NEW ISSUE
BOOK-ENTRY-ONLY

RATINGS:
Moody's: Aaa
Standard & Poor's: AAA
(See "RATINGS" herein)

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series CC Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. Such exclusion is conditioned on continuing compliance by the Corporation with the Tax Covenants (as hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series CC Bonds is exempt from income taxation in the State of Indiana. See "TAX MATTERS," "BOND PREMIUM" and APPENDIX C herein.

PURDUE UNIVERSITY

$121,885,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Fee Bonds, Series CC

Dated: Date of Delivery **Due: July 1, as shown on the inside cover page**

The Trustees of Purdue University (the "Corporation") will issue its Purdue University Student Fee Bonds, Series CC, dated the date of delivery (the "Series CC Bonds"), in the original aggregate principal amount of $121,885,000. The Series CC Bonds are being issued pursuant to resolutions adopted and actions authorized by the Board of Trustees of the Corporation and under an Amended and Restated Trust Indenture dated as of May 1, 1996, as heretofore supplemented and amended from time to time (the "Amended and Restated Indenture"), and as further supplemented by a Thirtieth Supplemental Indenture dated as of April 15, 2016 (the "Thirtieth Supplemental Indenture" and, collectively with the Amended and Restated Indenture, the "Indenture"), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to NBD Bank, N.A.), Indianapolis, Indiana, as trustee (the "Trustee"), for the purpose of financing, refinancing, or reimbursing the Corporation for the costs of certain projects, refunding certain prior Student Fee Bonds, and paying costs of issuance of the Series CC Bonds. See "PLAN OF FINANCE" and "PLAN OF REFUNDING."

Interest on the Series CC Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2017, by check mailed to the registered owners or by wire transfer to owners of $1,000,000 or more in aggregate principal amount who have requested the same of the Trustee. The Series CC Bonds are issuable only as fully registered bonds, and will be issued in denominations of $5,000 or any integral multiple thereof. The Series CC 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 CC Bonds will be made in book-entry-only form, and purchasers of a beneficial interest in the Series CC Bonds will not receive physical delivery of the certificates representing their interests in the Series CC Bonds. The principal and interest on the Series CC Bonds will be paid to DTC or its nominee as the registered owner of the Series CC Bonds. Disbursement of such payments to owners of beneficial interests in the Series CC Bonds will be the responsibility of DTC and its participants and indirect participants. See "DESCRIPTION OF SERIES CC BONDS--Book-Entry-Only System."

Certain Series CC Bonds are subject to redemption prior to maturity, as set forth herein. See "DESCRIPTION OF SERIES CC BONDS -- Redemption".

The Series CC Bonds are limited obligations of the Corporation secured exclusively by and payable solely from a pledge of and parity first lien on Student Fees, Qualified Swap Receipts (if any) and certain other Pledged Funds. The Series CC Bonds are not a general obligation, debt or liability of the Corporation or the State of Indiana, and no recourse will be had for the payment of the principal of or interest on the Series CC Bonds against the State of Indiana or the Corporation, or against the property or funds of the Corporation or the State of Indiana, except to the extent of the pledge of Student Fees, Qualified Swap Receipts (if any) and certain funds under the Indenture for payment of the Series CC Bonds. The Corporation has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS."

See the inside cover page for maturities, principal amounts, interest rates, yields and CUSIP* numbers

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 CC 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 Ice Miller LLP, Indianapolis, Indiana, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the Corporation by its counsel, Stuart & Branigin LLP, Lafayette, Indiana, and for the Underwriters by Barnes & Thornburg LLP, Indianapolis, Indiana. Blue Rose Capital Advisors, LLC is serving as financial advisor to the Corporation. It is anticipated that the Series CC Bonds will be available for delivery to DTC in New York, New York, on or about May 26, 2016.

BARCLAYS

Loop Capital Markets **City Securities Corporation**

Official Statement dated: April 21, 2016

**MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, YIELDS AND CUSIP[1] NUMBERS**

**$121,885,000
The Trustees of Purdue University
Purdue University Student Fee Bonds, Series CC**

Due July 1	Principal Amount	Interest Rate	Yield	CUSIP[1]
2017	$1,075,000	3.000%	0.640%	746189XA2
2018	945,000	4.000	0.720	746189XB0
2019	985,000	5.000	0.810	746189XC8
2020	6,400,000	5.000	0.940	746189XD6
2021	11,055,000	5.000	1.090	746189XE4
2022	11,620,000	5.000	1.240	746189XF1
2023	12,180,000	5.000	1.380	746189XG9
2024	12,805,000	5.000	1.520	746189XH7
2025	13,445,000	5.000	1.650	746189XJ3
2026	13,620,000	5.000	1.760	746189XK0
2027	13,790,000	3.000	2.000*	746189XL8
2028	9,255,000	3.000	2.230*	746189XM6
2029	1,540,000	5.000	2.030*	746189XN4
2030	1,615,000	5.000	2.090*	746189XP9
2031	1,700,000	5.000	2.150*	746189XQ7
2032	1,785,000	5.000	2.210*	746189XR5
2033	1,870,000	5.000	2.270*	746189XS3
2034	1,965,000	5.000	2.330*	746189XT1
2035	2,065,000	5.000	2.390*	746189XU8
2036	2,170,000	5.000	2.440*	746189XV6

* Priced to first optional redemption date of July 1, 2026

NO DEALER, BROKER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED BY THE CORPORATION OR THE UNDERWRITERS 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 OR ANY OF THE FOREGOING. CERTAIN INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN OBTAINED FROM THE CORPORATION AND OTHER SOURCES CONSIDERED TO BE RELIABLE, BUT IS NOT TO BE CONSIDERED TO BE THE REPRESENTATIONS OF THE UNDERWRITERS. 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 AND THE OTHER PARTIES REFERRED TO HEREIN SINCE THE DATE OF THIS OFFICIAL STATEMENT OR SINCE ANY EARLIER DATE AS OF WHICH INFORMATION IS STATED TO BE GIVEN.

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 A PART OF THEIR 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.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY THE SERIES CC 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 OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES CC 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 CC 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 ANY OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT NOR APPROVED THE SERIES CC BONDS FOR SALE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION AND THE TERMS OF THE OFFERING, INCLUDING THE MERIT AND RISK INVOLVED. 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, 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 2015 Fall semester headcount enrollment for all campuses exceeded 68,600, excluding the Indianapolis campus. An additional 6,010 Purdue students attend the Indiana University-Purdue University campus in Indianapolis. See APPENDIX A.

PURPOSES OF ISSUE. The Corporation's Purdue University Student Fee Bonds, Series CC (the "Series CC Bonds"), are being issued (i) to finance, refinance, or reimburse the costs of the Agricultural and Life Sciences Facility on the West Lafayette campus of Purdue University, as hereinafter described (the "New Project"), (ii) to refund certain prior Student Fee Bonds as hereinafter described (the "Refunded Bonds"), and (iii) to pay certain costs of issuing the Series CC Bonds. See "PLAN OF FINANCE" and "PLAN OF REFUNDING".

SECURITY. The Series CC Bonds, together with the Purdue University Student Fee Bonds, Series P, Series U, unrefunded Series X, unrefunded Series Y, Series Z-1, Series Z-2, Series AA, Series BB-1 and Series BB-2 remaining outstanding after the issuance of the Series CC Bonds, are limited obligations of the Corporation payable from and secured solely by a pledge of and first lien on Student Fees as provided in the Indenture, payments to the Corporation from a Qualified Swap Provider pursuant to a Qualified Swap Agreement (if any), and moneys on deposit in certain funds established under the Indenture. At the time of issuance of the Series CC Bonds, the Corporation has not entered into any Qualified Swap Agreements and has no present intention to enter into any Qualified Swap Agreement. The Series CC Bonds are not a general obligation debt or liability of the Corporation or the State of Indiana, and no recourse shall be had for the payment of the principal of or interest on the Series CC Bonds against the State of Indiana or the Corporation, or against the property or funds of the Corporation or the State of Indiana, except to the extent of the Student Fees, Qualified Swap Receipts (if any), and the funds pledged under the Indenture for payment of the Series CC Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS."

STUDENT FEES. The term "Student Fees" means all academic fees (including tuition) however denominated, assessed by the Corporation against all students attending Purdue University, except fees which may be subsequently released from the lien of the Indenture, as provided therein. See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS — Student Fees."

BOOK-ENTRY-ONLY SYSTEM. The Series CC Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and all payments of principal 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 CC Bonds. Purchases of the Series CC Bonds by investors will be made in book-entry form only and individual purchasers will not receive physical delivery of Series CC Bond certificates. See "DESCRIPTION OF SERIES CC BONDS -- Book-Entry-Only System."

DEBT SERVICE COVERAGE. The following debt service coverage summary is based on Student Fees for the Fiscal Years ended June 30, 2015 and June 30, 2014, and the Maximum Annual Debt Service on all Outstanding Student Fee Bonds, after giving effect to the issuance of the Series CC Bonds and the defeasance of the Refunded Bonds.

	2015	2014
	(in thousands)	
Student Fees	$747,513	$727,256
Coverage*	13.9 x	13.5 x

* Maximum Annual Debt Service in thousands (FY 2016) ($53,739)

FEE COVENANT. The Corporation covenants that it will establish and collect Student Fees so as to generate in each Fiscal Year annual sums no less than 1.0 times the Annual Debt Service Requirement for such Fiscal Year and any other amounts to be paid from Student Fees with respect to such Fiscal Year, in accordance with the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE -- Covenants of the Corporation."

RESERVE FUND. No reserve fund exists for the Series CC Bonds.

ADDITIONAL PARITY BONDS. The Corporation may issue additional Parity Bonds secured by a pledge of and first lien on Student Fees provided, among other things, that the actual Student Fees received by the Corporation during the preceding Fiscal Year are at least equal to 1.0 times the Maximum Annual Debt Service to become due on all Parity Bonds outstanding under the Indenture plus the Parity Bonds to be issued. The Corporation may enter into Qualified Swap Agreements on a parity with the Series CC Bonds and all other Parity Bonds. The Corporation has not entered into any Qualified Swap Agreements and has no present intention to enter into any Qualified Swap Agreements. See "SECURITY AND SOURCES OF PAYMENT FOR THE STUDENT FEE BONDS -- Issuance of Additional Bonds."

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 has executed and delivered an Amended and Restated Continuing Disclosure Undertaking Agreement dated as of November 1, 2010, as heretofore supplemented, to be further supplemented by a Ninth Supplement to Continuing Disclosure Undertaking Agreement to be dated as of April 15, 2016 (as supplemented, the "Restated Undertaking"), pursuant to which the Corporation will agree to provide (i) on an annual basis to the Municipal Securities Rulemaking Board ("MSRB") certain annual financial and operating information, and (ii) notice to the MSRB upon the occurrence of certain reportable events more fully described herein. See "CONTINUING DISCLOSURE" herein. 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: 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.

OTHER INDEBTEDNESS. The Corporation entered into a purchase agreement on April 6, 2016 for the sale of its Purdue University Student Facilities System Revenue Bonds, Series 2016A in the principal amount of $67,470,000, for delivery on May 11, 2016. The Corporation anticipates that, prior to the date of delivery of the Series CC Bonds, it will offer for sale its Certificates of Participation, Series 2016A, evidencing a proportionate interest of owners thereof in lease payments to be made by the Corporation to fund a new athletic facility expected to cost approximately $62 million. These certificates are expected to be offered during the week of May 15, 2016 and delivered in June, 2016.

OFFICIAL STATEMENT

$121,885,000
The Trustees of Purdue University
Purdue University Student Fee Bonds, Series CC

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 $121,885,000 aggregate principal amount of its Purdue University Student Fee Bonds, Series CC (the "Series CC Bonds").

The Series CC Bonds are being issued under Indiana Code 21-34-6 through 10, as amended (the "Act"), and pursuant to resolutions adopted by and actions authorized by the Board of Trustees of the Corporation (the "Board"), and in accordance with the provisions of an Amended and Restated Trust Indenture, dated as of May 1, 1996, by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to NBD Bank, N.A.), Indianapolis, Indiana, as trustee (the "Trustee"), as supplemented and amended from time to time (the "Amended and Restated Indenture"), and as further supplemented by the Thirtieth Supplemental Indenture dated as of April 15, 2016, by and between the Corporation and the Trustee (the "Thirtieth Supplemental Indenture"). The Amended and Restated Indenture, as supplemented by the Thirtieth Supplemental Indenture, is referred to herein as the "Indenture".

The Indenture also governs other outstanding debt of the Corporation which is on a parity basis with the Series CC Bonds. The Indenture allows the Corporation, under certain circumstances, to issue additional debt, and enter into Qualified Swap Agreements, which may be on a parity basis with the Series CC Bonds. Certain terms of the Indenture, including provisions for Parity Obligations, are described in this Official Statement in the section entitled "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

The Series CC Bonds are limited obligations of the Corporation secured exclusively by and payable solely from a pledge of and a first lien on Student Fees, payments to the Corporation from a Qualified Swap Provider pursuant to a Qualified Swap Agreement (if any), and moneys on deposit in certain funds established under the Indenture. The Corporation has not entered into any Qualified Swap Agreements and has no present intention to enter into any Qualified Swap Agreements. The Series CC Bonds are not a general obligation, debt or liability of the Corporation or of the State of Indiana, and no recourse will be had for the payment of the principal of or interest on the Series CC Bonds against the State of Indiana or the Corporation, or against the property or funds of the Corporation or of the State of Indiana, except to the extent of the pledge of Student Fees, Qualified Swap Receipts (if any), and certain funds under the Indenture for payment of the Series CC Bonds. The Corporation has no taxing power.

Under the Indenture, the Corporation has issued and has outstanding as of April 13, 2016, $407,940,000 in cumulative aggregate principal amount of its (i) Purdue University Student Fee Bonds, Series P (the "Series P Bonds"); (ii) Purdue University Student Fee Bonds, Series U (the

"Series U Bonds"); (iii) Purdue University Student Fee Bonds, Series X* (the "Series X Bonds"); (iv) Purdue University Student Fee Bonds, Series Y* (the "Series Y Bonds"); (v) Tax-Exempt Purdue University Student Fee Bonds, Series Z-1 (the "Series Z-1 Bonds"); (vi) Taxable Purdue University Student Fee Bonds, Series Z-2 (Build America Bonds – Direct Pay Option) (the "Series Z-2 Bonds"); (vii) Purdue University Student Fee Bonds, Series AA (the "Series AA Bonds"); (viii) Tax-Exempt Purdue University Student Fee Bonds, Series BB-1 (the "Series BB-1 Bonds"); and (ix) Taxable Purdue University Student Fee Bonds, Series BB-2 (the "Series BB-2 Bonds") (the Bonds referred to in clauses (i) through (ix) are collectively referred to as the "Outstanding Student Fee Bonds"). See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS -- Outstanding Student Fee Bonds." The Series CC Bonds are issued on a parity with the Outstanding Student Fee Bonds and any additional Parity Bonds (as hereinafter defined) issued by the Corporation under the Indenture (the Outstanding Student Fee Bonds and the Series CC Bonds, together with any Additional Bonds (as hereinafter defined) issued by the Corporation under the Indenture, are collectively referred to as the "Student Fee Bonds"). See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS."

"Student Fees" means all academic fees (including tuition), however denominated, assessed by the Corporation against students attending Purdue University (the "University"), except fees which may be subsequently released from the lien of the Indenture, as provided therein. The Corporation has covenanted and agreed in the Indenture to pay the Trustee on or before each Interest Payment Date, Student Fees sufficient to pay the principal of and interest due on the Series CC Bonds and all Parity Bonds. Such amounts will be deposited in the Sinking Fund. Student Fees, prior to their deposit with the Trustee as required by the Indenture, may be used as general operating funds of the Corporation.

The Series CC Bonds are subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF SERIES CC BONDS -- Redemption".

The Corporation has entered into a Ninth Supplement to the Restated Undertaking for the benefit of the beneficial owners of the Series CC Bonds, obligating itself to provide certain continuing disclosure as described in detail in "CONTINUING DISCLOSURE" herein.

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.

PURPOSES OF SERIES CC BONDS

The Series CC Bonds are being issued for the purposes of (i) financing, refinancing and reimbursing the Corporation for the costs of certain capital improvements, as described under the

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* A portion of which will be refunded with proceeds of the Series CC Bonds. (See "PLAN OF REFUNDING" herein.)

caption "PLAN OF FINANCE", and (ii) refunding the Refunded Bonds, as described under the caption "PLAN OF REFUNDING" and APPENDIX D hereto. A portion of the proceeds of the Series CC Bonds will be used to pay for the costs of issuance of the Series CC Bonds.

DESCRIPTION OF SERIES CC BONDS

General

The Series CC Bonds will be issued in the aggregate principal amount of $121,885,000 and will be dated and bear interest from the date of issuance. The Series CC Bonds will bear interest (payable January 1 and July 1 of each year, with the first interest payment being January 1, 2017 (each, an "Interest Payment Date")) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Series CC Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

The Series CC Bonds will be issued in fully registered form in the denomination of $5,000 or any integral multiple of that sum.

The Series CC Bonds will be registered on the books of the Corporation kept for that purpose (the "Bond Register") at the corporate trust operations office of the Trustee as Bond Registrar. The principal of the Series CC Bonds is payable upon presentation and surrender thereof at the principal operations office of the Trustee. Interest on the Series CC Bonds is payable on each Interest Payment Date by check mailed on the first Business Day prior to such Interest Payment Date, by the Trustee to the Registered Owners as their names and addresses appear in the Bond Register on the 15th day of the month preceding such Interest Payment Date (each, a "Record Date"), or by wire transfer on the Interest Payment Date to any Registered Owner of $1,000,000 or more in aggregate principal amount who requests the same in writing to the Trustee at least two Business Days prior to such Interest Payment Date.

If payment of any principal of or interest on any Series CC Bond is due on any date which is not a Business Day, such payment may be made on the next Business Day with the same effect as if made on such date.

Redemption

Optional Redemption of Series CC Bonds. The Series CC Bonds maturing on or after July 1, 2027, are subject to redemption prior to maturity at the option of the Corporation at any time on or after July 1, 2026, in whole or in part, in any order of maturity designated by the Corporation (less than all of the Series CC Bonds of a single maturity to be selected by lot in such manner as may be designated by the Trustee), at a redemption price of 100% of the principal amount of each Series CC Bond to be redeemed, plus accrued interest to the date of redemption.

Selection of Bonds to be Redeemed. For so long as the Series CC Bonds are registered to DTC or its nominee, if less than all of the Series CC Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. See "Book-Entry-Only System."

If the Series CC Bonds are no longer registered to DTC or its nominee, the Trustee will select, within each maturity of Series CC Bonds to be redeemed, the Series CC Bonds or portions of Series CC Bonds of such maturity to be redeemed by lot in such manner as the Trustee may determine.

If the owner of any such Series CC Bond of a denomination greater than $5,000 fails to present such Series CC Bond to the Trustee for payment and exchange, such Series CC Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the principal amount called for redemption. In case a Series CC Bond of a denomination larger than $5,000 is to be redeemed, the principal amount not being redeemed must be in a denomination of $5,000 or any integral multiple thereof. Upon surrender of any Series CC Bond for redemption in part only, the Corporation will execute and the Trustee will authenticate and deliver to the registered owner thereof, at the expense of the Corporation, a new Series CC Bond or Series CC Bonds and of authorized denominations in aggregate principal amount equal to the unredeemed portion of such Series CC Bond surrendered.

Notice of Redemption. Notice of redemption of the Series CC Bonds will be given by the Trustee by mailing a copy of the redemption notice by first-class mail not less than 30 nor more than 45 days prior to the date fixed for redemption to the registered owner of each Series CC Bond to be redeemed (such Bondholder being DTC or its nominee for so long as the Series CC Bonds are held in book-entry-only form) at the address shown in the registration books. However, failure to give such notice, or any defect therein, with respect to any Series CC Bond will not affect the validity of any proceedings for the redemption of other Series CC Bonds. If for any reason it is impossible or impractical to mail such notice of call for redemption in the manner described above, then such mailing in lieu thereof as is made at the direction of the Corporation will constitute sufficient notice. On and after the redemption date specified in the notice of redemption, the Series CC Bonds or portions thereof called for redemption (provided funds for their redemption are on deposit at the place of payment) will not bear interest, will no longer be protected by the Indenture and will not be deemed to be outstanding under the provisions of 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.

For so long as the Series CC Bonds are held in book-entry-only form, the Trustee will mail notices of redemption of such Series CC Bonds only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Corporation nor the Trustee will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Participant or Indirect Participant, of any notices of redemption. See "Book-Entry-Only System."

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

Open Market Purchases. At its option, the Corporation may (a) deliver to the Trustee Series CC Bonds purchased with available moneys of the Corporation and (b) instruct the Trustee to apply the principal amount of such Series CC Bonds so delivered for credit at 100% of the principal amount thereof against the principal amount of Series CC Bonds of the same maturity to be redeemed on such redemption date.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series CC Bonds. The Series CC 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 CC Bond certificate will be issued for the Series CC Bonds (designating each maturity thereof and the interest rate for each maturity or within a 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 CC Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series CC Bonds on DTC's records. The ownership interest of each actual purchaser of each Series CC 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 CC Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series CC Bonds, except in the event that use of the book-entry system for the Series CC Bonds is discontinued.

To facilitate subsequent transfers, all Series CC 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 CC 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 CC Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series CC Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series CC Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series CC Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series CC Bond documents. For example, Beneficial Owners of the Series CC Bonds may wish to ascertain that the nominee holding the Series CC Bond 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 CC Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series CC 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 CC Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and other payments on the Series CC 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 the 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 Corporation or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments 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 CC 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, certificates for such Series CC Bonds 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, certificates for such Series CC Bonds will be printed and delivered.

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

Disclaimer

THE INFORMATION PROVIDED ABOVE UNDER "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE CORPORATION, THE TRUSTEE OR THE UNDERWRITERS AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

The Corporation and the Trustee will have no responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Series CC Bonds;

(ii) the delivery to any Direct Participant or Indirect Participant or any other person, other than an owner, as shown in the bond register, of any notice with respect to any Series CC Bond including, without limitation, any notice of redemption;

(iii) the payment to any Direct Participant or Indirect Participant or any other person, other than an owner, as shown in the bond register, of any amount with respect to the principal of or premium, if any, or interest on any Series CC Bond; or

(iv) any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book-entry only system described under this caption, the Corporation and the Trustee may treat DTC as, and deem DTC to be, the absolute owner of the Series CC Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of and premium, if any, and interest on the Series CC Bonds;

(ii) giving notices of redemption and other matters with respect to the Series CC Bonds;

(iii) registering transfers with respect to the Series CC Bonds; and

(iv) the selection of Series CC Bonds for redemption.

Payment of Principal and Interest on Series CC Bonds

For so long as the Series CC Bonds are registered in the name of DTC or its nominee or its successor, payments of principal and interest shall be made as described under Book-Entry-Only System above. In the event the Series CC Bonds are no longer registered under a book-entry-only system, such Series CC Bonds will be registered as to both principal and interest in the Bond Register at the principal office of the Trustee, as Bond Registrar, and payment of the principal of and interest on such Series CC Bonds shall be made as described above under "General."

Interest Account. The Trustee shall establish and maintain, so long as any Series CC Bonds are outstanding, a separate account within the Sinking Fund created by the Indenture known as the Series CC Interest Account. The Trustee will allocate from amounts in the Sinking Fund to the Series CC Interest Account amounts which are sufficient to pay interest on the Outstanding Series CC Bonds as such becomes due. On or before the first day of each January and July (or, if such first day is not a Business Day, then on the first Business Day after such day), the Trustee will deposit in the Series CC Interest Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the interest due on the Series CC Bonds on such Interest Payment Date and (b) the amount of money on deposit in the Series CC Interest Account available to pay such interest on the Series CC Bonds. Moneys on deposit in the Series CC Interest Account shall be used by the Trustee to pay interest on the Series CC Bonds on regularly scheduled Interest Payment Dates.

Principal Account. The Trustee shall establish and maintain, so long as any Series CC Bonds are outstanding, a separate account within the Sinking Fund to be known as the Series CC Principal Account. All payments made by the Corporation in respect to principal of the Series CC Bonds shall be deposited as and when received by the Trustee in the Series CC Principal Account. On or before the first day of each July (or, if such first day is not a Business Day, then on the first Business Day after such day), commencing July 1, 2017, the Trustee will deposit in the Series CC Principal Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the principal amount of Series CC Bonds maturing on such July 1 and (b) the amount of money then on deposit in the Series CC Principal Account available to pay the principal of the Series CC Bonds. Moneys on deposit in the Series CC Principal Account shall be used by the Trustee to pay the principal of the Series CC Bonds when due.

No Recourse. No recourse shall be had for the payment of the principal of or interest on any of the Series CC Bonds or for any claim based thereon, or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, employee, agent, representative or trustee of the Corporation, or any incorporator, officer, director or trustee of any successor corporation, as such, either directly or through the Corporation or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise.

Transfer and Exchange of Series CC Bonds

For so long as the Series CC Bonds are registered in the name of DTC or its nominee or its successor, the transfer and exchange procedures shall be as described above under "Book-Entry-Only System;" otherwise, the transfer and exchange procedures shall be as described below under "Revision of Book-Entry-Only System; Replacement Series CC Bonds."

Revision of Book-Entry-Only System; Replacement Series CC Bonds

The Trustee serves as the Bond Registrar for the Series CC Bonds pursuant to the Indenture. In the event (i) the Trustee receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a securities depository for the Series CC Bonds, or (ii) the Corporation elects to discontinue its use of DTC as a securities depository for the Series CC Bonds and in either case the Corporation does not appoint an alternate securities depository, then the Corporation and/or the Trustee will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the Owners of such Series CC Bonds, as are necessary or appropriate to discontinue use of DTC as a securities depository for such Series CC Bonds and to transfer the ownership of each of such Series CC Bonds to such person or persons, including any other securities depository, as the Owner of such Series CC Bonds may direct in accordance with the Indenture. Upon the occurrence of either event, if ownership of the Series CC Bonds is transferred to the Owners, the Trustee will execute and deliver to the Owners of such Series CC Bonds fully registered replacement Series CC Bonds ("Replacement Series CC Bonds") in the denomination of $5,000 or integral multiples of that amount. The expenses of any such transfer, including the printing of certificates for Replacement Series CC Bonds, will be paid by the Corporation.

The principal of the Replacement Series CC Bonds will be payable at the corporate trust operations office of the Trustee and interest on the Replacement Series CC Bonds will be paid to the registered owners appearing in the Bond Register kept by the Trustee, as registrar, as described under "Payment of Principal and Interest on the Series CC Bonds" above.

Upon surrender for transfer or exchange of any of the Series CC Bonds at the corporate trust operations office of the Bond Registrar, the Corporation shall execute, and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees, a new fully registered Series CC Bond or Series CC Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any Series CC Bond or Series CC Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of any Series CC Bond or Series CC Bonds of the same maturity of other authorized denominations. The Trustee will not be required to transfer or exchange any Series CC Bond after notice calling such Series CC Bond or portion thereof for redemption has been mailed or during the period of 15 days prior to the mailing of a notice of redemption of any Series CC Bond of the same maturity. No service charge or payment shall be required to be made by the

Owner of any Series CC Bond requesting an exchange, registration or transfer of any Series CC Bond, but the Corporation, the Trustee and the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer. For a more detailed description, see "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS

The Series CC Bonds are limited obligations of the Corporation secured by and payable solely from a pledge of and first lien on Student Fees, as provided in the Indenture, payments to the Corporation from Qualified Swap Providers pursuant to Qualified Swap Agreements (if any), and moneys on deposit in certain funds pledged under the Indenture (collectively the "Pledged Funds"). The Corporation has not entered into any Qualified Swap Agreements and has no present intention to enter into any Qualified Swap Agreements. The Series CC 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 shall be had for the payment of the principal of or interest on the Series CC Bonds against the State of Indiana or the Corporation, except to the extent of the Pledged Funds. The following sections regarding security for the Student Fee Bonds summarize certain provisions of the Indenture. For a complete summary of the provisions of the Indenture relating to the security for the Series CC Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Student Fees

"Student Fees" means all academic fees (including tuition), however denominated, assessed by the Corporation against students attending Purdue University, except fees which may be subsequently released from the lien of the Indenture, as provided therein. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE -- Partial Release of Lien on Student Fees."

