NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: (see "RATINGS")
Moody's: Aaa
S&P: AAA

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2022A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. 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 2022A Bonds is exempt from income taxation in the State of Indiana. See "TAX MATTERS" and "BOND PREMIUM" and APPENDIX C, "FORM OF APPROVING OPINION OF BOND COUNSEL."

PURDUE UNIVERSITY

$41,750,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Facilities System Revenue Bonds, Series 2022A

Dated: Date of Delivery **Due: January 1, 2023 then July 1, as shown on inside cover**

The Trustees of Purdue University (the "Corporation") will issue its Purdue University Student Facilities System Revenue Bonds, Series 2022A (the "Series 2022A Bonds"), pursuant to resolutions adopted by the Board of Trustees of the Corporation and an Indenture of Trust dated as of January 1, 2003, as supplemented and amended to date and as supplemented and amended by a Nineteenth Supplemental and Amendatory Indenture dated as of June 1, 2022 (the "Nineteenth Supplemental Indenture") (such Indenture of Trust, as supplemented and amended to date and as supplemented and amended by the Nineteenth Supplemental Indenture, the "Indenture"), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A, as trustee (the "Trustee"), for the purpose of (i) refunding certain of the Corporation's outstanding Purdue University Student Facilities System Revenue Bonds and (ii) paying or reimbursing certain costs of issuing the Series 2022A Bonds, all as described in this Official Statement. See "PLAN OF FINANCE."

Interest on the Series 2022A Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2023. The Series 2022A Bonds are issuable only as fully registered bonds, and will be issued in denominations of $5,000 or any integral multiple thereof. The Series 2022A 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 2022A Bonds will be made in book-entry only form, and purchasers of a beneficial interest in the Series 2022A Bonds will not receive physical delivery of the certificates representing their interests in the Series 2022A Bonds. The principal of and interest on the Series 2022A Bonds will be paid to DTC or its nominee as the registered owner of the Series 2022A Bonds. Disbursement of such payments to owners of beneficial interests in the Series 2022A Bonds will be the responsibility of DTC and its participants and indirect participants. See "DESCRIPTION OF SERIES 2022A BONDS—Book Entry System."

The Series 2022A Bonds are **not** subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF SERIES 2022A BONDS–Redemption."

The Nineteenth Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2022A Bonds, and all purchasers of any Additional Bonds (as defined herein) issued subsequent to the Series 2022A Bonds, will be deemed to have consented to this prospective amendment. The amendment will become effective at such time when no Bonds issued under the Indenture prior to the Series 2022A Bonds remain outstanding. Upon the effective date of the amendment, the Indenture will be replaced by an Amended and Restated Indenture of Trust dated as of such effective date (the "Amended and Restated Indenture"), the form of which is attached hereto as Appendix F. Following the effective date of the amendment, and in accordance with the Amended and Restated Indenture, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will be unsecured limited obligations of the Corporation, payable solely from Available Funds. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS –Springing Covenant."

The Series 2022A Bonds are special and limited obligations of the Corporation, secured exclusively by the Pledged Revenues and payable solely from the Pledged Revenues and other Available Funds, all as defined in this Official Statement. The Series 2022A Bonds are not a general obligation, debt or liability of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Series 2022A Bonds against the State of Indiana or the Corporation, or against the property or funds of the State of Indiana or the Corporation, except to the extent of the Pledged Revenues and other Available Funds. The Corporation has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

See the inside cover page for maturities, principal amounts, interest rates, yields and CUSIP[1] 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 2022A 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 Steven R. Schultz, General Counsel, West Lafayette, Indiana, and for the Underwriters by Barnes & Thornburg LLP, Indianapolis, Indiana. Blue Rose Capital Advisors, LLC, Minneapolis, Minnesota, is serving as financial advisor to the Corporation. It is anticipated that the Series 2022A Bonds will be available for delivery to DTC on or about June 30, 2022.

BofA Securities

Goldman Sachs & Co. LLC **Ramirez & Co., Inc.**

Official Statement dated: June 8, 2022

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

$41,750,000
The Trustees of Purdue University
Purdue University Student Facilities System Revenue Bonds, Series 2022A

Maturity Date	Principal Amount	Interest Rate	Yield	Price	CUSIP
January 1, 2023	$4,125,000	5.000%	1.300%	101.848%	746189 ZX0
July 1, 2023	3,755,000	5.000	1.520	103.450	746189 ZY8
July 1, 2024	3,420,000	5.000	1.770	106.328	746189 ZZ5
July 1, 2025	3,045,000	5.000	1.920	108.945	746189 A25
July 1, 2026	2,655,000	5.000	2.040	111.321	746189 A33
July 1, 2027	2,750,000	5.000	2.120	113.601	746189 A41
July 1, 2028	2,860,000	5.000	2.260	115.300	746189 A58
July 1, 2029	4,760,000	5.000	2.410	116.597	746189 A66
July 1, 2030	5,120,000	5.000	2.480	118.189	746189 A74
July 1, 2031	4,470,000	5.000	2.540	119.686	746189 A82
July 1, 2032	4,790,000	5.000	2.610	120.921	746189 A90

[1] Term expires June 2022
[2] Student Trustee
[3] Cindy Ream, a former member of the University President's staff, was elected as the new Corporate Secretary effective June 10, 2022
[4] Retirement effective January 1, 2023; Dr. Mung Chiang, currently the University's Dean of Engineering and Executive Vice President for Strategic Initiatives, will serve as the University's next present

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

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

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY THE SERIES 2022A BONDS IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE SERIES 2022A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED IN ANY STATE AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT NOR APPROVED THE SERIES 2022A BONDS FOR SALE.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SUMMARY STATEMENT

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

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

The main campus of Purdue University is located in West Lafayette, about 60 miles northwest of Indianapolis. Purdue Northwest maintains regional campuses in the northwestern cities of Hammond and Westville. Purdue Fort Wayne is in northeastern Indiana. Purdue University also operates a Statewide Technology Program at numerous locations throughout Indiana. The West Lafayette campus is organized academically into ten colleges. Undergraduate, masters and doctorate degrees are awarded in each school. Purdue University's 2021 Fall semester headcount enrollment for all campuses exceeded 67,400, excluding the Indianapolis campus. An additional 5,640 Purdue students attended the Indiana University-Purdue University campus in Indianapolis. See APPENDIX A.

The University also offers online learning through Purdue University Global ("Purdue Global"), an Indiana nonprofit public benefit corporation controlled and supervised by the Corporation. Purdue Global is distinct from other institutions in the Purdue system, relying primarily on tuition and fundraising to cover operating expenses. No state appropriations are utilized. Purdue Global operates primarily online with administrative headquarters in West Lafayette, IN. Purdue Global had approximately 33,800 students enrolled at January 2022. See "Purdue University Global" in APPENDIX A.

PURPOSES OF ISSUE. The Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2022A (the "Series 2022A Bonds"), are being issued to (a) refund the Corporation's outstanding Purdue University Student Facilities System Revenue Bonds identified in Appendix E (the "Refunded Bonds") and (b) pay or reimburse certain costs of issuing the Series 2022A Bonds, all as described in this Official Statement. See "PLAN OF FINANCE."

SECURITY. The Series 2022A Bonds are being issued under an Indenture of Trust by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), dated as of January 1, 2003, as supplemented and amended to date and as supplemented and amended by a Nineteenth Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, dated as of June 1, 2022 (the "Nineteenth Supplemental Indenture") (such Indenture of Trust, as supplemented and amended to date and as supplemented and amended by the Nineteenth Supplemental Indenture, the "Indenture"). The Series 2022A Bonds and any other obligations of the Corporation secured by a first lien on the Pledged Revenues under the Indenture (the Series 2022A Bonds and such other obligations, "First Lien Bonds") are special and limited obligations of the Corporation, payable solely from the Pledged Revenues and the other Available Funds and secured exclusively by a pledge of and first lien on the Pledged Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

As of April 1, 2022, the following First Lien Bonds are outstanding (such First Lien Bonds, the "Outstanding First Lien Bonds"):

Series	Issue Date	Original Principal Amount	Outstanding Principal Amount
Series 2004A Bonds	May 6, 2004	$28,100,000	$ 15,860,000
Series 2005A Bonds	February 23, 2005	24,200,000	5,755,000
Series 2007A Bonds	January 5, 2007	61,865,000	39,150,000
Series 2007C Bonds	October 3, 2007	61,725,000	24,385,000
Series 2012A Bonds	September 5, 2012	44,770,000	17,950,000
Series 2015A Bonds	March 31, 2015	98,070,000	84,890,000
Series 2016A Bonds	May 11, 2016	67,470,000	51,635,000
			$239,625,000

The Series 2022A Bonds and all other Bonds (as hereinafter defined) are not a general obligation, debt or liability of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Bonds against the Corporation or the State of Indiana, or against the property or funds of the Corporation or the State of Indiana, except to the extent of the Pledged Revenues. The Corporation has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

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

SPRINGING COVENANT. The Nineteenth Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2022A Bonds, and all purchasers of any Additional Bonds issued subsequent to the Series 2022A Bonds, will be deemed to have consented to this prospective amendment. The amendment will become effective at such time when no Bonds issued under the Indenture prior to the Series 2022A Bonds remain outstanding. Upon the effective date of the amendment the Indenture will be replaced by an Amended and Restated Indenture dated as of such effective date, the form of which is attached hereto as Appendix F. Following the effective date of the amendment, and in accordance with the Amended and Restated Indenture, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will be unsecured limited obligations of the Corporation, payable solely from Available Funds. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS—Springing Covenant."

