13,200
Emerging Markets	166,555	85,793
Public Real Estate	62,079	18,623
Private Real Estate	73,003	28,220
Public Natural Resources	11,148	14,925
Private Natural Resources	123,186	39,569
Hedge Funds	561,380	190,814
Venture Capital/Private Equity	265,393	115,857
Total	**$2,589,442**	**$872,300**

Investment Policies, Interest Rate, and Credit Risks. As noted above, investments are managed by two separate policies:

The Cash Management Investment Policy outlining the parameters for all investments exclusive of endowment funds was approved on April 11, 2008. Authorized investments include obligations of the United States (U.S.) government, its agencies, and its instrumentalities; asset-backed and mortgage-backed securities (rated at least AAA or equivalent); corporate notes, corporate bonds, 144A bonds, and Yankee bonds (rated investment grade) with demonstrated liquidity and marketability; pooled funds, including mutual funds and common trust funds; high-yield bonds, including corporate bonds and bank loans (minimum credit quality of BB-/Ba3); and inclusion in investments managed under the University's endowment investment policy. As of June 30, 2014 and 2013, the University had $339,532,000 and $306,876,000, respectively, of CMIP investments invested in and shown as EIP in these note disclosures.

All ratings must be by a nationally recognized rating agency. Portfolios will be invested in securities that result in a weighted average credit quality rating of at least AA or better as recognized by a national rating agency. Bonds rated BBB or lower will not exceed 20% of the portfolio. Funds not required to meet cash needs will be invested over a longer-term horizon.

The Endowment Investment Policy outlining the parameters for endowment investments was approved on April 13, 2012. Authorized investments include equity, fixed income, and alternative investments, including commingled investments. The overall policy objective is to generate real returns greater than its spending rate over the long term. The policy sets forth a diversified approach by and within the asset classes with the balanced goal of maximizing return and preserving purchasing power. Moreover, a single manager or affiliated groups of managers will not represent more than 10% of the total endowment's market value. As a partial hedge against prolonged economic contraction, the University has adopted a target allocation of 15% for fixed income.

Portfolios will be invested in securities that result in a weighted average credit quality rating of at least AA or better with no single fixed-income manager having more than 10% of its portfolio in obligations rated less than BBB or its equivalent by Moody's or Standard & Poor's. Any commercial paper in the portfolio must be rated A-1/P-1 by each rating service rating said credit. Any banker's acceptances and certificates of deposits in the portfolio must be issued by banks having a Keefe Bruyette & Woods rating of A, A/B, or B.

In addition, separately held, invested bond proceeds follow investment practices in compliance with arbitrage regulations and generally have maturities of three years or less. These investments are readily available to match expected construction expenditures.

The University had the following fixed-income investments and maturities:

For the Year Ended June 30, 2014 (Dollars in Thousands)			Maturity		
Investment Type	**0-1 year**	**1-5 years**	**6-10 years**	**>10 years**	**Totals**
Corporate Bonds	$1,968	$—	$—	$—	$1,968
U.S. Agencies	5	5	—	—	10
CMIP:					
Asset-Backed Securities	16,724	20,052	3,432	1,079	41,287
Corporate Bonds	30,190	226,553	83,231	28,582	368,556
Mortgage-Backed Securities	6,586	32,969	53,899	125,332	218,786
U.S. Agencies	3,662	63,589	20,496	19,240	106,987
U.S. Treasuries and Securities	145,466	215,062	1,172	5,947	367,647
EIP:					
Fixed Income	26,175	56,665	51,888	30,803	165,531
Total	**$230,776**	**$614,895**	**$214,118**	**$210,983**	**$1,270,772**

For the Year Ended June 30, 2013 (Dollars in Thousands)			Maturity		
Investment Type	**0-1 year**	**1-5 years**	**6-10 years**	**>10 years**	**Totals**
Corporate Bonds	$1,030	$—	$—	$—	$1,030
U.S. Agencies	5	10	—	—	15
CMIP:					
Asset-Backed Securities	—	12,267	14,283	1,797	28,347
Corporate Bonds	21,355	211,999	67,656	27,499	328,509
Mortgage-Backed Securities	—	44,145	92,644	115,169	251,958
U.S. Agencies	35,419	66,392	—	6,849	108,660
U.S. Treasuries and Securities	53,982	251,244	20,815	1,274	327,315
EIP:					
Fixed Income	64,810	58,956	20,761	18,931	163,458
Total	**$176,601**	**$645,013**	**$216,159**	**$171,519**	**$1,209,292**

Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

In accordance with the CMIP, the University manages its exposure to changes in fair values by limiting the weighted average maturity of its investment portfolio to between 2 and 5 years.

The EIP, as a long-term pool of capital, has a fixed income policy target of 15% but does not limit the maturity of the individual holdings as a means to manage interest-rate risk.

The distribution of fixed-income investments by credit ratings is summarized below:

(Dollars in Thousands)	June 30, 2014	% of Total	June 30, 2013	% of Total
Separately Held:				
A	$10	0.51%	$15	1.44%
BAA	1,968	99.49%	1,030	98.56%
	1,978	100.00%	1,045	100.00%
CMIP:				
A	135,142	12.25%	147,247	14.09%
AA	55,829	5.06%	35,597	3.41%
AAA	691,515	62.68%	677,676	64.86%
B	556	0.05%	515	0.05%
BA	16,229	1.47%	10,917	1.04%
BAA	145,319	13.17%	103,869	9.94%
CAA	745	0.07%	699	0.07%
Unrated	57,928	5.25%	68,269	6.54%
	1,103,263	100.00%	1,044,789	100.00%
EIP:				
A	31,741	19.18%	38,523	23.57%
AA	32,074	19.38%	20,493	12.54%
AAA	70,632	42.67%	71,488	43.73%
BA+	2,115	1.28%	3,050	1.87%
BAA	17,776	10.74%	15,107	9.24%
Unrated	11,193	6.76%	14,797	9.05%
	165,531	100.00%	163,458	100.00%
Total Fixed Income Investments	**$1,270,772**		**$1,209,292**	

Investment Custodial Credit Risk. Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the University will not be able to recover the value of the investments that are in the possession of an outside party. Therefore, exposure arises if the securities are uninsured, not registered in the University's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent, but not in the University's name. Open-ended mutual funds and certain other investments are not subject to custodial risk because ownership of the investment is not evidenced by a security. The University does not have a formal policy for custodial credit risk.

Historically, the investment pool managed in accordance with the EIP was a shared investment pool managed by University personnel, and the underlying investment instruments were held in the University's or PRF's name based on their ownership basis in the pool. Effective January 1, 2014, the Trustees transferred the investment function from the University to PRF, including the supporting personnel. With this change, the Trustees approved the movement of the investments to an EIP investment pool that is held in PRF's name. The transfer of the underlying investment vehicles from the University's name to PRF's name will occur over the course of 2014 based on the contractual terms of the underlying investment vehicles. As of June 30, 2014, 87.19% of the EIP investment pool had been transferred to PRF.

As of June 30, 2014, all separately held and CMIP investments were held in University accounts at the University's custodial banks, with the exception of private placements and investments in limited partnerships that totaled approximately $659,022,000 and $340,000 held in the state's name.

As of June 30, 2013, all investments were held in University accounts at the University's custodial banks, with the exception of private placements and investments in limited partnerships that totaled approximately $492,013,000 and $340,000 held in the state's name.

Foreign Currency Risk. Endowment equity managers may invest in common stocks, preferred stocks, fixed-income instruments convertible into common stocks, and American Depository Receipts of foreign corporations. The University's endowment fixed-income managers may invest in foreign fixed-income securities equivalent in quality to permitted domestic securities, but not to exceed 20% of the assets entrusted to the manager. All currency exposures are to be hedged into the U.S. dollar unless otherwise approved by the University. Please refer to the Investment Type table for the University's exposure to international investments. In addition to those investments, the University estimates that its international exposure in its EIP alternative investments was approximately $103,923,000 and $66,261,000 as of June 30, 2014 and 2013, respectively.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. As of June 30, 2014 and 2013, consistent with policy limits, no single issuer, with the exception of U.S. Treasury and Agencies, held more than 5% of total investments.

Donor-Restricted Endowments. The University's endowment funds (including true, term, and funds functioning as endowments) are invested in a unitized pool. The endowment investment pool (EIP) purchases investments to generate present and future income in support of various programs. The Trustees establish the spending policy for the EIP. The approved spending policy distributed 5% of the average of the ending values for the prior 12 quarters in semiannual distributions. The distribution includes both income and equity components.

As of June 30, 2014 and 2013, accumulated market appreciation of the EIP pool was approximately $588,811,000 and $438,087,000, respectively. Of this amount, 40.71% and 38.80% represents appreciation attributable to donor-restricted (true and term) endowments during the year ended June 30, 2014 and 2013, respectively. The University's endowment policies are subject to the provisions of Indiana Code IC 30-2-12, "Uniform Management of Institutional Funds." Under this section, the Trustees may authorize expenditure — consistent with donors' intent — of net appreciation in the fair value of the assets of the endowment.

Interest in Charitable Trusts and Contracts. As of June 30, 2014 and 2013, the PRF EIP investment pool includes the following PRF trust assets.

(Dollars in Thousands)	Assets at Fair Value		Beneficiary Interest	
	June 30, 2014	**June 30, 2013**	**June 30, 2014**	**June 30, 2013**
University	$22,670	$20,812	$11,046	$10,312
PRF	48,653	44,893	18,585	15,041
Related Parties	8	7	1	2
Other Affiliates	231	215	93	78
Total	**$71,562**	**$65,927**	**$29,725**	**$25,433**

As of June 30, 2014 and 2013, the University EIP investment pool includes the following endowment assets, which are offset by funds held in trust obligations to the other beneficiaries. For details see Note 7.

(Dollars in Thousands)	Assets at Fair Value	
	June 30, 2014	**June 30, 2013**
IPFW Foundation	$374	$322
Related Parties	7,779	7,022
Total	**$8,153**	**$7,344**

The University also has beneficiary interest in insurance contracts of $756,000 and $711,000, respectively, as of June 30, 2014 and 2013.