The Corporation has covenanted and agreed in the Indenture to pay the Trustee, on or before each Interest Payment Date, Student Fees sufficient to pay the principal of and interest due on the Series CC Bonds. Such amounts will be deposited in the Sinking Fund. Student Fees, prior to their deposit with the Trustee as required by the Indenture, may be used as general operating funds of the Corporation.

The Corporation has irrevocably pledged Student Fees to the payment of the principal of and interest on the Series CC Bonds. The pledge of Student Fees for the Series CC Bonds and any other obligations issued on a parity with the Series CC Bonds shall constitute a first lien on and security interest in Student Fees. See "SECURITY AND SOURCES OF PAYMENT FOR STUDENT FEE BONDS -- Issuance of Additional Bonds" and "-- Outstanding Student Fee Bonds."

Reserve Fund

While a Reserve Fund has been established pursuant to the Indenture, no Reserve Fund Requirement (as hereinafter defined) exists for the Series CC Bonds (or any other Student Fee Bonds which are Outstanding). Accordingly, the Series CC Bonds will have no claim on the

Reserve Fund. However, the Corporation may issue Additional Bonds at some later date which will have a claim on the Reserve Fund in the manner prescribed in the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE--Flow of Funds.”

Fee Covenant

The Corporation has agreed to establish and collect Student Fees so as to generate in each Fiscal Year amounts equal to no less than the sum of:

(a) An amount equal to 1.0 times the Annual Debt Service Requirement for such Fiscal Year; provided that if the rate of interest borne by any Variable Rate Bond is fixed for such Fiscal Year at a single rate of interest, such Variable Rate Bond shall be treated as a Fixed Rate Bond for purposes of the Annual Debt Service Requirement calculation;

(b) The amount, if any, to be paid into the Reserve Fund or to be paid to any Reserve Fund Insurer or the provider of any other Reserve Fund Credit Instrument with respect to such Fiscal Year; and

(c) Any other amounts to be paid from Student Fees with respect to such Fiscal Year in accordance with the Indenture.

The Corporation also covenants to adopt an annual budget for each Fiscal Year which will set forth the estimated Annual Debt Service Requirement, any required deposits to the Reserve Fund or any other moneys to be paid from Student Fees in accordance with the Indenture.

Issuance of Additional Bonds

Additional Bonds may be authorized by the Board of Trustees of the Corporation, executed by the Corporation, authenticated by the Trustee and issued under the Indenture from time to time in order to provide funds for any lawful purpose under the Act. Additional Bonds may be Parity Bonds or Subordinated Bonds. Parity Bonds means Additional Bonds which are secured by a pledge, assignment, and grant of a security interest and first lien against the Pledged Funds, except as otherwise may be provided in regard to the Reserve Fund. Subordinated Bonds means those Additional Bonds issued under the Indenture which are subordinated pursuant to the Indenture to the Parity Bonds as to principal and interest repayment.

Additional Bonds may be issued from time to time by the Corporation if actual Student Fees received by the Corporation during the preceding Fiscal Year shall be equal to or greater than 1.0 times the Maximum Annual Debt Service to become due in the succeeding Fiscal Years for the payment of principal and interest charges on the Outstanding Parity Bonds under the Indenture and on the Parity Bonds then to be authenticated and delivered. In addition, Additional Bonds may be authorized and executed by the Corporation and authenticated and delivered by the Trustee without the necessity for compliance with the aforementioned test when necessary or appropriate, in the opinion of the Trustee, to avoid a default under the Indenture.

Additional Bonds may be issued under the Indenture specifically to evidence liability of the Corporation in favor of any entity providing a Credit Support Instrument. Whether such

Additional Bonds are Parity Bonds or Subordinated Bonds shall depend on the ability of the Corporation in regard to those Additional Bonds to meet the "1.0 times" test described above at the time when funds are advanced pursuant to such Credit Support Instrument and not immediately reimbursed by the Corporation, provided that Parity Bonds purchased by the provider of a Credit Support Instrument pursuant to its terms shall continue to be Parity Bonds. If such test cannot be met, the Additional Bonds will be Subordinated Bonds and the rights of the holders to receive principal thereof and interest thereon shall be subordinated to the Owners of all Parity Bonds.

In addition, the Corporation may issue bonds or other evidences of indebtedness, for any of the purposes described above, with a lien which is junior to the Student Fee Bonds in all respects.

All computations regarding debt service and Student Fees shall be made by the Treasurer of the Corporation. Compliance with the Indenture will be conclusively evidenced to the Trustee by a certificate of the Treasurer of the Corporation.

Outstanding Student Fee Bonds

The pledge of Student Fees as security for the payment of the Series CC Bonds shall be of equal standing and priority of lien with the pledge of Student Fees for the following obligations of the Corporation payable from Student Fees:

Obligation	Delivery Date	Final Maturity	Original Amount Issued	Amount Outstanding as of April 13, 2016
Series P Bonds	December 2, 1998	July 1, 2017	$64,255,000	$6,705,000
Series U Bonds	July 20, 2005	July 1, 2022	35,200,000	21,855,000
Series X Bonds*	April 9, 2009	July 1, 2028	106,925,000	81,180,000
Series Y Bonds*	March 17, 2010	July 1, 2027	74,130,000	54,885,000
Series Z-1 Bonds	November 23, 2010	July 1, 2024	68,320,000	34,365,000
Series Z-2 Bonds	November 23, 2010	July 1, 2035	100,705,000	96,805,000
Series AA Bonds	August 9, 2012	July 1, 2032	54,555,000	49,160,000
Series BB-1 Bonds	January 7, 2015	July 1, 2034	48,630,000	45,135,000
Series BB-2 Bonds	January 7, 2015	July 1, 2032	18,985,000	17,850,000

* A portion of which will be refunded with proceeds of the Series CC Bonds. (See "PLAN OF REFUNDING" herein.)

The Act further provides general authorization for the incurrence of indebtedness by the Corporation, for miscellaneous purposes, subject to approvals from the General Assembly (unless, after the issuance thereof, the total amount of outstanding bonds issued by the Corporation without General Assembly approval will not exceed $2,000,000), the Governor, the State Budget Committee and State Budget Agency. As of April 13, 2016, the Corporation has no indebtedness outstanding which does not have General Assembly approval.

The Act also provides for the incurrence of indebtedness by the Corporation to finance qualified energy savings projects, subject to any necessary approvals from the Governor, the State Budget Committee and State Budget Agency, if annual operating savings arising from the project are reasonably expected to be at least equal to annual debt service requirements on the indebtedness. The Corporation has a tax-exempt commercial program which it has used to finance, on an interim basis, among other things, the costs of various projects which may be financed on a permanent basis with Student Fee Bonds (or auxiliary revenue bonds).

DEBT SERVICE COVERAGE

The following debt service coverage summary is based on Student Fees for the Fiscal Years ended June 30, 2015 and June 30, 2014, and the Maximum Annual Debt Service on all Outstanding Student Fee Bonds, after giving effect to the issuance of the Series CC Bonds and the defeasance of the Refunded Bonds.

	2015	2014
	(in thousands)	
Student Fees	$747,513	$727,256
Coverage*	13.9 x	13.5 x

* Maximum Annual Debt Service in thousands (FY 2016) ($53,739)

ANNUAL DEBT SERVICE REQUIREMENTS

The aggregate Annual Debt Service Requirements for all Student Fee Bonds, after giving effect to the issuance of the Series CC Bonds and the defeasance of the Refunded Bonds, are as follows:

Fiscal Year Ending June 30	Series P Bonds	Series U Bonds	Series W Bonds	Series X Bonds	Series Y Bonds	Series Z-1 Bonds	Series Z-2 Bonds[1]	Series AA Bonds	Series BB-1 Bonds	Series BB-2 Bonds	Series CC Bonds	Total[2]
2016	$5,247,225	$3,908,343	$1,934,795	$8,630,388	$6,121,850	$9,700,050	$6,872,641	$4,112,838	$5,547,765	$1,662,731		$53,738,626
2017	5,240,238	3,925,988		5,421,625	4,403,313	7,282,550	7,991,337	4,111,738	6,214,825	1,395,599	$3,345,878	49,333,091
2018	1,729,231	3,919,143		5,413,250	4,406,500	7,250,550	7,961,127	4,107,638	5,331,950	1,390,903	6,661,275	48,171,567
2019		3,921,176		5,398,500	4,406,750	7,220,175	7,917,521	4,109,588	5,050,850	1,387,168	6,496,250	45,907,978
2020		3,891,056		5,396,625	4,407,250	6,181,550	7,869,999	4,106,463	4,866,875	1,389,779	6,492,725	44,602,322
2021		3,887,425			4,407,500	4,717,050	7,827,524	4,109,688	4,867,875	1,384,455	11,723,100	42,924,617
2022		3,066,394				2,294,675	7,769,873	4,107,663	4,285,125	1,386,204	15,941,725	38,851,659
2023		3,068,488				2,296,300	7,718,778	4,108,288	4,015,875	1,380,634	15,939,850	38,528,213
2024						2,297,550	7,662,587	4,107,538	4,015,875	1,382,959	15,904,850	35,371,359
2025						300,900	8,316,058	4,110,038	4,008,375	1,377,754	15,905,225	34,018,350
2026							8,536,312	4,110,413	3,998,250	1,373,607	15,888,975	33,907,557
2027							8,446,262	4,108,413	3,990,125	1,375,938	15,387,350	33,308,088
2028							8,338,905	4,103,788	1,087,750	1,376,854	15,010,000	29,917,297
2029							8,226,310	4,105,963	1,084,375	1,376,355	10,129,325	24,922,328
2030							8,113,088	4,108,088	1,092,375	1,374,442	2,237,000	16,924,993
2031							8,003,590	4,107,413	1,087,325	1,374,331	2,233,125	16,805,784
2032							5,580,277	4,105,000	1,096,450	1,370,874	2,235,250	14,387,851
2033							5,499,714	4,110,731	1,085,625	1,370,609	2,233,125	14,299,804
2034							5,410,616		2,381,000		2,226,750	10,018,366
2035							5,322,717		902,000		2,225,875	8,450,592
2036							5,225,750				2,225,125	7,450,875
2037											2,224,250	2,224,250

[1] Not reduced by federal subsidy payments for Build America Bonds.
[2] Totals may not sum due to rounding.

PLAN OF FINANCE

The Series CC Bonds are being issued (i) to finance, refinance or reimburse the Corporation for the costs of the New Project as described in more detail below, (ii) to refund the Refunded Bonds, and (iii) to pay costs of issuance of the Series CC Bonds.

The New Project

The New Project consists of the financing of a portion of the costs of the Agricultural and Life Sciences Facility on the West Lafayette campus of the Corporation. The new Agricultural and Life Sciences Facility will include approximately 123,000 gross square feet of modern research and teaching space serving the Department of Animal Sciences and provide researchers with an environment for scientific preeminence and a world-class teaching facility, including teaching and meat lab facilities. Construction will require demolition of the Food Stores Building, Building Services and Ground Building, and a USDA storage shed, eliminating approximately $20,000,000 of deferred repair and rehabilitation expenses. Equity contributions will be made by the Corporation to fund a portion of New Project Costs.

The Agricultural and Life Sciences Facility will be a state-of-the-art facility that will consolidate Animal Sciences students, faculty and staff into a unified complex that will facilitate synergies in learning, outreach, and research in a collaborative environment. The new facility will attract top tier students and allow the Animal Sciences program to achieve continued recognition as a premier program on a national level. This Facility will foster greater multidisciplinary collaboration among faculty in a variety of departments within the Colleges of Agriculture, Engineering, Health and Human Sciences and Veterinary Medicine.

PLAN OF REFUNDING

Refunding Plan

A portion of the proceeds of the Series CC Bonds, together with other funds of the Corporation, in an aggregate amount sufficient to defease the Refunded Bonds, will be transferred by the Trustee to The Bank of New York Mellon Trust Company, N.A. in its capacity as Escrow Trustee (the “Escrow Trustee”) under an Escrow Deposit Agreement dated as of April 15, 2016 with the Corporation (the “Escrow Agreement”). Such amounts will be deposited in an escrow fund (the “Escrow Fund”) for the Refunded Bonds created under the Escrow Agreement and invested in noncallable direct obligations of the United States of America (the “Government Obligations”) maturing in amounts and paying interest in amounts in the aggregate and on the dates necessary which will be sufficient, together with an initial cash deposit, to make scheduled payments of principal of and interest on the Refunded Bonds and to make final redemption payments on the first call date for such Refunded Bonds. See “VERIFICATION”.

Upon the deposit of such funds in the Escrow Fund, the Refunded Bonds will be defeased and will no longer be outstanding under the Indenture. Neither the moneys deposited in the Escrow Fund and retained as cash, nor the maturing principal of the Government Obligations held in the Escrow Fund nor the interest thereon, will serve as security for or be available for the payment of principal of, or interest or premium, if any, on the Series CC Bonds.

The Refunded Bonds

The Refunded Bonds include the following:

(a) A portion of the Purdue University Student Fee Bonds, Series X, issued in the initial aggregate principal amount of One Hundred Six Million Nine Hundred Twenty-Five Thousand Dollars ($106,925,000); and

(b) A portion of the Purdue University Student Fee Bonds, Series Y, issued in the initial aggregate principal amount of Seventy-Four Million One Hundred Thirty Thousand Dollars ($74,130,000)

collectively described in APPENDIX D hereto (the "Refunded Bonds"), issued to finance a portion of the costs of certain facilities described herein (see "The Prior Projects").

The Prior Projects

The Prior Projects with respect to the Series X Bonds consist of:

(a) The Roger B. Gatewood Wing of the Mechanical Engineering Building located on the West Lafayette campus;

(b) The Student Services and Library Complex located on the Indiana University-Purdue University Fort Wayne campus;

(c) The Health and Human Sciences Building located on the West Lafayette campus;

(d) The Power Plant Production and Distribution Project located on the West Lafayette campus;

(e) The Chiller No. 6 Replacement Project located on the West Lafayette campus;

(f) The Boiler No. 6 Project located on the West Lafayette campus;

(g) Various Repair and Rehabilitation Projects at the West Lafayette campus and

(h) the 6.5 MWz Combined Heat and Power Project on the West Lafayette Campus.

The Prior Projects with respect to the Series Y Bonds consist of:

(a) The Martin C. Jischke Hall of the Biomedical Engineering Building located on the West Lafayette campus;

(b) The Lawson Computer Science Building located on the West Lafayette campus;

(c) The Neil Armstrong Hall of Engineering Building located on the West Lafayette campus; and

(d) The John and Ruth Rhinehart Music Center located on the Fort Wayne campus.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount of Series CC Bonds	$121,885,000.00
Original Issue Premium	25,691,201.95
Equity Contribution[1]	25,000,000.00
Total Sources of Funds	$172,576,201.95
Uses of Funds:	
New Project Costs[2]	$60,000,000.00
Refund Refunded Bonds	111,814,519.67
Underwriters' Discount	414,215.72
Costs of Issuance	347,466.56
Total Uses of Funds	$172,576,201.95

[1]Includes interest earnings on Project Fund at 0.05%
[2]Includes F, F & E expenditures, etc.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

Definitions

For purposes of this Official Statement, the following terms will have the meaning specified below unless the context clearly indicates otherwise.

"Additional Bonds" means additional Parity or Subordinated Bonds authorized to be issued under the Indenture and any Student Fee Bonds issued in substitution or replacement for them and excludes junior lien obligations as described in the Indenture.

"Annual Debt Service Requirement" for any Fiscal Year means, in connection with all Parity Bonds, the sum of (i) an amount equal to the amount of regularly scheduled principal or mandatory sinking fund payments and interest due in such Fiscal Year on Fixed Rate Bonds (excluding principal of any balloon maturity and excluding any Optional Tender), (ii) the amount of principal and interest projected to become due in such Fiscal Year on Variable Rate Bonds (excluding principal of any balloon maturity and any Optional Tender), and (iii) an amount equal to the principal amount of a balloon maturity after the Fiscal Year in question divided by the number of years to maturity from its date of original issuance or from such later date in or prior to the Fiscal Year in question as specified in the Supplemental Indenture authorizing the issuance of such balloon maturity. Such projection of interest on Variable Rate Bonds shall be calculated at any date of calculation as an amount equal to 110% of the greater of (a) the average daily interest rate during the then preceding twelve month period or (b) the rate in effect on the date of calculation, but in either event, not to exceed any maximum interest rate which may be set for any Variable Rate Bonds. Interest which is payable from the proceeds of Student Fee Bonds set aside for such purpose in the Sinking Fund shall be excluded in determining the Annual Debt Service Requirement. For purposes of this definition, "balloon maturity" shall mean Student Fee Bonds of any series (or multiple series of Student Fee Bonds issued at substantially the same time) with principal amounts maturing or otherwise due and payable within any twelve month period equal to or greater than fifteen percent of the original principal amount of such Student Fee Bonds; provided that, in calculating the amount due and payable in any twelve month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to be amortized prior to such twelve month period; and provided further that for any balloon maturity the Corporation may elect to waive the provisions of clause (iii) above for any one or more series of Student Fee Bonds at the time of delivery thereof and treat such one or more series of Student Fee Bonds as if such balloon maturity was not a balloon maturity for the purposes of the application of this definition. The maturing amount of any Student Fee Bonds issued at a discount shall not be considered a balloon maturity unless the original principal amount of such Student Fee Bonds would be considered a balloon maturity. For any Student Fee Bonds with respect to which the Corporation has entered into a Qualified Swap Agreement or Agreements, the amount of all Qualified Swap Payments shall be considered in the calculation of Annual Debt Service Requirements in lieu of the payments described in clauses (i) through (iii) above; provided that such Qualified Swap shall be in effect for the entire Fiscal Year (or bond year, as the case may be) to which such calculation applies, and that Qualified Swap Agreements applicable to less than the full Fiscal Year (or bond year, as the case may be) shall not alter the calculation of the Annual Debt Service Requirement for such period. Qualified Swap Payments payable at a variable rate per annum shall be calculated on the same basis as Variable Rate Bonds for purposes of the application of various provisions under the Indenture, subject to any applicable interest rate floor or cap with respect to such variable rate.

"Business Day" means mean any day other than (i) a Saturday or a Sunday or a legal holiday or a day on which banking institutions in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

"Credit Support Instrument" means an irrevocable letter of credit, line of credit, insurance policy, guaranty or surety bond or similar instrument providing for the payment of or guaranteeing the payment of principal or purchase price of and interest on Student Fee Bonds when due. Any such insurance policy, guaranty or surety bond or similar instrument shall be noncancellable during the term of the Student Fee Bonds for which it is provided and must be issued by an insurer with a credit rating within the two highest full rating categories available generally to issuers of such insurance, guaranties or surety bonds from a nationally recognized rating service. Any obligation on the part of the Corporation to purchase Student Fee Bonds from their holders upon the completion of the term of such Credit Support Instrument shall be treated for these purposes as the conclusion of the term of such Student Fee Bonds. Any such letter of credit or line of credit must be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of issuance, a credit rating on its long-term unsecured debt within the three highest full rating categories generally available to banking institutions from a nationally recognized rating service.

"Escrowed Municipals" means obligations of state and local governments secured by an irrevocable escrow of Federal Securities.

"Federal Securities" means securities of the type described in Item 1 of the definition of "Permitted Investments."

"Fiscal Year" means the period commencing on the first day of July of any year and ending on the last day of June of the next succeeding year or such other period as established by the Corporation from time to time.

"Fixed Rate Bond" means a Student Fee Bond issued at or bearing a fixed rate or rates of interest.

"Maximum Annual Debt Service" means the highest Annual Debt Service Requirement for the current or any succeeding Fiscal Year.

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

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

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

(b) Student Fee Bonds for the payments or redemption of which cash or investments (but only to the extent that the full faith and credit of the United States of America are pledged to or secure the timely payment thereof) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Student Fee Bonds) in the manner and with the type of investments provided in the Indenture; provided that if such Student Fee Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee; and

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

"Parity Bonds" means the Series P Bonds, Series U Bonds, Series X Bonds*, Series Y Bonds*, Series Z-1 Bonds, Series Z-2 Bonds, Series AA Bonds, Series BB Bonds, Series CC Bonds and all Additional Bonds which are secured by a pledge, assignment and grant of a first lien and security interest against the Pledged Funds, except as otherwise provided with respect to the Reserve Fund.

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* A portion of which will be refunded with proceeds of the Series CC Bonds.

"Parity Obligations" means Parity Bonds and Qualified Swap Payments.

"Paying Agent" means the Trustee, acting as such pursuant to the Thirtieth Supplemental Indenture, and any additional paying agent for the Series CC Bonds appointed pursuant to the Thirtieth Supplemental Indenture, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

"Permitted Investments" means, with respect to moneys held by the Trustee, any of the following which at the time are legal investments under the laws of the State of Indiana for the moneys proposed to be invested therein:

1. Direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America;

2. Escrowed Municipals;

3. Bonds, debentures or notes or other evidences of indebtedness issued or guaranteed by any of the following agencies: Export-Import Bank of the United States; Federal National Mortgage Association; Government National Mortgage Association; Federal Financing Bank; Federal Intermediate Credit Bank; Bank for Cooperatives; Federal Land Bank; Federal Home Loan Bank; Farmers Home Administration; Federal Farm Credit Banks; and The Federal Home Loan Mortgage Association;

4. Certificates of deposit issued by, or interest bearing time deposit accounts with, banks or savings banks organized under the laws of the State of Indiana or the United States of America, including the Trustee, which banks or savings banks have capital surplus and undivided profits in excess of $50,000,000 (provided that no such deposit or certificate shall be in excess of 10% of such capital, surplus and undivided profits);

5. Repurchase agreements with banks or other financial institutions, including the Trustee, which are fully collateralized by obligations described in clauses (1) or (3) based upon market value, which obligations are in the possession of the Trustee or its agent and are free and clear of all security interests, liens or other rights of any third party, and in which obligations the Trustee has a first, perfected security interest; provided, that any financial institution which is a broker-dealer must be a member of the Securities Investor Protection Corporation; and

6. Investment agreements which are issued by banks, insurance companies or other financial service providers who are, or which agreements are, at the time of issuance, execution and delivery of such agreements, rated in the two highest full rating categories by Moody's Investors Service, Inc. and Standard & Poor's Ratings Group.

"Pledged Funds" means Student Fees and Qualified Swap Receipts, the proceeds thereof, the Corporation's right to receive the same, and all Funds held by the Trustee pursuant to the Indenture.

"Prior Projects" means the projects of the Corporation financed by the Refunded Bonds. Specifically, Prior Projects mean the following:

(a) The Roger B. Gatewood Wing of the Mechanical Engineering Building located on the West Lafayette campus;

(b) The Student Services and Library Complex located on the Indiana University-Purdue University Fort Wayne campus;

(c) The Health and Human Sciences Building located on the West Lafayette campus;

(d) The Power Plant Production and Distribution Project located on the West Lafayette campus;

(e) The Chiller No. 6 Replacement Project located on the West Lafayette campus;

(f) The Boiler No. 6 Project located on the West Lafayette campus;

(g) Various Repair and Rehabilitation Projects at the West Lafayette campus and

(h) the 6.5 MWz Combined Heat and Power Project on the West Lafayette Campus.

(i) The Martin C. Jischke Hall of the Biomedical Engineering Building located on the West Lafayette campus;

(j) The Lawson Computer Science Building located on the West Lafayette campus;

(k) The Neil Armstrong Hall of Engineering Building located on the West Lafayette campus; and

(l) The John and Ruth Rhinehart Music Center located on the Fort Wayne campus.

"Project" or "New Project" means the West Lafayette Agricultural and Life Sciences Facility.

"Qualified Counterparty" means a financial services institution whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability, or whose payment obligations, under a Qualified Swap are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or who was provided collateral such that its claims paying ability is rated (at the time the subject Qualified Swap is entered into) at least as high as A by Moody's Investors Service, Inc. and A by Standard & Poor's Ratings Group, or the equivalent thereof by any successor thereto.

"Qualified Swap" or "Qualified Swap Agreement" means any financial arrangement (i) that is authorized under applicable state law; (ii) that is entered into by the Corporation with an entity that is a Qualified Counterparty at the time the arrangement is entered into; (iii) which constitutes an agreement (including any combination of agreements or a master agreement, each of which may include terms and conditions incorporated by reference therein) which 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 the foregoing); (iv) which is entered into pursuant to terms set forth in the Indenture and in an Indenture supplemental thereto; and (v) which has been designated in writing to the Trustee by an authorized representative of the Corporation as a Qualified Swap.

"Qualified Swap Payments" means payments to be made by the Corporation to a Qualified Swap Provider under a Qualified Swap, including Termination Payments thereunder.

"Qualified Swap Provider" means any Qualified Counterparty with whom the Corporation has entered into a Qualified Swap.

"Qualified Swap Receipts" means payments to the Corporation by a Qualified Swap Provider under a Qualified Swap.

"Rebate Agreement" means the Construction and Rebate Agreement between the Corporation and the Trustee, dated as of April 15, 2016.

"Refunded Bonds" means the outstanding Series X Bonds and Series Y Bonds identified in APPENDIX D hereto.

"Reserve Fund Credit Instrument" means an insurance policy, guaranty, or surety bond or irrevocable letter of credit which may be deposited in the Reserve Fund in lieu of or in partial substitution for cash to be on deposit therein. The company providing such insurance policy, guaranty, or surety bond will be an insurer which, at the time of issuance of the policy, guaranty, or surety bond, has been assigned the highest rating accorded insurers by Moody's Investors Service, Inc. or any successor rating service, and the policy will be subject to the irrevocable right of the Trustee to draw thereon in a timely fashion as needed and provided in the Indenture upon satisfaction of any conditions set forth in the Indenture. Any irrevocable letter of credit shall be payable to and deposited with the Trustee and will be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of issuance, a credit rating on its long-term unsecured debt within the three highest rating categories from a nationally recognized rating service.

"Reserve Fund Requirement" means Maximum Annual Debt Service; provided however, that the Annual Debt Service Requirement on any Student Fee Bonds which do not have access to or a claim on the Reserve Fund pursuant to the Indenture (including the Outstanding Student Fee Bonds and the Series CC Bonds) will be excluded from the calculation of the Reserve Fund Requirement and provided further that for purposes of Maximum Annual Debt Service on any Variable Rate Bonds for which there is a Reserve Fund Requirement, notwithstanding the formula for calculation of interest on Variable Rate Bonds found in the definition of Annual Debt Service Requirement, interest on such Variable Rate Bonds will be calculated at a rate equal to the rate quoted in the most recent issue of The Bond Buyer (or any successor publication thereto) on the sale date of any Additional Bonds as the 25 Revenue Bond Index (or any successor index).