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

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

BOOK-ENTRY SYSTEM. The Series 2022A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and all payments of principal and interest will be made to Cede & Co. which will in turn remit such payments to DTC Participants and DTC Indirect Participants for subsequent disbursement to the Beneficial Owners of the Series 2022A Bonds. Purchases of the Series 2022A Bonds by investors will be made in book-entry form only and individual purchasers will not receive physical delivery of Series 2022A Bond certificates. See "DESCRIPTION OF SERIES 2022A BONDS—Book Entry System."

DEBT SERVICE COVERAGE. The following projected debt service coverage summary is based solely on Net Income (unaudited) for the Fiscal Years ended June 30, 2021, and June 30, 2020 (excluding any other Available Funds), and the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2022A Bonds:

	Fiscal Year Ended June 30	
	2021	2020
Net Income[(1)]	$ 26,723,551	$36,908,101
Projected coverage[(2)]	1.64x	2.26x
Projected average annual debt service: $16,338,663[(2)]		

(1) See "FACILITIES AND SYSTEM—Historical Debt Service Coverage."
(2) Projected average of annual debt service for Fiscal Years ending June 30, 2023, through and including June 30, 2041, after giving effect to issuance of the Series 2022A Bonds and the refunding of the Refunded Bonds. Debt service assumes the Series 2004A Bonds (which bear interest at a variable rate) bear interest at 3.50% per annum.

The Available Funds balance (unaudited), at June 30, 2021, exceeded 34.6 times the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2022A Bonds, determined in accordance with the footnote (2) above.

The Available Funds balance (unaudited), at June 30, 2021, exceeded 20.7 times the projected average of the annual debt service on (a) the Outstanding First Lien Bonds and the Series 2022A Bonds, determined in accordance with the footnote (2) above, and (b) the outstanding certificates of participation in lease payments to be made by the Corporation from Available Funds (listed as "Leasehold Indebtedness" under "Outstanding Indebtedness" in Appendix A).

NO RESERVE FUND. No Reserve Fund Requirement exists for the Series 2022A Bonds, and the Series 2022A Bonds will not have access to any Reserve Fund.

ADDITIONAL OBLIGATIONS. The Corporation may issue: (a) First Lien Bonds on a parity with the Series 2022A Bonds and all other outstanding First Lien Bonds; or (b) obligations payable out of any of the Pledged Revenues (but only after making payment of principal of and interest on the First Lien Bonds then due), any lien on any of the Pledged Revenues securing which obligations is junior and subordinate to the lien on the Pledged Revenues securing any First Lien Bonds (any obligations described in (a) or (b) issued under the Indenture, "Bonds"). See "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Issuance of First Lien Bonds" and "—Issuance of Junior Lien Obligations and Credit Facility Obligations."

CONTINUING DISCLOSURE. Pursuant to the continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the Corporation entered into a Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated May 27, 2020, as heretofore supplemented, to be further supplemented by a Second Supplement to the Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated the date of delivery of the Series 2022A Bonds (collectively, the "Undertaking Agreement"), pursuant to which the Corporation will agree to provide (i) on an annual basis to the

Municipal Securities Rulemaking Board (the "MSRB"), certain annual financial information, and (ii) notice to the MSRB, upon the occurrence of certain events more fully described herein. See "APPENDIX D: SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT."

COVID-19. See "COVID-19" herein.

ADDITIONAL FINANCING. In addition to the Series 2022A Bonds, the Corporation also anticipates issuing its Purdue University Student Fee Bonds, Series FF (the "Series FF Bonds"), in the aggregate principal amount of $30,550,000 on or about the date of delivery of the Series 2022A Bonds. The Series FF Bonds are not being offered by means of this Official Statement. If the Series FF Bonds are issued, the proceeds of the Series FF Bonds are expected to be used by the Corporation for the purposes of (i) financing a current refunding of certain outstanding student fee bonds and (ii) paying costs of issuance of the Series FF Bonds. The Series FF Bonds are not issued under the Indenture, do not constitute First Lien Bonds or Junior Lien Obligations under the Indenture, and are not secured by Pledged Revenues (all terms as defined herein).

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OFFICIAL STATEMENT

$41,750,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Facilities System Revenue Bonds, Series 2022A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices, is to set forth information concerning the issuance and sale by The Trustees of Purdue University (the "Corporation") of its Purdue University Student Facilities System Revenue Bonds, Series 2022A (the "Series 2022A Bonds").

The Series 2022A Bonds are being issued under Indiana Code 21-32-1-1, *et. seq*., 21-32-2-1, *et seq*., 21-35-1-1, *et seq*., 21-35-3-1, *et seq*., and 21-35-5-1, *et seq*., as amended (the "Act"), and pursuant to resolutions adopted by the Board of Trustees of the Corporation (the "Board") and in accordance with the provisions of an Indenture of Trust by and between the Corporation and The Bank of New York Mellon Trust Company, N.A. (the ultimate successor in interest to Bank One Trust Company, National Association), as trustee (the "Trustee"), dated as of January 1, 2003, as supplemented and amended to date and as supplemented and amended by a Nineteenth Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, dated as of June 1, 2022 (the "Nineteenth Supplemental Indenture") (such Indenture of Trust, as supplemented and amended to date and as supplemented and amended by the Nineteenth Supplemental Indenture, the "Indenture").

The Indenture permits the Corporation to issue: (a) First Lien Bonds on a parity with the Series 2022A Bonds and all other outstanding First Lien Bonds or (b) obligations payable out of any of the Pledged Revenues (but only after making payment of principal of and interest on the First Lien Bonds then due), any lien on any of the Pledged Revenues securing which obligations is junior and subordinate to the lien on the Pledged Revenues securing any First Lien Bonds (any obligations described in (a) or (b) issued under the Indenture, "Bonds"). Certain terms of the Indenture, including provisions for the issuance of additional First Lien Bonds, are described in this Official Statement in the section entitled "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

The Series 2022A Bonds and any other obligations of the Corporation secured by a first lien on the Pledged Revenues under the Indenture (the Series 2022A Bonds and such other obligations, "First Lien Bonds") are special and limited obligations of the Corporation, payable solely from the Pledged Revenues and the other Available Funds and secured exclusively by a pledge of and first lien on the Pledged Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

As of April 1, 2022, the following First Lien Bonds are outstanding (such First Lien Bonds, the "Outstanding First Lien Bonds"):

Series	Issue Date	Original Principal Amount	Outstanding Principal Amount
Series 2004A Bonds	May 6, 2004	$28,100,000	$ 15,860,000
Series 2005A Bonds	February 23, 2005	24,200,000	5,755,000
Series 2007A Bonds	January 5, 2007	61,865,000	39,150,000
Series 2007C Bonds	October 3, 2007	61,725,000	24,385,000
Series 2012A Bonds	September 5, 2012	44,770,000	17,950,000
Series 2015A Bonds	March 31, 2015	98,070,000	84,890,000
Series 2016A Bonds	May 11, 2016	67,470,000	51,635,000
			$239,625,000

The Series 2022A Bonds and all other Bonds are not a general obligation, debt or liability of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Series 2022A Bonds or any other Bonds against the Corporation or the State of Indiana, or against the property or funds of the Corporation or the State of Indiana, except to the extent of the Pledged Revenues. The Corporation has no taxing power. See "SECURITY AND SOURCES OF PAYMENT FOR BONDS."

The Corporation has covenanted and agreed in the Indenture to pay Net Income to the Trustee on or before each principal or interest payment date (see "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Flow of Funds – Sinking Fund") in an amount sufficient to pay the principal of and interest on the Series 2022A Bonds and all other First Lien Bonds due on such date. Such amounts will be deposited in the Sinking Fund.

The Series 2022A Bonds are not subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF SERIES 2022A BONDS–Redemption."

The Corporation has entered into a Second Amended and Restated Continuing Disclosure Undertaking Agreement dated May 27, 2020, as heretofore supplemented, and to be further supplemented by a Second Supplement to Second Amended and Restated Continuing Disclosure Undertaking Agreement, to be dated the date of delivery of the Series 2022A Bonds (the "Undertaking Agreement"), for the benefit of the beneficial owners of the Series 2022A Bonds, obligating the Corporation to provide certain continuing disclosure as described in "APPENDIX D: SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT."

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

PURPOSE OF SERIES 2022A BONDS

The Series 2022A Bonds are being issued for the purpose of (a) refunding the Corporation's outstanding Purdue University Student Facilities System Revenue Bonds identified in Appendix E (the "Refunded Bonds") and (b) paying or reimbursing certain costs of issuing the Series 2022A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

DESCRIPTION OF SERIES 2022A BONDS

General

The Series 2022A Bonds will be issued in the aggregate principal amount of $41,750,000 and will be dated and bear interest from their date of delivery. The Series 2022A Bonds will bear interest, payable January 1 and July 1 of each year, commencing January 1, 2023 (each such date, an "Interest Payment Date"), at the rates and will mature on the dates and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Series 2022A Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

Each Series 2022A Bond will bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless it is (a) authenticated after the fifteenth day of the month immediately preceding such Interest Payment Date (each fifteenth day of the month immediately preceding an Interest Payment Date, a "Record Date") and on or before the following Interest Payment Date, in which case it will bear interest from such Interest Payment Date, or (b) authenticated before the close of business on the Record Date preceding the first Interest Payment Date, in which case it will bear interest from their date of delivery. However, if, at the time of authentication, interest on any Series 2022A Bond is in default, such Series 2022A Bond will bear interest from the date to which interest has been paid.