NOTE 3 — ACCOUNTS, PLEDGES, AND NOTES RECEIVABLE

Accounts, pledges, and notes receivable consisted of the following:

(Dollars in Thousands)

	June 30, 2014	June 30, 2013
Grants and Contracts	$50,396	$46,502
Student and General	22,736	28,387
Other Accrued Revenues	15,094	14,418
Less: Allowance for Doubtful Accounts	(4,557)	(4,037)
Total Accounts Receivable, Net	**$83,669**	**$85,270**
Pledges Receivable	$58,191	$50,651
Less: Allowance for Doubtful Pledges	(2,217)	(2,040)
Net Pledges Receivable	55,974	48,611
Less: Noncurrent Portion	(29,030)	(20,680)
Pledges Receivable, Current Portion	**$26,944**	**$27,931**
Perkins Loans	$26,334	$27,068
Institutional Loans	21,053	20,828
Other Student Loans and Bonds Receivable	19,684	11,041
Less: Allowance for Doubtful Loans	(524)	(960)
Net Notes and Bonds Receivable	$66,547	$57,977
Less: Noncurrent Portion	(53,996)	(53,068)
Notes and Bonds Receivable, Current Portion	**$12,551**	**$4,909**

The sky's the limit for Purdue students, with more than 200 majors and nearly 1,000 organizations to propel them to career success.

NOTE 4 — CAPITAL ASSETS

Capital asset activity is summarized below. Interest that qualified for interest capitalization was approximately $20,272,000 and $11,565,000 during the years ended June 30, 2014 and 2013, respectively.

(Dollars in Thousands)

Capital Assets Activity	Balance July 1, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Capital Assets, Not Being Depreciated:					
Land	$28,179	$—	$—	$—	$28,179
Construction in Progress	215,560	54,836	—	(140,255)	130,141
Total, Capital Assets, Not Being Depreciated	$243,739	$54,836	$—	($140,255)	$158,320
Capital Assets, Being Depreciated:					
Land Improvements	69,410	1,959	—	1,677	73,046
Infrastructure	80,401	11,448	—	13,159	105,008
Buildings	2,656,040	100,795	226	124,880	2,881,489
Equipment	494,056	39,211	25,053	539	508,753
Software	58,362	7	—	—	58,369
Total, Capital Assets, Being Depreciated	$3,358,269	$153,420	$25,279	$140,255	$3,626,665
Less Accumulated Depreciation:					
Land Improvements	56,802	2,272	—	—	59,074
Infrastructure	40,882	5,786	—	—	46,668
Buildings	1,123,915	97,509	143	—	1,221,281
Equipment	328,032	40,819	24,436	—	344,415
Software	39,452	1,970	—	—	41,422
Total Accumulated Depreciation	$1,589,083	$148,356	$24,579	$—	$1,712,860
Total Capital Assets, Net of Accumulated Depreciation	**$2,012,925**	**$59,900**	**$700**	**$—**	**$2,072,125**

Capital Assets Activity	Balance July 1, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
Capital Assets, Not Being Depreciated:					
Land	$28,179	$—	$—	$—	$28,179
Construction in Progress	305,902	90,072	—	(180,414)	215,560
Total, Capital Assets, Not Being Depreciated	$334,081	$90,072	$—	($180,414)	$243,739
Capital Assets, Being Depreciated:					
Land Improvements	69,161	1	—	248	69,410
Infrastructure	76,914	181	—	3,306	80,401
Buildings	2,394,916	86,961	2,586	176,749	2,656,040
Equipment	486,477	28,832	21,364	111	494,056
Software	58,362	—	—	—	58,362
Total Capital Assets, Being Depreciated	$3,085,830	$115,975	$23,950	$180,414	$3,358,269
Less Accumulated Depreciation:					
Land Improvements	54,453	2,349	—	—	56,802
Infrastructure	36,081	4,801	—	—	40,882
Buildings	1,040,968	85,275	2,328	—	1,123,915
Equipment	311,126	36,916	20,010	—	328,032
Software	32,947	6,505	—	—	39,452
Total Accumulated Depreciation	$1,475,575	$135,846	$22,338	$—	$1,589,083
Total Capital Assets, Net of Accumulated Depreciation	**$1,944,336**	**$70,201**	**$1,612**	**$—**	**$2,012,925**

NOTE 5 — ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following:

(Dollars in Thousands)

	June 30, 2014	June 30, 2013
Construction Payables	$17,334	$18,655
Accrued Insurance Liabilities	22,329	22,475
Interest Payable	16,914	17,913
Accrued Salaries and Wages	7,870	7,613
Vendor and Other Payables	44,860	30,715
Total Accounts Payable	**$109,307**	**$97,371**

Accrued Insurance Liabilities. The University is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; accident, health, and other medical benefits provided to employees and their dependents; and long-term disability benefits provided to employees. The University handles these risks of loss through combinations of risk retention and commercial insurance. For buildings and contents, the University's risk retention is $250,000 per occurrence. There is $2,000,000 retention per occurrence or wrongful act for general, automobile, and professional and educators' legal liability coverage. The University retains the entire risk for medical benefits. The maximum liability to the University for job-related illnesses or injuries is $500,000 per incident, with a maximum annual aggregate liability of approximately $8,000,000 as of June 30, 2014 and 2013.

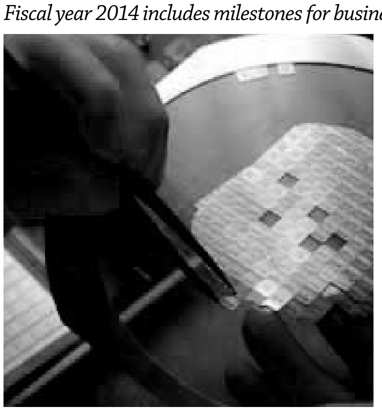
Separate funds have been established to account for these risks. All departments of the University are charged fees based on actuarial estimates of the amounts necessary to pay claims and to establish reserves for catastrophic losses. During the years ended June 30, 2014 and 2013, the University reflected approximately $793,000 and $154,000, respectively, of insurance proceeds as nonoperating income.

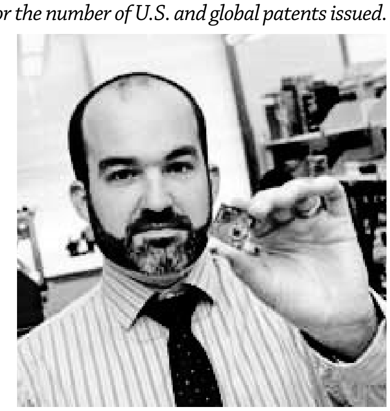
The University accrues liabilities for claims if information indicates that a loss has been incurred as of June 30, and the amount of the loss can reasonably be estimated. Changes in the balances of accrued insurance liabilities were as follows:

(Dollars in Thousands)

	June 30, 2014	June 30, 2013
Beginning Liability	$22,475	$26,943
Claims Incurred	125,672	137,586
Claims Payments	(125,818)	(142,054)
Ending Liability	**$22,329**	**$22,475**

Fiscal year 2014 includes milestones for business startups based on University research and for the number of U.S. and global patents issued.





NOTE 6 — DEBT RELATED TO CAPITAL ASSETS

Debt liability activity is summarized below:

(Dollars in Thousands)

Debt-Related Liabilities	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Current Portion
Commercial Paper	$7,456	$13,500	$2,648	$18,308	$18,308
Notes Payable	795		85	710	93
Leases Payable to Affiliated Foundations	138,039	21,955	15,026	144,968	39,417
Bonds Payable:					
Student Facilities System Revenue Bonds	352,730		20,583	$332,147	$67,168
Student Fee Bonds	487,677		34,852	$452,825	$31,990
Total Bonds Payable	840,407	—	55,435	784,972	$99,158
Total Debt-Related Liabilities	**$986,697**	**$35,455**	**$73,194**	**$948,958**	**$156,976**

Debt-Related Liabilities	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion
Commercial Paper	$23,785	$1,500	$17,829	$7,456	$7,456
Notes Payable	875	—	80	795	86
Leases Payable to Affiliated Foundations	141,317	1,000	4,278	138,039	38,619
Bonds Payable:					
Student Facilities System Revenue Bonds	318,713	49,669	15,652	352,730	69,700
Student Fee Bonds	447,207	62,687	22,217	487,677	34,166
Total Bonds Payable	765,920	112,356	37,869	840,407	103,866
Total Debt-Related Liabilities	**$931,897**	**$114,856**	**$60,056**	**$986,697**	**$150,027**

Commercial Paper. On April 1, 2008, a commercial paper agreement was negotiated with Goldman Sachs Company. This agreement authorized a maximum outstanding at any time of $50,000,000 to finance portions of the costs of certain infrastructure, equipment, and facilities on various campuses. The interest rate is variable and reset based on market conditions. The University can set the maturity dates up to 270 days. As of June 30, 2014 and 2013, the balance outstanding was $18,308,000 and $7,456,000, respectively.

Notes Payable. As of June 30, 2014 and 2013, the balance of notes outstanding was approximately $710,000 and $795,000, respectively, representing financing for various activities.

On June 10, 2010, the University entered into a loan agreement with PRF to refinance its capital lease with PRF. This agreement authorized the transfer of the Schneider Avenue building from PRF to the Calumet campus in exchange for the original promise to pay approximately $1,140,000 over 13 annual payments. The outstanding balance of this note was approximately $710,000 and $795,000 as of June 30, 2014 and 2013, respectively. The current portion of this note was approximately $93,000 and $86,000 as of June 30, 2014 and 2013, respectively. The interest rate for the note was fixed at 8.00% as of June 30, 2014 and 2013.

Leases Payable. Leases payable consisted of the following items:

(Dollars in Thousands)

Issue		Issue Date	Interest Rates	Final Maturity Date	Outstanding June 30, 2014	Outstanding June 30, 2013	Current Outstanding June 30, 2014
Certificates of Participation with Ross-Ade Foundation:							
	Series 1998	1998	5.25%	2015	$895	$1,745	$895
	Series 2006	2006	4.00-5.25%	2025	35,455	46,830	2,935
	Series 2009A	2009	2.50-4.00%	2015	2,025	3,975	2,025
	Series 2009B	2009	4.07-5.96%	2031	42,795	42,795	—
	Series 2011A	2011	0.07%*	2035	32,185	32,185	32,185
	Series 2014A	2014	2.66%	2027	21,955	—	—
Leases with Purdue Research Foundation:							
	Academic Learning Center	2012	2.00-5.00%	2030	6,235	6,430	300
	Remo Property	2011	6.38%	2015	57	112	57
	Kaplan	2012	5.63%	2022	841	923	86
Leases with Indiana-Purdue Fort Wayne Foundation:							
	Child Care Center	2011	6.20%	2016	225	327	109
					$142,668	$135,322	$38,592
Net Unamortized Premiums and Costs					2,300	2,717	825
Total					**$144,968**	**$138,039**	**$39,417**

* *Variable interest rates are reset weekly and are based upon market conditions. Amounts shown as of June 30, 2014.*

The certificates of participation are secured by certain real estate and the projects located on that real estate, the lease payments to the Ross-Ade Foundation, and a pledge of available income except for student fees and state appropriations. During the fiscal years ended June 30, 2014 and 2013, the University included approximately $32,185,000 in current liabilities related to variable-rate Certificates of Participation (Series 2011A). As a requirement of the Treasury ruling, which granted tax exemption to the lender on the interest paid by the Ross-Ade Foundation, the University has entered into a lease purchase arrangement whereby on the termination of the stated lease, title to the land and buildings will be conveyed absolutely to the Trustees of the University. At any time during the lease term, the University has the right to acquire the entire title to the facility by paying the Ross-Ade Foundation an amount equal to the then outstanding indebtedness. The Ross-Ade Foundation has created a reserve for valuation to reduce the carrying value of certain properties leased to the University in an amount not greater than the proceeds to be received if disposal was made to the University.