"Series P Bonds" means the Purdue University Student Fee Bonds, Series P, in the initial aggregate principal amount of Sixty-Four Million Two Hundred Fifty-Five Thousand Dollars ($64,255,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series U Bonds" means the Purdue University Student Fee Bonds, Series U, in the initial aggregate principal amount of Thirty-Five Million Two Hundred Thousand Dollars ($35,200,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series X Bonds" means the Purdue University Student Fee Bonds, Series X, in the initial aggregate principal amount of One Hundred Six Million Nine Hundred Twenty-Five Thousand Dollars ($106,925,000), and any Student Fee Bonds in substitution or replacement therefor, a portion of which will be refunded by the Series CC Bonds.

"Series Y Bonds" means the Purdue University Student Fee Bonds, Series Y, in the initial aggregate principal amount of Seventy-Four Million One Hundred Thirty Thousand Dollars ($74,130,000), and any Student Fee Bonds in substitution or replacement therefor, a portion of which will be refunded by the Series CC Bonds.

"Series Z-1 Bonds" means the Tax-Exempt Purdue University Student Fee Bonds, Series Z-1, in the initial aggregate principal amount of Sixty-Eight Million Three Hundred Twenty Thousand Dollars ($68,320,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series Z-2 Bonds" means the Taxable Purdue University Student Fee Bonds, Series Z-2 (Build America Bonds – Direct Pay Option), in the initial aggregate principal amount of One Hundred Million Seven Hundred Five Thousand Dollars ($100,705,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series AA Bonds" means the Purdue University Student Fee Bonds, Series AA, in the initial aggregate principal amount of Fifty-Four Million Five Hundred Fifty-Five Thousand Dollars ($54,555,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series BB Bonds" means, collectively, the Series BB-1 Bonds and the Series BB-2 Bonds.

"Series BB-1 Bonds" means the Tax-Exempt Purdue University Student Fee Bonds, Series BB-1, in the initial aggregate principal amount of Forty-Eight Million Six Hundred Thirty Thousand Dollars ($48,630,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series BB-2 Bonds" means the Taxable Purdue University Student Fee Bonds, Series BB-2, in the initial aggregate principal amount of Eighteen Million Nine Hundred Eighty-Five Thousand Dollars ($18,985,000), and any Student Fee Bonds in substitution or replacement therefor.

"Series CC Bonds" means the Purdue University Student Fee Bonds, Series CC, in the initial aggregate principal amount of One Hundred Twenty-One Million Eight Hundred Eighty-Five Thousand Dollars ($121,885,000), and any Student Fee Bonds in substitution or replacement therefor.

"Student Fees" means all academic fees (including tuition), however denominated, assessed by the Corporation against students attending Purdue University, except fees which may be subsequently released from the lien of the Indenture, as provide therein.

"Student Fee Bond" or "Student Fee Bonds" means any obligation including bonds, notes, temporary, interim or permanent certificates of indebtedness, debentures, capital leases, or any and all other obligations consistent with the Indenture and allowable under the laws of the State of Indiana, which are payable out of Student Fees and other Pledged Funds and which obligation or obligations are authenticated and delivered under and pursuant to the Indenture.

"Subordinated Bonds" means those Additional Bonds issued under the Indenture that are subordinated pursuant to the Indenture to other Student Fee Bonds as to principal and interest repayment.

"Termination Payment" means termination payments the amount of and due date for which have been ascertained by reference to a Qualified Swap Agreement.

"Variable Rate Bond" means any Student Fee Bond the interest rate on which, at the time of issuance, is not established at a fixed numerical rate or rates to stated maturity.

Flow of Funds

Sinking Fund. The Corporation will maintain with the Trustee a separate fund known as the Sinking Fund ("Sinking Fund") pursuant to the Indenture. Within the Sinking Fund the Trustee will establish and maintain so long as any Series CC Bonds are Outstanding separate accounts known as the Series CC Principal Account and the Series CC Interest Account for the Series CC Bonds. On or before each interest or principal payment date on the Series P Bonds, the Series U Bonds, the Series X Bonds, the Series Y Bonds, the Series Z-1 Bonds, the Series Z-2 Bonds, the Series AA Bonds, the Series BB Bonds, the Series CC Bonds and any additional Parity Bonds (except for any Optional Tenders for which a Credit Support Instrument has been provided), the Corporation will transfer and remit Student Fees to the Trustee by wire transfer in immediately available funds for deposit in the Sinking Fund in an amount which, when added to any amount then in the Sinking Fund, equals the amount of such principal and interest on all Parity Bonds becoming due on such interest or principal payment date (other than Optional Tenders for which a Credit Support Instrument is provided) and any deficiencies then in existence in regard to the Sinking Fund. On or before any interest or principal payment date on Subordinated Bonds or Optional Tenders for which a Credit Support Instrument was provided but which was not paid through a Credit Support Instrument, after making the transfers required above and described in the paragraph below concerning the Reserve Fund, the Corporation will transfer and remit Student Fees to the Trustee by wire transfer in immediately available funds for deposit in the special account therefor in the Sinking Fund, in an amount which, when added to any amount in said special account and other funds legally available for that purpose, equals the principal amount of Subordinated Bonds or Optional Tenders not paid through a Credit Support Instrument due on that payment date and interest accrued to that date in the order of priority established by the applicable supplemental indenture. Payments of such Optional Tenders from the Sinking Fund will be subordinate to the payment of the principal of and interest on any Parity Bonds.

Reserve Fund. The Corporation will maintain with the Trustee a separate fund known as the Reserve Fund (the "Reserve Fund") pursuant to the Indenture. ***No Reserve Fund Requirement exists for any Outstanding Student Fee Bonds or for the Series CC Bonds, and the Outstanding Student Fee Bonds and the Series CC Bonds do not have, and will not have, any claim on the Reserve Fund.*** However, the Corporation may issue Parity Bonds at a later date which have a claim on the Reserve Fund. In connection with the issuance of such Parity Bonds the Corporation will deposit in the Reserve Fund an amount necessary to satisfy the Reserve Fund Requirement resulting from the issuance thereof. Such deposit requirement in connection with the issuance of Parity Bonds may also be satisfied by providing in supplemental indentures that annual deposits may be made commencing on the October 1 following the date on which said Parity Bonds are issued and continuing on or before each October 1 thereafter for the 3 succeeding years or such lesser number of years specified in the supplemental indenture. Said deposits will equal, after taking into account any other monies deposited in the Reserve Fund on the day of delivery and payment for such series of Parity Bonds, an amount equal to the initial unfunded Reserve Fund Requirement divided by the total number of annual deposits to be made. Except as provided below the Corporation may elect to provide a Reserve Fund Credit Instrument for purposes of maintaining the Reserve Fund Requirement. In those circumstances the Trustee will include in the total amount held in the Reserve Fund an amount equal to the maximum principal amount which could be drawn by the Trustee under all Reserve Fund Credit Instruments.

From time to time Parity Bonds may be issued under the Indenture which will have no claim on the Reserve Fund. No Reserve Fund Requirement will exist for such Parity Bonds.

The Reserve Fund will be used and applied to make up deficiencies in the Sinking Fund with respect to any Parity Bonds which have a claim on the Reserve Fund (other than Optional Tenders for which a Credit Support Instrument has been provided), and the Trustee will draw first on any cash or Permitted Investments on deposit in the Reserve Fund and then pro rata, or as otherwise provided in the applicable supplemental indenture, on the Reserve Fund Credit Instrument or Reserve Fund Credit Instruments as needed for the purpose of paying the principal of, redemption premium, if any, and interest on any such Parity Bonds when due, when there are insufficient moneys in the Sinking Fund for such purpose.

Any withdrawal from the Reserve Fund of money on deposit therein will be subsequently replaced and restored from the first available Pledged Funds after all required transfers to the Sinking Fund have been made in full if the amount thereafter in the Reserve Fund is less than the Reserve Fund Requirement. Such replacement and restoration will first be provided in regard to the Reserve Fund Credit Instrument or Reserve Fund Credit Instruments on a pro rata basis and thereafter in favor of any portion of the Reserve Fund to be maintained in cash or Permitted Investments.

If a drawing is made from any Reserve Fund Credit Instrument, the Corporation will reinstate the maximum limits of such Reserve Fund Credit Instrument within 12 months following such drawing solely from Pledged Funds available after all required payments have been made into the Sinking Fund, so that, together with moneys on deposit therein, if any, there will be on deposit in the Reserve Fund an amount (including the maximum amount then payable under the terms of the Reserve Fund Credit Instrument) equal to the Reserve Fund Requirement.

Series CC Project Fund. Pursuant to the Thirtieth Supplemental Indenture, the Corporation will establish a separate fund to be known as the Series CC Project Fund (the "Series CC Project Fund"), into which a portion of the proceeds of the Series CC Bonds will be deposited to be used by the Corporation for the purpose of funding the costs of the Projects.

Moneys deposited to the credit of the Series CC Project Fund will be deposited in the following Accounts of the Series CC Project Fund:

> Refunding Account: A portion of the proceeds of the Series CC Bonds will deposited in the Refunding Account and transferred immediately by the Trustee to the Escrow Trustee for the purpose of refunding the Refunded Bonds in accordance with the Escrow Agreement.
>
> Agricultural and Life Sciences Facility Account. A portion of the proceeds of the Series CC Bonds will be deposited into the "Agricultural and Life Sciences Facility Account". Amounts in such Account will be applied only toward the cost of (or to reimburse the Corporation for payment theretofore made by it on account of) the New Project. Upon the completion of the New Project, any balance of moneys in such Account may, at the option of the Corporation, be (i) applied to pay other costs associated to the equipping and furnishing of the New Project, to the extent permitted under federal tax laws and regulations, (ii) transferred to the Series CC Interest Account of the Sinking Fund to pay interest on the Series CC Bonds, (iii) transferred to the Series CC Principal Account of the Sinking Fund to pay principal of the Series CC Bonds, (iv) deposited in the Rebate Fund, or (v) transferred to an additional project account as provided in the Indenture and the Rebate Agreement.
>
> Moneys on deposit in the Series CC Project Fund and all the accounts thereof (except the Refunding Account) will be invested in accordance with the provisions of the Rebate Agreement, and income or losses resulting from such investments will be credited or debited to the "Earnings Account" (described herein).
>
> If at any time it becomes impossible or impractical for the Corporation to expend moneys deposited in the Agricultural and Life Sciences Facility Account, the Corporation may transfer such moneys to a new account for a different project in accordance with the requirements of the Indenture and the Rebate Agreement.
>
> Earnings Account. Amounts in the Earnings Account shall, at the option of the Corporation, (i) be used as needed to pay costs of the New Project, or any other costs associated with the equipping, landscaping or furnishing of such New Project, prior to the completion of construction of such New Project; or (ii) if funds are available, be applied

to pay construction period interest. After completion of the New Project, amounts held in the Earnings Account may, at the option of the Corporation, (i) be transferred to the Rebate Fund established pursuant to the Rebate Agreement; (ii) be deposited in the Series CC Interest Account of the Sinking Fund, to pay interest on the Series CC Bonds; (iii) be deposited in the Series CC Principal Account of the Sinking Fund, to pay principal of the Series CC Bonds; or (iv) be transferred to an additional project account, if any, described above.

Expense Account. The Corporation will establish a separate account in the Series CC Project Fund to be known as the "Expense Account," to the credit of which deposits are to be made from the proceeds of the Series CC Bonds. Moneys on deposit in the Expense Account will be applied to pay certain costs of issuing the Series CC Bonds. Any moneys remaining in the Expense Account on December 15, 2016, will be transferred to the Series CC Interest Account of the Sinking Fund.

Additional Security

At any time by a supplemental indenture the Corporation may pledge, assign or grant a security interest in or lien on any additional funds or source of regular income of the Corporation to the Trustee for the security of the Student Fee Bonds, which shall be free and clear of any equal or prior security interest or lien. Any such supplemental indenture will be accompanied by an opinion of nationally recognized bond counsel that the pledge of additional security is valid, binding and effective. Upon such a supplemental indenture being delivered, the amount of the additional income as to which the supplemental indenture applies will be added to the amount of Student Fees for purposes of computing the amount of Additional Bonds which may be issued.

Partial Release of Lien on Student Fees

The Corporation, from time to time, will have the right to incur other indebtedness pursuant to the provisions of Indiana law (other than the Act), which indebtedness may be payable from a particular fee or fees or other charges made to students attending Purdue University which fees or charges may be Student Fees. The Corporation and Trustee may enter into an amendatory or supplemental indenture for the purpose of releasing said fees or charges from the lien of the Indenture and excluding said fees or charges constituting Student Fees from the definition of Student Fees in the Indenture, if actual Student Fees received by the Corporation during the preceding Fiscal Year, less those fees and charges to be removed from the definition of Student Fees and from the lien of the Indenture, are equal to or greater than two (2) times the Maximum Annual Debt Service to become due in that or any succeeding Fiscal Year for the payment of principal and interest charges on Student Fee Bonds then Outstanding.

Covenants of the Corporation

In the Indenture, the Corporation covenants, among other things:

1. to pay the interest on and principal of all Student Fee Bonds, according to the terms of such Student Fee Bonds and the Indenture;

2. to pay all the costs, charges and expenses incurred by the Trustee or any holder of Student Fee Bonds, including reasonable attorneys' fees reasonably incurred or paid, because of the failure on the part of the Corporation to perform, comply with and abide by each and every of the stipulations, agreements, conditions and covenants of the Indenture and of all Student Fee Bonds, or either of them;

3. to operate the University and its instructional programs to the extent that it will continue to be able to assess, charge and collect Student Fees adequate to meet its needs under the Indenture;

4. to establish and collect Student Fees so as to generate in each Fiscal Year amounts equal to no less than the sum of: (i) an amount equal to 1.0 times the Annual Debt Service Requirement for such Fiscal Year, provided that if the rate of interest borne by any Variable Rate Bond is fixed for such Fiscal Year at a single rate of interest, such Variable Rate Bonds will be treated as Fixed Rate Bonds for the purposes of the Annual Debt Service Requirement calculation; (ii) the amount, if any, to be paid into the Reserve Fund or to be paid to any Reserve Fund Insurer or the provider of any other Reserve Fund Credit Instrument with respect to such Fiscal Year; and (iii) any other amounts to be paid from Student Fees with respect to such Fiscal Year in accordance with the Indenture; and to adopt an annual budget for each Fiscal Year setting forth the above items;

5. to keep and maintain accurate books and records relating to (i) the collection of Student Fees, (ii) the allocation thereof, (iii) the enrollment of students at the University, and (iv) the payments into the Sinking Fund and Reserve Fund, which said books and records will be open for inspection by any holder of the Student Fee Bonds at any reasonable time;

6. to furnish to the Trustee and any holder of 25% or more in aggregate principal amount of Student Fee Bonds requesting the same in writing, not later than 150 days after the close of each Fiscal Year, copies of audit reports, certified by the Treasurer of the Corporation, reflecting in reasonable detail the status of the books and records described in clause (5) above;

7. that the Corporation reserves the right to issue Additional Bonds the interest on which is not intended to be exempt from taxes under the Internal Revenue Code of 1954, as amended (or any successor section of such Code or subsequent federal income tax statute or code); and

8. to do any and all things necessary in order to maintain the pledge, assignment and grant of a lien on and security interest in the Pledged Funds as valid, binding, effective and perfected, all as provided in the Indenture.

The Corporation has also entered into the following tax covenants regarding the Series CC Bonds:

(a) that it will not permit the facilities financed or refinanced with the proceeds of the Series CC Bonds to be used in such manner as would result in the loss of the exclusion of interest on the Series CC Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "1986 Code") (or any successor section of such 1986 Code or subsequent federal income tax statute or code), nor will the Corporation act in any other manner which would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series CC Bonds; this covenant is based solely on current law in effect and in existence on the date of delivery of said Series CC Bonds; and

(b) that it will not make any investment or do any other act or thing during the period that any Series CC Bonds are Outstanding which would cause any of the Series CC Bonds or Refunded Bonds to become or be classified arbitrage bonds within the meaning of Section 148 of the 1986 Code (or any successor section of such 1986 Code or subsequent federal income tax statute or code), including but not limited to the obligation to rebate certain investment earnings to the United States of America; this covenant is based solely on current law in effect and in existence on the date of delivery of said Series CC Bonds.

However, it will not be an event of default under the Indenture if the interest on the Series CC Bonds becomes includable in the gross income for federal income tax purposes or otherwise subject to federal income taxes pursuant to any provision of the 1986 Code which is not currently in effect and in existence on the date of issuance of the Series CC Bonds.

Investments

All moneys on deposit in the Funds established under the Indenture held by the Corporation may be commingled for investment purposes with the Corporation's other investments and invested as permitted by law. The Funds held by the Trustee will be invested by the Trustee as directed by the Corporation in Permitted Investments. Interest earned or gains or losses realized on Funds held by the Trustee will be credited or debited to that Fund; provided, that earnings and other investment income on money in each Account of the Series CC Project Fund will be deposited as described above under "Flow of Funds -- Series CC Project Fund;" and provided that interest earned or gains realized on the amounts which may be held in the Reserve Fund in excess of the Reserve Fund Requirement from time to time will be credited to the Sinking Fund.

Defaults and Remedies

Any of the following events will be an Event of Default under the Indenture:

1. default is made in the payment by the Corporation of the principal of any one or more of the Student Fee Bonds when the same becomes due and payable by lapse of time, by call for redemption, or otherwise; or

2. default is made in the payment by the Corporation of any interest on any one or more Student Fee Bonds when the same becomes due and payable as therein expressed; or

3. default is made by the Corporation or any of its officers in the performance or observance of any of the other covenants, conditions or obligations in the

Student Fee Bonds or in the Indenture expressed and such default is not remedied within 30 days after written notice from the Trustee to remedy such default, which may serve such notice in its discretion and will serve the same at the written request of the holders of not less than 25% in the principal amount of Student Fee Bonds then Outstanding under the Indenture or of the provider of any Credit Support Instrument; or

4. the Corporation (i) admits in writing its inability to pay its debts generally as they become due, (ii) has an order for relief entered in any case commenced by or against it under federal bankruptcy laws, as now or hereafter in effect, (iii) commences a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar laws, or has such a proceeding commenced against it and has either an order of insolvency or reorganization entered against it or has the proceeding remain undismissed and unstayed for 90 days, (iv) makes an assignment for the benefit of creditors, or (v) has a receiver or trustee appointed for it or for the whole or substantial part of its property; or

5. default is made in the payment by the Corporation of any junior lien obligations, as described in the Indenture.

Upon any Event of Default, the Trustee may, in its discretion, and, upon the written request of the holders of 25% in principal amount of the Student Fee Bonds then outstanding or the provider of any Credit Support Instrument and upon being indemnified to its satisfaction by the party or parties requesting such action, will proceed to protect and enforce its rights and the rights of the holders of the Student Fee Bonds by suit or suits at law or in equity, whether for the specific performance of any covenant or agreement contained in the Indenture, or in the execution or aid of any power granted in the Indenture, or for the enforcement of any other proper legal or equitable remedy as the Trustee, being advised by counsel, deems most effectual to protect and enforce its rights and the rights of such holders of the Student Fee Bonds.

All rights of action under or in respect of the Indenture will be exercised only by the Trustee and no holder of any Student Fee Bond will have any right to institute any suit, action or proceeding at law or in equity for any remedy under the Indenture or by reason thereof, unless and until the Trustee has received the written request of the holders of not less than 25% in principal amount of the Student Fee Bonds then outstanding (or any provider of a Credit Support Instrument to the extent provided in the applicable supplemental indenture) and has been offered reasonable indemnity and has refused or for 30 days thereafter neglected to institute such suit, action or proceeding. The Trustee may in its discretion and, when duly requested in writing by the holders of at least 25% in principal amount of the Student Fee Bonds then outstanding (or the provider of a Credit Support Instrument) and furnished indemnity satisfactory to it against expenses, charges and liabilities, will take such appropriate action by judicial proceedings or otherwise in respect of any existing default on the part of the Corporation as the Trustee may deem expedient in the interest of the holders of the Student Fee Bonds outstanding.

The Trustee is appointed the special agent and representative of the holders of Student Fee Bonds and vested with full power in their behalf to effect and enforce the Indenture for their benefit as provided therein. However, the holders of 51% or more in aggregate principal amount of all Student Fee Bonds then Outstanding are entitled to direct and control the conduct of any proceeding for exercising any remedies available to the Trustee.

Unless an Event of Default has occurred and has not been cured, the Corporation will remain in full possession and control of the Student Fees, subject always to the observance of the covenants of the Indenture with respect thereto. Upon the occurrence of an Event of Default, the Trustee will have the right, upon a demand to the Corporation, to have all Student Fees deposited, as they are collected, in a Student Fee Fund to be maintained by the Trustee, to invest that Fund in Permitted Investments, to apply amounts in that Fund first to the payment of principal of and interest on the Student Fee Bonds and the maintenance of the Reserve Fund, then to repay providers of Reserve Fund Credit Instruments, and finally to remit all other amounts in such Fund not needed to be held aside for those purposes to the Corporation.

If there has been an Event of Default under subparagraph (5) above which gives rise to a right of acceleration or similar right to immediate payment on such junior lien obligation, the remedies available to the Trustee will also include the right to give written notice to the Corporation of acceleration of all principal of and accrued interest on all of the Student Fee Bonds then Outstanding under the Indenture. Such amounts will thereby become due and payable in full on a date to be stated in each notice, which date will be not less than six Business Days following receipt by the Corporation of such notice.

Defeasance

If (1) the Corporation pays, or causes to be paid, or there is otherwise paid to the holders of all Student Fee Bonds, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, (2) the Corporation pays all expenses and fees of the Trustee and Paying Agent, and (3) the Corporation keeps, performs and observes all and singular the covenants and promises in the Student Fee Bonds and in the Indenture expressed as to be kept, performed and observed by it or on its part, then the pledge of Student Fees and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the Corporation to the holders of the Student Fee Bonds, will thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee will cause an accounting for such period or periods as is requested by the Corporation to be prepared and filed with the Corporation, and upon request of the Corporation will execute and deliver all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent will pay over to or deliver to the Corporation all moneys or securities held by them pursuant to the Indenture which are not required for the payment of principal and interest payments on the Student Fee Bonds. If the Corporation pays or causes to be paid, or makes provisions for payment in accordance with the Indenture, to the holders of all Student Fee Bonds then Outstanding of a particular series, or of a particular maturity within a series, the principal and the interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Student Fee Bonds will cease to be entitled to any lien, benefit or security under the Indenture (except for the moneys, Federal Securities and Escrowed Municipals deposited as described in the Indenture) and all covenants, agreements and obligations of the Corporation to the holders of such Student Fee Bonds will thereupon cease, terminate and become void and be discharged and satisfied.

Student Fee Bonds for the payment or redemption of which moneys have been set aside and are held in trust by the Trustee (through irrevocable deposit by the Corporation of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the immediately preceding paragraph. Any Student Fee Bonds will prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the immediately preceding paragraph if (a) in case such Student Fee Bonds are to be redeemed on any date prior to their maturity, the Corporation has given to the Trustee irrevocable instructions to give notice of redemption of such Student Fee Bonds on said date, (b) there has been deposited with the Trustee either moneys in an amount which is sufficient, or non-callable Federal Securities or Escrowed Municipals the principal of and the interest on which when due will provide moneys which, together with other moneys, if any, deposited with the Trustee at the same time, are sufficient, to pay when due the principal of and interest due and to become due on such Student Fee Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Student Fee Bonds do not mature and are not to be redeemed within the next succeeding 60 days, the Corporation has given the Trustee irrevocable instructions to give, as soon as practicable, notice to the holders of such Student Fee Bonds that the deposit required by (b) above has been made with the Trustee and that such Student Fee Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of such Student Fee Bonds. Neither any Federal Securities or Escrowed Municipals nor any moneys so deposited with the Trustee nor any principal or interest payments on any such Federal Securities or Escrowed Municipals will be withdrawn or used for any purposes other than, and will be held in trust for, the payment of the principal of and the interest on such Student Fee Bonds. However, any cash received from such principal or interest payments on such Federal Securities or Escrowed Municipals deposited with the Trustee, (a) to the extent such cash will not be required at any time for such purposes, will be paid over to the Corporation as received by the Trustee, free and clear of any trust, lien or pledged securing such Student Fee Bonds or otherwise existing under the Indenture, and (b) to the extent such cash will be required for such purpose at a later date, will, to the extent practicable, be reinvested in Federal Securities or Escrowed Municipals maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on such Student Fee Bonds on and prior to such redemption date or maturity date thereof, and interest earned from such reinvestments will be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge.

Supplemental Indentures; Amendments

The Trustee and the Corporation may, from time to time, enter into supplemental indentures for any of the following purposes, without any action by or notice to the holders of any Student Fee Bonds:

1. to restrict the issue and the purposes of issue of Additional Bonds under the Indenture by imposing additional conditions and restrictions so long as the same will not impair the security afforded by the Indenture;

2. to add to the covenants and agreements or to surrender any right or power of the Corporation in the Indenture;

3. to describe the terms of a new series of Student Fee Bonds;

4. to make such provisions in regard to matters or questions arising under the Indenture as may be necessary or desirable but not inconsistent with the Indenture;

5. 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 modification will be or become operative or effective or in any manner impair any rights of the holders of the Student Fee Bonds or the Trustee (except as otherwise provided or permitted pursuant to the Indenture), while any Student Fee Bonds of any series issued prior to the execution of such supplemental indenture remain Outstanding; and provided further, that such supplemental indenture will be specifically referred to in the text of all Student Fee Bonds of any series issued after the execution of such supplemental indenture; and provided, also, that the Trustee may in its uncontrolled discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when such supplemental indenture becomes operative;

6. to add to the powers, duties and obligations of the Trustee or to impose requirements with respect to the qualification or disqualification of any bank or trust company to act as Trustee under the Indenture;

7. further to restrict investments to be made by the Trustee or Corporation;

8. to grant additional rights to the provider of any Credit Support Instrument or Reserve Fund Credit Instrument, including, if desired, the creation of a special reserve therefor;

9. to provide for partial release of the lien on the security interest in Student Fees as provided in the Indenture;

10. for any other purpose not prohibited by the terms of the Indenture which does not impair the security afforded thereby or for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective or inconsistent provision contained in the Indenture or in a supplemental indenture; or

11. to provide for the terms under which Qualified Swap Agreements may be entered into by the Corporation in connection with any Student Fee Bonds, including the relation of Qualified Swap Receipts and Qualified Swap Payments by the Corporation to the flow of funds set forth in the Indenture applicable to such Student Fee Bonds, and all other necessary or appropriate terms and conditions of such Qualified Swap consistent with the Indenture; provided, however, that such Qualified Swap Agreement does not have an adverse effect on any rating of the Student Fee Bonds by any nationally recognized rating agency currently rating such Student Fee Bonds, without regard to any other factors which may affect such rating.

In all cases the holders of not less than 51% in principal amount of any series of Student Fee Bonds Outstanding affected by a modification or alteration, will have the power to authorize any modification or alteration of the Indenture or any supplemental indenture, provided always that no modification or alteration will (i) affect the Corporation's obligation to pay the debt service on the Student Fee Bonds in respect to the date of payment, place of payment and amount, (ii) give to any Student Fee Bond or Student Fee Bonds secured by the Indenture any preference over any other Student Fee Bond or Student Fee Bonds so secured, (iii) authorize the creation of any lien upon any of the property, the income of which is or shall, in the future, be payable to the Trustee under the Indenture, (iv) deprive any holder of any Student Fee Bonds of the security afforded by the Indenture, or (v) reduce the percentage of principal amount of Student Fee Bonds required by the provisions of the Indenture for any action described above.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series CC Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion relates only to the exclusion from gross income of interest on the Series CC Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Corporation with the Tax Covenants (as hereinafter deemed). Failure to comply with the Tax Covenants could cause interest on the Series CC Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series CC Bonds is exempt from income taxation in the State of Indiana. This opinion relates only to the exemption of interest on the Series CC Bonds for State income tax purposes. 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 CC Bonds as a condition to the exclusion from gross income of interest on the Series CC Bonds for federal income tax purposes. The Corporation will covenant not to take any action within its power and control, nor fail to take any action with respect to the Series CC Bonds, that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series CC Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the Series CC Bonds establish procedures under which compliance with the requirements of the Code can be met.