The Series 2022A Bonds will be issued in fully registered form in the denomination of $5,000 or any integral multiple thereof (an "Authorized Denomination").

The Series 2022A Bonds will be registered on the books of the Corporation kept for that purpose at the designated corporate trust operations office of the Trustee, as Registrar. The principal of the Series 2022A Bonds is payable when due upon presentation and surrender thereof at the designated corporate trust operations office of the Trustee. Interest on the Series 2022A Bonds is payable when due by check or draft mailed by the Trustee to the registered owners as their names and addresses appear in the Corporation's registration books on the Record Date.

The person in whose name any Series 2022A Bond is registered will be deemed and regarded as the absolute owner thereof for all purposes, and payment of any principal of or premium, if any, or interest on any Series 2022A Bond will be made only to or upon order of the registered owner thereof, or the registered owner's legal representative. The Corporation and the Trustee, Registrar and Paying Agent may deem and treat the registered owner of any Series 2022A Bond as the absolute owner of such Series 2022A Bond, whether such Series 2022A Bond is overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Corporation nor the Trustee, Registrar or Paying Agent will be affected by any notice to the contrary.

Redemption

The Series 2022A Bonds are not subject to redemption prior to maturity.

Payment of Principal and Interest

For so long as the Series 2022A Bonds are registered in the name of DTC or its nominee or its successor, payments of principal and interest will be made as described under "Book Entry System." In the event the Series 2022A Bonds are no longer registered under a book-entry only system, payment of the principal of and interest on the Series 2022A Bonds will be made as described above under "General."

Interest Account. The Trustee will establish and maintain, as long as any Series 2022A Bonds are outstanding, a separate account within the Sinking Fund created by the Indenture to be known as the Series 2022A Interest Account. On or before the first day of each January and July (or, if such first day is not a Business Day, on the next succeeding Business Day), the Trustee will deposit in the Series 2022A Interest Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the interest on the Series 2022A Bonds due on such date and (b) the amount of moneys then on deposit in the Series 2022A Interest Account available to pay such interest. The Trustee will use moneys on deposit in the Series 2022A Interest Account to pay the interest on the Series 2022A Bonds whenever such interest is due and payable.

Principal Account. The Trustee will establish and maintain, as long as any Series 2022A Bonds are outstanding, a separate account within the Sinking Fund to be known as the Series 2022A Principal Account. On or before the first day of each July (or, if such first day is not a Business Day, on the next succeeding Business Day), the Trustee will deposit in the Series 2022A Principal Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the principal amount of Series 2022A Bonds maturing or subject to mandatory sinking fund redemption on such date and (b) the amount of moneys then on deposit in the Series 2022A Principal Account available to pay such principal. The Trustee will use moneys on deposit in the Series 2022A Principal Account to pay the principal of the Series 2022A Bonds at maturity or upon mandatory sinking fund redemption.

Redemption Account. The Trustee will establish and maintain, as long as any Series 2022A Bonds are outstanding, a separate account within the Redemption Fund to be known as the Series 2022A Account. On or before any day on which any Series 2022A Bonds are subject to optional redemption, the Trustee will deposit in the Series 2022A Account of the Redemption Fund moneys received from the Corporation in an amount equal to the difference, if any, between (a) the redemption price of the Series 2022A Bonds due on such date and (b) the amount of moneys then on deposit in the Series 2022A Account of the Redemption Fund available to pay such redemption price. The Trustee will use moneys on deposit in the Series 2022A Account of the Redemption Fund to pay the optional redemption price of the Series 2022A Bonds whenever such redemption price is due and payable.

Payments Due on Saturdays, Sundays and Holidays

In the event that the date of maturity of principal of or interest on any Series 2022A Bonds or the date fixed for redemption of any Series 2022A Bonds is a day other than a Business Day, then payment of interest or principal need not be made on such date, but may be made (without additional interest) on the next succeeding Business Day with the same force and effect as if made on the date of maturity or date fixed for redemption.

Transfer and Exchange

For so long as the Series 2022A Bonds are registered in the name of DTC or its nominee or its successor, the transfer and exchange procedures will be as described under "Book Entry System."

Book Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2022A Bonds. The Series 2022A 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 2022A Bonds certificate will be issued for the Series 2022A Bonds, in the aggregate principal amount of the Series 2022A Bonds, 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 2022A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022A 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 2022A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2022A Bonds, except in the event that use of the book-entry system for the Series 2022A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022A 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 2022A 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 2022A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022A Bond documents. For example, Beneficial Owners of Series 2022A Bonds may wish to ascertain that the nominee holding the Series 2022A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2022A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022A 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 2022A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2022A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2022A Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2022A Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2022A Bond certificates will be printed and delivered to DTC.

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

Discontinuation of Book-Entry System

In the event that the book-entry system for the Series 2022A Bonds is discontinued, the Trustee would provide for the registration of the Series 2022A Bonds in the name of the Beneficial Owners thereof. The Corporation and the Trustee would treat the person in whose name any Series 2022A Bond is registered as the absolute owner of such Series 2022A Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, except as otherwise described in Appendix D: "SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT," and neither the Corporation nor the Trustee would be bound by any notice or knowledge to the contrary.

Each Series 2022A Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the designated corporate trust operations office of the Trustee, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Trustee. Upon due presentation of any Series 2022A Bonds for transfer or exchange, the Trustee would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new Series 2022A Bond or Series 2022A Bonds, registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Series 2022A Bond or Series 2022A Bonds so presented. The Corporation or the Trustee would require the owner of any Series 2022A Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such Series 2022A Bonds. A Series 2022A Bond would not be subject to transfer or exchange after the mailing of notice calling such Series 2022A Bond for redemption has been made, or during a period of 15 days next preceding the mailing of notice for redemption of any Series 2022A Bonds.

SECURITY AND SOURCES OF PAYMENT FOR BONDS

The Series 2022A Bonds and all other First Lien Bonds are special and limited obligations of the Corporation, secured exclusively by a pledge of and first lien on the Pledged Revenues, as provided in the Indenture, and payable solely from the Pledged Revenues and the other Available Funds. The Series 2022A Bonds and all other Bonds are not a general obligation, debt or liability, or a charge against any property or fund, of the Corporation or the State of Indiana, and no recourse may be had for the payment of the principal of or interest on the Series 2022A Bonds or any other Bonds against the Corporation or the State of Indiana, except to the extent of the Pledged Revenues. The following sections regarding security for the Bonds summarize certain provisions of the Indenture. For a complete summary of the provisions of the Indenture relating to the security for the Series 2022A Bonds and all other First Lien Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE."

No recourse under or upon any indebtedness, obligation, covenant, agreement or liability contained in the Indenture or any Series 2022A Bonds or other Bonds may be had against any past, present or future officer, trustee, employee, agent or representative of the Corporation. No personal liability whatever will attach to or be incurred by any past, present or future officer, trustee, employee, agent or representative of the Corporation by reason of any of the indebtedness, obligations, covenants, agreements or liabilities contained in the Indenture or any Series 2022A Bonds or other Bonds, or be implied therefrom.

Net Income

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

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

(ii) the sum of

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

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

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

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

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

See "DEBT SERVICE COVERAGE" and "FACILITIES AND SYSTEM" (including "Financial Information" and "Historical Debt Service Coverage").

Available Funds

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

(a) the Pledged Revenues; and

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

Generally, under Indiana law, state appropriated funds and mandatory student fees assessed to all students may <u>not</u>, without General Assembly approval, be used to pay debt service on any bonds and, therefore, will <u>not</u> be Available Funds. See "DEBT SERVICE COVERAGE."

No Reserve Fund

The Series 2022A Bonds will have no claim on any reserve fund. However, the Corporation may in the future issue Bonds which will have a claim on the Reserve Fund established under the Indenture in the manner prescribed in the Indenture, for which a reserve fund requirement may exist. See "SUMMARY OF CERTAIN PROVISIONS OF INDENTURE—Flow of Funds – No Reserve Fund."

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

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

Springing Covenant

The Nineteenth Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2022A Bonds, and all purchasers of any Additional Bonds issued subsequent to the Series 2022A Bonds, will be deemed to have consented to this prospective amendment. The amendment will become effective at such time when no Bonds issued under the Indenture prior to the Series 2022A Bonds remain outstanding. Upon the effective date of the amendment the Indenture will be replaced by an Amended and Restated Indenture dated as of such effective date, the form of which is attached hereto as Appendix F. Following the effective date of the amendment, and in accordance with the Amended and Restated Indenture, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will be unsecured limited obligations of the Corporation, payable solely from Available Funds.

DEBT SERVICE COVERAGE

The following projected debt service coverage summary is based solely on Net Income (unaudited) for the Fiscal Years ended June 30, 2021, and June 30, 2020 (excluding any other Available Funds), and the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2022A Bonds:

	Fiscal Year Ended June 30	
	2021	2020
Net Income[(1)]	$26,723,551	$36,908,101
Projected coverage[(2)]	1.64x	2.26x
Projected average annual debt service: $16,338,663[(2)]		

(1) See "FACILITIES AND SYSTEM—Historical Debt Service Coverage."

(2) Projected average of annual debt service for Fiscal Years ending June 30, 2023, through and including June 30, 2041, after giving effect to both issuance of the Series 2022A Bonds and the refunding of the Refunded Bonds. Debt service assumes the Series 2004A Bonds (which bear interest at a variable rate) bear interest at 3.50% per annum.

The Available Funds balance (unaudited), at June 30, 2021, exceeded 34.6 times the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2022A Bonds, determined in accordance with the footnote (2) above.