On September 1, 2011, the University entered into a $615,000 lease agreement with the Indiana-Purdue Fort Wayne Foundation for a child care center near the Fort Wayne campus. The fair value of the building was treated as a capital lease with a value of $515,000.

On December 21, 2012, the University entered into a $1,335,000 lease agreement with Purdue Research Foundation for the real estate commonly known as Kaplan Commons near the Calumet campus. The fair value of the building was treated as a capital lease with the value of $1,000,000.

As of June 30, 2014 and 2013, long-term debt included amounts relating to properties with a net book value (net of accumulated depreciation) of approximately $154,209,000 and $173,883,000, respectively, leased from either the Ross-Ade Foundation, Purdue Research Foundation, or the Indiana-Purdue Fort Wayne Foundation.

Bonds Payable. As of June 30, 2014 and 2013, the balance of bonds payable was approximately $784,972,000 and $834,339,000, respectively. Bonds payable consisted of the following issues:

(Dollars in Thousands)

Issue	Issue Date	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2014	Total Outstanding June 30, 2013	Current Outstanding June 30, 2014
Student Facilities System Revenue Bonds:						
Series 2003A						
Used to refund Dormitory System Revenue Bond Series 1993 and 2000, refund commercial paper, and renovate a West Lafayette student housing facility	2003		2013	$—	$8,870	$—
Series 2003B						
Used to finance construction of Fort Wayne student housing facilities	2003		2013	—	515	—
Series 2004A						
Used to finance construction of Calumet student housing and parking garage facilities	2004	0.05%*	2033	17,600	17,600	17,600
Series 2005A						
Used to finance construction and renovation of West Lafayette housing and food service facilities	2005	0.07%*	2029	6,020	6,020	6,020
Series 2007A						
Used to refund a portion of Student Facilities System Revenue Bond Series 2003A and 2003B	2007	5.00-5.25%	2029	61,865	61,865	2,025
Series 2007B						
Used to finance construction of the new West Lafayette dining court and Fort Wayne student housing facility	2007	4.00-5.00%	2032	23,110	23,840	765
Series 2007C						
Used to renovate a West Lafayette student housing facility, and finance construction on a new West Lafayette student housing facility	2007	0.07%*	2032	25,520	25,520	25,520
Series 2009A						
Used to finance construction of new West Lafayette and Calumet student housing, renovate a West Lafayette student housing facility, and refund a portion of commercial paper	2009	5.00%	2034	33,495	34,175	815
Series 2009B						
Used to finance Fort Wayne and West Lafayette student housing facilities, and refund a portion of commercial paper	2009	4.00-5.00%	2035	38,520	39,490	1,010
Series 2010A						
Taxable Build America Bonds used to finance the renovation of West Lafayette student housing facilities, and refund a portion of commercial paper	2010	2.36-5.96%	2030	23,875	24,985	1,125
Series 2011A						
Used to refund a portion of Student Facilities System Revenue Bond Series 2004A, 2005A, and 2007C	2011	3.75-5.00%	2025	44,100	46,805	2,805
Series 2012A						
Used to finance construction for the West Lafayette student housing and parking facilities, and to refund a portion of Student Facilities System Revenue Bond Series 2003B and a portion of commercial paper	2012	3.75-5.00%	2032	42,100	44,770	3,275
				$316,205	$334,455	$60,960
Net Unamortized Premiums and Costs				15,942	18,275	6,208
Total Student Facilities System Revenue Bonds				**$332,147**	**$352,730**	**$67,168**

** Variable interest rates are reset weekly and are based upon market conditions. Amounts shown as of June 30, 2014.*

(Dollars in Thousands)

Issue	Issue Date	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2014	Total Outstanding June 30, 2013	Current Outstanding June 30, 2014
Student Fee Bonds:						
Series N						
Used to refund Student Fee Bond Series B and D	1998	5.50%	2014	$500	$4,510	$500
Series P						
Used to refund Student Fee Bond Series M	1998	5.25%	2017	15,990	20,295	4,515
Series U						
Used to refund a portion of Student Fee Bond Series Q	2005	3.85-5.25%	2022	27,355	29,945	2,685
Series W						
Used to finance West Lafayette strategic infrastructure and utilities improvements	2006	5.00-5.25%	2026	31,515	33,265	1,820
Series X						
Used to finance the construction of the West Lafayette Health and Human Sciences facility, add a wing to the West Lafayette Mechanical Engineering Building, West Lafayette power improvements, construct the Fort Wayne Student Services and Library Complex, for repair and rehabilitation projects, and to refund a portion of commercial paper	2009	5.00-5.50%	2028	89,615	93,530	4,105
Series Y						
Used to refund Student Fee Bond Series S, T, and V	2010	4.00-5.00%	2027	61,490	64,590	3,235
Series Z-1						
Used to finance a portion of construction of the West Lafayette Student Fitness and Wellness Center; Fort Wayne Parking Garage; and West Lafayette Repair and Rehabilitation projects; as well as refund Student Fee Bond Series H, K, L, O, and a portion of Series R; and refund a portion of commercial paper	2010	4.00-5.00%	2024	51,490	60,465	9,335
Series Z-2						
Taxable Build America Bonds used to finance a portion of the construction of the West Lafayette Student Fitness and Wellness Center and the Fort Wayne Parking Garage, and a portion of West Lafayette Repair and Rehabilitation projects	2010	1.39-5.33%	2035	100,010	100,705	705
Series AA						
Used to finance a portion of construction of the West Lafayette Student Fitness and Wellness Center, Drug Discovery Facility, Health and Human Sciences Facility, and Repair and Rehabilitation projects on the West Lafayette campus	2012	3.00-5.00%	2032	52,810	54,555	1,785
				$430,775	$461,860	$28,685
Net Unamortized Premiums and Costs				22,050	25,817	3,305
Total Student Fee Bonds				**$452,825**	**$487,677**	**$31,990**

The Student Facilities System Revenue Bonds are secured by a pledge of auxiliary net income and all other available funds, except student fees and state appropriations. As of June 30, 2014 and 2013, total net pledged income was approximately $18,793,000 and $11,161,000, respectively.

Student Fee Bonds are secured by a pledge of mandatory student fees. Mandatory student fees (net of scholarship allowance) were approximately $727,256,000 and $730,250,000 during the years ended June 30, 2014 and 2013, respectively.

As of both June 30, 2014 and 2013, the University had approximately $49,140,000 included in current liabilities related to variable-rate Student Facilities System Revenue Demand Bonds (Series 2004A, 2005A, and 2007C). These bonds are backed by certain auxiliary revenues and other available funds, maturing serially through July 1, 2033. The bonds were issued under Indiana Code IC 21-34 and IC 21-35. The proceeds of the bonds were used to (a) provide funds for certain capital improvements, (b) refund certain interim financing, (c) provide for construction period interest for a portion of the bonds, and (d) pay costs incurred to issue the bonds.

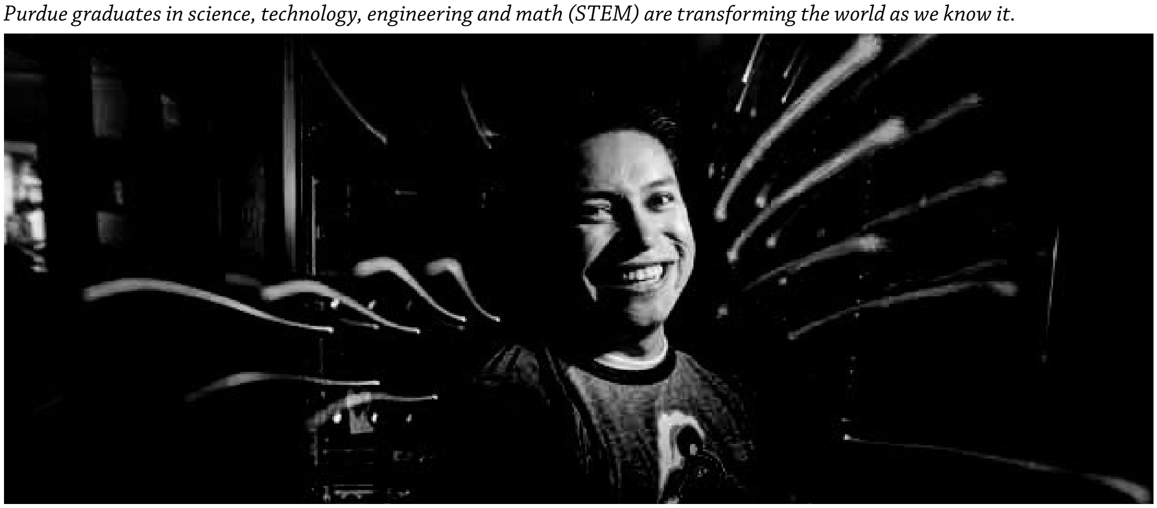
The University may direct a change in the type of interest rate borne by the variable-rate debt, including variable-rate certificates of participation and Series 2011A, in whole or in part at any time, from the weekly rate to a rate determined pursuant to one of six additional interest rate modes: a daily rate, a monthly rate, a quarterly rate, a semiannual rate, or a term rate (each an “adjustable rate”), or a fixed rate in accordance with the procedures provided in the indenture. However, if the debt is converted in whole or in part to a fixed rate, the interest rate on the debt so converted may not be subsequently changed to an adjustable rate.

The variable-rate bonds and the certificates of participation are subject to purchase on the demand of the holder, a “put,” at a price equal to principal plus accrued interest, on seven days’ notice and delivery to the University’s remarketing agent. The remarketing agent is authorized to use its best efforts to sell these bonds at a price equal to 100% of the principal amount by adjusting the interest rate.