Indiana Code (IC) 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is 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. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Series CC Bonds.

Although Bond Counsel will render an opinion that interest on the Series CC Bonds is excludable from gross income under Section 103 of the Code for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the Series CC Bonds may otherwise affect a Bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon a Bondholder's particular tax status and a Bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series CC Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series CC Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series CC Bonds.

BOND PREMIUM

The initial public offering prices of all Series CC Bonds are greater than the principal amounts payable at maturity or call date. As a result, the Series CC Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Series CC Bond in the initial public offering will be required to adjust the owner's basis in the Series CC 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 Series CC 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. Rules for determining (i) yield, (ii) the amount of amortizable Bond Premium and (iii) 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 for purposes of determining other tax consequences of owning the Series CC Bonds. Owners of Series CC 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 Series CC Bonds and with respect to the state and local tax consequences of owning and disposing of Series CC 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 the Series CC Bonds

As of the date of delivery the Series CC 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 CC Bonds or the pledging of the Pledged Funds, or in any way contesting, questioning or affecting the validity of any provision of the Series CC Bonds, the proceedings or the authority of the Corporation taken with respect to the issuance or sale thereof, the resolutions authorizing the Series CC Bonds, or the Indenture. Neither the creation, organization or existence of the Corporation nor the title of any of the present members of the Board of Trustees or other Corporation officers to their respective offices is being contested.

Other Proceedings

From time to time, the Corporation is involved in 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.

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 CC Bonds the ratings of "Aaa" and "AAA," respectively. An explanation of the rating by Moody's may be obtained from such agency at 7 World Trade Center at 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, 10004.

The ratings are not a recommendation to buy, sell or hold any of the Series CC Bonds. There is no assurance that the ratings will remain in effect for any given period of time or that a rating will not be revised downward or withdrawn entirely by Moody's or S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price or marketability of the Series CC Bonds.

CONTINUING DISCLOSURE

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 previously supplemented and as further supplemented by a Ninth Supplement to Continuing Disclosure Undertaking Agreement, dated as of April 15, 2016 (as supplemented, the "Undertaking"). Each Underwriter, by its agreement to purchase any Series CC Bonds, accepts and assents to the Undertaking and the exchange of (i) such agreement for (ii) the promises of Corporation, and assigns all its rights under the Undertaking to the holders of Series CC Bonds or Beneficial Owners (as such terms are defined in the Undertaking). Beneficial Owners and holders of Bonds (including the Series CC Bonds) are named as third party beneficiaries of the Undertaking.

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

- <u>Audited Financial Statements</u>. To the Municipal Securities Rulemaking Board ("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, 2016, 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, 2016, annual financial information of the Corporation for such fiscal year, other than the audited financial statements described above, including (i) unaudited financial statements of the Corporation if audited financial statements are not available and (ii) 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 REQUIREMENTS

  (Total Debt Service Column Only)

  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 CC Bonds, in each case (i) in an electronic format as prescribed by MSRB and (ii) accompanied by identifying information as prescribed in MSRB:

  — 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 CC Bonds,

or other material events affecting the tax status of the Series CC Bonds;

- modifications to the rights of owners of the Series CC Bonds, if material;
- Series CC Bond calls, if material, and tender offers;
- defeasances;
- release, substitution or sale of property securing repayment of the Series CC 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 failing 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 has agreed 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 CC Bonds, the Indenture or any other agreement to which the Corporation is a party.

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 CC 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 CC 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 CC 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 CC 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 CC 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 CC 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 51% or more of Outstanding Series CC Bonds as required under the Indenture 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.

CERTAIN LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series CC Bonds are subject to the approval of Ice Miller LLP, Bond Counsel and Disclosure Counsel. Certain legal matters will be subject to the approval of Barnes & Thornburg LLP, counsel to the Underwriters. Certain legal matters will be subject to the approval of Stuart & Branigin LLP, Lafayette, Indiana, counsel to the Corporation. The form of the approving opinion of Bond Counsel with respect to the Series CC 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 CC 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 CC 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 CC Bonds in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

VERIFICATION

At the time of the delivery of the Series CC Bonds, Causey, Demgen and Moore will deliver a report on the mathematical accuracy of the computations contained in schedules provided to them which were prepared by the Underwriters on behalf of the Corporation relating to the (a) sufficiency of the anticipated cash flow from the Government Obligations and cash in the Escrow Fund to pay, when due, the principal, interest and redemption requirements of the Refunded Bonds being advance refunded, as specified in the Escrow Agreement, and (b) the "yield" on the Series CC Bonds and on the Government Obligations considered by Bond Counsel in connection with its opinion that the Series CC Bonds are not "arbitrage bonds" within the meaning of section 148 of the Code.

The report of Causey, Demgen and Moore will include a statement that the scope of their engagement was limited to verifying the mathematical accuracy of the computations continued in such schedules provided to them and that they have no obligation to update their report because of events occurring or data or information coming to their attention, subsequent to the date of the report.

UNDERWRITING

Barclays Capital Inc., for itself and as the representative of others as shown on the cover page hereof (the "Underwriters"), has agreed to purchase the Series CC Bonds subject to certain conditions precedent, and the Underwriters are obligated to purchase all Series CC Bonds issued at an aggregate purchase price of $147,161,986.23 (representing the aggregate par amount of Series CC Bonds, plus original issue premium of $25,691,201.95, and less the Underwriters' discount of $414,215.72). The Underwriters may offer and sell the Series CC Bonds to certain dealers (including dealers depositing the Series CC 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.

Loop Capital Markets, one of the Underwriters of the Series CC Bonds, has entered into distribution agreements (each a "Distribution Agreement") with each of UBS Financial Services Inc. ("UBSFS"), Deutsche Bank Securities Inc. ("DBS") and Credit Suisse Securities USA LLC ("CS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement, each of UBSFS, DBS and CS will purchase the Series CC Bonds from Loop Capital Markets at the original issue prices less a negotiated portion of the selling concession applicable to any Series CC Bonds that such firm sells.

FINANCIAL ADVISOR

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

SPECIAL 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 CC Bonds, a copy of the Indenture will be available for inspection at the Office of the Treasurer of the University, Hovde Hall, West Lafayette, Indiana 47907, and at the offices of Barclays Capital Inc., 745 Seventh Avenue, 19th Floor, New York, NY 10019. APPENDICES A and D have been prepared by the Corporation and APPENDIX B, the Corporation's financial statements, were furnished by the Corporation. APPENDIX C has been prepared by Ice Miller LLP, Bond Counsel to the Corporation. All of the Appendices hereto are incorporated as an integral part of this Official Statement.

THE TRUSTEES OF PURDUE UNIVERSITY

/s/ William E. Sullivan
William E. Sullivan, Treasurer

Dated: April 21, 2016

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 68,600 full-time and part-time students and approximately 5,250 faculty and lecturers on its main, regional, and statewide campuses as of Fall 2015. An additional 6,010 Purdue students were enrolled in Fall 2015 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. At the request of the State of Indiana, a review of the role and governance for IPFW was released January 15, 2016. See "Review of Indiana University-Purdue University Fort Wayne Role and Governance" below. Purdue University also operates a Statewide Technology Program at numerous locations throughout Indiana. In July 2014, the Calumet and North Central campuses began an administrative consolidation with a target for completion of the unification as "Purdue Northwest" by July 2016. See "Purdue Calumet and Purdue North Central Unification Effort" below.

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:

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

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

<u>North Central</u> - 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.

Review of Indiana University-Purdue University Fort Wayne Role and Governance

The 2015 State Budget Bill (Public Law 213-2015) enacted by the Indiana General Assembly directed Purdue University and Indiana University, in consultation with the Chancellor of Indiana University-Purdue University Fort Wayne ("IPFW"), the IPFW Community Council, and the IPFW Senate, to conduct a study to evaluate the role and governance of IPFW and explore options for improvement of its role and governance. The law further directed Purdue University and Indiana University to make findings and recommendations to the Boards of Trustees of Purdue University and Indiana University that could facilitate IPFW's development as a multisystem metropolitan university. The State Budget Bill also directed the Legislative Services Agency to conduct a study of these issues.

At the request of Legislative Services Agency and the Chair of the Legislative Council, which oversees the Legislative Services Agency, representatives of Purdue University, Indiana University, the IPFW Chancellor, the IPFW Community Council, and the IPFW Senate agreed to serve as a working group to present proposals to Purdue University, Indiana University, and the Legislative Services Agency. The full report dated January 15, 2016 can be found at: https://iga.in.gov/legislative/2016/publications/evaluation_report/.

Purdue Calumet and Purdue North Central Unification Effort

In July 2014, the Calumet and North Central campuses began administrative consolidation to make additional resources available to students such as more choices in programs and more options for community engagement and professional development. Upon completion, the new unified campuses, Purdue University Northwest, will be the fifth largest public university in Indiana, enrolling more than 15,000 students and offering more than 70 graduate and undergraduate programs of study on two campuses. On February 25, 2016, The Higher Learning Commission of the North Central Association of Colleges and Schools voted to approve the application for Purdue University Calumet and Purdue University North Central to unify into a single institution, Purdue University Northwest, contingent upon certain actions by the University. The anticipated date for satisfaction of the contingencies and completion of the unification is July 2016. All students enrolled from that date forward will be students of Purdue University Northwest. Effective July 1, 2016, Thomas Keon will serve as Chancellor for Purdue Northwest.

Purdue Moves

In 2013, Purdue's President Mitch Daniels announced a new set of initiatives, referred to as "Purdue Moves," to leverage Purdue's strengths as a university and invest in those disciplines with the greatest potential to change the world. Progress to date in the four initiatives at the West Lafayette campus include:

- Affordability & Accessibility
    - Breaking a 36-year series of tuition increases, Purdue tuition will remain near the 2012-13 levels through at least the 2016-17 academic year for all students
    - Housing costs have been held flat since 2014
    - Meal costs were cut by 5% in fiscal 2014 and 2015, respectively, then held flat for fiscal 2016
    - Purdue student and parent borrowing for college costs is down by 23% since 2012
    - The Fall 2015 freshman class is the largest in recent history
- STEM Leadership
    - The Purdue Polytechnic Institute was officially formed in May 2015, and is delivering a transformed first-year experience to more than 600 students in Fall 2015
    - The College of Engineering exceeded its undergraduate expansion goal in Fall 2015, a year ahead of schedule, by enrolling a record 7,928 undergraduates — 150 students above the expansion target
    - The Department of Computer Science has grown its undergraduate student population by 56% and its graduate student population by 37% in the past three years, and has added 10 new faculty in the last 18 months
- World-Changing Research
    - The Purdue University Center for Drug Discovery was established in Fall 2014
    - Purdue has invested more than $20 million in the College of Agriculture for plant sciences research and education since Fall 2013
    - Purdue ranked 16th in the world among universities granted U.S. utility patents in 2014
- Transformative Education
    - Summer enrollment is up over 13% since 2013
    - Study Abroad participation is up 52% since 2013
    - Purdue launched the Gallup-Purdue Index, the largest representative study of college graduates of its type, in conjunction with Gallup and the Lumina Foundation in December 2013. The Index seeks to measure two of the most important outcomes of higher education — great careers and lives that matter — and provides higher education leaders with productive insights for meaningful performance improvements. The Gallup-Purdue Index will release annual reports until 2018, beginning with the first two reports released in May 2014 and September 2015

- Acknowledging the benefits of living on campus for students' academic success, many residence halls have been 'academicized', providing students with a variety of study spaces including meeting rooms, conference rooms, group study rooms, a computer lab and collaboration tables, all designed to meet various study styles

Each area of the University is engaged in moving the University forward, dedicated to offering higher education at its highest proven value.

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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 are as follows:

The Board of Trustees of the Corporation

Sonny Beck*
Michael Berghoff
JoAnn Brouillette
Vanessa Castagna
John D. Hardin, Jr.*
Michael Klipsch
Gary J. Lehman
Cameron S. Mann
Thomas E. Spurgeon
Don Thompson*

Officers of the Corporation

The current officers of the Corporation are listed below.

Michael Berghoff, *Chairman*
Thomas E. Spurgeon, *Vice Chairman*
William E. Sullivan, *Treasurer*
James S. Almond, *Assistant Treasurer and Assistant Secretary*
Janice A. Indrutz, *Corporate Secretary*
Steven R. Schultz, *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
Morgan J. Burke, Vice President and Director of Intercollegiate Athletics **
Gina C. DelSanto, Chief of Staff
Debasish Dutta, Executive Vice President for Academic Affairs and Provost
Suresh Garimella, Executive Vice President for Research and Partnerships
Julie K. Griffith, Vice President for Public Affairs
William G. McCartney, Vice President for Information Technology and System Chief Information Officer
Alysa Christmas Rollock, Vice President for Ethics and Compliance
Steven R. Schultz, University Legal Counsel
William E. Sullivan, 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

*Term expires June 30, 2016
**Has announced intent to retire in July 2017
***Effective July 1, 2016, Thomas Keon will serve as Chancellor for Purdue Northwest, see "Purdue Calumet and Purdue North Central Unification Effort"

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 admission and monitoring retention and graduation rates at the West Lafayette campus to maintain a level enrollment of approximately 30,500 undergraduate students by 2019.

ACADEMIC YEAR	APPLICATIONS RECEIVED	APPLICATIONS ACCEPTED	PERCENT ACCEPTED	STUDENTS ENROLLED	YIELD OVERALL	YIELD IN STATE
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%
2015-16	45,023	26,524	58.9%	6,812	25.7%	55.9%

The freshman applicants at the West Lafayette campus for the fall semesters 2011 through 2015 had an average combined score for the Scholastic Aptitude Test (SAT) verbal and mathematical test of 1175, 1186, 1200, 1213 and 1212. Approximately 80% of the Fall 2015 freshman class had a high school grade point average between 3.5 and 4.0 and 93% of the Fall 2015 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 2011-12 through 2015-16. Approximately 54% 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 2015.

WEST LAFAYETTE CAMPUS TUITION AND FEES[1]

ACADEMIC YEAR	FULL-TIME (PER ACADEMIC YEAR)		PART-TIME (PER CREDIT HOUR)	
	INDIANA RESIDENT	NON-RESIDENT	INDIANA RESIDENT	NON-RESIDENT
2011-12	$9,478	$27,646	$336	$916
2012-13	9,900	28,702	348	948
2013-14	9,992	28,794	348	948
2014-15	10,002	28,804	348	948
2015-16	10,002	28,804	348	948

[1] Includes various fees implemented for different academic years.

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 2011-12 through 2015-16. 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
2011-12	1	$6,789	$15,336	$6,616	$14,088
2012-13	2	6,959	15,720	6,781	14,441
2013-14	3	7,098	16,035	6,917	14,730
2014-15	4	7,241	16,356	7,055	15,025
2015-16	5	7,359	16,625	7,171	15,272

FORT WAYNE

ACADEMIC YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT
2011-12	1	$7,454	$17,903	$7,351	$16,646
2012-13	2	7,640	18,350	7,535	17,063
2013-14	3	7,793	18,717	7,686	17,404
2014-15	4	7,949	19,092	7,840	17,752
2015-16	5	8,079	19,407	7,969	18,044

NORTH CENTRAL

ACADEMIC YEAR		UNDERGRADUATE INDIANA RESIDENT	UNDERGRADUATE NON-RESIDENT	GRADUATE INDIANA RESIDENT	GRADUATE NON-RESIDENT
2011-12	1	$6,872	$16,359	$6,678	$15,034
2012-13	2	7,044	16,769	6,845	15,409
2013-14	3	7,185	17,105	6,982	15,718
2014-15	4	7,329	17,447	7,121	16,032
2015-16	5	7,358	17,516	7,148	16,094

[1] 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.
[2] 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.
[3] 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.
[4] 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.
[5] Includes the R&R fee of $3.60, $3.20 and $2.60 per credit hour for Calumet, Fort Wayne and North Central, respectively, in Fall 2015.

Student Enrollment

The University attracts students from a variety of backgrounds and geographical locations. In the most recent year reported below, approximately 54% of the University's undergraduate students are residents of Indiana. The student body represents all 50 states and 125 countries. The following table presents the University's combined headcount enrollment for the Fall semester of the academic years 2011-12 through 2015-16.

	WEST LAFAYETTE CAMPUS			REGIONAL CAMPUSES				
ACADEMIC YEAR	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	STATEWIDE TECHNOLOGY	UNIVERSITY TOTAL[1]
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	34,115	4,655	38,770 [2]	14,930	13,962	28,892	987	68,649
2015-16	34,479	4,930	39,409	14,446	13,732	28,178	1,072	68,659

[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] Effective 2014-15, process for determination of full- and part-time status was modified.

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]
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
2015-16	29,497	9,912	39,409	37,341	56,644

[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 4, 2015, the University's faculty and staff aggregate total was 20,204. 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	58	24	82
Academic Department Heads	98	50	148
Professors	814	123	937
Associate Professors	556	284	840
Assistant Professors	405	132	537
Instructors	1	3	4
Sub-Total of Tenured/Tenure Track Faculty	**1,932**	**616**	**2,548**
Non-Tenure Appointments			
Clinical/Professional	170	69	239
Research Faculty	32	1	33
Visiting Faculty	101	55	156
Post Doctoral	416	4	420
Sub-Total of Non-Tenure Appointments	**719**	**129**	**848**
Continuing Lecturers and Limited-Term Lecturers			
Continuing Lecturers	178	109	287
Limited-Term Lecturers	210	790	1,000
Sub-Total of Continuing Lecturers and Limited-Term Lecturers	**388**	**899**	**1,287**
Adjunct Faculty			
Adjunct Faculty	337	230	567
Sub-Total of Adjunct Faculty	**337**	**230**	**567**
Graduate Student Staff			
Graduate Assistants	1,795	122	1,917
Fellow Administered as Graduate Assistant	174	-	174
Graduate Lecturers	35	-	35
Graduate Research Assistants	2,584	34	2,618
Graduate Administrative/Professional	269	23	292
Graduate Aides	-	103	103
Sub-Total of Graduate Student Staff	**4,857**	**282**	**5,139**
Staff			
Management	561	106	667
Administrative Staff	1,167	297	1,464
Operations Assistant	478	98	576
Professional Staff	334	13	347
Professional Assistant	1,274	185	1,459
Technical Assistant	274	25	299
Extension Educators	260	-	260
Clerical Staff - Regular	929	262	1,191
Clerical Staff - Temporary	100	48	148
Service Staff - Regular	1,856	262	2,118
Service Staff - Temporary	1,000	286	1,286
Sub-Total of Staff	**8,233**	**1,582**	**9,815**
GRAND TOTAL ALL STAFF	**16,466**	**3,738**	**20,204**

Facilities (as of Fall 2015)

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 approximately 1.8 million printed volumes, over 1.9 million electronic books, 143,526 electronic and print journals, more than 871,000 government documents, and in excess of 2,097,000 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 12,002 spaces for students in Fall 2015. The Fort Wayne campus provided 1,204 spaces and the Calumet campus provided 744 spaces for students in Fall 2015. Occupancy on the West Lafayette campus was 101% for Fall 2015. Occupancy was 77% on the Fort Wayne campus and 98% on the Calumet campus for Fall 2015.

The predominant rate for room and board at the West Lafayette campus for the 2015-16 academic year is $9,414. The 2015-16 monthly housing rates at the Fort Wayne campus and Calumet campus range from $395 to $923 and $560 to $706, respectively.

Athletic Facilities: The University's West Lafayette campus is home to Ross-Ade football stadium which seats 57,236 and Mackey Arena with seating capacity of 14,264 and a total capacity (including non-ticketed individuals) of 14,846. 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. A major renovation of and addition to the Mollenkopf Athletic Center is planned for 2016.

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 2015, the University adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The effect of GASB Statements No. 68 and 71:

- Changed the definition of reportable pension liability from Net Pension Obligation to Net Pension Liability, which significantly increased the liability and required a prior period adjustment in order to record the additional liability from previous years for defined benefit pension plans. These statements also introduced new deferred inflow and outflow items related to defined benefit pension plans. Changes to the Required Supplementary Information related to defined benefit pension plans also resulted from these new GASB statements. In accordance with the adoption of these statements, the University has reported an $85.7 million change in accounting principle adjustment to Unrestricted Net Position as of July 1, 2014. June 30, 2014 amounts have not been restated to reflect the impact of GASB 68 because the information is not available to calculate the impact on pension expense for the fiscal year ending June 30, 2014.

During fiscal year 2014, the University adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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).

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; and
- Recognized IPFW Foundation as a discretely presented component unit; IPFW Foundation's net position was approximately $17,951,000 as of June 30, 2013.

Refer to the Financial Statements for Purdue University for complete details.

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

	Fiscal Year Ended June 30 (dollars in thousands)			
	2015 [1]	2014 [2]	2013	2012 [3]
Operating Revenues				
Tuition and Fees	$862,346	$839,367	$834,222	$805,295
Less: Scholarship Allowance	(114,833)	(112,111)	(103,972)	(97,499)
Net Tuition and Fees	$747,513	$727,256	$730,250	$707,796
Federal Grants	21,750	16,398	14,970	14,331
County Grants	8,283	7,760	8,241	9,012
Grants and Contracts	360,411	344,537	364,697	375,341
Sales and Services	81,033	74,721	73,866	72,526
Auxiliary Enterprises (Net of Scholarship Allowance of $14,585, $14,254, $13,895, and $12,725, respectively)	241,962	254,567	249,379	250,744
Other Operating Revenues	10,851	9,970	8,728	6,822
GASB 61 Paper Adjustment				
Total Operating Revenues	**$1,471,803**	**$1,435,209**	**$1,450,131**	**$1,436,572**
Operating Expenses				
Compensation and Benefits	$1,218,807	$1,201,478	$1,252,812	$1,220,731
Supplies and Services	439,007	485,556	424,676	418,340
Depreciation Expense	157,751	148,356	135,846	126,284
Scholarships, Fellowships, and Student Awards	72,079	72,291	63,775	68,365
Total Operating Expenses	**$1,887,644**	**$1,907,681**	**$1,877,109**	**$1,833,720**
Net Operating Loss	**($415,841)**	**($472,472)**	**($426,978)**	**($397,148)**
Non-operating Revenues (Expenses)				
State Appropriations	$399,039	$392,293	$370,382	$389,078
Grants and Contracts	59,260	61,534	65,687	73,261
Private Gifts	83,129	85,226	61,009	70,647
Investment Income	58,858	280,979	150,321	16,034
Interest Expense	(32,035)	(23,142)	(34,535)	(32,843)
Other Non-operating Revenues, Net	4,146	6,223	5,575	3,623
Total Non-operating Revenues before Capital/Endowments	**$572,397**	**$803,113**	**$618,439**	**$519,800**
Capital and Endowments				
State Capital Appropriations	$0	$6,322	$0	$0
Capital Gifts	14,029	16,116	11,122	133
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	31,712	29,075	26,351	20,048
Gain (Loss) on Retirement of Capital Assets, Net of Proceeds and Insurance Recoveries	3,651	257	(1,458)	(6,349)
Total Capital and Endowments	**$49,392**	**$51,770**	**$36,015**	**$13,832**
Total Nonoperating Revenues	**$621,789**	**$854,883**	**$654,454**	**$533,632**
Increase in Net Assets	**$205,948**	**$382,411**	**$227,476**	**$136,484**
Net Assets, Beginning of Year	**$4,194,369**	**$3,811,958**	**$3,584,482**	**$3,447,998**
Prior Period Adjustments	**($79,564)**			
Net Assets, End of Year	**$4,320,753**	**$4,194,369**	**$3,811,958**	**$3,584,482**

[1] Includes prior period adjustment under GASB 68 to record the University's net pension liability and related items and to incorporate the net position of student organizations.

[2] Restated to accurately characterize a prepaid lease of $18 million that had been expenses in 2014.

[3] 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 is also restated in 2012.

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 2011 through 2015, and budgeted for fiscal years 2016 and 2017 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[7]
Historical						
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 [4]	398,043
2015	325,109	29,529 [5]	9,265	34,093	1,034 [4]	399,030
Budgeted						
2016	325,156	29,182	10,567	36,466	72,016 [4,6]	473,387
2017	326,131	28,155	10,567	33,466	7,450 [6]	405,770

[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] 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. The balance remaining at the end of Fiscal 2015 was $64,566,120.
[5] Net of savings in the amount of $108,263 largely generated by refunding of outstanding bonds.
[6] Total capital appropriation of $2,400,000 towards planning for Calumet Emerging Technologies Building.
[7] Sums may not equal totals due to rounding.

Student Financial Aid

Among Purdue students, there was a 3.7% decrease in State Awards and a 3.9% decrease in Federal Pell Grants from academic year 2013-14 to 2014-15. Total grants and scholarships decreased by 0.7% compared to a decrease of 7.1% in total loans in academic year 2014-15 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 2014-15 academic year.

STUDENT FINANCIAL ASSISTANCE[1]
Academic Year 2014-15

	West Lafayette	Regional Campuses	Total
Scholarships and Grants:			
University Scholarships, Grants & Fee Remissions	$83,129,029	$8,200,114	$91,329,143
University Incentive Grant	12,058,842	-	12,058,842
Purdue Opportunity Awards	446,609	-	446,609
Athletic Grant-in-Aid	10,647,680	2,582,396	13,230,076
State Awards	26,106,284	18,294,430	44,400,714
Private Awards	12,192,871	4,019,711	16,212,582
Fellowships	12,364,068	-	12,364,068
Federal Pell Grants	23,738,743	33,033,608	56,772,351
Federal SEOG	1,881,375	609,804	2,491,179
Other Federal Grants	15,563,039	739,749	16,302,788
Total Scholarships and Grants	**$198,128,540**	**$67,479,812**	**$265,608,352**
Loans:			
Federal Stafford Loans	$95,528,393	$81,079,039	$176,607,432
Federal Parent Loans for Undergraduate Students	43,256,694	5,142,902	48,399,596
Federal Graduate PLUS Loans	4,868,063	470,505	5,338,568
Federal Perkins and Health Professions Loans	4,496,767	685,458	5,182,225
Purdue Loans	3,478,549	-	3,478,549
Private Loans	21,244,732	4,319,745	25,564,477
Total Loans[2]	**$172,873,198**	**$91,697,649**	**$264,570,847**
Employment and Employment Related:			
Work-Study Salaries	$1,401,088	$602,463	$2,003,551
Graduate Student Staff Salaries	89,913,679	2,152,243	92,065,922
Other Part-Time University Salaries	19,470,685	4,240,588	23,711,273
Employment Related Fee Remissions	51,873,130	2,330,236	54,203,366
Other Employment Related Awards	3,524,217	-	3,524,217
Total Employment Related	**$166,182,799**	**$9,325,530**	**$175,508,329**
Total Student Financial Assistance	**$537,184,537**	**$168,502,991**	**$705,687,528**

[1] Reported by Academic Year. Data does not tie to Fiscal Year reporting provided in the Financial Report.
[2] Reduction in loans at West Lafayette campus versus prior year due to aid changes, financial literacy, and other outside factors.