The Available Funds balance (unaudited), at June 30, 2021, exceeded 20.7 times the projected average of the annual debt service on (a) the Outstanding First Lien Bonds and the Series 2022A Bonds, determined in accordance with the footnote (2) above, and (b) the outstanding certificates of participation in lease payments to be made by the Corporation from Available Funds (listed as "Leasehold Indebtedness" under "Outstanding Indebtedness" in Appendix A).

ANNUAL DEBT SERVICE REQUIREMENT

The annual debt service requirement for the Bonds that are outstanding following the issuance of the Series 2022A Bonds is as follows:

Fiscal Year ended June 30	Outstanding Debt Service [1][2]	Series 2022A Bonds Principal	Series 2022A Bonds Interest	Total Debt Service
2023	$20,477,025	$4,125,000	$1,049,549	$25,651,574
2024	19,230,846	3,755,000	1,787,375	24,773,221
2025	19,276,067	3,420,000	1,608,000	24,304,067
2026	19,811,607	3,045,000	1,446,375	24,302,982
2027	20,339,721	2,655,000	1,303,875	24,298,596
2028	20,380,613	2,750,000	1,168,750	24,299,363
2029	20,408,926	2,860,000	1,028,500	24,297,426
2030	17,207,403	4,760,000	838,000	22,805,403
2031	14,811,328	5,120,000	591,000	20,522,328
2032	15,704,793	4,470,000	351,250	20,526,043
2033	15,613,899	4,790,000	119,750	20,523,649
2034	13,200,489			13,200,489
2035	9,809,325			9,809,325
2036	7,747,750			7,747,750
2037	5,703,375			5,703,375
2038	4,416,400			4,416,400
2039	4,419,600			4,419,600
2040	4,416,400			4,416,400
2041	4,416,600			4,416,600

[1] Following the issuance of Series 2022A Bonds.
[2] Debt service assumes the Series 2004A Bonds (which bear interest at a variable rate) bear interest at 3.50% per annum.

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

FACILITIES AND SYSTEM

General

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

The System dates back to 1927, when the basic operating concepts and principles followed today were formulated. In addition to providing food and shelter, the System is expected to be financially self-supporting and to enrich the resident students' total educational experience. In order to ensure the continued viability of the System, the facilities are designed to be operated and managed in an efficient and business-like manner.

Currently, the System is owned and operated by the Corporation and is comprised of a variety of student residence facilities for single undergraduate students, graduate students and married students (as listed below under

"Current System Housing Facilities"), and several dining operations facilities located on the West Lafayette campus (as described below under "West Lafayette Campus Facilities—Dining Facilities").

Certain Facilities financed by the First Lien Bonds are ***not*** currently included in the System.

Accommodations, including both room and board, room only, and apartments, are available to both undergraduate and graduate students. The West Lafayette campus provides over 12,850 spaces for students in Fall 2021. There are nearly 12,720 undergraduate residence hall room and board spaces, 1,350 student spaces in apartments, and 115 additional spaces for married students. The Fall 2021 occupancy for these halls is 99%. The Fort Wayne and PNW Hammond campuses provides approximately 1,195 and 720 spaces, respectively, for students in Fall 2021.

The student housing facilities on the West Lafayette campus are managed by a central administrative office under the direction of the Vice Provost for Student Life. Management of the Fort Wayne housing facilities and the Hammond housing facilities are administered by Purdue University personnel.

Food services on the West Lafayette campus are administered by the Purdue University Dining and Culinary team. Effective July 1, 2020, the University partnered with Aramark to manage retail dining which currently includes 31 locations across campus. Dining operations of the System are not included in this contract.

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Current System Housing Facilities

The following table describes the residence halls of the System.

West Lafayette	Year of Initial Construction	Fall 2021 Spaces Available	West Lafayette	Year of Initial Construction	Fall 2021 Spaces Available
Cary Quadrangle	1927	1,019	First Street Towers	2007	526
Windsor Halls	1934	680	Parker Hall	2012	304
Hilltop Apartments	1944	927	Honors College Residence	2015	808
Meredith Hall	1952	537	**Sub-Total**		**12,857**
Owen Hall	1957	805			
Purdue Village[1]	1957	536	**Fort Wayne**		
Tarkington Hall	1958	810	FW Housing Complex I	2003	558
Wiley Hall	1958	844	FW Housing Complex II	2007	188
McCutcheon Hall	1963	859	FW Housing Complex III	2009	448
Earhart Hall	1964	838	**Sub-Total**		**1,194**
Harrison Hall	1966	818			
Hawkins Graduate House	1968	828	**PNW Hammond**		
Shreve Hall	1970	904	Peregrine Hall	2004	352
Hillenbrand Hall	1993	814	Griffin Hall	2008	368
			Sub-Total		**720**
			TOTAL		**14,771**

[1] Purdue Village consisting primarily of graduate apartment style housing will be decommission in May 2022
Note: The System does not include the 1,323 spaces provided by two new residence halls which opened in Fall 2020 and were constructed through a P3 agreement

The following table provides the occupancy percentage of the System facilities on each campus for the past five years. The number of available spaces was reduced in 2020-21 to de-densify residence halls during the pandemic. With the availability of Covid-19 vaccines prior to the start of the 2021-22 academic year, many of the residence halls were returned to their pre-pandemic configurations.

	Fall Semester				
Campus	**2021**	**2020**	**2019**	**2018**	**2017**
West Lafayette	98%	90%	100%	98%	99%
Fort Wayne	99%	97%	99%	99%	76%
PNW Hammond	77%	68%	93%	91%	96%
TOTAL	97%	90%	99%	98%	97%

In addition to the System housing facilities described above, the University provides additional student housing capacity on the West Lafayette campus through a P3 agreement. In Fall 2021, 98.6% of the 1,323 spaces available through this agreement were occupied.

Housing Rental Rates

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

	Academic Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
West Lafayette:					
Single Students Housing including Board					
Minimum Academic Year Rate	$5,444	$5,444	$5,444	$5,444	$5,444
Maximum Academic Year Rate	$14,898	$14,898	$14,898	$14,898	$14,898
Purdue Village					
Minimum Academic Year Rate	$6,420	$6,420	$6,420	$6,420	$6,420
Maximum Academic Year Rate	$7,850	$7,850	$7,850	$7,850	$7,850
Graduate Housing					
Minimum Academic Year Rate	$5,840	$5,840	$5,840	$5,840	$5,840
Maximum Academic Year Rate	$7,670	$7,670	$7,670	$7,670	$7,670
Fort Wayne Student Housing Complex					
Minimum Academic Year Rate	$4,930	$4,930	$4,930	$4,930	$4,590
Maximum Academic Year Rate	$9,876	$9,876	$9,826	$9,826	$9,700
PNW Student Housing					
Minimum Academic Year Rate	$5,850	$5,707	$5,595	$5,595	$5,595
Maximum Academic Year Rate	$6,810	$6,644	$6,514	$6,514	$6,514

Current System Dining Facilities

There are five operating dining court locations: Earhart Hall, Hillenbrand Hall, Windsor Hall, the Fred and Mary Ford Dining Court, and Wiley Dining Court. In addition, the System has one mini-mart, two grill operations, and three 'On-the-Go' operations.

The University offers a variety of meal plan options that include a set number of weekly meals plus an allocation of discretionary dining dollars. For the 2021-2022 academic year, meal plan rates ranged from $1,898 to $5,398. The following table describes the main current meal plan offerings and rates over the past five academic years.

	Academic Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
21 Meals - $500 Dining Dollars	$5,398	$5,398	$5,398	$5,398	$5,398
21 Meals - $250 Dining Dollars	5,172	5,172	5,172	5,172	5,172
13 Meals - $450 Dining Dollars	4,554	4,554	4,554	4,554	4,554
8 Meals - $100 Dining Dollars	2,998	2,998	2,998	2,998	2,998

Financial Information and Debt Service Coverage

The following are the unaudited Statements of Revenues, Expenses and Changes in Net Assets for the Purdue University Student Facility System as of June 30, 2021, 2020, and 2019. This information should be used in conjunction with the financial statements. The debt service coverage calculation is the division of Net Income by the principal and interest paid during each respective fiscal year.

FINANCIAL OPERATIONS OF THE SYSTEM
Fiscal Year ended June 30 (Unaudited)

	2021	2020	2019
Operating Revenues			
Housing, net	$69,165,289	$72,447,733	$78,705,534
Food Service	49,614,455	52,803,211	63,953,233
Other Operating Revenues	2,034,525	2,048,780	2,388,221
TOTAL	$120,814,269	$127,299,724	$145,046,988
Operating Expenses			
Depreciation [1]	$22,951,505	$22,980,987	$31,944,747
Operating Expenses	94,090,718	90,391,630	99,671,097
TOTAL	$117,042,223	$113,372,617	$131,615,844
System Operating Income	**$3,772,046**	**$13,927,107**	**$13,431,143**
Add back of Depreciation	22,951,505	22,980,987	31,944,747
Add back Investment Income	0	7	0
System Net Income	**$26,723,551**	**$36,908,101**	**$45,375,890**
Annual Debt Service of the System [1]	**$28,177,973**	**$31,202,576**	**$31,238,243**
System Net Income Coverage of Debt Service	**0.95x**	**1.18x**	**1.45x**

[1] Excludes federal subsidy on Build America Bonds and one-time cash redemption of SFSRB Series 2010A in fiscal year 2021.

The Available Funds balance (unaudited), at June 30, 2021, exceeded 31.6 times the projected average annual debt service on the outstanding Student Facilities System Revenue First Lien Bonds.