The University is provided a 24-hour notice if the remarketing agent is unable to resell any debt that is put to the University. In such a case, the University is required to provide the funds to satisfy the repurchase of the debt at 100% par value, plus interest accrued to the settlement date of the put. The University has chosen to provide self-liquidity in the event of a put from any holder of these variable-rate bonds or certificates of participation.

On Feb. 20, 2014, the University issued $21,955,000 of Certificates of Participation Series 2014A to fund the construction of a softball field at the West Lafayette campus, to pay for allowable construction-period interest and cost of issuance, and to refund a portion of Certificates of Participation Series 2006. As a result of the

Purdue graduates in science, technology, engineering and math (STEM) are transforming the world as we know it.



refunding, the University estimates a reduction in its aggregate debt service payments over the life of the debt of approximately $1,680,789. The refunding resulted in an estimated economic gain (difference between the present value of the debt service payment on the old and new debt) of approximately $1,388,980.

Scheduled payments related to the debt for capital assets for the fiscal years ended June 30 are as follows:

(Dollars in Thousands)

Fiscal Year	Principal	Interest	Total
2015	$65,739	$38,261	$104,000
2016	48,482	36,011	84,493
2017	48,645	33,798	82,443
2018	47,274	31,645	78,919
2019	47,889	29,395	77,284
2020-24	238,102	112,345	350,447
2025-29	241,620	54,603	296,223
2030-34	147,580	16,197	163,777
2035-39	23,335	642	23,977
	$908,666	$352,897	$1,261,563
Net Unamortized Premiums and Costs	40,292	—	40,292
Total	**$948,958**	**$352,897**	**$1,301,855**

Defeased Bond Issues. The University defeases bonds by prepayment or by issuing new debt. The University's defeased debt is shown below. U.S. Treasury obligations have been purchased in amounts sufficient to pay principal and interest payments when due, through maturity, and have been deposited in irrevocable trusts with the trustee. Neither the defeased bonds nor the related trusts are reflected in the accompanying financial statements.

(Dollars in Thousands)

	Final Maturity/	Amount Outstanding	
Description of Bonds	**Call Date**	**June 30, 2014**	**June 30, 2013**
Student Fee and Facilities:			
Student Facilities System Revenue Bonds, Series 2003A	July 1, 2013	$—	$48,345
Student Facilities System Revenue Bonds, Series 2003B	July 1, 2013	—	21,600

Operating Leases. The University has entered into various operating leases for facilities. The scheduled payments related to these operating leases for the fiscal years ending June 30 are as follows:

(Dollars in Thousands)

Fiscal Year	Lease Payments
2015	$2,698
2016	1,863
2017	1,534
2018	925
Total Future Minimum Payments	**$7,020**

NOTE 7 — OTHER DEBT INFORMATION

Other debt information is summarized below:

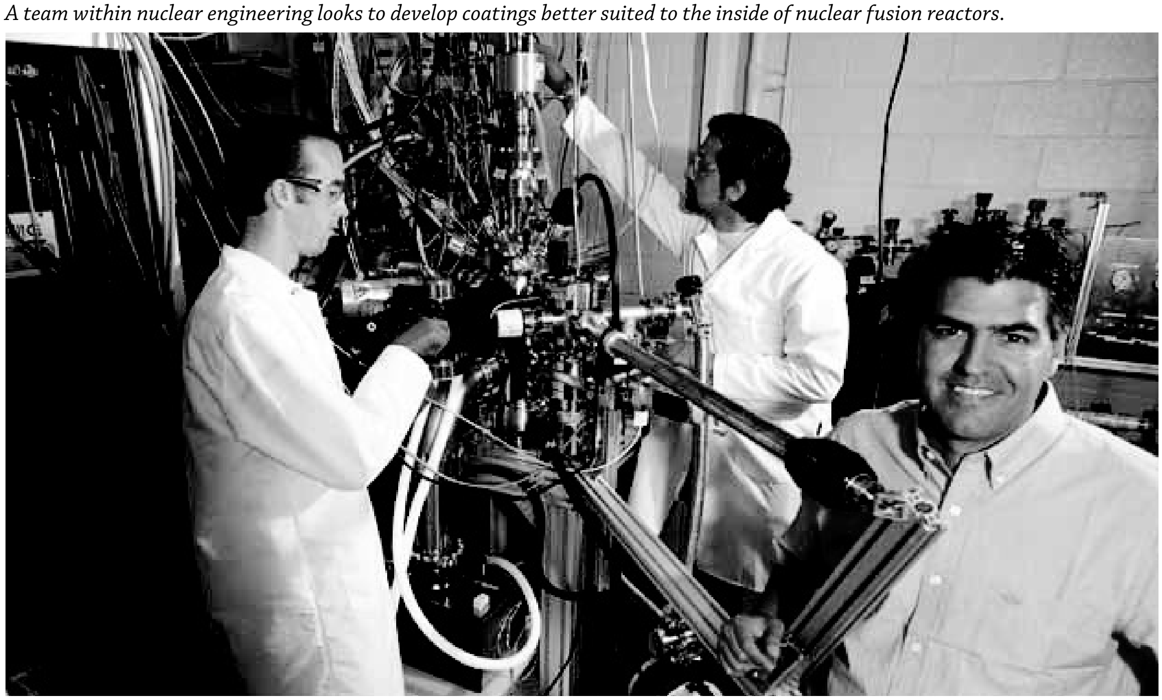
(Dollars in Thousands)

Long-Term Liabilities	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Current Portion
Accrued Compensated Absences	$60,645	$23,568	$26,856	$57,357	$26,361
Other Post-Employment Benefits	36,179	7,523	5,134	38,568	—
Funds Held in Trust for Others	7,344	6,534	5,725	8,153	—
Advances from Federal Government	19,932	—	2	19,930	—
Total	**$124,100**	**$37,625**	**$37,717**	**$124,008**	**$26,361**

Long-Term Liabilities	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion
Accrued Compensated Absences	$59,687	$27,122	$26,164	$60,645	$26,856
Other Post-Employment Benefits	30,694	11,675	6,190	36,179	—
Funds Held in Trust for Others	6,896	10,639	10,191	7,344	—
Advances from Federal Government	19,924	19	11	19,932	—
Total	**$117,201**	**$49,455**	**$42,556**	**$124,100**	**$26,856**

Other Post-Employment Benefits. The University offers medical insurance for those retirees who are 55 or older whose age and years of service are equal to or are greater than 70 and have at least 10 years of service. Early retirees are given the option to continue their medical insurance if they pay the entire cost of the blended medical plan rate, which includes both active employees and early retirees. The early retirees benefit in that the cost of the benefit exceeds the cost of the plans, which creates an implicit rate subsidy. After the retiree reaches the age of 65, the program is no longer offered.

A team within nuclear engineering looks to develop coatings better suited to the inside of nuclear fusion reactors.



During the year ended June 30, 2011, the Trustees approved a voluntary retirement incentive program for employees at least 60 years of age with at least 10 years of employment. The plan contributes to a health reimbursement account (HRA) in the amount of $7,000 per year up to a total of $35,000, which can be used to pay health premiums and other allowable medical expenses. For the years ended June 30, 2014 and 2013, there were 513 and 509 employees, respectively, participating in the voluntary retirement incentive program. For the years ended June 30, 2014 and 2013, the University had an outstanding liability associated with the health reimbursement accounts of approximately $4,347,000 and $6,762,000, respectively.

Purdue also offers a long-term disability program providing income continuation payments. Based on the date of disability, some additional "auxiliary benefits" may be extended. Prior to January 1, 2013, the program included retirement benefit payments, medical and life insurance premium payments for a small required premium paid by the employee. Those who were participating in the program at that date continue to receive the benefits until they reach the age of 65. Individuals with a date of disability beginning on or after January 1, 2013, may continue medical benefits at the existing employee premiums until the employee becomes eligible for Medicare or for a maximum of three years after the employee becomes disabled, whichever comes first. All future and existing disability income benefit liability is fully insured through an insurance carrier.

The post-retirement medical plans are single-employer plans administered by the University, as authorized by the Trustees, and are financed on a pay-as-you-go basis. Purdue's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The actuarial assumptions included are shown on the following pages. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a 20-year period.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Tables on the following pages show the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation.

Determination of Annual Required Contribution (ARC)
(Dollars in Thousands)

Cost Element	For Fiscal Year Ended June 30, 2014	For Fiscal Year Ended June 30, 2013
Normal Cost	$3,095	$5,639
Amortization of the Unfunded Actuarial Accrued Liability	5,840	6,819
Total Annual Required Contribution (End of Year)	**$8,935**	**$12,458**

Schedule of Employer Contributions
(Dollars in Thousands)

Fiscal Year Ending	Annual Required Contributions	Actual Contributions	Percentage Contributed
June 30, 2008	$11,014	$4,880	44%
June 30, 2009	11,297	5,293	47%
June 30, 2010	12,750	6,242	49%
June 30, 2011	14,755	6,138	42%
June 30, 2012	11,463	8,032	70%
June 30, 2013	11,675	6,190	53%
June 30, 2014	7,523	5,134	68%

Schedule of Funding Progress
(Dollars in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)
January 1, 2007	—	$72,948	$72,948	0%
January 1, 2009	—	76,492	76,492	0%
January 1, 2009*	—	97,703	97,703	0%
January 1, 2011†	—	89,872	89,872	0%
January 1, 2013	—	72,335	72,335	0%

** Updated to include the estimated effect of the retirement incentive program.*

† Updated to incorporate new claim estimates and reduced disability rates based on historical trends.

Net OPEB Obligation (NOO)
(Dollars in Thousands)

Actuarial Valuation Date	Fiscal Year End	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of End of Year (g)
January 1, 2007	June 30, 2008	$11,014	—	—	$11,014	$4,880	$6,134	$6,134
January 1, 2007	June 30, 2009	11,363	$307	($373)	11,297	5,293	6,004	12,138
January 1, 2009	June 30, 2010	12,949	607	(806)	12,750	6,242	6,508	18,646
January 1, 2009	June 30, 2011	15,060	932	(1,237)	14,755	6,138	8,617	27,263
January 1, 2011	June 30, 2012	12,158	1,363	(2,058)	11,463	8,032	3,431	30,694
January 1, 2011	June 30, 2013	12,458	1,535	(2,318)	11,675	6,190	5,485	36,179
January 1, 2013	June 30, 2014	8,935	1,447	(2,859)	7,523	5,134	2,389	38,568

Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Amortization Method	20 Years from Date of Establishment, Closed, Level Percent of Pay
Asset Valuation Method	N/A, No Assets in Trust
Actuarial Assumptions:	
Discount Rate	4%
Projected Payroll Increases	3%
Health Care Cost Trend Rate:	
Medical	7.5% Graded to 5% over 5 Years
Prescription Drugs	7.5% Graded to 5% over 5 Years
Vision	3%
Administrative Costs	3%
Plan Membership:	January 1, 2013
Current Retirees and Surviving Spouses	314
Current Disabled	189
Current Active Members	11,981
Total	**12,484**

International study experiences offered in 60 countries expand Purdue students' worldview.