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 2011 through 2015 are shown below. These values are not pledged under the Indenture and do not include endowments separately held by the Corporation valued at $47,587,427 on June 30, 2015. 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
2011	$1,239,002,010
2012	1,194,501,367
2013	1,400,657,554
2014	1,592,824,888
2015	1,549,142,743

As of December 31, 2015, the unaudited market value of the Corporation's endowment was $1,464,297,541 and the unaudited consolidated market value of the endowment (including Purdue Research Foundation) was $2,227,484,602 (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, 2015 is shown in the following table.

FOUNDATION	ASSET (BOOK) VALUE	INCOME	DISBURSED TO/FOR THE CORPORATION
Purdue Research Foundation	$2,387,080,160	$118,752,525	$79,908,505
Ross-Ade Foundation	131,593,200	5,654,242	5,333,823
Indiana-Purdue Foundation at Fort Wayne	12,417,858	1,078,369	1,322,461
Total	**$2,531,091,218**	**$125,485,136**	**$86,564,789**

Purdue Research Foundation: The Purdue Research Foundation, organized in 1930, 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.

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 and softball stadiums 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.

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.

Other Related Entities

Purdue International, Inc.: Effective July 1, 2014, the Purdue Foundation was reorganized as Purdue International, Inc. (PII). PII will continue to support the University with a particular focus on facilitating the University's international education, research, and exchange activities.

Fund Raising Activity

Fiscal 2015 was a record fundraising year, producing $343.4 million from more than 76,000 donors – including a record 18,596 first-time friends. The total includes gifts and new pledge commitments. The number of donors to Purdue is up 16% over prior year after growing by 12% from the year before. Donors from 58 countries gave to Purdue in fiscal 2015.

During the fiscal year, Purdue received its largest single cash donation ever, a $40 million grant from Lilly Endowment Inc. to help fund five key elements of the Purdue Moves initiatives.

In 2015, Purdue's second annual Day of Giving resulted in donations of $13.7 million, setting a record for most dollars raised for higher education through a single-day campaign. The event also set Purdue records for number of donations received (9,592 gifts) and number of countries represented (37 countries). The third annual Day of Giving surpassed the 2015 record by raising $18.3 million from 12,872 donations.

Also in 2015, Purdue University President Mitch Daniels announced "Ever True: The Campaign for Purdue University," which will focus fundraising efforts across three priorities: "Place Students First," "Build on Our Strengths" and "Champion Research and Innovation." The goal is $2.019 billion raised by 2019, the 150th anniversary of Purdue's founding and the 50th anniversary of alumnus Neil Armstrong's historic walk on the moon. A campaign focus is to reinforce the University's overarching commitment to keeping a rigorous college education within students' financial reach. The campaign encompasses the Purdue Moves initiatives of Affordability & Accessibility, STEM

Leadership, World-Changing Research and Transformative Education. Other campaign segments will focus on the local community, faculty and staff, parents and families, and the Purdue international community.

The campaign's goal, the largest in the university's history, includes:

- $400-500 million for student support, including scholarships and graduate professional student support
- $400-500 million to fund a 50% increase in the number of endowed professorships, headships and deanships, including named positions for early-career faculty
- $400-500 million to expand interdisciplinary research across the University, to further cancer research, and to increase the impact and visibility of Discovery Park
- $300-400 million to improve and better utilize Purdue's physical infrastructure through renovations and some new construction
- $300-400 million in unrestricted funds over the course of the campaign, to be allocated where University needs are greatest

As of February 24, 2016, approximately $1.060 billion has been raised toward the $2.019 billion goal.

The table below summarizes gift giving by category for the past 5 fiscal years.

TOTAL GIFT GIVING BY CATEGORY
(dollars in thousands)

	2015	2014	2013	2012	2011
Cash/Securities *	$166,355	$119,538	$100,923	$109,364	$121,863
Real Estate	437	4,178	0	70	0
Gifts-in-Kind	82,124	54,930	50,446	64,890	72,812
Irrevocable Deferred	4,558	4,666	6,003	18,645	7,127
Revocable Deferred	71,105	47,643	91,921	24,213	37,064
New Pledge Balances*	52,807	72,192	30,498	120,170	37,972
Total Production	**$377,386**	**$303,147**	**$279,791**	**$337,352**	**$276,838**
Less: Prior Year Pledge payments *	($34,033)	($67,493)	($60,863)	($38,533)	($47,597)
Net Production	**$343,353**	**$235,654**	**$218,928**	**$298,819**	**$229,241**

* 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 2014-2015 fiscal year were $345.1 million, a decrease of $6.0 million, or approximately 2%, below previous year expenditures. The following list represents departments with sponsored research program expenditures in excess of $5 million.

- Electrical & Computer Engineering, $32.9 million
- Civil Engineering, $26.2 million
- Mechanical Engineering, $19.4 million
- Chemistry, $14.2 million
- Computer Sciences $13.7 million
- Physics, $13.3 million
- Aeronautics & Astronautics, $11.5 million
- Biological Sciences, $11.5 million
- Agronomy, $9.3 million
- Biomedical Engineering, $9.0 million
- Chemical Engineering, $8.9 million
- Nutrition Science, $8.2 million
- College of Pharmacy, $6.9 million
- Agricultural & Biological Engineering $6.3 million
- Human Development and Family Studies, $6.2 million
- Botany and Plant Pathology, $5.9 million
- Forestry and Natural Resources, $5.7 million
- Agricultural Economics, $5.6 million

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

	2015	2014	2013	2012	2011
Federal Sources					
Department of HHS	$37,898	$44,424	$56,779	$53,949	$60,764
National Science Foundation	73,650	84,696	91,826	93,839	88,863
Department of Energy	21,288	26,384	30,543	35,582	30,825
Department of Defense	29,543	28,659	35,087	34,492	32,942
Department of Agriculture	21,659	22,172	22,325	23,518	18,966
Other Federal Agencies	33,642	29,299	35,360	39,103	34,194
Total Federal Sources	**$217,679**	**$235,634**	**$271,920**	**$280,484**	**$266,553**
State of Indiana	19,915	17,513	19,855	24,317	25,312
Business and Foundations	84,845	76,187	75,240	75,044	67,305
Non-Profit Organizations	19,282	17,675	11,260	9,781	10,916
Foreign Government	3,341	4,060	2,309	2,519	1,962
Total Non-Federal Sources	**$127,384**	**$115,435**	**$108,664**	**$111,660**	**$105,495**
Total All Sources [1]	**$345,063**	**$351,069**	**$380,584**	**$392,144**	**$372,048**

[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, residence halls, 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 5/26/2016	
Bonds Outstanding			
Student Fee Bonds, Series P	2017	$6,705,000	(1)
Student Fee Bonds, Series U	2022	21,855,000	(1)
Student Fee Bonds, Series X	2019	19,610,000	(1)
Student Fee Bonds, Series Y	2020	19,505,000	(1)
Student Fee Bonds, Series Z1	2024	34,365,000	(1)
Student Fee Bonds, Series Z2	2035	96,805,000	(1)(4)
Student Fee Bonds, Series AA	2032	49,160,000	(1)
Student Fee Bonds, Series BB-1	2034	45,135,000	(1)
Student Fee Bonds, Series BB-2	2032	17,850,000	(1)(5)
Student Fee Bonds, Series CC	2036	121,885,000	(1)
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	57,680,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2007B	2018	2,715,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2007C	2032	25,520,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2009A	2016	1,055,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2009B	2016	1,120,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2010A	2030	21,605,000	(2)(3)(4)
Student Facilities System Revenue Bonds, Series 2011A	2025	38,360,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2012A	2032	35,370,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2015A	2040	97,745,000	(2)(3)
Student Facilities System Revenue Bonds, Series 2016A	2036	67,470,000	(2)(3)
Leasehold Indebtedness			
COPS 2006	2025	32,520,000	(3)
COPS 2009B	2031	42,795,000	(3)(4)
COPS 2011A	2035	32,185,000	(3)
COPS 2014A	2027	21,530,000	(3)
Total Outstanding Indebtedness		**$934,165,000**	

(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.
(5) Taxable Bonds.

Effective November 20, 2015, Purdue Research Foundation transferred the Bowen Civil Engineering Laboratory to the Corporation, and the Corporation formally assumed Purdue Research Foundation's obligation to pay debt service for a portion of certain bonds issued by the Indiana Finance Authority in 2012 for the benefit of the Foundation in order to finance or refinance Bowen. Previously, the Foundation granted access to Bowen to the Corporation under a Facilities Use Agreement which covered the operating costs and debt service related to the facility. $7,070,000 of the outstanding balance is allocable to Bowen. The final maturity is July 1, 2029.

The Outstanding Debt table above reflects new and refunded debt related to Student Facilities System Revenue Bonds, Series 2016A and Student Fee Bonds, Series CC, scheduled to close on May 11, 2016 and May 26, 2016 respectively.

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, 2011 through 2015. 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)	ACCUMULATED DEPRECIATION	NET BOOK VALUE IN PLANT [1]
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
2015	3,957,413,715	1,843,388,778	$2,114,024,937

[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 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 a softball stadium and strategic infrastructure and utility improvements. Major projects currently under construction on the West Lafayette campus include: 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 $5.8 million and included in Student Fee Bonds, Series BB-1.

The Corporation expects to issue debt obligations in the first half of calendar year 2016 for the following purposes:

- Student Fee Bonds to partially fund the construction of the Agricultural and Life Sciences Facility on the West Lafayette campus of the University, and to refund certain prior Student Fee Bonds,
- Student Facilities System Revenue Bonds to partially fund the construction of a research facility, on the West Lafayette campus of the University, the Engineering Flex Laboratory, and to refund certain prior Student Facilities System Revenue Bonds, and
- Certificates of Participation in lease rental payments by the Corporation with the respect to the lease-purchase of a new and renovated Football Performance Complex on the West Lafayette Campus of the University.

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 on or prior to September 8, 2013 participate 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.

The General Assembly adopted House Enrolled Act 1466 in its 2015 session (the "Act"), which, among other things, provided that participating entities in PERF, including the Corporation, which had frozen their participation in PERF, as described in the Act, are required to pay to PERF certain amounts. These amounts are determined under the Act, and include all of the following:

- Amounts necessary to provide sufficient assets to pay benefits to retired members attributable to service with the Corporation;
- Amounts that the INPRS Board determines are necessary to fund fully the service for members of PERF who have creditable service with the Corporation and who are not employees as of the effective date of the participation freeze;
- Amounts of required contributions under IC 5-10.2-2-11 for members of PERF who are employees of the Corporation on the date of the notice of the freeze; and
- Amounts the INPRS Board determines are necessary to fund fully the benefits attributable to service with the Corporation that are vested or will become vested and are not expected to be fully funded through the continuing contributions under IC 5-10.2-2-11 during the duration of the members' employment with the Corporation.

The Act provides for the method of calculation of such amounts and options for their payment by the Corporation. The Corporation is currently in discussions with the Indiana Public Retirement System regarding such obligation.

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, Note 12 and Required Supplementary Information to the Financial Statements for Purdue University for further information. See also "Financial Operations of the Corporation" for a discussion of changes resulting from the adoption of GASB 68 and 71.

Other Post-Employment Benefits (OPEB)

In the financial statements for the year ending June 30, 2015, the University reported Other Post-Employment Benefits (OPEB) annual cost of $7,672,000. The University currently offers participation in its medical plan to official retirees and their dependents. As of July 1, 2014, separating employees who are 55 or older, and have at least 10 years of service are eligible. Official retirees under the age of 65 and their dependents 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 for Purdue University and "Retirement Plans" below for further information.

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.

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APPENDIX B

FINANCIAL REPORT OF
THE CORPORATION FOR THE FISCAL YEAR
ENDED JUNE 30, 2015

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PURDUE
UNIVERSITY

Financial Report 2015

Purdue Moves the World Forward

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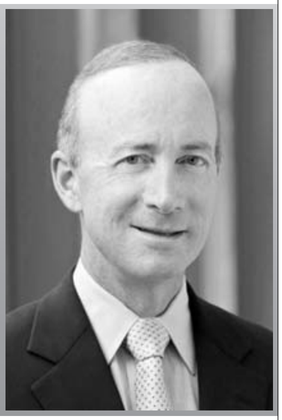
LETTER OF TRANSMITTAL



October 20, 2015

To the Board of Trustees of Purdue University:

We are pleased to submit this, the 93rd annual financial report of Purdue University. This report is for the fiscal year that ended June 30, 2015, 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 herein.

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.
President Mitchell E. Daniels, Jr.

BOARD OF TRUSTEES

As of June 30, 2015

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, 2015

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, Secretary

Steven R. Schultz, Legal Counsel

Thomas B. Parent, Assistant Legal Counsel

ADMINISTRATIVE OFFICERS

Mitchell E. Daniels, Jr., President

Morgan J. Burke, Vice President and Director of Intercollegiate Athletics

Gina C. DelSanto, Chief of Staff

Debasish Dutta, Executive Vice President for Academic Affairs and Provost

Suresh Garimella, Executive Vice President for Research and Partnerships

Julie K. Griffith, Vice President for Public Affairs

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

Alysa Christmas Rollock, Vice President for Ethics and Compliance

Steven R. Schultz, University Legal Counsel

William E. Sullivan, 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

REPORT OF THE PRESIDENT

This report presents Purdue University's financial statements for the fiscal years ended June 30, 2015 and June 30, 2014. 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 their report, which is an unmodified opinion, appears on pages 5 and 6.

Purdue University's record-setting fiscal year 2015 was a response to the Purdue Moves initiatives that have captured the spirit and drive of our great institution. Purdue Moves' compelling themes of Student Affordability and Accessibility, STEM Leadership, World-Changing Research and Transformative Education have garnered unparalleled support as seen in our record-breaking year in the areas of overall donations to the University, student support, sponsored research awards, corporate sponsorship support, creation of patents and licenses, and establishment of startup companies.

Purdue has dedicated the past year to an intense resource review and budget alignment process focused on student affordability and accessibility. Administrative and academic leaders forged a strong partnership to review the use of unit and institutional resources, resulting in the funding of an unprecedented fourth year of tuition freezes for students. We will build on the momentum from that success, continuing to find new ways to provide our core services efficiently and identifying additional opportunities to hold the line on student costs. Providing higher education at the highest proven value is more than a slogan on this campus — it represents an unwavering commitment to our mission of developing the next generation of educated citizens, thought leaders and a competitive and talented workforce.

All areas of the University have participated in reviewing operational needs or reimagining service delivery to reduce costs. Our work in holding tuition flat since the 2012-13 academic year, combined with decreases in room and board rates and textbook savings generated through our innovative partnership with Amazon.com has led to an overall reduction in the total cost of attendance for our students. Reducing all categories of cost has a direct impact on the debt load of our students with financial need. These unified University actions have led to a decline in student debt, the number of student borrowers and student loan default rates.

Though the future remains uncertain, continuing our strategic review of the budget, simplifying business processes to enhance efficiency, and examining in detail the use and needs of our facilities will position us to maximize University resources. Implementing prudent financial strategies like these and planning for what might lie ahead has put us on course to meet the challenges of a global economy. I encourage you to read our financial statements, which provide a deeper understanding of the finances of the University, and see firsthand how we are realizing our resource stewardship responsibilities. We are grateful for your continued support of this great University.

Sincerely,

Mitchell E. Daniels, Jr.

President

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
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 Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows 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, 2015 and 2014, 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 audit. 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 total assets, 98 percent of net assets, and 96 percent of revenues of the discretely presented component units at June 30, 2015. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit 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 of 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 assess- ment of the risks of material misstatement of the financial statements, whether due to fraud or error. In mak- ing 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by manage- ment, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report 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, 2015 and 2014, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2015, the University adopted new accounting guidance GASB Statement 68 *Accounting and Financial Reporting for Pensions.* Our opinion is not modified with respect to this matter.

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), Schedule of Purdue's Share of the Net Pension Liability Indiana Public Employee Retirement Fund (PERF), Schedule of Purdue's Contributions Indiana Public Employee Retirement Fund (PERF), and Retirement Plans – Schedule of Funding Progress Police/Fire Supplemental 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 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 any assurance on the information because 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 basic financial statements. The Letter of Transmittal, Report of the President, 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 the President, 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 20, 2015 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, and 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 University's internal control over financial reporting and compliance.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

October 20, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015 and 2014

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 to 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 (1) management in the effective allocation and use of the organization's resources and (2) 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, 2015 and 2014, with comparative financial information for fiscal year 2013. Since this presentation includes highly summarized data, it should be read in conjunction with the financial statements and documents, which include the following components.

- ***Independent Auditor's Report*** 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.
- ***Statement of Net Position*** presents the assets, liabilities, and net position of the University at a point in time (June 30, 2015 and 2014). Their purpose is to present a financial snapshot of the University. This statement aids readers in determining the assets available to continue the University's operations; how much the University owes to employees and vendors; 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.
- ***Statement of Revenues, Expenses, and Changes in Net Position*** presents the total revenues earned and expenses incurred by the University for operating, non-operating and other related activities, during a period of time (fiscal years ended June 30, 2015 and 2014). Their purpose is to assess the University's operating and non-operating activities.
- ***Statement of Cash Flows*** presents cash receipts and payments of the University during a period of time (the fiscal years ended June 30, 2015 and 2014). 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. The purpose of these notes 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 these functions as they were 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 is necessary to meet its goals and objectives. We suggest that you combine this financial analysis and discussion with relevant non-financial indicators to assess the University's performance. Examples of non-financial indicators include trend and quality of applicants, freshman class size, student retention, the condition of our facilities, and campus safety metrics. Information about non-financial indicators is not included in this analysis but may be obtained from the University's Office of Institutional Research, Assessment and Effectiveness available online at https://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's financial resources have grown over the previous three fiscal years.

Table 1. Summary Statement of Net Position (Dollars in Thousands)

	2015	2014	2013
Current Assets	$ 918,164	$ 660,052	$ 686,626
Capital Assets	2,114,025	2,072,125	2,012,925
Other Assets	2,646,778	2,701,680	2,389,315
Total Assets	5,678,967	5,433,857	5,088,866
Deferred Outflows of Resources	22,829	7,227	8,011
Current Liabilities	335,965	355,176	350,987
Noncurrent Liabilities	1,025,445	891,527	933,914
Total Liabilities	1,361,410	1,246,703	1,284,901
Deferred Inflows of Resources	19,633	12	18
Net Investment in Capital Assets	1,236,479	1,166,479	1,139,118
Restricted - Nonexpendable	590,555	548,952	508,524
Restricted - Expendable	1,034,870	995,855	796,503
Unrestricted	1,458,849	1,483,083	1,367,813
Total Net Position	**$ 4,320,753**	**$ 4,194,369**	**$ 3,811,958**

Current assets include those that may be used to support current operations, such as cash and cash equivalents, accounts receivable, and inventories. Capital Assets include non-depreciable land, as well as buildings and equipment, net of depreciation. Other assets include accounts receivable, pledges receivable, and investments. As of June 30, 2015, total assets were approximately $5.7 billion, an increase of $245.1 million, or 4.5%, over the previous year. The overall growth in assets is attributed to increases in cash, investments, and capital assets.

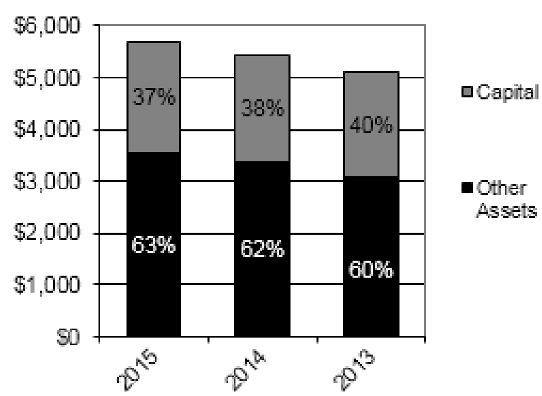
Figure 1 depicts the portion of total assets that represent capital assets. More information about capital assets is provided in the Capital Asset and Debt Administration section.

Current assets increased approximately $258.1 million during the fiscal year, resulting in a balance of approximately $918.2 million at June 30, 2015. As of June 30, 2015 cash and cash equivalents were approximately $555.9 million, an increase of approximately $176.5 million. Included in this amount is $108.5 mil-

Figure 1

Capital vs. Other Assets

(Dollars in Millions)



lion that represent invested bond proceeds related to the University's capital financing activities. The remaining $447.4 million of cash and cash equivalents is available for operations.

As of June 30, 2015, noncurrent assets decreased approximately $13.0 million, or .3%, due predominantly to the decrease in market value of investments. Noncurrent investments decreased approximately $56.8 million in fiscal year 2015, primarily driven by fluctuations in the market. Please reference a more detailed discussion in the Statement of Revenues, Expenses, and Changes in Net Position section and in Note 2.

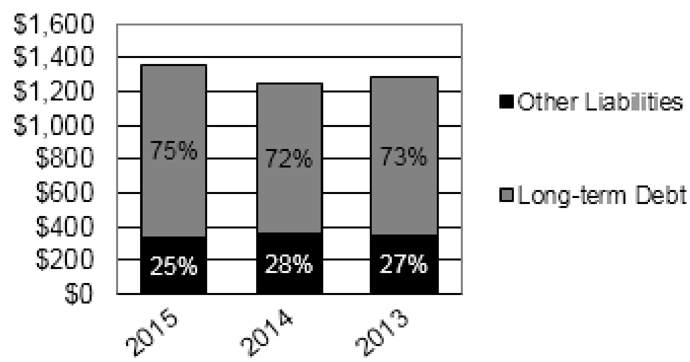
Current liabilities generally are due and payable over the course of the following fiscal year. These include accounts and other payables, unearned revenues, the current portion of long-term debt, liability for securities lending activity, and salaries and related compensation payables. Current liabilities 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 $1.4 billion as of June 30, 2015.

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

Figure 2

Long-term Debt vs. Other Liabilities

(Dollars in Millions)



Bonds, leases, and notes payable increased by $46.7 million in fiscal year 2015. A discussion of the University's capital financing activities appears in the Debt and Financing Activities section below 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. Earnings on these funds are used to support various programs designated by donors at the time of the gift.

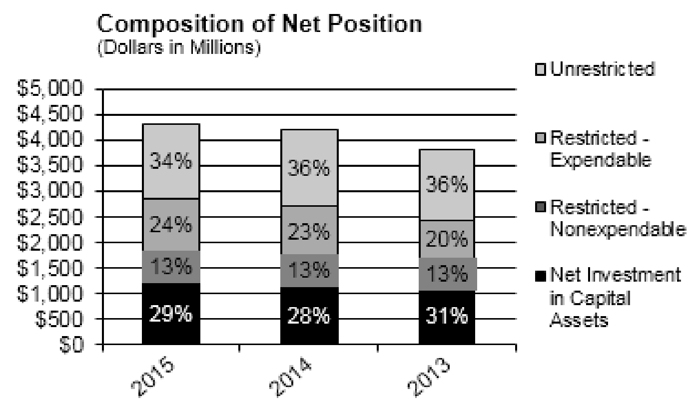
- **Restricted–expendable** represents funds that have purpose restrictions imposed by third parties. Examples include but are not limited to scholarship funds and grant and contract funds.

- **Unrestricted funds** have no third-party restrictions. Management designates the majority of these funds for specific purposes to fulfill strategic initiatives and operational needs. It is management's practice to review the balances in unrestricted net position relative to their specific purposes at the close of each fiscal year.

Total net position for the University was $4.3 billion as of June 30, 2015. Figure 3 provides a comparison between fiscal years as well as the composition of net position.

Net investment in capital assets increased $70.0 million in fiscal year 2015, comprised of additions to capital assets of $209.2 million, offset by annual depreciation of $157.8 million and net retirements of capital assets in the amount of $9.5 million. Additional details are provided in the Capital Asset and Debt Administration section of this analysis.

Figure 3



Restricted-nonexpendable funds increased $41.6 million in Fiscal Year 2015, primarily resulting from contributions to endowments. Restricted-expendable funds increased $39.0 million, driven by increases of $32.8 million in sponsored grants and contracts, gifts provided by donors, and a $6.2 million prior period adjustment to incorporate the net position of student organizations. Unrestricted funds had an overall decrease of $24.2 million attributable to the prior period adjustment of $85.7 million in net pension obligation required by the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. This decrease in unrestricted funds was offset by an increase of $61.5 million related to the current year's operational results.

Statement of Revenues, Expenses, and Changes in Net Position

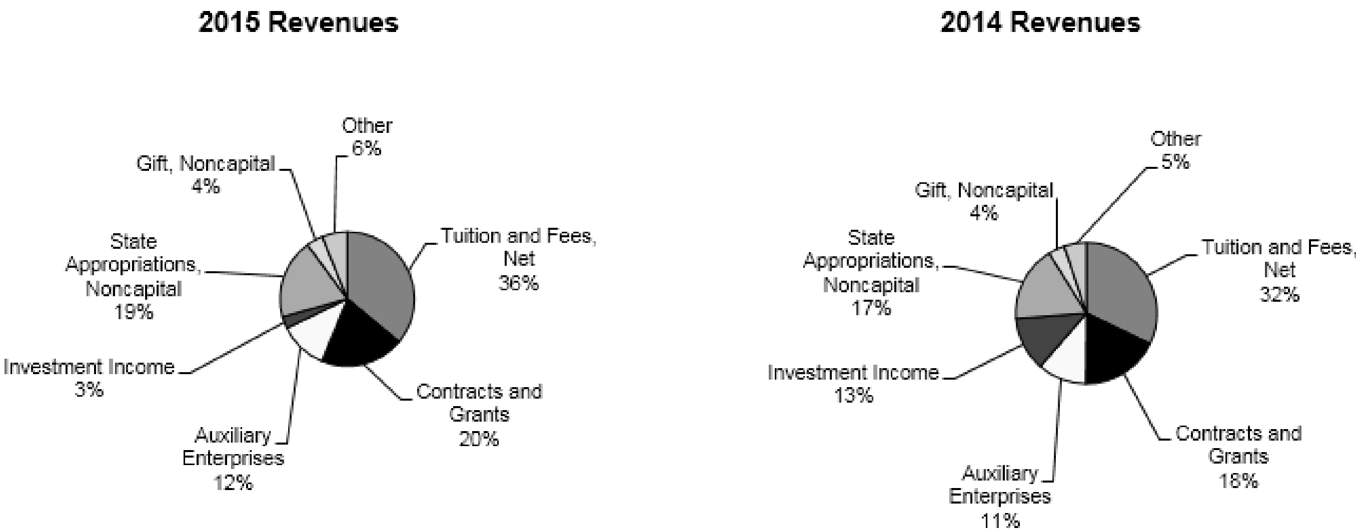
A summarized comparison of the University's revenues, expenses, and changes in net position follows in Table 2.