The Available Funds balance (unaudited), at June 30, 2021, exceeded 19.6 times the projected average annual debt service on (a) the Student Facilities System Revenue First Lien Bonds and (b) the outstanding certificates of participation in lease payments to be made by the Corporation from Available Funds. See Note 6 – Debt Related to Capital Assets to the Financial Statements for Purdue University for further information.

Housing and Dining Capital Plans

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

West Lafayette Campus. Several repair and maintenance projects to the housing facilities on the West Lafayette campus are underway. As of June 30, 2021, the System has $5.5 million of major construction and repair and rehabilitation projects greater than $500,000 in progress or awarded. These projects are to be funded internally.

The Corporation's decisions relating to its strategic plan, enrollment management and resident versus non-resident mix will affect the revenue of the System. As West Lafayette continues to see record growth in enrollment, the University is committed to ensuring that undergraduate housing on campus is available to meet student demand. Purdue is considering several approaches to addressing this need, including the acquisition of existing residential facilities and the potential construction of new residence halls consistent with the 2018 Giant Leaps Master Plan. The scope and funding sources for the additional housing are currently under consideration.

Regional Campuses. Both regional campuses perform routine maintenance on their respective student housing facilities. At Purdue Fort Wayne, a strategic goal of the long-term campus master plan aims to reinforce the campus core to better serve the cultural shift from a traditionally commuter campus to a more residential, student-life focused campus. This plan involves exploring and increasing housing options on campus. The University is evaluating a range of procurement methods for delivering the additional housing.

PLAN OF FINANCE

The Series 2022A Bonds are being issued for the purpose of (a) refunding the Refunded Bonds and (b) paying or reimbursing certain costs of issuing the Series 2022A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

Refunding of Refunded Bonds

A portion of the proceeds of the Series 2022A Bonds will be applied to refund the Refunded Bonds. The Refunded Bonds will be refunded on the Closing Date with respect to the Series 2005A Bonds and the 2007C Bonds and on July 5, 2022 with respect to the Series 2012A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to the issuance of the Series 2022A Bonds are summarized below:

Sources of Funds:	
Principal Amount of Series 2022A Bonds	$41,750,000
Original Issue Premium	5,410,124
Equity Contribution[1]	349,006
Total Sources of Funds	$47,509,130
Uses of Funds:	
Refunding of Refunded Bonds	$47,154,006
Costs of Issuance[2]	355,124
Total Uses of Funds	$47,509,130

(1) The contribution from the Corporation toward the refunding of the Refunded Bonds represents the accrued interest coming due on the Refunded Bonds on their respective call dates.

(2) Includes without limitation the Underwriters' discount, Trustee fees and expenses, financial advisory fees and expenses, legal fees and expenses, and other costs of issuance of the Series 2022A Bonds.

SUMMARY OF CERTAIN PROVISIONS OF INDENTURE

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

Springing Covenant

The Nineteenth Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2022A Bonds, and all purchasers of any Additional Bonds issued subsequent to the Series 2022A Bonds, will be deemed to have consented to this prospective amendment. The amendment will become effective at such time when no Bonds issued under the Indenture prior to the Series 2022A Bonds remain outstanding. Upon the effective date of the amendment the Indenture will be replaced by an Amended and Restated Indenture dated as of such effective date. **Following the effective date of the Amended and Restated Indenture the summary of provisions set forth below will no longer be applicable. Among other things, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2022A Bonds and all Additional Bonds issued subsequent thereto will be unsecured limited obligations of the Corporation, payable solely from Available Funds.** The form of the Amended and Restated Indenture is attached hereto as Appendix F and can be reviewed in its entirety.

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

"Credit Facility Provider" means the provider of any Credit Facility.

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

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

"Facilities" means any:

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

(b) food service facilities;

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

(d) parking facilities in connection with academic facilities;

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

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

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

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

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

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

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

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

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

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

"Indenture" means the Indenture of Trust by and between the Corporation and the Trustee, Registrar and Paying Agent, dated as of January 1, 2003, as supplemented and amended to date and as supplemented and amended by the Nineteenth Supplemental Indenture, and as further supplemented or amended from time to time.

"Interest Payment Date" means each January 1 and July 1, commencing January 1, 2023.

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

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

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

"Nineteenth Supplemental Indenture" means the Nineteenth Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, Registrar and Paying Agent, dated as of June 1, 2022.

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

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

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

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

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

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

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

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

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

(d) Federal Securities;

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

Trustee performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise; and

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

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

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

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

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

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

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

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

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

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

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

"Reserve Fund" means the Student Facilities System Reserve Fund established by the Indenture. The Series 2022A Bonds have no claim on the Reserve Fund or any other reserve fund.

"Reserve Fund Credit Instrument" means any insurance policy, surety bond, letter of credit or other instrument which is payable to or may be drawn upon by the Trustee and is deposited in the Reserve Fund in lieu of or in partial substitution for cash required to be on deposit therein, the issuer of which is (a) in the case of any insurance policy or surety bond, an insurer which, at the time of issuance of such insurance policy or surety bond, has been assigned the highest rating accorded insurers by any Rating Agency, (b) in the case of any letter of credit, a banking institution having a credit rating on its long-term, unsecured debt within the two highest rating categories from any Rating Agency, and (c) in the case of any other instrument, any person having a credit rating on its long-term, unsecured debt within the two highest rating categories from any Rating Agency. The Series 2022A Bonds have no claim on the Reserve Fund or any other reserve fund.

"Reserve Fund Requirement" means an amount equal to the least of (a) 10% of the stated principal amount (or, if part of an issue which has more than a *de minimus* amount of original issue discount or premium, the issue price) of all Bonds with any claim on the Reserve Fund, calculated as of the date of issuance thereof, (b) the maximum annual principal and interest requirements on all Bonds with any claim on the Reserve Fund, calculated as of the date of issuance thereof, or (c) 125% of the average annual principal and interest requirements on all Bonds with any claim on the Reserve Fund, calculated as of the date of issuance thereof, all determined in accordance with any Supplemental Indenture authorizing the issuance of any such Bonds; provided, however, that any Bonds may be issued which have no claim on the Reserve Fund. The Series 2022A Bonds have no claim on the Reserve Fund or any other reserve fund.

"Resolutions" means the resolutions adopted by the Corporation's Board of Trustees, authorizing the execution and delivery of the Nineteenth Supplemental Indenture and the issuance of the Series 2022A Bonds.

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

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

"Series 2022A Bondholder," "Holder of a Series 2022A Bond," "holder of a Series 2022A Bond," "Owner of a Series 2022A Bond," "owner of a Series 2022A Bond" or any similar term means a registered owner of any Series 2022A Bond.

"Series 2022A Bonds" means the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2022A.

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

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

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

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

"Treasurer" means the Treasurer of the Corporation.

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

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

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

Issuance of First Lien Bonds

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

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

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

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

Issuance of Junior Lien Obligations and Credit Facility Obligations

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

(a) First Lien Bonds;

(b) Credit Facility Obligations; or

(c) Junior Lien Obligations.

Flow of Funds

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

There will be created on the books of the Corporation, within the Bond Expense Fund, the "Series 2022A Account."

A portion of the proceeds of the Series 2022A Bonds will be deposited in the Series 2022A Account of the Bond Expense Fund.

At any time and from time to time, the Corporation may withdraw any money on deposit in the Series 2022A Account of the Bond Expense Fund, without any requisition, voucher or other direction or authorization, for the purpose of paying, or reimbursing the Corporation for the payment of, any Costs of Issuance of the Series 2022A Bonds. The Corporation will transfer any money in the Series 2022A Account of the Bond Expense Fund remaining after payment of Costs of Issuance of the Series 2022A Bonds to the Series 2022A Facilities Account of the Project Fund, the Sinking Fund or the Redemption Fund, for application in accordance with any instructions from the Corporation.

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

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

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

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

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

No Reserve Fund. The Series 2022A Bonds will have <u>no</u> claim on the Reserve Fund or any other reserve fund.

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

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

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

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

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

Additional Covenants of Corporation

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

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

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

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

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

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

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

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

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

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

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

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

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

Tax Covenants. The Corporation will not permit the Series 2022A Facilities or the Refunded Bonds Facilities to be used in a manner that would result in the loss of exclusion of interest on any Series 2022A Bonds or any Refunded Bonds from gross income for federal tax purposes under Section 103 of the Code, as in effect on the date of issuance of the Series 2022A Bonds; nor will the Corporation act in any other manner that would result in the loss of exclusion of interest on any Series 2022A Bonds or any Refunded Bonds from gross income for federal income tax purposes under Section 103 of the Code, as in effect on the date of issuance of the Series 2022A Bonds.

The Corporation will not make any investment or do any other act or thing during the period that any Series 2022A Bonds or any Refunded Bonds are Outstanding that would cause any Series 2022A Bonds or any Refunded Bonds to become or to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code, as in effect on the date of issuance of the Series 2022A Bonds.

It will not be an Event of Default under the Indenture if the interest on any Series 2022A Bonds or any Refunded Bonds is not excludable from gross income for federal income tax purposes or is otherwise subject to federal income taxation pursuant to any provision of the Code which is not in effect on the date of issuance of the Series 2022A Bonds.

Defaults and Remedies

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

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

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

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

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

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

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

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

Right of Bondholders to Direct Proceedings. The owners of a majority in aggregate principal amount of the Bonds then Outstanding will have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture, as long as such direction is not otherwise than in accordance with the provisions of law and the Indenture.