NOTE 8 — OPERATING EXPENSES BY NATURAL CLASSIFICATION

Operating expenses by natural classification are summarized as follows:

For the Year Ended June 30, 2014
(Dollars in Thousands)

Function	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships, and Student Awards	Total
Instruction	$552,781	$93,902			$646,683
Research	158,597	76,410			235,007
Extension and Public Service	83,160	64,921			148,081
Academic Support	87,968	47,794			135,762
Student Services	39,017	6,968			45,985
General Administration and Institutional Support	107,851	55,155			163,006
Physical Plant Operations and Maintenance	79,940	69,296			149,236
Depreciation			$148,356		148,356
Student Aid				$72,291	72,291
Auxiliary Enterprises	92,164	89,110			181,274
Total	**$1,201,478**	**$503,556**	**$148,356**	**$72,291**	**$1,925,681**

For the Year Ended June 30, 2013
(Dollars in Thousands)

Function	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships, and Student Awards	Total
Instruction	$548,063	$65,601			$613,664
Research	166,446	69,942			236,388
Extension and Public Service	76,857	66,596			143,453
Academic Support	97,729	48,564			146,293
Student Services	38,279	10,433			48,712
General Administration and Institutional Support	117,919	32,610			150,529
Physical Plant Operations and Maintenance	82,535	53,698			136,233
Depreciation	—	—	$135,846		135,846
Student Aid	—	—		$ 63,775	63,775
Auxiliary Enterprises	124,984	77,232			202,216
Total	**$1,252,812**	**$424,676**	**$135,846**	**$63,775**	**$1,877,109**

NOTE 9 — RETIREMENT PLANS

Authorization. Authorization to establish retirement plans is stated in Indiana Code IC 21-38-7.

All Employees. University employees are participants in various retirement programs, including the Federal Insurance Contributions Act (FICA). During the years ended June 30, 2014 and 2013, the University's contribution to FICA was approximately $52,405,000 and $52,324,000, respectively.

Defined-Contribution Plans. Certain employees of the University participate in defined-contribution plans. Benefit provisions are established and/or amended by the Trustees. Funds in all defined-contribution plans are immediately vested.

Faculty and Administrative/Professional Staff. Faculty, professional, and certain administrative employees of the University participate in the exempt employees' defined-contribution plans. Faculty and management personnel participate immediately upon employment; all others must satisfy a three-year waiting period. Effective January 1, 2011, the University contributes 10% of each participating employee's salary to the Purdue University 403(b) Defined-Contribution Retirement Plan administered through Fidelity Investments. Employee contributions are not required but may be made on a voluntary basis to the Purdue University 403(b) Voluntary Tax-Deferred Annuity Plan and/or the Purdue University 457(b) Deferred Compensation Plan. Those eligible to participate in the defined-contribution plan also participate in the Purdue University 401(a) Profit-Sharing Plan administered through Fidelity Investments. This plan requires a mandatory employee contribution of 4% of their salary.

For the years ended June 30, 2014 and 2013, there were 6,973 and 6,763 employees, respectively, participating in the plans with annual pay equal to approximately $556,325,000 and $507,239,000, respectively. For the years ended June 30, 2014 and 2013, the University made contributions totaling approximately $55,868,000 and $55,397,000, respectively, to these plans.

Clerical, Service, and Operations/Technical Assistants. Clerical, service, and operations/technical assistants hired on or after September 9, 2013, and employed at least half time participate in the nonexempt employees' defined-contribution plan. Benefits-eligible employees in this category participate immediately upon date of employment. The University provides a base contribution of 4% of the participating employee's salary each pay period to the Purdue University 403(b) Defined-Contribution Retirement Plan administered through Fidelity Investments. Employee contributions are not required but may be made on a voluntary basis to the Purdue University 403(b) Voluntary Tax-Deferred Annuity Plan. The University will match voluntary employee pre-tax contributions up to 4% of earnings each pay period. Employees may also contribute voluntarily to the Purdue University 457(b) Deferred Compensation Plan, but these contributions are not matched.

For the year ended June 30, 2014, there were 385 employees participating in the plan with annual pay equal to approximately $4,338,000. For the year ended June 30, 2014, the University made base contributions totaling approximately $140,000 and matching contributions totaling approximately $89,000 to the plan.

Defined-Benefit Plans. Certain employees of the University participate in defined-benefit plans administered by other agencies. Actuarial information related to the University's portion of these plans is disclosed in the Required Supplementary Information (RSI) at the back of this financial report.

PERF. Regular clerical and service staff employed at least half time and hired on or prior to September 8, 2013, participate in the Public Employees Retirement Fund (PERF), a retirement program administered by the Indiana Public Retirement System (INPRS), an agency of the State of Indiana. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. Benefit provisions are established and/or amended by the State of Indiana. There are two parts to this plan: a pension and an annuity savings plan. The University was required to contribute 9.7% of the employee's salary. The employee had the option of contributing 3% of the employee salary, and the University elected to make these contributions on the employee's behalf. Employees were eligible to participate in this plan immediately upon employment and are fully vested in the defined-benefit plan after 10 years of employment. PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing to: Indiana Public Retirement System, One N. Capitol Ave., Suite 001, Indianapolis, IN 46204-2223; or by visiting www.in.gov/perf.

For the years ended June 30, 2014 and 2013, there were 4,651 and 5,081 Purdue employees, respectively, participating in PERF. The University made contributions to this plan totaling approximately $19,746,000 and $18,486,000 for the years ended June 30, 2014 and 2013, respectively.

The employer contributions required by the funding policy at actuarial determined rates are sufficient to fund the pension benefits when they become due. The amortization method and period are level dollar closed over 30 years. The actuarial cost method is entry age normal (level percent of payroll) cost. The employer-required contribution is determined using an asset smoothing method. The actuarial assumptions included (a) a 6.75% investment rate of return (net of administrative expenses), (b) projected salary increases of 3.25%-4.5% per year, and (c) 1% per year cost-of-living adjustments.

Police/Fire. A supplemental pension program for police officers and firefighters (Police/Fire) was authorized by the Trustees on March 13, 1990, and was established on July 1, 1990. In conjunction with other retirement plans offered by the University, this plan provides police officers and firefighters employed by the University with a total retirement benefit that is comparable to the benefits received by municipal police and fire personnel in Indiana. Benefit provisions are established and/or amended by the Trustees. The program is an agent single-employer defined-benefit plan administered through the Teachers Insurance and Annuity Association (TIAA). The plan provides for vesting after the completion of 10 years of covered employment, and employees are eligible for normal retirement benefits after the completion of 20 years of covered employment and attainment of 55 years of age. The normal benefit payable under this plan is an amount equal to 50% of the annual base salary of a nonprobationary-level police officer at each campus, as in effect at the time of a member's retirement, reduced by the amount of any pension benefits payable under other University retirement programs, including TIAA-CREF and PERF. Employees covered by this plan are required to make contributions equal to 3% of the current salary for a nonprobationary-level police officer. University contributions are to be in such additional amounts as needed to maintain the plan on an actuarially sound basis. Financial reports related to this plan may be obtained by writing to: Abby Daniels, Public Records Officer; Purdue University, Hovde Hall, 610 Purdue Mall, West Lafayette, IN 47907-2040.

For the years ended June 30, 2014 and 2013, there were 101 and 104 employees, respectively, participating in Police/Fire. The University made contributions to this plan totaling approximately $1,260,000 and $1,125,000 for the years ended June 30, 2014 and 2013, respectively.

The pension benefit obligation was computed as part of an actuarial valuation performed as of July 1, 2013. The actuarial valuation was the projected unit credit actuarial cost method over 30 years. The actuarial assumptions included (a) a 6.25% investment rate of return, (b) projected salary increases of 3% per year, and (c) 3% per year cost-of-living adjustments.

Three-Year-Trend Information
(Dollars in Thousands)

Plan	Annual Required Contribution	Interest on Net Pension Obligation	Adjustment to Annual Required Contribution	Annual Pension Cost	Contributions Made † ‡	Increase (Decrease) in Net Pension Obligation	Net Pension Obligation, Beginning of Year	Net Pension Obligation, End of Year	Percentage of APC Contributed
PERF									
June 30, 2013*	$13,894	$138	$160	$13,872	$14,017	($145)	$2,042	$1,897	101%
June 30, 2012	15,885	(177)	(203)	15,911	11,345	4,567	(2,525)	2,042	71%
June 30, 2011	15,270	(564)	(649)	15,355	9,825	5,530	(8,054)	(2,525)	64%
Police/Fire									
July 1, 2013*	$780	$70	$180	$1,030	$1,307	($277)	$176	($101)	127%
July 1, 2012	767	85	435	1,286	1,166	120	56	176	91%
July 1, 2011	726	79	377	1,182	976	206	(150)	56	83%

** Actuarial data for 2014 was not available at the time of this report.*

† PERF information includes the pension but not the savings plan component.

‡ Police/Fire contributions include interest earnings.

Cooperative Extension Service. As of June 30, 2014 and 2013, there were 14 and 18 staff members, respectively, with federal appointments employed by the Indiana Cooperative Extension Service and covered by the Federal Civil Service Retirement System. The University contributed $94,000 and $115,000 during the years ended June 30, 2014 and 2013, respectively, to this plan.