Table 2. Summary Statement of Revenues, Expenses, and Changes in Net Position (Dollars in Thousands)

	2015	2014	2013
Operating Revenues			
Tuition and Fees, Net	$ 747,513	$ 727,256	$ 730,250
Grants and Contracts	360,411	344,537	364,697
Auxiliary Enterprises, Net	241,962	254,567	249,379
Other Operating Revenues	121,917	108,849	105,805
Total Operating Revenues	1,471,803	1,435,209	1,450,131
Operating Expenses			
Depreciation	157,751	148,356	135,846
Other Operating Expense	1,729,893	1,759,325	1,741,263
Total Operating Expenses	1,887,644	1,907,681	1,877,109
Operating Loss	(415,841)	(472,472)	(426,978)
Nonoperating Revenue	572,397	803,113	618,439
Capital and Endowments	49,392	51,770	36,015
Total Nonoperating Revenues	621,789	854,883	654,454
Increase in Net Position	205,948	382,411	227,476
Net position, Beginning of Year	4,194,369	3,811,958	3,584,482
Prior Period Adjustments	(79,564)		
Net Position, Beginning of Year, as restated	4,114,805		
Net position, End of Year	**$ 4,320,753**	**$ 4,194,369**	**$ 3,811,958**

Revenues are classified for financial reporting as either operating or non-operating. Operating revenues are generated by providing goods and services to our students and other important constituents of the University. Operating revenues include tuition and fees, grants and contracts, and sales and services. Tuition and fees and housing revenue are shown net of an allowance for scholarships. Non-operating revenues are those received by the University without providing a commensurate good or service and include our state appropriations, investment income, and private gifts. Because Purdue is a public university, non-operating revenues are an integral part of its operating budget. Private gifts for capital projects and additions to the University's endowment are also considered non-operating 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 2015 and 2014. The University had an increase in the restated net position of $205.9 million for the fiscal year ended June 30, 2015.

Figure 4: University Revenue by Category

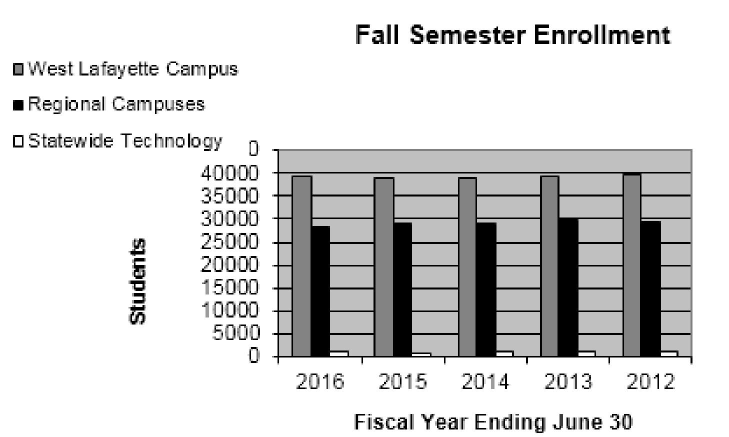


Total operating revenues increased $36.6 million, or 2.6% from fiscal year 2014 to fiscal year 2015. $20.3 million of the increase is from net tuition and fee revenue, primarily resulting from increased resident and non-resident enrollment at the West Lafayette campus, an increase in summer enrollment, and a modest rate increase at Regional campuses. Enrollment patterns for the past five years are illustrated in Figure 5.

Operating grants and contracts revenue increased $21.7 million in Fiscal Year 2015. This increase is principally due to increases in grant revenue from industrial sponsors.

Total operating expenses decreased by $20.0 million, or 1.1%, from fiscal year ended June 30, 2014 to fiscal year ended June 30, 2015. Details are described in Note 8.

Figure 5 Five-Year Enrollment Data*



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

Fiscal year 2015 non-operating revenues, net of expenses, decreased from the previous year by $230.7 million primarily due to a reduction in investment income related to fluctuations in the market. The net investment performance of the University's endowment was 2.3% for the fiscal year ended June 30, 2015. The endowment was invested in private investments (47.9%), public equities (41.7%), and in fixed income investments (10.4%). The portfolio composition did not materially change from the prior year.

Capital and Endowments income decreased $2.4 million or 4.6% from the previous year. Capital gifts decreased $2.1 million while private gifts for endowments increased $2.6 million for the fiscal year ended June 30, 2015.

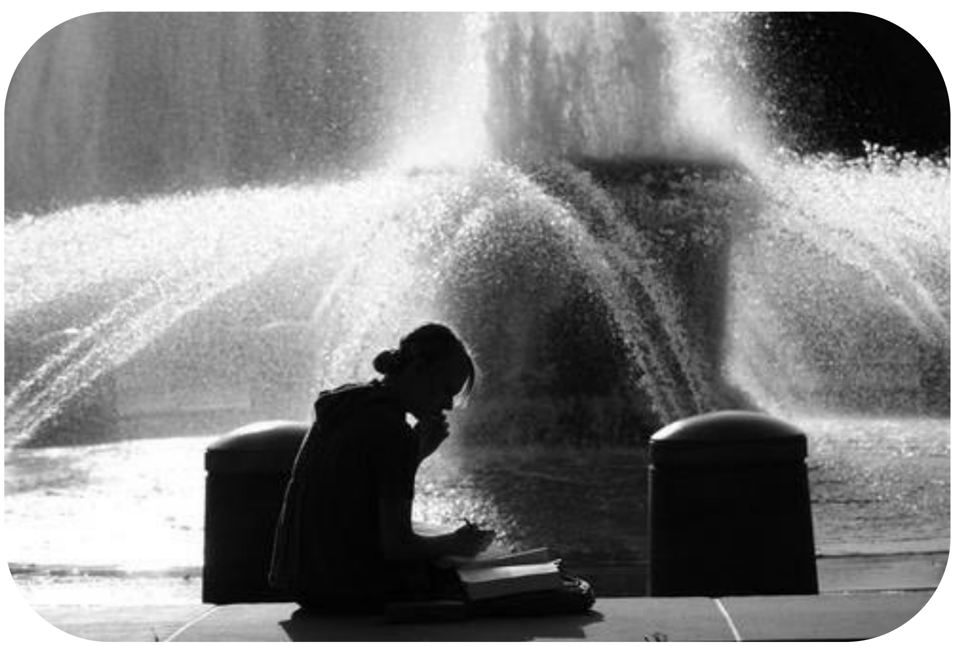
Statement of Cash Flows

The Statement of Cash Flows provides a means to assess the financial health of the University by presenting relevant information about the cash receipts and cash payments of the University during the fiscal year. It assists in determining the University's 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.

Table 3. Summarized Comparison of Changes in Cash and Cash Equivalents (Dollars in Thousands)

	2015	2014	2013
Cash Used by Operating Activities	$ (256,769)	$ (321,369)	$ (293,488)
Cash Provided by Noncapital Financing Activities	562,058	577,382	532,179
Cash Provided (Used) by Investing Activities	22,586	(50,525)	(39,130)
Cash Used by Capital and Related Financing Activities	(151,388)	(262,238)	(187,324)
Net Increase (Decrease) in Cash and Cash Equivalents	176,487	(56,750)	12,237
Cash and Cash Equivalents, Beginning of Year	379,414	436,164	423,927
Cash and Cash Equivalents, End of Year	**$ 555,901**	**$ 379,414**	**$ 436,164**

The cash provided by noncapital financing activities reflects the non-operating revenue changes described above. The cash used by investing activities in 2014 reflected deployment of cash into investments, and the subsequent cash provided by investing activities in 2015 represents the return of cash to operations, making those funds available for use in other areas of the University. The fluctuation in cash flows used by capital and related financing activities 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

Significant Construction Projects

The University continues to expand its campuses and renovate existing facilities to meet the needs of its students, faculty, and staff. Significant construction projects (over $20 Million) completed during Fiscal Years 2015 and 2014 are presented in Table 4, significant projects in progress at June 30, 2015 are presented in Table 5, and significant projects authorized by the Board of Trustees but not started as of June 30, 2015 are presented in Table 6.

Table 4. Significant Construction Projects Completed (Dollars in Thousands)

Projects Completed in 2015		
Vawter Field Housing (Third Street Suites)	$	37,397
Total Significant Construction Projects Completed	**$**	**37,397**
Projects Completed in 2014		
Center for Student Excellence and Leadership	$	28,100
Drug Discovery Facility		28,694
Health Human Science Facility		38,000
Total Significant Construction Projects Completed	**$**	**94,794**

Table 5. Significant Construction Projects in Progress (Dollars in Thousands)

		Project Budget
Engineering Renovation	$	70,000
Honors College		90,000
IPFW - South Campus Renovations Phase 1		21,350
PNC - Student Services & Activities Complex		34,700
Wilmeth Active Learning Center		79,000
Total Significant Construction Projects in Progress	**$**	**295,050**

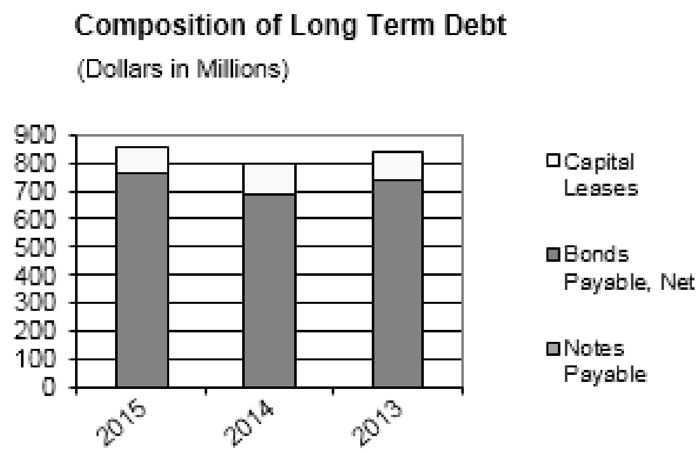
Table 6. Significant Construction Projects Authorized but not Started (Dollars in Thousands)

		Project Budget
Ag Life Sciences Research Facility	$	60,000
Emerging Technologies		40,500
Flex Lab Facility		54,000
Total Significant Construction Projects Authorized but not Started	**$**	**154,500**

Debt and Financing Activities

Bonds, Leases, and Notes Payable totaled $995.6 million as of June 30, 2015 and represents approximately 73% of the total liabilities of the University. The University's debt portfolio as of June 30, 2015 consists of $81.3 million of variable rate instruments (8.2%), compared to $914.3 million in fixed rate obligations (91.8%). Figure 6 compares the composition of noncurrent debt by fiscal year. Additional details about University indebtedness is provided in Note 6.

Figure 6



As of June 30, 2015 and 2014, 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, 2015 and 2014. 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 by Standard & Poor's of A-1+.

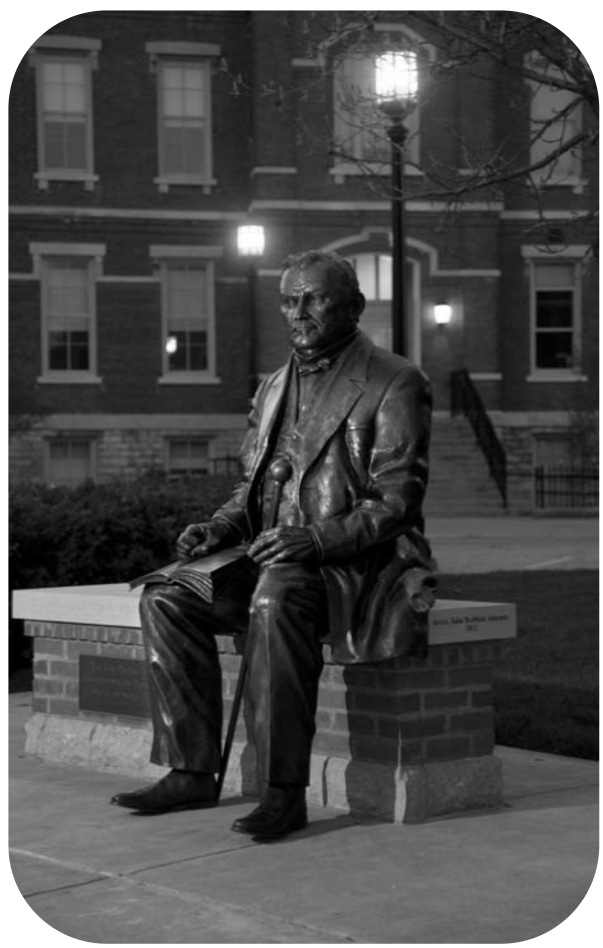
Economic Outlook

As a result of the 2015-17 budget and legislative process, fiscal year 2016 state operating appropriations decreased by $1.9 million for the University to $325 million, distributed among the campuses as follows: West Lafayette (-$2.6 million), Calumet ($0.2 million), Fort Wayne ($0.3 million), and North Central ($0.2 million). The State of Indiana provided $21.1 million in this biennium toward the university's repair and rehabilitation needs and an additional $10.5 million to IPFW and $1.25 million each to Calumet and North Central to address deferred maintenance needs for our regional campuses. The State also provided $3 million in support of the Purdue Polytechnic Institute's operating expenses for fiscal year 2016.

Academic year 2015-16 tuition rates for both Indiana resident and nonresident students remain flat at the West Lafayette campus for the third year in a row. Regional campus modest tuition increases are as follows: Calumet (1.65%), Fort Wayne (1.65%) and North Central (0.4%). 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 for all of our campuses.

Enrollment at all Purdue campuses was 68,659* for the fall semester of the 2015-2016 academic year. Enrollment at the West Lafayette campus was 39,409 up slightly from the fall semester of the prior academic year. First-year students totaled 6,812. Purdue continues to experience 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 92.8 percent compared to 92.6 percent last year, and the second-year retention rate is at 87.7 percent, up from last year's 86.1 percent. The four-year and six-year graduation rates increased to 51.5 percent and 75.4 percent from 49.2 percent and 73.8 percent, respectively. The class average SAT scores remained steady at 1788 on the critical reading, math and writing sections. In nine years, the cumulative point gain for incoming students' SAT scores is 104.

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



Statement of Net Position

As of June 30 (Dollars in Thousands)

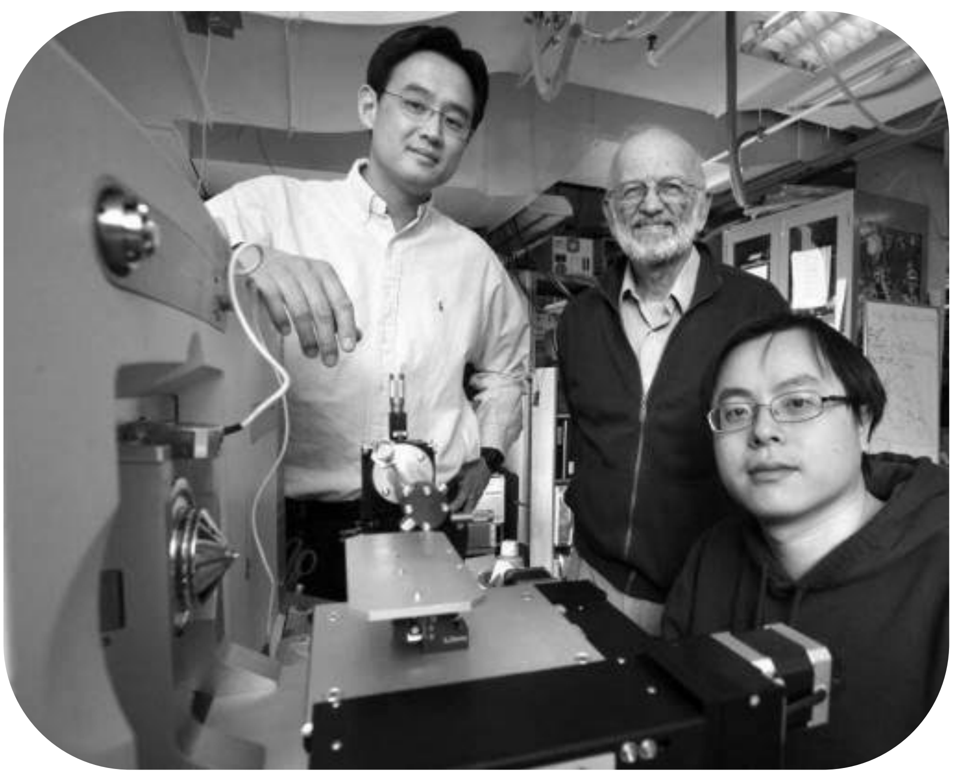
		2015		2014
Assets and Deferred Outflows of Resources:				**As Restated**
Current Assets:				
Cash and Cash Equivalents	$	555,901	$	379,414
Investments		206,413		112,700
Accounts Receivable, Net of Allowance for Uncollectible Amounts		68,924		83,669
Pledges Receivable, Net of Allowance for Uncollectible Amounts		21,335		26,944
Notes Receivable, Net of Allowance for Uncollectible Amounts		9,076		3,884
Other Receivables		7,181		8,667
Other Assets		49,334		44,774
Total Current Assets		**918,164**		**660,052**
Noncurrent Assets:				
Investments		2,550,827		2,607,608
Pledges Receivable, Net of Allowance for Uncollectible Amounts		34,395		29,030
Notes Receivable, Net of Allowance for Uncollectible Amounts		48,332		53,996
Interest in Charitable Remainder Trusts		13,224		11,046
Capital Assets, Net of Accumulated Depreciation		2,114,025		2,072,125
Total Noncurrent Assets		**4,760,803**		**4,773,805**
Total Assets		**5,678,967**		**5,433,857**
Deferred Outflows of Resources:				
Debt Refunding		8,818		7,227
Defined Benefit Pension Items		14,011		-
Liabilities and Deferred Inflows of Resources:				
Current Liabilities:				
Accounts Payable and Accrued Expenses		107,326		109,307
Unearned Revenue		38,667		37,338
Deposits Held in Custody for Others		22,494		25,194
Accrued Compensated Absences		26,407		26,361
Bonds (net), Leases, and Notes Payable		141,071		156,976
Total Current Liabilities		**335,965**		**355,176**
Noncurrent Liabilities:				
Accrued Compensated Absences		32,506		30,996
Other Post Employment Benefits		36,693		38,568
Net Pension Liability		74,323		1,898
Funds Held in Trust for Others		7,465		8,153
Advances from Federal Government		19,891		19,930
Bonds (net), Leases, and Notes Payable		854,567		791,982
Total Noncurrent Liabilities		**1,025,445**		**891,527**
Total Liabilities		**1,361,410**		**1,246,703**
Deferred Inflows of Resources:				
Debt Refunding		6		12
Defined Benefit Pension Items		19,627		-

Statement of Net Position

As of June 30 (Dollars in Thousands)
(continued from previous page)

		2015		2014 As Restated
Net Position:				
Net Investment in Capital Assets	$	**1,236,479**	$	**1,166,479**
Restricted:				
Nonexpendable:				
Instruction and Research		297,209		279,578
Student Aid		264,021		247,332
Other		29,325		22,042
Total Nonexpendable		**590,555**		**548,952**
Expendable:				
Instruction, Research and Public Service		241,957		167,275
Student Aid		93,157		97,021
Construction		76,072		101,016
Other		623,684		630,543
Total Expendable		**1,034,870**		**995,855**
Unrestricted		**1,458,849**		**1,483,083**
Total Net Position	$	**4,320,753**	$	**4,194,369**

See Accompanying Notes to the Financial Statements.



Component Units

For the Years Ended June 30 (Dollars in Thousands)

Consolidated Statement of Financial Position

	2015	2014
Assets:		
Cash and Cash Equivalents	$ 13,422	$ 4,987
Accounts Receivable, Net	38,774	33,015
Other Assets	5	5
Investments	2,525,592	2,610,670
Pledges Receivable, Net	-	-
Lease Purchase Agreements	129,264	122,191
Notes Receivable, Net	11,625	12,323
Interest in Charitable Perpetual Trusts	15,677	16,016
Capital Assets, Net of Accumulated Depreciation	170,303	166,074
Total Assets	**2,904,662**	**2,965,281**
Liabilities:		
Accounts Payable and Accrued Expenses	25,292	26,875
Due on Split Interest Agreements	57,100	58,290
Deposits Held in Custody for Others	1,607,232	1,668,966
Bonds (Net), Leases, and Notes Payable	219,569	213,862
Other Liabilities	19,672	21,112
Total Liabilities	**1,928,865**	**1,989,105**
Net Assets:		
Temporarily Restricted	701,292	708,982
Permanently Restricted	141,793	139,096
Unrestricted	132,712	128,098
Total Net Assets	**$ 975,797**	**$ 976,176**

Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30 (Dollars in Thousands)

	2015	2014 As Restated
Operating Revenues:		
Tuition and Fees (Net of Scholarship Allowance of $114,833 and $112,112, respectively)	$ 747,513	$ 727,256
Federal Grants	21,750	16,398
County Grants	8,283	7,700
Grants and Contracts	360,411	344,537
Sales and Services	81,033	74,721
Auxiliary Enterprises (Net of Scholarship Allowance of $14,585 and $14,254, respectively)	241,962	254,567
Other Operating Revenues	10,851	9,970
Total Operating Revenues	**1,471,803**	**1,435,209**
Operating Expenses:		
Compensation and Benefits	1,218,807	1,201,478
Supplies and Services	439,007	485,556
Depreciation Expense	157,751	148,356
Scholarships, Fellowships, & Student Awards	72,079	72,291
Total Operating Expenses	**1,887,644**	**1,907,681**
Net Operating Loss	**(415,841)**	**(472,472)**
Nonoperating Revenues (Expenses):		
State Appropriations	399,039	392,293
Grants and Contracts	59,260	61,534
Private Gifts	83,129	85,226
Investment Income	58,858	280,979
Interest Expense	(32,035)	(23,142)
Other Nonoperating Revenues (Net of Nonoperating Expenses of $932 and $346, respectively)	4,146	6,223
Total Nonoperating Revenues before Capital and Endowments	**572,397**	**803,113**
Capital and Endowments:		
State Capital Appropriations	-	6,322
Capital Gifts	14,029	16,116
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	31,712	29,075
Gain on Retirement of Capital Assets (Net of proceeds and insurance recoveries)	3,651	257
Total Capital and Endowments	**49,392**	**51,770**
Total Nonoperating Revenues	**621,789**	**854,883**
INCREASE IN NET POSITION	**205,948**	**382,411**
Net Position, Beginning of Year	4,194,369	3,811,958
Prior Period Adjustments	(79,564)	
Net Position, Beginning of Year, as restated	4,114,805	
Net Position, End of Year	**$ 4,320,753**	**$ 4,194,369**

See Accompanying Notes to the Financial Statements.

Component Units

For the Years Ended June 30 (Dollars in Thousands)

Consolidated Statement of Activities

	2015	2014
Revenue and Support		
Amount Received for Purdue University Research Projects	$ 3,591	$ 2,380
Less Payments to Purdue University	(3,591)	(2,380)
Administrative Fee on Research Projects	-	-
Contributions	68,880	17,485
Income on Investments	20,019	20,737
Net Unrealized and Realized Gains	16,856	132,152
Decrease in Value of Split Interest Agreements	(2,432)	(9,044)
Increase in Interests in Perpetual Trusts	(339)	1,424
Rents	14,492	11,954
Royalties	5,105	6,963
Other	33,614	17,278
Total Revenue and Support	**156,195**	**198,949**
Expenses and Losses		
Expenses for the Benefit of Purdue University		
Contributions to Purdue University	20,363	20,050
Patent and Royalty	3,654	6,281
Grants	52,595	12,589
Services for Purdue University	830	340
Development Office	-	750
Other	3,661	2,266
Total Expenses for the Benefit of Purdue University	**81,103**	**42,276**
Administrative and Other Expenses		
Salaries and Benefits	27,108	18,062
Property Management	14,691	12,529
Professional Fees	10,744	3,874
Supplies	1,578	718
Interest	8,752	8,744
Research park	2,541	1,384
Other	10,057	8,409
Total Administrative and Other Expenses	**75,471**	**53,720**
Change in Net Assets	(379)	102,953
Net Assets, Beginning of Period	976,176	873,223
Net Assets, End of Period	**$ 975,797**	**$ 976,176**

Statement of Cash Flows

For the Years Ended June 30 (Dollars in Thousands)

	2015	2014 As Restated
Cash Flows From Operating Activities:		
Tuition and Fees, Net of Scholarship Allowances	$ 752,027	$ 731,848
Federal Grants	21,750	16,398
County Grants	8,283	7,760
Grants and Contracts	370,989	342,137
Sales and Services	81,357	76,680
Auxiliary Enterprises, Net of Scholarship Allowances	241,181	252,463
Other Operating Revenues	12,651	(8,140)
Compensation and Benefits	(1,223,684)	(1,200,387)
Supplies and Services	(451,382)	(468,751)
Scholarships, Fellowships and Student Awards	(72,059)	(71,931)
Student Loans Issued	(8,480)	(8,411)
Student Loans Collected	10,598	8,965
Cash Used by Operating Activities	**(256,769)**	**(321,369)**
Cash Flows From Noncapital Financing Activities:		
State Appropriations	391,858	392,293
Grants and Contracts	59,260	61,534
Gifts for Other than Capital Purposes	105,895	113,798
Funds Held in Trust for Others	3,019	3,534
Other Nonoperating Revenues, Net	2,026	6,223
Cash Provided by Noncapital Financing Activities	**562,058**	**577,382**
Cash Flows From Investing Activities:		
Purchases of Investments	(3,201,885)	(3,105,503)
Proceeds from Sales and Maturities of Investments	3,196,463	3,014,968
Interest and Dividends on Investments, Net	28,008	40,010
Cash Provided (Used) by Investing Activities	**22,586**	**(50,525)**
Cash Flows From Capital and Related Financing Activities:		
Debt Repayment	(130,634)	(74,565)
Capital Debt Proceeds	191,377	35,455
Interest Expense	(39,599)	(40,821)
Capital Gifts Received	15,129	8,356
State Appropriations for Capital Projects	-	6,322
Construction or Purchase of Capital Assets	(187,661)	(196,985)
Cash Used by Capital and Related Financing Activities	**(151,388)**	**(262,238)**
Net Increase (Decrease) in Cash and Cash Equivalents	**176,487**	**(56,750)**
Cash and Cash Equivalents, Beginning of Year	379,414	436,164
Cash and Cash Equivalents, End of Year	**$ 555,901**	**$ 379,414**

Statement of Cash Flows

For the Years Ended June 30 (Dollars in Thousands)
(continued from previous page)

Reconciliation of Cash Used for Operating Activities (Indirect Method)		**2015**	**2014 As Restated**
Reconciliation of net operating loss to net cash used by operating activities:			
Operating Loss	$	(415,841)	$ (490,473)
Depreciation Expense		157,751	148,356
Noncash investing, capital, and financing activities		(3)	793
Changes in Assets and Liabilities:			
Accounts Receivable		12,977	(1,830)
Notes Receivable		2,592	96
Other Assets		(4,560)	21,255
Accrued Compensated Absences		(8,011)	999
Accounts Payable		(6,927)	14,255
Unearned Revenue		5,292	(16,168)
Deposits Held in Custody for Others		-	1,350
Advances from Federal Government		(39)	(2)
Cash Used by Operating Activities	**$**	**(256,769)**	**$ (321,369)**

See Accompanying Notes to the Financial Statements.

Note 1 — Basis of Presentation and Summary of Significant Accounting Policies

For the Fiscal Year Ended June 30, 2015

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 29 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

College of Agriculture 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, Purdue University, and all of its component units. Component units are legally separate organizations which 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.

Purdue International, Inc. (PII) is a separately incorporated, not-for-profit entity established in 2014 to provide an international focus on facilitating the University's international education, research, and exchange activities. In this regard, Purdue International, Inc. serves as the flagship entity for Purdue's global affairs programs. PII was a modification of The Purdue Foundation, Inc., which was created in 1979. The University is the sole beneficiary of Purdue International, Inc. and the governing body is substantively the same as the University's governing body. As a result, Purdue International, Inc. is reported as a blended component unit of the University. Purdue International, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Complete financial statements for Purdue International, Inc. may be obtained by writing to: Purdue International, Inc., c/o Accounting Services, 401 S. Grant Street, West Lafayette, IN 47907.

There are three discretely presented component units presented, which are defined as organizations that raise and hold economic resources for the direct benefit of the University, and are included in the reporting entity as required by GASB Statement No. 39. 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 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.

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 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.

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 East Coliseum Blvd., KT G06, Fort Wayne, IN 46805-1499.