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

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

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

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

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

Discharge of Indenture

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

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

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

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

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

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

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

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

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

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

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

Supplemental Indentures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 2022A 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, and is not a specific preference item for purposes of the federal alternative minimum tax. This opinion relates only to the exclusion from gross income of interest on the Series 2022A 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 2022A 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 2022A Bonds is exempt from income taxation in the State of Indiana. This opinion relates only to the exemption of interest on the Series 2022A 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 2022A Bonds as a condition to the exclusion from gross income of interest on the Series 2022A 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 2022A Bonds, that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2022A 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 2022A 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 2022A Bonds.

Although Bond Counsel will render an opinion that interest on the Series 2022A 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 2022A 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 2022A Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2022A Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2022A Bonds.

BOND PREMIUM

The initial public offering prices of all of the Series 2022A Bonds (collectively, the "Premium Bonds") are greater than the principal amounts payable at maturity or the call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds including sale, redemption or payment at maturity or call date. The amount of amortizable Bond Premium will be computed on the basis of the owner'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 and the Regulations accompanying that section. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but the amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

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

COVID-19

In late 2019, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. The World Health Organization declared the outbreak a pandemic on March 11, 2020.

In response to the onset of the pandemic, in-person instruction on all University campuses was suspended for the remainder of the Spring 2020 semester through the end of the Summer 2020. On April 21, 2020, President Daniels announced the Corporation's intent to resume in-person instruction in Fall 2020. The Protect Purdue Implementation Team, a multi-disciplinary team of experts, was tasked with determining what physical and behavioral modifications were needed for in-person operations to resume. Additionally, a Protect Purdue Health Center was established under the direction of medical experts to coordinate COVID-19 sampling, testing, quarantine, isolation and contact tracing for all students, faculty and staff.

In-person instruction resumed for the Fall 2020 semester. Course instruction through Spring 2021 was delivered in a mix of in-person, on-line, and hybrid modalities. For Fall 2021, the University returned to more normal operations with modified protocols to create as safe an in-person learning environment as possible for a community of more than 53,000 people. With a campuswide COVID-19 vaccination rate at nearly 90% for students, faculty, and staff, University facilities returned to full density for the Fall 2021 semester.

For FY20 through FY22, the University received economic relief funds from federal programs, including the Higher Education Emergency Relief Fund (HEERF), the Higher Education Emergency Relief Fund II (HEERF II), and the American Rescue Plan Act that provided economic assistance to entities that were negatively impacted by COVID-19.

Two years into the pandemic, the Corporation's fiscal actions, receipt of federal relief funds, and other strategic measures have mitigated potential negative financial impacts. The safeguards put into place have enabled students to return to a safe environment, allowing the University to continue to operate and grow its student population and tuition revenue throughout FY21. Though impacts of the pandemic to its financial position in future fiscal years are still uncertain, the Corporation operated with a surplus in FY20 and FY21, and current forecasts show the Corporation continuing to achieve an operating surplus in FY22. See "Audited Financial Statements" for more information.

LITIGATION

Absence of Litigation Related to Series 2022A Bonds

As of the date of delivery the Series 2022A 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 2022A Bonds or the pledging of the Pledged Revenue, or in any way contesting, questioning or affecting the validity of any provision of the Series 2022A Bonds, the proceedings or the authority of the Corporation taken with respect to the issuance or sale thereof, the resolutions authorizing the Series 2022A Bonds, or the Indenture. Neither the creation, organization or existence of the Corporation nor the title of any of the present Board members or other Corporation officers to their respective offices is being contested.

Other Proceedings

From time to time, the Corporation is involved in 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 S&P Global Ratings ("S&P"), have given the Series 2022A 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, 250 Greenwich Street, New York, New York, 10007, and an explanation of the rating by S&P may be obtained from such agency at 55 Water Street, New York, New York, 10041. Any such rating reflects only the view of the respective rating agency and is not a recommendation to buy, sell or hold any of the Series 2022A Bonds. There is no assurance that any rating will continue for any given period of time, and any rating may be revised downward or withdrawn entirely, if, in the judgment of the respective rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating may have an adverse effect on the market price or marketability of the Series 2022A Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2022A Bonds are subject to the approval of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed on for the Corporation by Steven R. Schultz, General Counsel, West Lafayette, Indiana, and certain legal matters will be passed on for the Underwriters by Barnes & Thornburg LLP, Indianapolis, Indiana. The form of the approving opinion of Bond Counsel with respect to the Series 2022A 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 2022A 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 2022A 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 2022A Bonds in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

UNDERWRITING

BofA Securities, Inc., Goldman Sachs & Co. LLC and Ramirez & Co., Inc. (collectively, the "Underwriters"), have agreed to purchase the Series 2022A Bonds subject to certain conditions precedent, and the Underwriters are obligated to purchase all Series 2022A Bonds issued at an underwriting discount of $110,659.78 from the initial public offering prices reflected in the prices or yields set forth on the cover page of this Official Statement. The Underwriters may offer and sell the Series 2022A Bonds to certain dealers (including dealers depositing the Series 2022A 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.

BofA Securities, Inc., one of the underwriters of the Series 2022A Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2022A Bonds.

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.

FINANCIAL ADVISOR

Blue Rose Capital Advisors, LLC, Minneapolis, Minnesota (the "Municipal Advisor"), has been retained by the Corporation to provide certain financial advisory services in connection with the issuance of the Series 2022A Bonds, including limited assistance with the preparation of the Official Statement. The Municipal Advisor is not obligated to conduct, and has not conducted, a detailed investigation of the affairs of the University to independently verify the completeness or accuracy of the information set forth in this Official Statement and the Appendices hereto. The Municipal Advisor is not a public accounting firm and has not been engaged by the Corporation to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. The Municipal Advisor is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board in accordance with applicable federal securities laws, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds. The fee to be paid to the Municipal Advisor for services provided in connection with the issuance of the Bonds is partially contingent upon the closing of the Bonds.

The Municipal Advisor is under common ownership with HedgeStar, LLC ("HedgeStar") and MuniPriceTracker, LLC ("MPT"). HedgeStar provides hedge accounting, fair value accounting, and valuation services for financial instruments including, but not limited to, fixed-income securities and derivatives. MPT provides secondary market bond trading reporting services, which may be relied upon for tax compliance and trading performance evaluation by the Corporation, or by other parties involved in the issuance, in connection with the Bonds. HedgeStar and MPT currently do not, and in connection with the Series 2022A Bonds are not expected to, provide services to the Corporation.

MISCELLANEOUS

During the initial offering period for the Series 2022A Bonds, a copy of the Indenture will be available for inspection at the Office of the Treasurer of the Corporation, Hovde Hall, West Lafayette, Indiana 47907, and at the offices of BofA Securities, Inc., One Bryant Park, 12th Floor, New York, New York 10036.

THE TRUSTEES OF PURDUE UNIVERSITY

/s/ Christopher A. Ruhl
Christopher A. Ruhl, Treasurer

Dated: June 8, 2022

APPENDIX A

PURDUE UNIVERSITY
AND
THE TRUSTEES OF PURDUE UNIVERSITY

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Purdue University

General

Purdue 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 6 instructors at its inception, to an estimated population in excess of 64,000 full-time and part-time students and approximately 5,145 faculty and lecturers on its main, regional, and statewide campuses as of Fall 2021. In addition, approximately 5,640 Purdue students were enrolled in Fall 2021 at the Indiana University-Purdue University campus in Indianapolis.

Purdue University's system-wide educational opportunities include its flagship campus in West Lafayette, and regional campuses Purdue University Northwest ("PNW"), in Hammond and Westville, and Purdue University Fort Wayne ("PFW"). Additionally, Purdue University operates a Statewide Technology Program at numerous locations throughout Indiana.

The University also offers online learning through Purdue Global, an Indiana nonprofit public benefit corporation controlled and supervised by Purdue University. Purdue Global operates primarily online with administrative headquarters in West Lafayette, IN. See "*Purdue University Global*" 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 online education, 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 main campus are organized into ten academic colleges as listed below. Undergraduate, Master's, 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.

<u>Purdue West Lafayette</u> – Agriculture; Education; Engineering; Health and Human Sciences; Liberal Arts; Management; Pharmacy; Science; Polytechnic Institute; and Veterinary Medicine.

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

<u>Purdue Fort Wayne</u> – Business; Continuing Studies; Liberal Arts; Science; Professional Studies; Engineering, Technology & Computer Science; Library; and Visual & Performing Arts.

<u>Purdue Northwest</u> – Business; Engineering and Sciences; Humanities, Education and Social Sciences; Nursing; Technology; Hospitality, Tourism and Management.

Accreditation and Membership

The University is fully accredited in all of its departments and divisions by the Higher Learning Commission (HLC). In April 2020, Purdue West Lafayette received formal notification of its continued 10-year, unrestricted accreditation by the HLC. Twenty-five other professional agencies have accredited various schools, departments and programs within the University. The University is also a member of the Association of American Universities.

Purdue University Global

On March 22, 2018, Purdue acquired the institutional operations and assets of Kaplan University ("KU") from Graham Holdings Company, including its 14 campuses and learning centers, 29,000 students, 2,500 employees, and decades of experience in distance education. The name of the new entity became Purdue University Global ("Purdue Global"). Purdue Global is an Indiana nonprofit public benefit corporation controlled and supervised by Purdue University. The creation of a new public university extends Purdue's land grant mission and further expands access to higher education by reaching beyond Purdue's traditional residential student base. The initiative addresses the need for postsecondary education for working adults and others unable to attend a traditional college campus, and the growth of online technologies as a means of delivering education to students of all types. Accredited by the Higher Learning Commission, Purdue Global offers degree programs at the Master's, Bachelor, Associate and Certificate levels in 14 different areas of interest. Doctoral degrees are also available for the Law and Nursing programs. Purdue Global is comprised of approximately 2,144 full and part-time employees.