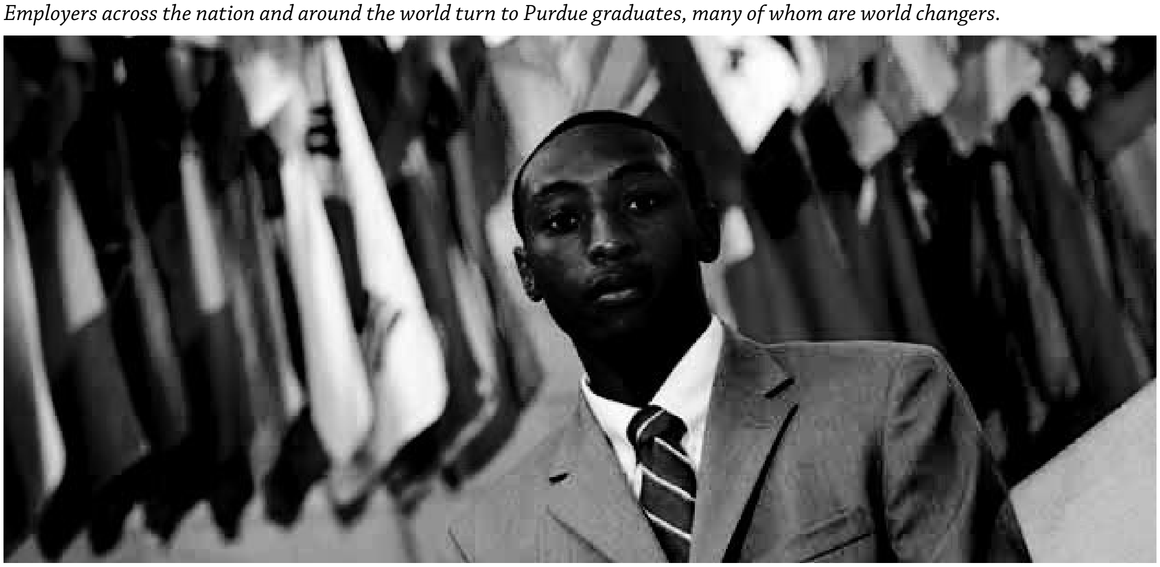
NOTE 10 — DISCRETELY PRESENTED COMPONENT UNITS

Summary financial information as of and for the years ended June 30, 2014 and 2013, for the University's discretely presented component units is presented in the tables that follow:

Discretely Presented Component Unit Statement of Financial Position
Year Ended June 30, 2014 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	IPFW Foundation	Component Unit Total
Assets:				
Cash and Cash Equivalents	$4,593	$2,144	$176	$6,913
Accounts Receivable, Net	32,985	—	30	33,015
Other Assets	—	2	3	5
Investments	2,598,365	—	10,379	2,608,744
Pledges Receivable, Net	—	—	—	—
Lease Purchase Agreements	—	121,910	281	122,191
Notes Receivable, Net	11,244	1,079	—	12,323
Interest in Charitable Perpetual Trusts	16,016	—	—	16,016
Capital Assets, Net of Accumulated Depreciation	153,757	4,770	7,547	166,074
Total Assets	**$2,816,960**	**$129,905**	**$18,416**	**$2,965,281**
Liabilities:				
Accounts Payable and Accrued Expenses	$25,708	$1,134	$33	$26,875
Due on Split-Interest Agreements	58,290	—	—	58,290
Deposits Held in Custody for Others	1,668,966	—	—	1,668,966
Bonds (Net), Leases, and Notes Payable	86,752	127,110	—	213,862
Other Liabilities	21,112	—	—	21,112
Total Liabilities	**$1,860,828**	**$128,244**	**$33**	**$1,989,105**
Net Assets:				
Temporarily Restricted	$703,155	$1,661	$4,166	$708,982
Permanently Restricted	131,799	—	7,297	139,096
Unrestricted	121,178	—	6,920	128,098
Total Net Assets	**$956,132**	**$1,661**	**$18,383**	**$976,176**

Employers across the nation and around the world turn to Purdue graduates, many of whom are world changers.



Discretely Presented Component Unit Statement of Financial Position

Year Ended June 30, 2013 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	IPFW Foundation	Component Unit Total
Assets:				
Cash and Cash Equivalents	$15,531	$1,163	$260	$16,954
Accounts Receivable, Net	25,841	9	126	25,976
Other Assets	—	3	27	30
Investments	880,890	—	9,594	890,484
Pledges Receivable, Net	—	—	—	—
Lease Purchase Agreements	—	127,530	367	127,897
Notes Receivable, Net	2,564	1,079	—	3,643
Interest in Charitable Perpetual Trusts	14,592	—	—	14,592
Capital Assets, Net of Accumulated Depreciation	154,870	151	7,659	162,680
Total Assets	**$1,094,288**	**$129,935**	**$18,033**	**$1,242,256**
Liabilities:				
Accounts Payable and Accrued Expenses	$22,427	$2	$34	$22,463
Due on Split-Interest Agreements	53,157	—	—	53,157
Deposits Held in Custody for Others	53,706	—	—	53,706
Bonds (Net), Leases, and Notes Payable	89,812	128,322	47	218,181
Other Liabilities	21,525	—	1	21,526
Total Liabilities	**$240,627**	**$128,324**	**$82**	**$369,033**
Net Assets:				
Temporarily Restricted	$614,036	$1,611	$4,079	$619,726
Permanently Restricted	128,458	—	6,592	135,050
Unrestricted	111,167	—	7,280	118,447
Total Net Assets	**$853,661**	**$1,611**	**$17,951**	**$873,223**

Research by civil engineers is improving structural standards that ensure safety during catastrophic events.

Discretely Presented Component Unit Statement of Activities

Year Ended June 30, 2014 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	IPFW Foundation	Component Unit Total
Revenue and Support				
Amount Received for Purdue University Research Projects	$2,380	$—	$—	$2,380
Less Payments to Purdue University	(2,380)	—	—	(2,380)
Administrative Fee on Research Projects	**$—**	**$—**	**$—**	**$—**
Contributions	$14,651	$1,728	$1,105	$17,484
Income on Investments	15,492	4,810	435	20,737
Net Unrealized and Realized Gains	131,415	—	738	132,153
Change in Value of Split-Interest Agreements	(9,044)	—	—	(9,044)
Increase in Interests in Perpetual Trusts	1,424	—	—	1,424
Rents	11,820	8	126	11,954
Royalties	6,963	—	—	6,963
Other	17,259	—	19	17,278
Total Revenue and Support	**$189,980**	**$6,546**	**$2,423**	**$198,949**
Expenses and Losses				
Expenses for the Benefit of Purdue University				
Contributions to Purdue University	$18,244	$—	$1,806	$20,050
Patent and Royalty	6,281	—	—	6,281
Grants	12,589	—	—	12,589
Services for Purdue University	340	—	—	340
Development Office	750	—	—	750
Other	2,206	—	60	2,266
Total Expenses for the Benefit of Purdue University	**$40,410**	**$—**	**$1,866**	**$42,276**
Administrative and Other Expenses				
Salaries and Benefits	$18,062	$—	$—	$18,062
Property Management	10,413	2,004	112	12,529
Professional Fees	3,874	—	—	3,874
Supplies	718	—	—	718
Interest	4,269	4,474	1	8,744
Research Park	1,384	—	—	1,384
Other	8,379	18	12	8,409
Total Administrative and Other Expenses	**$47,099**	**$6,496**	**$125**	**$53,720**
Change in Net Assets	$102,471	$50	$432	$102,953
Net Assets, Beginning of Period	853,661	1,611	$17,951	873,223
Change in Reporting Entity	—	—	—	—
Net Assets, End of Period	**$956,132**	**$1,661**	**$18,383**	**$976,176**

Discretely Presented Component Unit Statement of Activities

Year Ended June 30, 2013 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	IPFW Foundation	Component Unit Total
Revenue and Support				
Amount Received for Purdue University Research Projects	$250	$—	$—	$250
Less Payments to Purdue University	(250)	—	—	(250)
Administrative Fee on Research Projects	**$—**	**$—**	**$—**	**$—**
Contributions	$19,743	$1,257	$996	$21,996
Income on Investments	13,907	5,175	459	19,541
Net Unrealized and Realized Gains	83,806	—	370	84,176
Change in Value of Split-Interest Agreements	(6,044)	—	—	(6,044)
Increase in Interests in Perpetual Trusts	791	—	—	791
Rents	14,067	8	151	14,226
Royalties	6,313	—	—	6,313
Other	5,056	—	94	5,150
Total Revenue and Support	**$137,639**	**$6,440**	**$2,070**	**$146,149**
Expenses and Losses				
Expenses for the Benefit of Purdue University				
Contributions to Purdue University	$19,675	$—	$1,262	$20,937
Patent and Royalty	5,968	—	—	5,968
Grants	12,690	—	—	12,690
Services for Purdue University	265	—	—	265
Development Office	748	—	—	748
Other	2,755	—	118	2,873
Total Expenses for the Benefit of Purdue University	**$42,101**	**$—**	**$1,380**	**$43,481**
Administrative and Other Expenses				
Salaries and Benefits	$10,465	$—	$—	$10,465
Property Management	9,546	18,940	112	28,598
Professional Fees	3,542	—	—	3,542
Supplies	587	—	—	587
Interest	4,431	4,814	4	9,249
Research Park	671	—	—	671
Other	5,563	18	20	5,601
Total Administrative and Other Expenses	**$34,805**	**$23,772**	**$136**	**$58,713**
Change in Net Assets	$60,733	($17,332)	$554	$43,955
Net Assets, Beginning of Period	788,957	18,943	17,397	825,297
Change in Reporting Entity	3,971	—	—	3,971
Net Assets, End of Period	**$853,661**	**$1,611**	**$17,951**	**$873,223**

In addition to items in Note 6, Debt Related to Capital Assets, PRF provided grants, contracts, and gifts to the University totaling approximately $32,539,000 and $34,263,000 as of June 30, 2014 and 2013, respectively.

NOTE 11 — CONTINGENT LIABILITIES AND COMMITMENTS

Legal Actions. In the normal course of its activities, the University is a party in various legal actions. Although it is involved in a number of claims, the University does not anticipate significant losses or costs. After taking into consideration legal counsel's evaluation of pending actions, the University believes that the outcome thereof will not have a material effect on the financial statements.

Construction Projects. As of June 30, 2014 and 2013, contractual obligations for capital construction projects were approximately $42,386,000 and $81,311,000, respectively.

Natural Gas Procurement. The University has entered into various forward contracts to purchase natural gas at a specified time in the future at a guaranteed price. This activity allows the University to plan its natural gas costs for the year and to protect itself against an increase in the market price of the commodity. It is possible that the market price before or at the specified time to purchase natural gas may be lower or higher than the price at which the University is committed to buy. This would reduce or increase the value of the contract. The University could sell the forward contract at a loss or gain and then buy natural gas on the open market. The University is also exposed to the failure of the counterparty to fulfill the contract. The terms of the contract include provisions for recovering the cost in excess of the guaranteed price from the counterparty if the counterparty fails to deliver the quantity at the guaranteed price at the specified time, thus resulting in the University having to procure natural gas on the open market.