The University has an association with Indiana University-Purdue University Indianapolis for which it is not financially accountable nor does it 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, construction, 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 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, 2015 and 2014.

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 2015, the University adopted GASB Statements 68 *Accounting and Financial Reporting for Pensions* and GASB Statement 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. During fiscal year 2014, the University adopted GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*.

The effect of GASB Statements No. 68 and 71:

> Changed the definition of reportable pension liability from Net Pension Obligation to Net Pension Liability, which dramatically increased the liability and required a prior period adjustment in order to record the additional liability from previous years for defined benefit pension plans. These statements also introduced new deferred inflow and outflow items related to defined benefit pension plans. Changes to the Required Supplementary Information related to defined benefit pension plans also resulted from these new GASB statements. In accordance with the adoption of these statements, the University has reported an $85.7 million change in accounting principle adjustment to Unrestricted Net Position as of July 1, 2014. June 30, 2014 amounts have not been restated to reflect the impact of GASB 68 because the information is not available to calculate the impact on pension expense for the fiscal year ending June 30, 2014.

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 original maturities of three months or less. 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 prices 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 to 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 Receivable. Notes receivable primarily consist of student loan repayments due to the University and are shown net of allowance for doubtful accounts.

Other Receivables. Other receivables represent a state appropriation receivable at June 30, 2015 and a bond payment receivable at June 30, 2014.

Inventories. Inventories principally consist of consumable supplies and items held for resale or recharge within the University, and 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, operating 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 Trust Funds' 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 donors' 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 if a gift, at fair market value at the date of gift. Items are capitalized when their value exceeds the threshold shown in the following table and its 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 and 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 end of the fiscal year. 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. Upon meeting the definition of an official University retiree, benefits eligible clerical and service staff receive cash payments for a portion of their accrued sick leave. An estimate of sick leave liability is recorded for the clerical and service staff based on historical payouts. 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.

Net Pension Liability and Related Items. The University participates in the Public Employees' Retirement Fund (PERF), an employer cost sharing plan managed by the Indiana Public Retirement System (INPRS). The University's net pension liability, associated deferred outflows and deferred inflows of resources, and pension expense are reported in conformance with GASB 68, using the information reported by INPRS related to our allocated share of these items.

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 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 non-operating 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 natural classifications in the Statement of Revenues, Expenses, and Changes in Net Position. Functional classification reporting appears in Note 8. Indirect expenses, such as depreciation, are not allocated across functional categories.
- Non-operating 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 non-exchange 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. Non-operating 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 gift and are capitalized, if appropriate, subject to the University's policies on capitalization. Revenue from gifts-in-kind of approximately $2,801,000 and $931,000 was recognized during the years ending June 30, 2015 and 2014, 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.

Prior Period Adjustments. The implementation of GASB Statement 68 *Accounting and Financial Reporting for Pensions* required a prior period adjustment to record the University's net pension liability and related items, resulting in a decrease of approximately $85,734,000 to the Unrestricted Fund Balance. An additional prior period adjustment increased Restricted Other Fund Balance in the amount of approximately $6,170,000 to incorporate the net position of student organizations. As a result of these two prior period adjustments the July 1, 2014 Net Position balance decreased from $4,194,369,000 as originally stated to $4,114,805,000.

In addition, the fiscal year 2014 Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position were restated to accurately characterize a prepaid lease of $18,000,000 that had been expensed in 2014.

Note 2 — Deposits and Investments

Deposits. As of June 30, 2015 and 2014, the bank balance of the University's deposits (demand deposit accounts) was approximately $99,938,000 and $90,909,000, 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 under guidance from two separate policies, the Purdue Investment Pool – Cash (PIPC) policy, and the Purdue Endowment Investment Policy (PIP), both of which are endorsed by the Trustees.

At June 30, The University had the following investments (dollars in thousands):

Investment Type	June 30, 2015	June 30, 2014
SEPARATELY HELD INVESTMENTS:		
Investment Held by State Treasurer	$ 340	$ 340
Separately Managed US Equity	41,756	39,512
Public Real Estate	1,628	1,628
Separately Managed US Agencies	5	10
Venture Capital/Private Equity	1,740	1,795
BOND PROCEEDS INVESTED:		
Money Market & Cash	108,460	43,332
PIPC (formerly CMIP):		
Asset-Backed Securities	76,679	41,287
Corporate Bonds	389,112	368,556
Mortgage-Backed Securities	223,224	218,785
US Agencies	103,665	106,988
US Treasuries and Securities	366,247	367,647
Mutual Funds and Cash	351,204	212,387
PIP:		
Emerging Markets	103,297	107,299
Fixed Income	110,326	107,730
International Equity	213,301	219,143
US Equity	359,361	375,303
Marketable Alternatives	384,247	361,657
Private Natural Resources	72,918	79,360
Public Natural Resources	-	7,182
Private Real Estate	49,312	47,031
Public Real Estate	38,502	38,366
Venture Capital/Private Equity	190,266	170,974
Mutual Funds and Cash	27,613	92,501
Total	**$ 3,213,203**	**$ 3,008,813**

Investment values included accumulated unrealized gains of $258,774,000 and $339,959,000 as of June 30, 2015 and 2014, respectively. Investment income included unrealized gains/(losses) of ($81,185,000) and $146,467,000 during the year ended June 30, 2015 and 2014, respectively.

PRF Investments. PRF investments are managed under the PIP which was also approved by the PRF Directors. The fair value of investments at June 30, 2015 and 2014 is as follows (dollars in thousands):

Investment Type	June 30, 2015	June 30, 2014
Short-Term Investments	$ 45	$ 47
U.S. Equity	14,089	17,576
Fixed Income	5,243	5,220
Venture Capital	276	149
Pooled Funds:		
Short-Term Investments	99,554	120,474
U.S. Equity	504,034	579,248
International Equity	333,197	340,164
Fixed Income	225,411	251,320
Funds Invested with University	14,085	12,500
Emerging Markets	161,361	166,555
Public Real Estate	60,144	62,079
Private Real Estate	77,030	73,003
Public Natural Resources	-	11,148
Private Natural Resources	113,905	123,186
Hedge Funds	600,234	561,380
Venture Capital/Private Equity	297,215	265,393
Total	**$ 2,505,823**	**$ 2,589,442**

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

- The Cash Management Investment Policy (CMIP) outlining the parameters for all investments exclusive of endowment funds was approved on April 11, 2008, and was in place until May 15, 2015 when the Purdue Board of Trustees adopted the Purdue Investment Pool--Cash (PIPC). The primary investment objectives of PIPC are 1) the preservation of capital, 2) the maximization of returns within acceptable levels of risk, and 3) management of liquidity requirements. 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, include corporate bonds and bank loans (minimum credit quality of Ba3/BB-); investments managed under the University's endowment investment policy and the PIPC Loan Program supporting projects that are consistent with the mission to support the University and result in a public or charitable benefit or use for the University or its students.

As of June 30, 2015 and 2014, the University had $293,001,000 and $339,532,000 of PIPC investments invested in and shown as part of the PIP investments in these Note disclosures.

Investments in PIPC shall be diversified, resulting in a portfolio weighted average duration of between two and five years, with an overall credit rating of “AA” as rated by a nationally recognized rating agency such as Moody’s or Standard and Poor’s, assuming the credit worthiness of the United States of America is AAA. If the United States of America is downgraded the portfolio’s overall credit rating may fall in tandem and still be considered in compliance with this policy. 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 Purdue Endowment Investment Policy (PIP) outlining the parameters for endowment investments was approved on April 13, 2012. Authorized investments include equity, fixed income and alternative investments, including comingled 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 Bankers 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 (dollars in thousands):

June 30, 2015	**Maturity**				
Investment Type	**0–1 year**	**1–5 years**	**6–10 years**	**>10 years**	**Totals**
Separately Managed US Agencies	$ -	$ 5	$ -	$ -	$ 5
PIPC (formerly CMIP):					
Asset-Backed Securities	10,782	61,811	3,192	894	76,679
Corporate Bonds	43,608	208,955	96,034	40,515	389,112
Mortgage-Backed Securities	32,097	29,404	21,924	139,799	223,224
US Agencies	42,887	23,214	34,495	3,069	103,665
US Treasuries and Securities	115,871	226,698	14,588	9,090	366,247
PIP:					
Fixed Income and other	24,006	67,723	26,278	31,019	149,026
Total	$ 269,251	$ 617,810	$ 196,511	$ 224,386	$ 1,307,958

June 30, 2014	**Maturity**				
Investment Type	**0–1 year**	**1–5 years**	**6–10 years**	**>10 years**	**Totals**
Separately Managed US Agencies	$ 5	$ 5	$ -	$ -	$ 10
PIPC (formerly 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
US Agencies	3,662	63,589	20,496	19,240	106,987
US Treasuries and Securities	145,466	215,062	1,172	5,947	367,647
PIP:					
Fixed Income and other	26,175	56,665	51,888	30,803	165,531
Total	$ 228,808	$ 614,895	$ 214,118	$ 210,983	$ 1,268,804

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

In accordance with the PIPC, 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 PIP, 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 investments by credit ratings is summarized below (dollars in thousands):

	June 30, 2015	% of Total	June 30, 2014	% of Total
Separately Held:				
A	$ 5	100.00%	$ 10	100.00%
Total Separately Held	5	100.00%	10	100.00%
PIPC (formerly CMIP):				
A	154,181	13.30%	135,142	12.25%
AA	60,575	5.23%	55,829	5.06%
AAA	682,456	58.89%	691,515	62.68%
B	546	0.05%	556	0.05%
BA	25,523	2.20%	16,229	1.47%
BAA	136,771	11.80%	145,319	13.17%
CAA	722	0.06%	745	0.07%
Unrated	98,153	8.46%	57,928	5.25%
Total PIPC (formerly CMIP):	1,158,927	99.99%	1,103,263	100.00%
PIP:				
A	21,466	14.40%	31,741	19.18%
AA	7,857	5.27%	32,074	19.38%
AAA	77,565	52.05%	70,632	42.67%
BA+	3,611	2.42%	2,115	1.28%
BAA	20,934	14.05%	17,776	10.74%
Unrated	17,593	11.81%	11,193	6.76%
Total PIP	149,026	100.00%	165,531	100.00%
Total	**$ 1,307,958**		**$ 1,268,804**	

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.

Historically, the investment pool managed in accordance with the PIP 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 the PIP 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 occurred over the course of 2014 based on the contractual terms of the underlying investment vehicles.

All Separately Held and PIPC investments were maintained in University accounts at the University's custodial banks with the exception of $340,000 at both June 30, 2015 and 2014 which was held in the State's name. All PIP investments are held at PRF including private placements and investments in limited partnerships which totaled approximately $696,743,000 and $659,022,000 respectively at June 30, 2015 and 2014.

Foreign Currency Risk. Endowment equity managers may invest in common stocks, preferred stocks or 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 its international exposure in its PIP alternative investments was approximately $113,505,000 and $103,923,000 as of June 30, 2015 and 2014, respectively.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to magnitude of an entity's investment in a single issuer. As of June 30, 2015 and 2014, 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 unitized endowment pool purchases investments to generate present and future income in support of various programs. The Trustees establish the spending policy for the unitized endowment pool. The approved spending policy distributed 5% of the average of the ending values for the prior twelve quarters in semiannual distributions. The distribution includes both income and equity components.

As of June 30, 2015 and 2014, accumulated market appreciation of the PIP pool was approximately $506,676,000 and $588,811,000, respectively. Of this amount, 43.13% and 40.71% represents appreciation attributable to donor-restricted (true and term) endowments during the year ended June 30, 2015 and 2014, 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, 2015 and 2014, the PRF PIP investment pool includes the following PRF Trusts assets (in thousands).

	Assets at Fair Value		Beneficiary Interest	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
University	$ 24,004	$ 22,670	$ 13,244	$ 11,046
PRF	45,425	48,653	17,361	18,585
Related Parties	8	8	2	1
Other Affiliates	223	231	101	93
Total	**$ 69,660**	**$ 71,562**	**$ 30,708**	**$ 29,725**

As of June 30, 2015 and 2014, the University PIP investment pool includes the following endowment assets (in thousands), which are offset by Funds Held in Trust obligations to the other beneficiaries (Note 7).

	Assets at Fair Value	
	June 30, 2015	June 30, 2014
IPFW Foundation	$ 334	$ 374
Related Parties	7,131	7,779
Total	**$ 7,465**	**$ 8,153**

The University also has beneficiary interest in insurance contracts of $790,000 and $756,000, respectively, as of June 30, 2015 and 2014.

Note 3 — Accounts, Pledges, and Notes Receivable

Accounts and notes receivable consisted of the following (dollars in thousands):

	June 30, 2015	June 30, 2014
Grants and Contracts	$ 37,196	$ 50,396
Student and General	20,041	22,736
Other Accrued Revenues	15,418	15,094
Less: Allowance for Doubtful Accounts	(3,731)	(4,557)
Total Accounts Receivable, Net	**68,924**	**83,669**
Pledges Receivable	57,826	58,191
Less: Allowance for Doubtful Pledges	(2,096)	(2,217)
Net Pledges Receivables	55,730	55,974
Less: Noncurrent Portion	(34,395)	(29,030)
Pledges Receivable, Current Portion	**21,335**	**26,944**
Perkins Loans	25,848	26,334
Institutional Loans	21,090	21,053
State Appropriation and Bonds Receivable	7,181	8,667
Other Student Loans and Receivables	12,207	11,017
Less: Allowance for Doubtful Loans	(1,737)	(524)
Net Notes Receivables	64,589	66,547
Less: Noncurrent Portion	(48,332)	(53,996)
Notes Receivable, Current Portion	**$ 16,257**	**$ 12,551**

Note 4 – Capital Assets

Capital Assets Activity	Balance July 1, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
Capital Assets, Not Being Depreciated:					
Land	$ 28,179	$ 9,084	$ 82	$ -	$ 37,181
Construction in Progress	130,141	80,761	-	(80,041)	130,861
Total, Capital Assets, Not Being Depreciated	158,320	89,845	82	(80,041)	168,042
Capital Assets, Being Depreciated:					
Land Improvements	73,046	1,607	-	821	75,474
Infrastructure	105,008	12,531	275	7,536	124,800
Buildings	2,881,489	68,587	14,187	71,563	3,007,452
Equipment	508,753	36,592	22,189	121	523,277
Software	58,369	-	-	-	58,369
Total, Capital Assets, Being Depreciated	3,626,665	119,317	36,651	80,041	3,789,372
Less Accumulated Depreciation:					
Land Improvements	59,074	2,149	-	-	61,223
Infrastructure	46,668	6,362	35	-	52,995
Buildings	1,221,281	106,035	7,346	-	1,319,970
Equipment	344,415	38,211	19,841	-	362,785
Software	41,422	4,994	-	-	46,416
Total Accumulated Depreciation	1,712,860	157,751	27,222	-	1,843,389
Total Capital Assets, Net of Accumulated Depreciation	**$ 2,072,125**	**$ 51,411**	**$ 9,511**	**$ -**	**$ 2,114,025**

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**

During fiscal year 2015, the University incurred $34,580,000 in interest costs related to the acquisition and construction of capital assets. Of this total, $32,035,000 was charged as interest expense and $2,545,000 was capitalized.

Note 5 —Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following (dollars in thousands):

	June 30, 2015	June 30, 2014
Construction Payables	$ 22,134	$ 17,334
Accrued Insurance Liabilities	24,261	22,329
Interest Payable	17,058	16,914
Accrued Salaries and Wages	8,391	7,870
Vendor and Other Payables	35,482	44,860
Total Accounts Payable	**$ 107,326**	**$ 109,307**

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 illness or injury is $500,000 per incident, with a maximum annual aggregate liability of approximately $8,000,000 as of June 30, 2015 and 2014.

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, 2015 and 2014, the University reflected approximately $0 and $793,000, respectively, of insurance proceeds as non-operating 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, 2015	June 30, 2014
Beginning Liability	$ 22,329	$ 22,475
Claims Incurred	107,536	125,672
Claims Payments	(105,604)	(125,818)
Ending Liability	**$ 24,261**	**$ 22,329**

Note 6 — Debt Related to Capital Assets

Debt liability activity is summarized below (dollars in thousands):

Debt Related Liabilities	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion
Commercial Paper	$ 18,308	$ -	$ 18,308	$ -	$ -
Notes Payable	710	-	94	616	101
Leases Payable to Affiliated Foundations	144,968	-	12,741	132,227	38,245
Bonds Payable					
Student Facilities System Revenue Bonds	332,147	98,070	35,015	395,202	64,774
Student Fee Bonds	452,825	67,615	52,847	467,593	37,951
Total Bonds Payable	784,972	165,685	87,862	862,795	102,725
Total Debt Related Liabilities	**$ 948,958**	**$ 165,685**	**$ 119,005**	**$ 995,638**	**$ 141,071**

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**

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, 2015 there was no outstanding balance. At June 30, 2014 the balance outstanding was $18,308,000.

Notes Payable. As of June 30, 2015 and 2014, the balance of notes outstanding was approximately $616,000 and $710,000, 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 thirteen annual payments. The outstanding balance of this note was approximately $616,000 and $710,000 as of June 30, 2015 and 2014, respectively. The current portion of this note was approximately $101,000 and $93,000 as of June 30, 2015 and 2014, respectively. The interest rate for the note was fixed at 8.00% as of June 30, 2015 and 2014.

Leases Payable. Leases payable consisted of the following items (dollars in thousands):

Issue	Issue Date	Interest Rates	Final Maturity Date	Outstanding June 30, 2015	Outstanding June 30, 2014	Current Outstanding June 30, 2015
Certificates of Participation with Ross-Ade:						
Series 1998	1998	-	2015	$ -	$ 895	$ -
Series 2006	2006	5.00 - 5.25%	2025	32,520	35,455	3,075
Series 2009A	2009	-	2015	-	2,025	-
Series 2009B	2009	4.07 - 5.96%	2031	42,795	42,795	2,080
Series 2011A	2011	0.06%*	2035	32,185	32,185	32,185
Series 2014A	2014	2.66%	2027	21,955	21,955	425
Leases with Purdue Research Foundation:						
Academic Learning Center	2012	-	2030	-	6,235	
Remo Property	2011	6.38%	2015	-	57	
Kaplan	2012	5.63%	2022	755	841	91
Leases with Indiana Purdue Fort Wayne Foundation:						
Child Care Center	2011	6.20%	2016	116	225	116
				130,326	142,668	37,972
Net unamortized premiums and costs				1,901	2,300	273
Total				**$ 132,227**	**$ 144,968**	**$ 38,245**

**Variable interest rates are reset weekly and are based upon market conditions. Rates shown are as of June 30, 2015.*

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 student fees and state appropriations. During the Fiscal Years June 30, 2015 and 2014, the University included approximately $32,185,000 in Current Liabilities related to variable rate Certificates of Participation (Series 2011A). 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.

As of June 30, 2015 and 2014, long-term debt included amounts relating to properties with a net book value (net of accumulated depreciation) of approximately $151,409,000 and $154,209,000, respectively, leased from Ross-Ade Foundation, Purdue Research Foundation, or the Indiana Purdue Fort Wayne Foundation.

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 lease was treated as a capital lease with a fair 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 lease was treated as a capital lease with a fair value of $1,000,000.

Bonds Payable. As of June 30, 2015 and 2014, the balance of bonds payable was approximately $862,795,000 and $784,972,000, respectively. Bonds payable consisted of the following issues (dollars in thousands):

Issuance and Description	Issue Date	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2015	Total Outstanding June 30, 2014	Current Outstanding June 30, 2015
Student Facilities System Revenue Bonds:						
Series 2004A						
Finance construction of Calumet student housing and parking garage facilities	2004	0.07%*	2033	17,600	17,600	17,600
Series 2005A						
Finance construction and renovation of West Lafayette housing and food service facilities	2005	0.06% *	2029	6,020	6,020	6,020
Series 2007A						
Refund a portion of Student Facilities System Revenue Bond Series 2003A and 2003B	2007	5.00-5.25%	2029	59,840	61,865	2,160
Series 2007B						
Finance construction of the new West Lafayette dining court and Fort Wayne student housing facility	2007	5.00%	2018	3,510	23,110	795
Series 2007C						
Renovate a West Lafayette student housing facility, and finance construction on a new West Lafayette student housing facility	2007	0.06% *	2032	25,520	25,520	25,520
Series 2009A						
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%	2028	19,930	33,495	1,010
Series 2009B						
Finance Fort Wayne and West Lafayette student housing facilities, and refund a portion of commercial paper	2009	4.00-5.00%	2035	37,510	38,520	1,065
Series 2010A						
Taxable Build America Bonds to finance the renovation of West Lafayette student housing facilities, and refund a portion of commercial paper	2010	2.71-5.96%	2030	22,750	23,875	1,145
Series 2011A						
Refund a portion of Student Facilities System Revenue Bond Series 2004A, 2005A, and 2007C	2011	3.75-5.00%	2025	41,295	44,100	2,935
Series 2012A						
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	3.13-5.00%	2032	38,825	42,100	3,455
Series 2015A						
Finance a portion of construction of West Lafayette Honors College and Residence Hall, refund a portion of Series 2007B and of Series 2009A	2015	3.00-5.00%	2040	98,070	-	325
				370,870	$316,205	$62,030
Net unamortized premiums and costs				24,332	15,942	2,744
Total Student Facilities System Revenue Bonds				**$395,202**	**$332,147**	**$64,774**

**Variable interest rates are reset weekly and are based upon market conditions. Rates shown are as of June 30, 2015.*

Issuance and Description		Issue Date	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2015	Total Outstanding June 30, 2014	Current Outstanding June 30, 2015
Student Fee Bonds:							
Series N							
	Refund Student Fee Bond Series B and D	1998	n/a	2014	$0	$500	
Series P							
	Refund Student Fee Bond Series M	1998	5.25%	2017	11,475	15,990	4,770
Series U							
	Refund a portion of Student Fee Bond Series Q	2005	3.85-5.25%	2022	24,670	27,355	2,815
Series W							
	Finance West Lafayette strategic infrastructure and utilities improvements	2006	5.00%	2015	1,895	31,515	1,895
Series X							
	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	5.00-5.25%	2028	85,510	89,615	4,330
Series Y							
	Refund Student Fee Bond Series S, T, and V	2010	4.00-5.00%	2027	58,255	61,490	3,370
Series Z-1							
	Finance a portion of construction of the West Lafayette Student Fitness and Wellness Center, Fort Wayne Parking Garage, and West Lafayette Repair & Rehabilitation projects as well as refund Student Fee Bond Series H, K, L, O, and a portion of Series R and a portion of commercial paper	2010	4.00-5.00%	2024	42,155	51,490	7,790
Series Z-2							
	Taxable Build America Bonds 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 & Rehabilitation projects	2010	1.61-5.33%	2035	99,305	100,010	2,500
Series AA							
	Finance a portion of construction of the West Lafayette Student Fitness and Wellness Center, Health and Human Sciences Facility, Repair & Rehabilitation projects on the West Lafayette campusand reallocation from Drug Discovery to Purdue North Central Student Services and Activities complex	2012	3.25-5.00%	2032	51,025	52,810	1,865
Series BB1							
	Finance a portion of construction of North Central Student Services and Activities Complex, Repair and Rehabilitation projects on the West Lafayette campus, refund energy improvement projects on all campuses originally financed with tax-exempt commercial paper and partially refund Series W.	2015	2.00-5.00%	2034	48,630	-	3,495
Series BB2							
	Taxable debt for reallocation of Drug Discovery from tax-exempt Series AA	2015	0.04-3.81%	2032	18,985		1,135
					441,905	$430,775	$33,965
Net unamortized premiums and costs					25,688	22,050	3,986
Total Student Fee Bonds					**$467,593**	**$452,825**	**$37,951**

The Student Facilities System Revenue Bonds are secured by a pledge of certain auxiliary net income and all other available funds, except student fees and state appropriations. Student Fee Bonds are secured by a pledge of mandatory student fees.

As of both June 30, 2015 and 2014, the University had approximately $49,140,000 included in Current Liabilities related to variable rate Student Facility System Revenue demand bonds (Series 2004A, Series 2005A, and Series 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 provide funds for certain capital improvements, refund certain interim financing, provide for construction period interest for a portion of the bonds, and 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 COPs 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 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 percent 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 February 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 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.

On January 7, 2015, tax-exempt Student Fee Bonds, Series BB-1 were issued at par value $48,630,000 and a premium of approximately $7,210,000. Concurrently, taxable Student Fee Bonds, Series BB-2 were issued for par value of $18,985,000. The Series BB-1 bonds provided funds for construction of the Student Service and Activities Complex at the Purdue North Central campus and financed various West Lafayette repair and rehabilitation projects. The series also refunded all outstanding commercial paper, a portion of which funded several energy conservation projects at each of the Purdue campuses. A portion of the outstanding Student Fee Bonds, Series W was also refunded, resulting in a reduction in the University's aggregate debt service payments over the life of the debt of approximately $4,109,000. The refunding resulted in an estimated economic loss of approximately $1,027,000. The taxable Series BB-2 was issued to reallocate a portion of previously issued tax-exempt Series AA proceeds due to a change in use of a financed facility, the West Lafayette Drug Discovery building. Proceeds of Series AA were reallocated to the Student Services and Activities Complex at the Purdue North Central campus while the taxable proceeds from BB-2 were allocated to the West Lafayette Drug Discovery building.

On March 31, 2015, tax-exempt Student Facilities System Revenue Bonds, Series 2015A, were issued at par value of $98,070,000 and a premium of approximately $11,712,000. The series was issued to finance a portion of the construction of the West Lafayette Honors College and Residence Hall. The series also refunded a portion of each of the outstanding Student Facilities System Revenue Bonds, Series 2007B and Series 2009A bonds, $18,835,000 and $12,750,000, respectively. As a result of the refunding, the University will have a reduction in its aggregate debt service payments over the life of the debts of approximately $5,661,000. The refunding resulted in an economic loss of approximately $1,380,000.

Scheduled payments related to the debt for capital assets for the fiscal years ending June 30 are as follows (dollars in thousands):

Fiscal Year	Principal	Interest	Total
2016	$52,742	$41,193	$93,935
2017	52,885	40,009	92,894
2018	50,749	37,752	88,501
2019	51,199	35,462	86,661
2020	52,125	33,062	85,187
2021-2025	252,535	128,564	381,099
2026-2030	244,910	66,051	310,961
2031-2035	155,730	21,666	177,396
2036-2040	26,510	3,041	29,551
2041	4,330	-	4,330
	$943,715	$406,800	$1,350,515
Net unamortized premiums and costs	51,921	-	51,921
Total	995,636	406,800	1,402,436

Defeased Bond Issues. The University defeases bonds by prepayment or issuing new debt. The University's defeased debt is shown below (dollars in thousands). US Treasury obligations have been purchased in amounts sufficient to pay principal and interest payments through maturity when due 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.

	Final Maturity/	Amount Outstanding	
Description of Bonds	**Call Date**	**June 30, 2015**	**June 30, 2014**
Student Fee and Facilities:			
Student Facilities System Revenue Bonds, Series 2007	1/1/2017	$18,835	0
Student Facilities System Revenue Bonds, Series 2009	1/1/2016	12,750	0
Student Fee Bonds:			
Student Fee Bonds, Series W	1/1/2016	$27,800	0

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
2016	4,245
2017	3,660
2018	3,637
2019	2,300
2020	2,329
Total Future Minimum Payments	**$16,171**

Note 7— Other Debt Information

Other debt information is summarized below (dollars in thousands):

Long-term Liabilities	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion
Accrued Compensated Absences	$ 57,357	$ 27,917	$ 26,361	$ 58,913	$ 26,407
Other Post Employment Benefits	38,568	7,672	9,547	36,693	-
Funds Held in Trust for Others	8,153	6,537	7,225	7,465	-
Advances from Federal Government	19,930	-	39	19,891	-
Total	**$ 124,008**	**$ 42,126**	**$ 43,172**	**$ 122,962**	**$ 26,407**

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**

Other Post-Employment Benefits. The University offers medical insurance for official retirees and their dependents. As of July 1, 2014, separating employees who are 55 or older, and have at least 10 years of service are eligible.