Purdue Global is distinct from other institutions in the Purdue system, relying primarily on tuition and fundraising to cover operating expenses. No state appropriations are utilized. Purdue Global operates primarily online with administrative headquarters in West Lafayette, IN. Purdue Global is governed by a six-member Board of Trustees, composed of five members of Purdue University's Board of Trustees and one independent trustee. The independent trustee must have significant prior experience in higher education. Purdue University and the Purdue Global Board of Trustees control and operate Purdue Global.

Purdue Global entered into a long-term support services agreement with Kaplan Higher Education ("KHE"), the Kaplan affiliate that provided back-office support functions to KU prior to the acquisition. Once Purdue Global is compensated for its operating costs, KHE is eligible to recover its support costs and a fee for back-office support services equal to 12.5% of gross revenues (less bad debt) over the contract period to the extent of remaining available cash. The fee increases to 13% for fiscal years 2023 – 2027 and reverts to 12.5% for the remainder of the term. In addition, Purdue Global has the option after six years to acquire the support assets and personnel provided by KHE for 1.25x the trailing 12-month revenues of Purdue Global. KHE has no control over the operations of Purdue Global.

Strategic Plan

In 2021, the University launched Purdue's Next Moves representing five new strategic imperatives. Following the success of the original Purdue Moves strategic plan in 2013, Purdue's Next Moves will continue to leverage distinct strengths and harness the power and people of Purdue to advance the University, community and world toward a safer, more sustainable and equitable place. Descriptions of these new initiatives are provided below:

- Plant Sciences 2.0
    - Purdue will build upon its original Moves investment in Plant Science research to grow graduates, entrepreneurs and the Ag-Biotech industry, ensuring a future where the environment and agriculture work hand-in-hand to both feed the world's population and strengthen our ecosystems. Specific areas of expanded investment include digital forestry technologies, phenotyping facilities and data scientists, commercialization of agriculture technologies, and The Center for Food Demand Analysis and Sustainability.
- National Security and Technology Initiative
    - As a land-grant institution, Purdue has unique capabilities and an imperative to assist government and industry in protecting our nation's interests. The national security investments in Purdue's Next Moves build on the existing strengths of applied research efforts in hypersonics and space vehicles, energetic materials, cybersecurity, and secure microelectronics. By leveraging this excellence with new investments, Purdue will expand its capabilities and become a focal point for talent, research, testing, and economic development in the national security sector.
- Purdue Applied Research Institute (PARI)
    - Purdue will leverage deep strengths in engineering and science to play an even larger role in the development and deployment of future technologies that are critical to U. S. economic prosperity and national security. With PARI, Purdue will establish a flexible platform and the advanced infrastructure needed to deliver large and complex applied research programs that are funded by non-traditional agencies such as DOD, NASA, USAID, and industry. This platform will enable Purdue to bring together academia, industry, government, foundations, global NGOs and other key collaborators to advance technology and develop innovative solutions to worldwide problems.
- Transformative Education 2.0
    - Transformative Education 2.0 extends the work begun with the original Purdue Moves into new areas by supporting scalable teaching innovations and undergraduate experiential education that both improve the quantity, quality, and equity of the student learning experience. Transformative Education 2.0 also focuses on enhancing Purdue's academic infrastructure to 1) engage students with timely, tailored, and data-driven communications; 2) empower data-driven decisions for all students, instructors, and administrators; and 3) enhance student progress to degree through accurate, timely, and integrated information systems.

- Purdue Equity Task Force
  - The actions and investments identified by the university's Equity Task Force will ensure all members of the university community have the opportunity to experience all Purdue has to offer equitably, focusing on structural and environmental barriers to success of students, faculty, and staff of color and initially focusing on the specific experience of Black Boilermakers.

The Board of Trustees

The Trustees of Purdue University 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

[1] Term expires June 2022; [2] Student Trustee

Officers of the Corporation

Michael R. Berghoff, *Chairman*
Gary J. Lehman, *Vice Chairman*
Christopher A. Ruhl, *Treasurer*
James S. Almond, *Assistant Treasurer and Assistant Secretary*
Janice A. Indrutz, *Corporate Secretary*[1]
Steven R. Schultz, *General Counsel*
Trenten D. Klingerman, *Deputy General Counsel and Chief Privacy Officer*

[1] Cindy Ream, a former member of the University President's staff, was elected as the new Corporate Secretary effective June 10, 2022

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[1]
Jay T. Akridge, Provost, Executive Vice President for Academic Affairs and Diversity
Gary R. Bertoline, Senior Vice President for Purdue Online and Learning Innovation
Michael A. Bobinski, Vice President and Director of Intercollegiate Athletics
R. Ethan Braden, Executive Vice President and Chief Marketing and Communications Officer
Gina C. DelSanto, Chief of Staff
Theresa S. Mayer, Executive Vice President for Research and Partnerships
Ian C. Hyatt, Chief Information Officer and Vice President for Information Technology
Alysa Christmas Rollock, Vice President for Ethics and Compliance
Christopher A. Ruhl, Chief Financial Officer and Treasurer
Steven R. Schultz, General Counsel

[1] Retirement effective January 1, 2023; Dr. Mung Chiang, currently the University's Dean of Engineering and Executive Vice President for Strategic Initiatives, will serve as the University's next president

Regional Campus Staff

Frank Dooley, Chancellor, Purdue University Global
Ronald L. Elsenbaumer, Chancellor, Purdue University Fort Wayne
Thomas L. Keon, Chancellor, Purdue University Northwest

Purdue University Global Board of Trustees

The Board of Trustees for Purdue Global is charged with overseeing the operations and management of Purdue Global. It is composed of five Purdue University trustees and one independent trustee.

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.

Academic Year	Applications Received	Applications Accepted	Percent Accepted	Students Enrolled	Yield Overall	Yield In State
2017-18	48,915	28,093	57.4%	7,567	26.9%	55.0%
2018-19	53,442	30,965	57.9%	8,357	27.0%	53.6%
2019-20	54,912	32,834	59.8%	8,056	24.5%	50.2%
2020-21	57,278	38,457	67.1%	8,869	23.1%	48.6%
2021-22	59,173	40,759	68.9%	10,191	25.0%	48.6%

The freshman applicants at the West Lafayette campus for the fall semesters 2017 through 2021 had an average combined score for the Scholastic Aptitude Test (SAT) verbal and mathematical test of 1256[1], 1289, 1307, 1291, and 1297. Approximately 75% of the Fall 2021 freshman class had a high school grade point average between 3.5 and 4.0 and 97% of the Fall 2021 freshman class had a high school grade point average between 3.0 and 4.0.

[1] In 2017, the University changed its methodology for calculating the average score. Previously, the average was based on the sum of best scores for each of the two test sections; the new score is based on the highest total of a single test session.

Purdue Global Admissions

Purdue Global emerged from the acquisition of Kaplan University in March 2018. The number of inquiries, applications and resulting start of classes for undergraduate, graduate and post-graduate students are shown below.

Fiscal Year	Inquiries	Applicants	Starts	Yield	Academic Periods
2017-2018 [1]	383,678	12,389	6,736	54.4%	5
2018-2019	1,377,475	49,156	35,173	71.6%	22
2019-2020	1,195,713	50,788	37,533	73.9%	22
2020-2021	1,269,484	51,634	36,791	71.3%	22

[1] April – June 2018

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 past five academic years. Approximately 58% of the total undergraduate and graduate students at the West Lafayette campus and approximately 14% of regional campus students were non-residents of the State of Indiana at Fall 2021. The full-time summer session tuition and fees is one-half of the regular academic year tuition and fees. The fees for undergraduate and graduate students are the same.

Main Campus - Tuition and Fees

West Lafayette	Full-Time[1]		Part-Time[2]	
Academic Year	Indiana Resident	Non-Resident	Indiana Resident	Non-Resident
2017-18	$9,992	$28,794	$348	$948
2018-19	$9,992	$28,794	$348	$948
2019-20	$9,992	$28,794	$348	$948
2020-21	$9,992	$28,794	$348	$948
2021-22	$9,992	$28,794	$348	$948

[1] Per Academic Year; [2] Per Credit Hour

To help meet the University's goal of student affordability, the University has kept tuition at the West Lafayette campus frozen at the rates approved for the 2012-2013 academic year. At its December 2021 meeting, the Board of Trustees approved extending the tuition freeze for an 11th straight year (through the 2023-2024 academic year).

The table below sets forth the tuition and fees charged per academic year to students attending each regional campus for the past five academic years. 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. PNW and PFW implemented new tuition rates for domestic, non-resident students effective in 2018-2019 and 2019-2020, respectively.