Limited-Partnership Agreements. Under the terms of various limited-partnership agreements approved by the University's Board of Trustees, the University is obligated to make periodic payments for commitments to venture capital, private equity, natural resources, and real estate investments over the next several fiscal years. As of June 30, 2014 and 2013, the University had the following unfunded commitments: approximately $55,194,000 and $69,303,000, respectively, to approximately 55 private equity/venture capital managers; approximately $30,513,000 and $21,918,000, respectively, to approximately 20 private real estate managers; approximately $31,437,000 and $48,899,000, respectively, to approximately 25 natural resource managers; and approximately $77,000 and $100,000, respectively, to the Indiana Future Fund. These amounts are not included as liabilities in the accompanying Statement of Net Position. Outstanding commitments are estimated to be paid based on the capital calls from the individual managers, subject to change due to market conditions. Currently the University estimates its potential obligation for the next four fiscal years to be $29,305,000 per year.

Soon-to-be Purdue graduates gather for a Senior Week photo opportunity at the Gateway to the Future arch.

NOTE 12 — SUBSEQUENT EVENTS

Effective July 1, 2014, the Purdue Foundation was reorganized into Purdue International Inc. (PII). PII will continue to support Purdue with a particular focus on facilitating the University's international education, research, and exchange activities. PII is retaining its tax-exempt 501(c)(3) status with the Internal Revenue Service. PII transferred and assigned to Purdue Research Foundation all of the rights, title, and interest in and to the trade name "Purdue Foundation," including — without limitation — all trademarks, service marks, and trade names associated with Purdue Foundation and any contracts, trusts, and gift instruments in existence as of the effective date, July 1, 2014.

As discussed in Note 2, the University changed the management and ownership of its endowment investment pool from the University to Purdue Research Foundation effective January 1, 2014; however, the legal title transfer of the underlying investments is occurring in accordance with the investment vehicle contractual terms and will not be finalized until the fiscal year ended June 30, 2015. As of September 30, 2014, 94.48% of the EIP investment pool is held in PRF and not in the University's name.

REQUIRED SUPPLEMENTAL INFORMATION

Retirement Plans — Schedule of Funding Progress

Year Ended June 30, 2014 (Dollars in Thousands)

Plan	Actuarial Valuation Date*	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Total Unfunded (Excess) Actuarial Liability	Funded Ratio	Annual Covered Payroll	Liability to Payroll	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation (Benefit)
PERF†											
	2004	$71,410	$67,177	($4,233)	106.3%	$87,723	-4.8%	$4,140	$6,845	165.3%	($7,254)
	2005	81,955	83,618	1,663	98.0%	94,557	1.8%	3,863	4,725	122.3%	(8,116)
	2006	177,925	181,268	3,343	98.2%	127,808	2.6%	5,137	5,806	113.0%	(8,785)
	2007	190,984	187,822	(3,162)	101.7%	131,341	-2.4%	7,829	6,976	89.1%	(7,932)
	2008	204,286	207,956	3,670	98.2%	138,063	2.7%	7,859	8,361	106.4%	(8,434)
	2009	182,104	209,699	27,595	86.8%	146,097	18.9%	9,059	8,978	99.1%	(8,353)
	2010	154,960	230,080	75,120	67.4%	149,890	50.1%	9,779	9,480	96.9%	(8,054)
	2011	120,151	212,795	92,644	56.5%	137,714	67.3%	15,355	9,826	64.0%	(2,525)
	2012	107,679	227,419	119,740	47.3%	145,682	82.2%	15,911	11,345	71.3%	2,042
	2013	98,131	190,072	91,941	51.6%	145,682	63.1%	13,872	14,017	101.0%	1,897
Police/Fire											
	7/1/04	$15,007	$17,618	$ 2,611	85.2%	$4,538	57.5%	$917	$818	103.4%	($226)
	7/1/05	16,209	18,724	2,515	86.6%	4,675	53.8%	822	825	100.4%	(228)
	7/1/06	17,595	19,074	1,479	92.2%	4,595	32.2%	623	846	135.8%	(452)
	7/1/07	19,679	19,984	305	98.5%	4,854	6.3%	528	645	122.2%	(569)
	7/1/08	20,014	21,441	1,427	93.3%	5,318	26.8%	685	573	83.6%	(457)
	7/1/09	19,026	22,190	3,164	85.7%	5,537	57.1%	899	670	74.5%	(228)
	7/1/10	20,163	23,131	2,968	87.2%	5,582	53.2%	956	878	91.8%	(150)
	7/1/11	22,560	26,385	3,825	85.5%	5,677	67.4%	1,182	976	82.6%	56
	7/1/12	23,438	27,329	3,891	85.8%	5,648	68.9%	1,286	1,166	90.7%	176
	7/1/13	25,809	27,780	1,971	92.9%	5,611	35.1%	1,030	1,307	126.9%	(101)

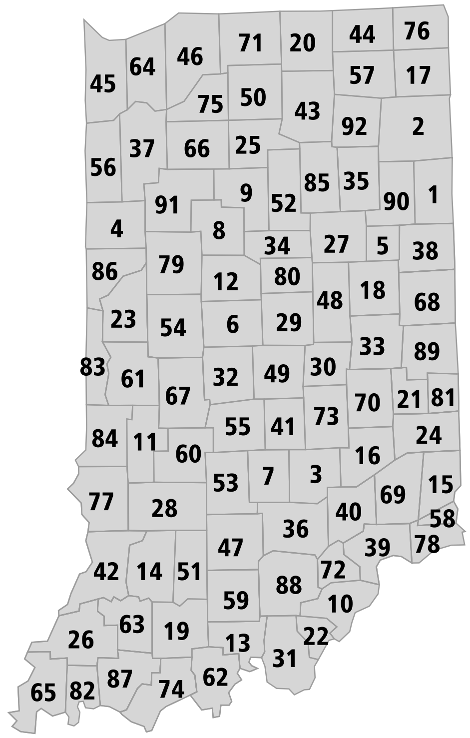
** Data for 2014 not available from actuaries at date of issuance.*
† University portion only.

See accompanying Notes to the Financial Statements.

IN-STATE ENROLLMENT (UNAUDITED)

Total In-State Enrollment by County, Fall 2013-14 Academic Year

The overall (in-state and out-of-state) enrollment at Purdue University was 68,789 students for the 2013-14 fall semester. The breakdown was West Lafayette, 38,788; Calumet, 9,422; Fort Wayne, 13,459; North Central, 6,102; Statewide Technology, 1,018. (Enrollment numbers do not include 5,552 Purdue University students at Indiana University-Purdue University Indianapolis.) Although students came to Purdue from all over the world, 66% system-wide came from within Indiana.



	County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
1	Adams	79	572		651
2	Allen	900	7,201		8,101
3	Bartholomew	188	48	74	310
4	Benton	78	10	3	91
5	Blackford	16	37		53
6	Boone	439	12	3	454
7	Brown	13	3	2	18
8	Carroll	143	10	9	162
9	Cass	122	30	6	158
10	Clark	89	2	60	151
11	Clay	39	3	2	44
12	Clinton	157	9	16	182
13	Crawford	9		4	13
14	Daviess	24	5	2	31
15	Dearborn	112	2	1	115
16	Decatur	70	3	14	87
17	DeKalb	83	602	1	686
18	Delaware	101	43	14	158
19	Dubois	140	8	7	155
20	Elkhart	328	243	31	602
21	Fayette	21		10	31
22	Floyd	113	5	53	171
23	Fountain	72	1	4	77
24	Franklin	71	5	5	81
25	Fulton	66	80	2	148
26	Gibson	46	3	2	51
27	Grant	93	85	4	182
28	Greene	34	2		36
29	Hamilton	1,815	49	12	1,876
30	Hancock	242	14	9	265
31	Harrison	50		30	80
32	Hendricks	557	25	14	596
33	Henry	65	8	13	86
34	Howard	281	27	70	378
35	Huntington	85	357	2	444
36	Jackson	79	2	15	96
37	Jasper	109	347	1	457
38	Jay	26	20	1	47
39	Jefferson	49	5	7	61
40	Jennings	21	1	11	33
41	Johnson	297	16	7	320
42	Knox	59	5	6	70
43	Kosciusko	186	589	3	778
44	Lagrange	54	291		345
45	Lake	1,300	7,101	3	8,404
46	LaPorte	206	1,907	1	2,114
47	Lawrence	65	6	1	72
48	Madison	185	61	48	294
49	Marion	1,524	109	23	1,656
50	Marshall	142	133	12	287
51	Martin	11	5	3	19
52	Miami	71	26	14	111
53	Monroe	137	27	2	166
54	Montgomery	151	2	2	155
55	Morgan	124	13	1	138
56	Newton	51	83		134
57	Noble	83	600		683
58	Ohio	4			4
59	Orange	26	2	3	31
60	Owen	16	5	1	22
61	Parke	33			33
62	Perry	20		1	21
63	Pike	14	3	3	20
64	Porter	504	2,677	1	3,182
65	Posey	65	2	1	68
66	Pulaski	49	65		114
67	Putnam	83	1	1	85
68	Randolph	28	14	4	46
69	Ripley	73	5	2	80
70	Rush	37	5	4	46
71	St. Joseph	750	318	113	1,181
72	Scott	10	1	7	18
73	Shelby	78	5	1	84
74	Spencer	51	1	3	55
75	Starke	44	176		220
76	Steuben	66	277		343
77	Sullivan	14	4	1	19
78	Switzerland	8			8
79	Tippecanoe	3,158	80	86	3,324
80	Tipton	57	4	10	71
81	Union	10			10
82	Vanderburgh	222	9	2	233
83	Vermillion	18			18
84	Vigo	92	11		103
85	Wabash	74	219	1	294
86	Warren	67	1	3	71
87	Warrick	125	5	1	131
88	Washington	34	1	22	57
89	Wayne	87	10	31	128
90	Wells	76	433		509
91	White	143	35	7	185
92	Whitley	82	555		637
	Unknown	1,112		11	1,123
	Total	**19,001**	**25,777**	**960**	**45,738**

ACKNOWLEDGEMENTS

The following staff members of the Department of Accounting Services, Office of the Comptroller, prepared the 2013-14 Financial Report.