Official retirees under the age of 65, and their dependents 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 above program is no longer offered, however they may participate in a Medicare Supplement plan. The post-retirement Medicare Supplement plans are single-employer plans administered by the University, as authorized by the Trustees, and 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 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 amortizes any unfunded actuarial liabilities over a 20-year period.

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 will contribute 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 both the years ended June 30, 2015 and 2014, there were 523 and 513, employees, respectively, participating in the voluntary retirement incentive program. For the years ending June 30, 2015 and 2014, the University had an outstanding liability associated with the health reimbursement accounts of approximately $5,661,000 and $4,347,000, respectively.

Purdue also offers a long-term disability program providing income continuation payments. Based on date of disability, some additional 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 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.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events 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. The following tables 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 (dollars in thousands):

Determination of Annual Required Contribution (ARC)

Cost Element	For Fiscal Year Ending June 30, 2015	For Fiscal Year Ending June 30, 2014
Normal cost	$ 3,179	$ 3,095
Amortization of the Unfunded Actuarial Accrued Liability	5,999	5,840
Total Annual Required Contribution (End of year)	**$ 9,178**	**$ 8,935**

Schedule of Employer Contributions

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%
June 30, 2015	$ 7,672	$ 9,547	124%

Schedule of Funding Progress

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)

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
January 1, 2013	June 30, 2015	$ 9,177	$ 1,543	$ (3,048)	$ 7,672	$ 9,547	$ (1,875)	$ 36,693

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

Note 8—Operating Expenses by Function

Operating expenses by functional classification are summarized as follows (dollars in thousands):

June 30, 2015

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & Student Awards	Total
Instruction	$ 524,258	$ 98,199	$ -	$ -	$ 622,457
Research	159,195	62,909	-	-	222,104
Extension and Public Service	69,153	62,172	-	-	131,325
Academic Support	98,897	41,505	-	-	140,402
Student Services	38,582	9,091	-	-	47,673
General Administration and Institutional Support	111,520	33,006	-	-	144,526
Physical Plant Operations and Maintenance	76,855	55,247	-	-	132,102
Depreciation	-	-	157,751	-	157,751
Student Aid	-	-	-	72,079	72,079
Auxiliary Enterprises	140,347	76,878	-	-	217,225
Total	**$ 1,218,807**	**$ 439,007**	**$ 157,751**	**$ 72,079**	**$ 1,887,644**

June 30, 2014

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & 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	51,296	-	-	131,236
Depreciation	-	-	148,356	-	148,356
Student Aid	-	-	-	72,291	72,291
Auxiliary Enterprises	92,164	89,110	-	-	181,274
Total	**$ 1,201,478**	**$ 485,556**	**$ 148,356**	**$ 72,291**	**$ 1,907,681**

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, 2015 and 2014, the University's contribution to FICA was approximately $53,524,000 and $52,405,000, respectively.

Defined Contribution Plans. Certain employees of the University participate in defined contribution plans. Benefit provisions are established and/or amended by the Trustees. University defined contribution plans are all administered through Fidelity Investments. Plan contributions are made at the time the associated payroll is issued, so there is not a material outstanding liability at June 30, 2015 or 2014.

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; 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. 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. This plan requires a mandatory employee contribution of 4% of their salary. Funds in all exempt employees defined contribution plans are immediately vested, so no forfeitures exist in these plans.

For the years ended June 30, 2015 and 2014, there were 6,884 and 6,973 employees, respectively, participating in the plans with annual pay equal to approximately $572,478,000 and $556,325,000, respectively. For the years ended June 30, 2015 and 2014, the University made contributions totaling approximately $56,445,000 and $55,868,000, 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 non-exempt 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. This plan has a three year vesting period for this employee group, and there is not a material forfeiture balance at this time. 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 years ended June 30, 2015 and 2014, there were 1,088 and 385 employees, respectively, participating in the plan with annual pay equal to approximately $18,333,000 and $4,338,000, respectively. For the year ended June 30, 2015 and 2014, the University made base contributions totaling approximately $688,000 and $140,000, respectively, and matching contributions totaling approximately $540,000 and $89,000, respectively, 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 are disclosed in the Required Supplementary Information (RSI) at the back of the 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 Indiana Public Retirement System (INPRS), an agency of the state of Indiana. PERF, as part of the implementation of GASB 67 changed from an agent to a cost-sharing, multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2, and amended IC 5-10.1-1-11(b).

PERF was established to provide retirement benefits to plan members and beneficiaries. Benefit provisions are established and/or amended by the State of Indiana. The PERF retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. 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. The monthly pension benefits for members in pay status may be increased periodically for cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

The required contributions are determined by INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. For the years ended June 30, 2015 and 2014, the University was required to contribute 11.2% of the employee's salary. The employee contribution of 3% of the employee's salary is being made by the University on behalf of the employee.

The financial statements of INPRS, including PERF, have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles as applied to government units. Oversight of INPRS' assets is the responsibility of the INPRS Board of Trustees. Indiana law requires the Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control. Both pooled and non-pooled investments are reported at fair value. Benefits are recognized when due and payable to members or other beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. INPRS issues a publicly available financial report that includes financial statements, notes, 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 North Capitol Ave., Suite 001, Indianapolis, IN 46204; or by visiting www.in.gov/inprs/annualreports.htm.

For the years ended June 30, 2015 and 2014, there were 3,967 and 4,651 employees, respectively, participating in PERF. The University's proportionate share of PERF's Net Pension Liability, based on covered payroll of approximately $138,081,000 was 2.82819% for the measurement date June 30, 2014, which was the date used for this financial report. The proportionate share of the Net Pension Liability as calculated by INPRS under GASB 68 guidance was approximately $74,323,000 as of June 30, 2015. The University made contributions to the plan totaling approximately $16,942,000 and $19,746,000 for the years ending June 30, 2015 and 2014, respectively. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $13,405,000 for the year ended June 30, 2015. The proportionate share of pension plan expense for the year ended June 30, 2015 as calculated under GASB 68 guidance was approximately $6,924,000, less net amortization of deferred amounts of approximately $1,212,000, leaving a net pension expense of approximately $5,712,000.

Actuarial calculations reflect a long-term perspective and the significant assumptions used in the actuarial valuation to calculate the total pension liability follow. The valuation date for assets was June 30, 2014, and the valuation date for liabilities was June 30, 2013 with standard actuarial roll forward techniques used to project the total pension liability at June 30, 2014. 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 include a 6.75% investment rate of return (net of administrative expenses), inflation rate of 3.0% per year, projected salary increases of 3.25% - 4.5% per year, and 1% per year cost of living adjustments, all based on the period of 5 years ended June 30, 2010, the most recent study date. Mortality rates were based on the 2013 IRS Static Mortality table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

		Geometric Basis
	Target Asset Allocation	**Long-Term Expected Real Rate of Return**
Public Equity	22.5%	6.0%
Private Equity	10.0%	7.7%
Fixed Income - Ex Inflation-Linked	22.0%	2.1%
Fixed Income - Inflation-Linked	10.0%	0.5%
Commodities	8.0%	2.5%
Real Estate	7.5%	3.9%
Absolute Return	10.0%	1.8%
Risk Parity	10.0%	4.3%

Total pension liability was calculated using the discount rate of 6.75%. The projection of cash flows used to determine the discount rate assumed the contributions would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy, adopted by the Board. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 6.75%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
$ 119,313,811	$ 74,322,998	$ 36,204,146

As a result of GASB 68 implementation, several new categories of deferred outflows and inflows of resources are now required to be reported and disclosed, as follows:

Summary of Deferred Outflows and Inflows of Resources
(Dollars in Thousands)

	As of June 30, 2015	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ -	$ 334
Net difference between projected and actual investment earnings on pension plan investments		14,444
Changes in proportion and differences between employer contributions and proportionate share of contributions	606	4,849
Contribution made after the measurement date	13,405	
Total Deferred Outflows and Inflows	$ 14,011	$ 19,627

These deferred outflows and inflows of resources are required to be amortized over either a 4.5 or 5 year life, depending upon the nature of the item. Amortization of these items is presented in the following table:

Amortization of Net Deferred Outflows/Inflows of Resources		
2015	$	(4,918,492)
2016		(4,918,492)
2017		(4,918,492)
2018		(4,264,770)
2019		-
Thereafter		-
Total	$	(19,020,246)

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, funded through group annuities, and 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 ending June 30, 2015 and 2014, there were 104 and 101 employees, respectively, participating in Police/Fire. The University made contributions to this plan totaling approximately $1,030,000 and $1,260,000 for the years ending June 30, 2015 and 2014, respectively.

The pension benefit obligation was computed as part of an actuarial valuation performed as of July 1, 2014. The actuarial valuation was the projected unit credit actuarial cost method over 30 years. The actuarial assumptions include a 6.25% investment rate of return, projected salary increases of 3% per year, and 3% per year cost of living adjustments.

Three-Year-Trend Information (dollar amounts in thousands)

Plan	Annual Required Contribution	Interest on Net Pension Obligation	Adjustment to Annual Required Contribution	Annual Pension Cost	Contributions Made [2]	Increase (Decrease) in Net Pension Obligation	Net Pension Obligation, Beginning of Year	Net Pension Obligation, End of Year	Percentage of APC Contributed
Police/Fire									
July 1, 2014 [1]	812	44	(271)	585	1,068	(483)	(101)	(584)	183%
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%

[1] Actuarial data for 2015 was not available at the time of this report.

[2] Police/Fire contributions include interest earnings.

Cooperative Extension Service. As of June 30, 2015 and 2014, there were 11 and 14 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 $71,000 and $94,000 during the years ended June 30, 2015 and 2014, respectively, to this plan.

Note 10 – Discretely Presented Component Units

Summary financial information as of and for the years ended June 30, 2015 and 2014, for the University's discretely presented component units are presented in the tables below.

Discretely Presented Component Unit Statement of Financial Position

June 30, 2015 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	IPFW Foundation	Component Unit Total
Assets:				
Cash and Cash Equivalents	$ 13,016	$ 195	$ 211	$ 13,422
Accounts Receivable, Net	38,683	33	58	38,774
Other Assets	-	2	3	5
Investments	2,514,584	1,052	9,956	2,525,592
Pledges Receivable, Net	-	-	-	-
Lease Purchase Agreements	-	129,081	183	129,264
Notes Receivable, Net	10,546	1,079	-	11,625
Interest in Charitable Perpetual Trusts	15,677	-	-	15,677
Capital Assets, Net of Accumulated Depreciation	162,626	151	7,526	170,303
Total Assets	**2,755,132**	**131,593**	**17,937**	**2,904,662**
Liabilities:				
Accounts Payable and Accrued Expenses	25,275	-	17	25,292
Due on Split Interest Agreements	57,100	-	-	57,100
Deposits Held in Custody for Others	1,607,232	-	-	1,607,232
Bonds (Net), Leases and Notes Payable	89,949	129,620	-	219,569
Other Liabilities	19,672	-	-	19,672
Total Liabilities	**1,799,228**	**129,620**	**17**	**1,928,865**
Net Assets:				
Temporarily Restricted	695,258	1,973	4,061	701,292
Permanently Restricted	134,702	-	7,091	141,793
Unrestricted	125,944	-	6,768	132,712
Total Net Assets	**$ 955,904**	**$ 1,973**	**$ 17,920**	**$ 975,797**

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

	Purdue Research Foundation	Ross-Ade Foundation	IPFW Foundation	Component Unit Total
Assets:				
Cash and Cash Equivalents	$ 4,593	$ 218	$ 176	$ 4,987
Accounts Receivable, Net	32,985	-	30	33,015
Other Assets	-	2	3	5
Investments	2,598,365	1,926	10,379	2,610,670
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**

Discretely Presented Component Unit Statement of Activities
For the Year Ended June 30, 2015 (Dollars in Thousands)

	Purdue Research Foundation	Ross-Ade Foundation	IPFW Foundation	Component Unit Total
Revenue and Support				
Amount Received for Purdue University Research Projects	$ 3,591	$ -	$ -	$ 3,591
Less Payments to Purdue University	(3,591)	-	-	(3,591)
Administrative Fee on Research Projects	-	-	-	-
Contributions	67,427	974	479	68,880
Income on Investments	14,904	4,663	452	20,019
Net Unrealized and Realized Gains	17,074	-	(218)	16,856
Change in Value of Split Interest Agreements	(2,432)	-	-	(2,432)
Increase in Interests in Perpetual Trusts	(339)	-	-	(339)
Rents	14,364	8	120	14,492
Royalties	5,105	-	-	5,105
Other	33,587	-	27	33,614
Total Revenue and Support	**149,690**	**5,645**	**860**	**156,195**
Expenses and Losses				
Expenses for the Benefit of Purdue University				
Contributions to Purdue University	19,233	-	1,130	20,363
Patent and Royalty	3,654	-	-	3,654
Grants	52,595	-	-	52,595
Services for Purdue University	830	-	-	830
Development Office	-	-	-	-
Other	3,596	-	65	3,661
Total Expenses for the Benefit of Purdue University	**79,908**	**-**	**1,195**	**81,103**
Administrative and Other Expenses				
Salaries and Benefits	27,108	-	-	27,108
Property Management	13,601	974	116	14,691
Professional Fees	10,744	-	-	10,744
Supplies	1,578	-	-	1,578
Interest	4,403	4,349	-	8,752
Research Park	2,541	-	-	2,541
Other	10,035	10	12	10,057
Total Administrative and Other Expenses	**70,010**	**5,333**	**128**	**75,471**
Change in Net Assets	(228)	312	(463)	(379)
Net Assets, Beginning of Period	956,132	1,661	$18,383	976,176
Net Assets, End of Period	**$ 955,904**	**$ 1,973**	**$ 17,920**	**$ 975,797**

Discretely Presented Component Unit Statement of Activities
For the 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	1,106	17,485
Income on Investments	15,492	4,810	435	20,737
Net Unrealized and Realized Gains	131,415	-	737	132,152
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
Net Assets, End of Period	**$ 956,132**	**$ 1,661**	**$ 18,383**	**$ 976,176**

In addition to items in Note 6, Debt Related to Capital Assets, PRF provided grants, contracts, and gifts to the University totaling approximately $32,274,000 and $32,539,000 as of June 30, 2015 and 2014, 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, 2015 and 2014, contractual obligations for capital construction projects were approximately $84,776,000 and $42,386,000, 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 quantity at the guaranteed price at the specified time resulting in the University having to procure natural gas on the open market.

Limited Partnership Agreements. For June 30, 2015, all PIP (Purdue Endowment Investment Policy) investments are held at PRF including private placements and investments in limited partnerships. As a result, the University no longer has an obligation to make periodic payments on these investments. Previously, under the terms of various limited-partnership agreements approved by the University's Board of Trustees, the University was obligated to make periodic payments for commitments to venture capital, private equity, natural resources, and real estate investments. As of June 30, 2014, the University had the following unfunded commitments: approximately $55,194,000 to approximately 55 private equity/venture capital managers, approximately $30,513,000 to approximately 20 private real estate managers, approximately $31,437,000 to approximately 25 natural resource managers. The University continues to have an unfunded commitment of approximately $77,000 at both June 30, 2015 and 2014 to the Indiana Future Fund. These amounts are not included as liabilities in the accompanying Statement of Net Position. For the June 30, 2014 reporting period, outstanding commitments were estimated to be paid based on the capital calls from the individual manager, subject to change due to market conditions.

Note 12 – Subsequent Events

On May 6, 2015, the State of Indiana passed HB1466 related to the public employees' retirement fund (PERF), effective July 1, 2015. This bill applies to employers who chose to discontinue adding new employees (freeze participation) to PERF's plan prior to the bill's effective date and requires these employers to pay PERF for the unfunded actuarial accrued liability (UAAL) associated with employees that remain in the plan. As discussed in Note 9, regular clerical and service staff employed at least half time and hired on or before September 8, 2013 are participants in the PERF plan and employees hired subsequently are enrolled in a defined contribution plan, therefore this bill applies to the University.

The portion of pension liability for our employees that remain in the PERF plan will be calculated by the Indiana Public Retirement System (INPRS). This House Bill discusses the payment options related to the UAAL as well as future contribution rates for the ongoing participants in the plan and other issues related to pension plan options. Since the financial statements and notes already reflect the university's unfunded actuarial accrued liability, this legislation does not result in an additional liability or disclosure, but is presented as information for financial statement users.

Required Supplementary Information

SCHEDULE OF PURDUE'S SHARE OF THE NET PENSION LIABILITY
INDIANA PUBLIC EMPLOYEE RETIREMENT FUND (PERF)
(Dollar Amounts in Thousands)
June 30,

	2014*	2013*
Proportion of the Net Pension Liability	2.8%	3.0%
Proportionate Share of the Net Pension Liability	$ 74,323	$ 103,102
Covered-employee payroll	$ 138,081	$ 144,526
Proportionate share of the Net Pension Liability as a percentage of covered-employee payroll	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	84.3%	78.8%

SCHEDULE OF PURDUE'S CONTRIBUTIONS
INDIANA PUBLIC EMPLOYEE RETIREMENT FUND (PERF)
(Dollar Amounts in Thousands)
June 30,

	2014*	2013*
Contractually required contribution	$ 15,471	$ 13,894
Contributions in relation to the contractually required contribution	$ 15,471	$ 13,894
Contribution deficiency	-	-
Covered-employee payroll	$ 138,081	$ 144,526
Contributions as a percentage of covered-employee payroll	11.2%	9.6%

**Based on INPRS previous fiscal year audit and report on allocation of pension amounts. Ie: FY2015 Purdue reported amounts based on INPRS FY2014 report.*

Required Supplementary Information
Retirement Plans--Schedule of Funding Progress Police/Fire Supplemental
Fiscal Year Ended June 30, 2015
(Dollar Amounts in Thousands)

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)
Police/Fire Supplemental										
7/1/2005	16,209	18,724	2,515	86.6%	4,675	53.8%	822	825	100.4%	(228)
7/1/2006	17,595	19,074	1,479	92.2%	4,595	32.2%	623	846	135.8%	(452)
7/1/2007	19,679	19,984	305	98.5%	4,854	6.3%	528	645	122.2%	(569)
7/1/2008	20,014	21,441	1,427	93.3%	5,318	26.8%	685	573	83.6%	(457)
7/1/2009	19,026	22,190	3,164	85.7%	5,537	57.1%	899	670	74.5%	(228)
7/1/2010	20,163	23,131	2,968	87.2%	5,582	53.2%	956	878	91.8%	(150)
7/1/2011	22,560	26,385	3,825	85.5%	5,677	67.4%	1,182	976	82.6%	56
7/1/2012	23,438	27,329	3,891	85.8%	5,648	68.9%	1,286	1,166	90.7%	176
7/1/2013	25,809	27,780	1,971	92.9%	5,611	35.1%	1,030	1,307	126.9%	(101)
7/1/2014	29,465	28,897	(568)	102.0%	5,803	-9.8%	585	1,068	182.6%	(584)

*Data for 2015 not available from actuaries at date of issuance

Total In-State Enrollment by County

Fall, 2014-15 Academic Year

The overall (in-state and out-of-state) enrollment at Purdue University was 68,649 students for the 2014-15 fall semester. The breakdown was West Lafayette, 38,770, Calumet, 9,501, Fort Wayne, 13,214, North Central 6,177, Statewide Technology, 987. Enrollment numbers do not include 5,767 Purdue University students at Indiana University-Purdue University Indianapolis. Although students came to Purdue from all over the world, 65% system-wide came from within Indiana.

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Adams	73	500	2	575
Allen	823	7,012	1	7,836
Bartholomew	185	30	63	278
Benton	79	4	5	88
Blackford	13	35	1	49
Boone	433	10	1	444
Brown	16	3	5	24
Carroll	134	7	8	149
Cass	119	29	9	157
Clark	81	3	65	149
Clay	35	2		37
Clinton	156	7	15	178
Crawford	6	1	2	9
Daviess	23	1	3	27
DeKalb	81	562		643
Dearborn	115	7	2	124
Decatur	68	3	8	79
Delaware	93	40	19	152
Dubois	138	4	5	147
Elkhart	316	204	21	541
Fayette	21	1	12	34
Floyd	108	7	52	167
Fountain	79	-	4	83
Franklin	58	5	3	66
Fulton	67	143	1	211
Gibson	51	4	1	56
Grant	90	85	4	179
Greene	35	4	1	40
Hamilton	1,847	52	15	1,914
Hancock	251	12	6	269
Harrison	39	1	31	71
Hendricks	548	27	4	579

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Henry	70	6	14	90
Howard	273	26	64	363
Huntington	77	347	2	426
Jackson	79	4	14	97
Jasper	110	318	1	429
Jay	27	23	3	53
Jefferson	49	4	7	60
Jennings	17	2	5	24
Johnson	295	18	8	321
Knox	57	3	8	68
Kosciusko	190	6,595	3	6,788
La Porte	196	1,644	2	1,842
Lagrange	53	320		373
Lake	1,167	1,374	1	2,542
Lawrence	72	8	1	81
Madison	176	60	49	285
Marion	1,474	94	15	1,583
Marshall	145	103	11	259
Martin	10	3	3	16
Miami	73	25	13	111
Monroe	148	26	3	177
Montgome	143	3	3	149
Morgan	128	15	2	145
Newton	36	96	1	133
Noble	72	561		633
Ohio	2	-		2
Orange	22	1	4	27
Owen	16	2	1	19
Parke	32	-		32
Perry	19	-	1	20
Pike	14	1		15
Porter	455	2,992		3,447

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Posey	71	2		73
Pulaski	47	28	1	76
Putnam	76	2	1	79
Randolph	34	10	2	46
Ripley	68	5	3	76
Rush	32	2	3	37
Scott	14	1	9	24
Shelby	74	6	3	83
Spencer	51	1	3	55
St Joseph	748	186	103	1,037
Starke	36	197	1	234
Steuben	65	275	1	341
Sullivan	12	3		15
Switzerland	9	-		9
Tippecanoe	2,968	66	88	3,122
Tipton	58	5	11	74
Union	10	1	3	14
Vanderburg	218	9		227
Vermillion	16	-		16
Vigo	79	10	1	90
Wabash	73	204	3	280
Warren	59	-	2	61
Warrick	112	6		118
Washington	41	1	24	66
Wayne	86	10	38	134
Wells	68	438		506
White	150	12	4	166
Whitley	73	539		612
Unknown	1,246	19	16	1,281
Total	**18,472**	**25,517**	**928**	**44,917**

Acknowledgements

The following staff members of the Treasurer's Office prepared the 2014-15 Financial Report.

Kendra A. Cooks, *Comptroller*

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Aaron Jackson, *Unrestricted/Restricted Funds Accountant*

Natalie Miller, *Assistant Systems and Reporting Accountant*

Brigette L. Samuelson, *Plant Funds Accountant*

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Katherine Vanderwall, *Manager of Fund Accounting*

JoAnn Wiley, *Gift Funds Accountant*

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APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL FOR SERIES CC BONDS

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May 26, 2016

The Trustees of Purdue University
West Lafayette, Indiana

The Bank of New York Mellon Trust Company,
N.A., as Trustee
Indianapolis, Indiana

Barclays Capital Inc., as
Representative of the Underwriters
New York, New York

Re: Purdue University Student Fee Bonds, Series CC (the "Bonds") issued by The Trustees of Purdue University (the "Corporation") pursuant to an Amended and Restated Trust Indenture dated as of May 1, 1996, as heretofore supplemented and amended, and as further supplemented by a Thirtieth Supplemental Indenture dated as of April 15, 2016 (collectively, the "Indenture") to The Bank of New York Mellon Trust Company, N.A. (as successor to NBD Bank, N.A.), Indianapolis, Indiana, as trustee (the "Trustee"); Principal amount $121,885,000

Ladies and Gentlemen:

We have examined a transcript of the proceedings had by the Corporation relative to the authorization, issuance and sale of the Bonds to provide funds for the financing of the New Project and the refunding of the Refunded Bonds (all as defined in the Indenture), as certified by the Secretary or Assistant Secretary of the Corporation, and the Indenture as executed and delivered for the purpose of securing the payment of the Bonds and the interest thereon.

We have relied upon a certified transcript of proceedings and other certificates and representations of the Corporation, including the tax covenants and representations (the "Tax Covenants"), and have not undertaken to verify any facts by independent investigation.

Based on the foregoing and our review of such other information, papers and documents as we believe necessary or advisable, we are of the opinion that:

(1) The Indenture has been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the Trustee, is a valid and binding agreement of the Corporation, enforceable in accordance with its terms.

(2) The Bonds have been duly authorized, executed and issued and are the valid and binding obligations of the Corporation, enforceable in accordance with their terms.

(3) Under existing laws, judicial decisions, regulations and rulings, the interest on the Bonds is exempt from income taxation in the State of Indiana. This opinion relates only to the exemption of interest on the Bonds from state income taxes.

(4) Under existing laws, regulations, rulings and judicial decisions, the interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining alternative minimum tax imposed on certain corporations. This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Corporation with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue.

It is to be understood that the rights of the owners of the Bonds, the Corporation and the Trustee and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is also to be understood that the rights of the owners of the Bonds, the Corporation and the Trustee and the enforceability of the Bonds and the Indenture may be subject to the valid exercise of the constitutional powers of the State of Indiana and the United States of America.

Very truly yours,

APPENDIX D

REFUNDED BONDS

The Refunded Bonds consist of the following:

(1) The Trustees of Purdue University, Purdue University Student Fee Bonds, Series X, issued April 9, 2009, identified below (the "Refunded Series X Bonds"):

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2020	$5,530,000	5.250%	746189MT3
July 1, 2021	5,820,000	5.250	746189MU0
July 1, 2022	6,125,000	5.250	746189MV8
July 1, 2023	6,445,000	5.250	746189MW6
July 1, 2024	6,780,000	5.250	746189MX4
July 1, 2025	7,135,000	5.250	746189MY2
July 1, 2026	7,515,000	5.250	746189MZ9
July 1, 2027	7,905,000	5.250	746189NA3
July 1, 2028	8,315,000	5.000	746189NB1

The Refunded Series X Bonds will be called for redemption prior to maturity, at a redemption price equal to 100% of the principal thereof, on July 1, 2019.

(2) The Trustees of Purdue University, Purdue University Student Fee Bonds, Series Y, issued March 17, 2010, identified below (the "Refunded Series Y Bonds"):

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2021	$4,515,000	5.000%	746189PM5
July 1, 2022	4,755,000	5.000	746189PP8
July 1, 2023	4,990,000	5.000	746189PQ6
July 1, 2024	5,250,000	5.000	746189PR4
July 1, 2025	5,515,000	5.000	746189PS2
July 1, 2026	5,295,000	5.000	746189PT0
July 1, 2027	5,060,000	4.000	746189PN3

The Refunded Series Y Bonds will be called for redemption prior to maturity, at a redemption price equal to 100% of the principal thereof, on July 1, 2020.

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PURDUE
UNIVERSITY

THE TRUSTEES OF PURDUE UNIVERSITY • Purdue University Student Fee Bonds, Series CC

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