James S. Almond, Senior Vice President for Business Services and Assistant Treasurer

Linda M. Baer, Interim Comptroller

Kathleen Thomason, Assistant Comptroller of Accounting and Reporting Services

Stacy L. Brown, Endowment Accountant

Lisa A. Geisler, Property Accounting Manager

Dana Hartfiel, Systems and Reporting Accountant

Kimberly K. Hoebel, Assistant Comptroller of Managerial Accounting Services

Aaron Jackson, Cost and Rate Accountant

Barbara B. Knochel, Gift Funds Accountant

Brigette Samuelson, Unrestricted/Restricted Funds Accountant

Jamaal Smith, Systems and Reporting Accountant

Stacy L. Umlauf, Manager of Financial Reporting

JoAnn Wiley, Accounting Manager

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APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL

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March 31, 2015

The Trustees of Purdue University
West Lafayette, Indiana

Re: The Trustees of Purdue University
Purdue University Student Facilities System Revenue Bonds, Series 2015A

Ladies and Gentlemen:

We have acted as bond counsel to The Trustees of Purdue University (the "Issuer"), in connection with the issuance by the Issuer of $98,070,000 aggregate principal amount of its Purdue University Student Facilities System Revenue Bonds, Series 2015A, dated the date hereof (the "Bonds"), pursuant to Indiana Code 21-32-1-1, *et seq*., 21-32-2-1, *et seq*., 21-35-1-1, *et seq*., 21-35-3-1, *et seq*., and 21-35-5-1, *et seq*., each as amended to date, resolutions adopted by the Board of Trustees of the Issuer on December 15, 2012, July 18, 2014, and September 26, 2014 (the "Resolutions"), and an Indenture of Trust between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the ultimate successor in interest to Bank One Trust Company, National Association), as trustee (the "Trustee"), dated as of January 1, 2003, as supplemented and amended to date and as supplemented and amended by a Sixteenth Supplemental and Amendatory Indenture between the Issuer and the Trustee, dated as of March 1, 2015 (such Indenture of Trust, as so supplemented and amended, the "Indenture"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on representations of the Issuer contained in the Resolutions and the Indenture, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer and others, including without limitation certifications contained in the tax and arbitrage certificate of the Issuer dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Stuart & Branigin LLP, Lafayette, Indiana, counsel to the Issuer, dated the date hereof, as to the matters stated therein. We have relied upon the report of Causey Demgen & Moore P.C., independent certified public accountants, dated the date hereof, as to the matters stated therein.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding special and limited obligations of the Issuer, enforceable in accordance with their terms. The Bonds are payable solely from the Pledged Revenues (as defined in the Indenture) and the other Available Funds (as defined in the Indenture).

2. The Indenture has been duly authorized, executed and delivered by the Issuer, and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

3. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that the Issuer 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 Issuer has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause interest on the

Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

5. Interest on the Bonds is exempt from income taxation in the State of Indiana (the "State") for all purposes except the State financial institutions tax.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement dated February 26, 2015, or any other offering material relating to the Bonds.

We express no opinion regarding any tax consequences arising with respect to the Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

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APPENDIX D

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the Corporation entered into an Amended and Restated Continuing Disclosure Undertaking Agreement, dated as of November 1, 2010, as heretofore supplemented, to be further supplemented by a Seventh Supplement to Continuing Disclosure Undertaking Agreement, dated as of March 1, 2015 (collectively, the "Undertaking").

Pursuant to the terms of the Undertaking, the Corporation will agree to provide the following information while any of the Series 2015A Bonds are Outstanding:

- Audited Financial Statements. To the Municipal Securities Rulemaking Board (the "MSRB"), when and if available, the audited financial statements of the Corporation for each fiscal year of the Corporation, beginning with the fiscal year ending June 30, 2015, together with the auditor's report and all notes thereto; and

- Financial Information in Official Statement. To the MSRB, within 180 days of the close of each fiscal year of the Corporation, beginning with the fiscal year ending June 30, 2015, annual financial information of the Corporation for such fiscal year, other than the audited financial statements described above, including (a) unaudited financial statements of the Corporation if audited financial statements are not then available and (b) operating data (excluding any demographic information or forecasts) of the general type provided under the following headings in this Official Statement (collectively, the "Annual Information"); provided, however, that the updating information may be provided in such format as the Corporation deems appropriate:

  ANNUAL DEBT SERVICE REQUIREMENT (or corollary sections) (Total Debt Service column only)

  FACILITIES AND SYSTEM

  APPENDIX A

  — Student Admissions
  — Tuition and Fees
  — Student Enrollment
  — Financial Operations of the Corporation
  — State Appropriations
  — Student Financial Aid
  — Endowment and Similar Funds
  — Related Foundations
  — Fund Raising Activity
  — Grants and Contracts
  — Other Outstanding Indebtedness
  — Physical Property

- Event Notices. In a timely manner within 10 business days after the occurrence thereof, to the MSRB, notice of the occurrence of any of the following events with respect to the Series 2015A Bonds:

  — principal and interest payment delinquencies;
  — non-payment related defaults, if material;
  — unscheduled draws on debt service reserves reflecting financial difficulties;
  — unscheduled draws on credit enhancements reflecting financial difficulties;

- substitution of credit or liquidity providers, or their failure to perform;
- 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 Series 2015A Bonds, or other material events affecting the tax status of the Series 2015A Bonds;
- modifications to the rights of owners of the Series 2015A Bonds, if material;
- Series 2015A Bond calls, if material, and tender offers;
- defeasances;
- release, substitution or sale of property securing repayment of the Series 2015A Bonds, if material;
- rating changes;
- bankruptcy, insolvency, receivership or similar event of the Corporation;
- the consummation of a merger, consolidation or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, 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; or
- appointment of a successor or additional trustee or the change of name of a trustee, if material.

Determination of materiality will be made by the Corporation in accordance with the standards established by federal securities laws, as then in existence.

- Failure to Disclose. In a timely manner, to the MSRB, notice of the Corporation's failure to provide the Annual Information as required by the Undertaking.

If any Annual Information or audited financial statements relating to the Corporation referred to above no longer can be provided because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Corporation to the MSRB, along with any other Annual Information or audited financial statements required to be provided under the Undertaking, will satisfy the Undertaking. To the extent available, the Corporation will cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

The Corporation will agree to make a good faith effort to obtain Annual Information. However, failure to provide any component of Annual Information, because it is not available to the Corporation on the date by which Annual Information is required to be provided under the Undertaking, will not be deemed to be a breach of the Undertaking. The Corporation has further agreed to supplement the Annual Information filing when such data is available.

Dissemination Agent. The Corporation may, at its sole discretion, utilize an agent in connection with the dissemination of any information required to be provided by the Corporation pursuant to the Undertaking.

Remedy. The sole remedy against the Corporation for any failure to carry out any provision of the Undertaking will be for specific performance of the Corporation's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or for any other remedy. The Corporation's failure to honor its covenants under the Undertaking will not constitute a breach or default of the Series 2015A Bonds, the Indenture or any other agreement to which the Corporation is a party and will not give rise to any other rights or remedies.

In the event the Corporation fails to provide any information required of it by the terms of the Undertaking, any holder or beneficial owner of Series 2015A Bonds may pursue the remedy set forth above in any court of competent jurisdiction in the State of Indiana. Any challenge to the adequacy of the information provided by the Corporation by the terms of the Undertaking may be pursued only by holders or beneficial owners of not less than 25% in principal amount of Series 2015A Bonds then Outstanding in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such persons are holders or beneficial owners of Series 2015A Bonds supported by reasonable documentation of such claim will be sufficient to evidence standing to pursue the remedy set forth above.

Prior to pursuing any remedy for any breach of any obligation under the Undertaking, a holder or beneficial owner of Series 2015A Bonds must give notice to the Corporation, by registered or certified mail, of such breach and its intent to pursue such remedy. Thirty days after the receipt of such notice, or upon earlier response from the Corporation to the notice indicating continued noncompliance, such remedy may be pursued under the Undertaking if and to the extent the Corporation has failed to cure such breach.

If specific performance is granted by any such court, the party seeking such remedy will be entitled to payment of costs by the Corporation and to reimbursement by the Corporation of reasonable fees and expenses of attorneys incurred in the pursuit of such claim. If specific performance is not granted by any such court, the Corporation will be entitled to payment of costs by the party seeking such remedy and to reimbursement by such party of reasonable fees and expenses of attorneys incurred in the pursuit of such claim.

Modification of Undertaking. The Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Series 2015A Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Corporation, or type of business conducted, (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the Rule on the date thereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Series 2015A Bonds, as determined either by (A) any person selected by the Corporation that is unaffiliated with the Corporation (including the trustee under the Indenture, or nationally recognized bond counsel) or (B) an approving vote of the holders of a majority of Outstanding Series 2015A Bonds at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the Rule, as then in effect.

Prior Compliance. In order to assist the Underwriters in complying with the Underwriters' obligations pursuant to the Rule, the Corporation represents that in the previous five years it has not fully complied with its previous undertakings including, but not limited to, the following instances: (i) in April 2010, Moody's Investors Service, Inc., recalibrated all U.S. municipal ratings to a global scale, changing the Corporation's rating from "Aa1" to "Aaa" (no event notice being filed as this was a system-wide recalibration and was not considered by Moody's to be a rating upgrade of the Corporation); (ii) in November 2010, Standard & Poor's Ratings Services upgraded the rating of the Corporation from "AA" to "AA+" in connection with the issuance of the Corporation's Purdue University Student Fee Bonds, Series Z (no event notice being filed as the rating upgrade was readily available to the marketplace in connection with the concurrent primary offering of the Corporation's Purdue University Student Fee Bonds, Series Z); and (iii) annual and event filings in some instances were not attached to all CUSIP numbers assigned to obligations of the Corporation.

The Corporation makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances.

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APPENDIX E

REFUNDED BONDS

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APPENDIX E

REFUNDED BONDS

The Refunded Bonds consist of the following:

1. The Trustees of Purdue University, Purdue University Student Facilities System Revenue Bonds, Series 2007B, issued March 29, 2007, identified below (the "Refunded Series 2007B Bonds"):

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2019	$ 975,000	4.00%	746189KX6
July 1, 2020	1,015,000	5.00	746189KY4
July 1, 2021	1,065,000	5.00	746189KZ1
July 1, 2022	1,120,000	4.30	746189LA5
July 1, 2023	1,165,000	5.00	746189LB3
July 1, 2027	5,275,000	5.00	746189LC1
July 1, 2032	8,220,000	5.00	746189LD9

The Refunded Series 2007B Bonds will be called for redemption prior to maturity, at a redemption price equal to 100% of the principal thereof, on January 1, 2017.

2. The Trustees of Purdue University, Purdue University Student Facilities System Revenue Bonds, Series 2009A, issued January 22, 2009, identified below (the "Refunded Series 2009A Bonds"):

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2034	$12,750,000	5.00%	746189MF3

The Refunded Series 2009A Bonds will be called for redemption prior to maturity, at a redemption price equal to 100% of the principal thereof, on January 1, 2016.

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