Regional Campus - Tuition and Fees

Fort Wayne	Undergraduate			Graduate		
Academic Year	Indiana Resident	Non-Resident	Non-Resident Domestic	Indiana Resident	Non-Resident	Non-Resident Domestic
2017-18	$8,330	$20,004		$8,215	$18,600	
2018-19	$8,450	$20,288		$8,334	$18,864	
2019-20	$8,589	$21,369	$20,622	$8,472	$19,933	$19,176
2020-21	$8,730	$21,720	$20,961	$8,611	$20,261	$19,491
2021-22	$8,857	$22,035	$21,265	$8,736	$20,555	$19,774

Northwest	Undergraduate			Graduate		
Academic Year	Indiana Resident	Non-Resident	Non-Resident Domestic	Indiana Resident	Non-Resident	Non-Resident Domestic
2017-18	$7,581	$17,129		$7,367	$15,716	
2018-19	$7,686	$17,367	$11,153	$7,469	$15,935	$10,978
2019-20	$7,813	$17,654	$11,336	$7,592	$16,198	$11,160
2020-21	$7,942	$17,945	$11,523	$7,717	$16,465	$11,344
2021-22	$8,057	$18,205	$11,690	$7,829	$16,704	$11,508

Purdue Global

During a full academic year, Purdue Global offers classes in 22 terms across four separate tracks. Students can apply and enroll in multiple terms within one track. For 2020-21, standard tuition for courses at the Certificate, Associate, Bachelor, Master and Doctorate levels range from $315 to $700 per credit hour. Effective January 29, 2020, Indiana residents receive discounts of approximately 25% for undergraduate studies and 10% for Master's studies from these rates. Term based pricing for the Bachelor and Master levels ranges from $1,700 to $3,200.

Student Enrollment

The University attracts students from a variety of backgrounds and geographical locations. In the most recent year reported below, approximately 61% of the University's undergraduate students are residents of Indiana. The student body represents all 50 states and 128 countries.

The following table presents the University's combined headcount enrollment for the fall semester over the past five academic years. For Fall 2021, the undergraduate enrollment at the West Lafayette is the largest in Purdue's history.

	West Lafayette Campus			Regional Campuses			Statewide Technology	University Total
Academic Year	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total		
2017-18	36,071	5,502	41,573	12,491	9,994	22,485	1,128	65,186
2018-19	37,763	5,648	43,411	11,996	8,616	20,612	1,072	65,095
2019-20	38,630	5,921	44,551	11,430	8,784	20,214	953	65,718
2020-21	39,154	6,715	45,869	10,789	6,667	17,456	792	64,117
2021-22	42,330	7,309	49,639	9,887	7,205	17,092	708	67,439

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

	West Lafayette				Purdue System
Academic Year	Undergraduate	Graduate & Professional	Total	Full-Time Equivalent [1]	Full-Time Equivalent [1]
2017-18	31,006	10,567	41,573	39,063	55,348
2018-19	32,672	10,739	43,411	40,858	56,381
2019-20	33,646	10,905	44,551	41,878	56,706
2020-21	34,920	10,949	45,869	42,633	56,170
2021-22	37,101	12,538	49,639	45,990	58,488

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

As of March 2022, approximately 33,800 students were enrolled at Purdue University Global.

Faculty and Employees

As of October 31, 2021, the University's faculty and staff aggregate total was 19,647. Of the total faculty, 59% held tenured/tenure track appointments. No labor organization is a collective bargaining representative for any of the Corporation's employees.

Faculty & Staff	**West Lafayette**	**Regional & Statewide Technology**	**Total**
Tenured/Tenure Track Faculty	1,910	481	2,391
Non-Tenure Appointments	984	116	1,100
Continuing Lecturers and Limited-Term Lecturers	507	555	1,062
Adjunct Faculty	358	232	590
Graduate Student Staff	5,322	183	5,505
Staff	7,724	1,275	8,999
TOTAL	**16,805**	**2,842**	**19,647**

Facilities (as of Fall 2021)

Academic, Administrative, Athletic and Residential Facilities: Across its main and regional campuses, the University has 260 principal buildings of 10,000 or more square feet used for academic instruction, research, athletics, residential and administrative functions. The University, together with related foundations, owns approximately 19,755 acres of land including acreage used for agricultural purposes throughout the State of Indiana.

Libraries: The Purdue University Libraries and School of Information Studies (PULSIS) system on the West Lafayette campus includes six subject-oriented libraries, the Hicks Undergraduate Library, and the Virginia Kelly Karnes Archives and Special Collections Research Center.

Research Facilities: The University has approximately 1.6 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.

Athletic Facilities: The University's West Lafayette campus is home to Ross-Ade football stadium, which seats almost 57,300, and Mackey Arena, which seats over 14,220. Additional facilities include the Birck Boilermaker Golf Complex, Blake Wrestling Training Center, Holloway Gymnasium, Drew and Brittany Brees Student-Athlete Academic Center, Lambert Fieldhouse, Mollenkopf Athletic Center, Kozuch Football Performance Complex, Morgan J. Burke Aquatic Center, Rankin Track and Field Complex, Schwartz Tennis Center, the Northwest Athletic site for baseball, soccer and softball, and a cross-country course.

Parking Facilities: The University has six parking garages on the West Lafayette campus, one on the PNW Hammond campus and three on the Fort Wayne campus. Surface lots on all campuses provide additional parking capacity.

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 over 6,000 people; and the Slayter Center of the Performing Arts. In addition, Discovery Park provides facilities for interdisciplinary research and education. The Thomas S. and Harvey D. Wilmeth Active Learning Center provides classroom, study and collaborative spaces. In February 2018, the University acquired the Gabis Arboretum at Purdue Northwest, through a gift of 300 acres of property and all its assets.

Purdue Global: In addition to online classes, Purdue Global utilizes four leased spaces for specialized instruction in four states.

Physical Facilities Sustainability Master Plan

In April 2020, Purdue University's Campus Planning and Sustainability Department launched the 2020 Physical Facilities Sustainability Master Plan for the West Lafayette campus. The master plan aligns with the 2018 Giant Leaps Campus Master Plan and creates a clear, measurable vision for the next five years of sustainability efforts. Based on lessons learned over the past decade and best practices implemented by both peers and the private sector, the plan addresses the following key issues: Simplifies the message; Makes measurable, metric-based goals; Focuses the scope on Physical Facilities initiatives; Aligns with the fiscal calendar considering funding strategies and costs of projects; Sets up a framework to report on progress annually; Builds in an update as a five-year plan. The plan outlines 13 goals in five categories with targeted completion by FY25 and a baseline of FY11, except those noted below.

- **Energy**
  - E-1 Cut Carbon Emissions in Half
  - E-2 No Net Gain (cap total energy despite 2M GSF of growth)
  - E-3 Pursue 500kW of Renewable Energy
- **Water**
  - W-1 Reduce Water Consumption by 30% on a gallon per square foot basis
  - W-2 Develop a Strategy to Eliminate CSO (combined sewer overflow)
- **Materials**
  - M-1 Recycle Half Our Waste
  - M-2 Recycle 75%+ of Construction Waste
  - M-3 Recycle 100% of Institutional E-Waste (completed)
- **Buildings**
  - B-1 LEED Silver or Better for New Buildings / Large Projects > $10M
  - B-2 High Performance Requirements for Building Renovations / Small Projects < $10M
- **Grounds**
  - G-1 Plant One Tree per Day (Total 1,869 representing the year Purdue was founded – doubled to 3,738 trees
  - G-2 Sustainable Landscapes for All Purdue – all grounds in alignment with the Sustainable Landscape Plan
  - G-3 Double Bicycle Infrastructure with FY14 as the baseline year

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 2018, the Corporation, a blended component unit as discussed in Note 1 of the financial statements, completed a transfer of assets from Kaplan Higher Education, which is accounted for under GASB 69, Government Combinations.

The financial operations and consolidated balance sheet of the Corporation for the past five fiscal years are as follows:

FINANCIAL OPERATIONS OF THE CORPORATION

Statement of Revenues, Expenses, and Changes in Net Position

	Fiscal Year Ended June 30 (dollars in thousands)				
	2021	**2020**	**2019**	**2018**	**2017**
Operating Revenues					
Tuition and Fees	$1,459,857	$1,385,459	$1,378,546	$1,037,216	$902,701
Less: Scholarship Allowance	(202,730)	(213,949)	(223,872)	(145,279)	(116,391)
Net Tuition and Fees	$1,257,127	$1,171,510	$1,154,674	$891,937	$786,310
Grants and Contracts	461,752	488,096	421,103	405,179	390,144
Sales and Services	128,826	140,368	148,176	91,810	83,117
Auxiliary Enterprises (Net of Scholarship Allowance)	183,613	217,506	227,482	285,583	262,235
Other Operating Revenues	3,080	2,863	2,781	7,172	8,657
Total Operating Revenues	**$2,034,398**	**$2,020,343**	**$1,954,216**	**$1,681,681**	**$1,530,463**
Operating Expenses					
Compensation and Benefits	$1,601,165	$1,655,110	$1,658,423	$1,469,602	$1,401,010
Supplies and Services	696,386	693,889	740,379	558,063	469,902
Depreciation Expense	198,774	186,934	190,100	175,821	166,704
Scholarships, Fellowships, and Student Awards	98,585	62,240	65,666	67,613	70,452
Total Operating Expenses	**$2,594,910**	**$2,598,173**	**$2,654,568**	**$2,271,099**	**$2,108,068**
Net Operating Loss	**($560,512)**	**($577,830)**	**($700,352)**	**($589,418)**	**($577,605)**
Non-operating Revenues (Expenses)					
State Appropriations	$394,199	$401,886	$405,921	$398,143	$397,705
Grants and Contracts	222,186	138,170	147,944	77,447	50,605
Private Gifts	127,876	78,258	102,397	91,659	83,984
Investment Income	817,421	58,233	181,639	125,711	169,341
Interest Expense	(35,203)	(28,969)	(29,159)	(29,687)	(23,669)
Other Non-operating Revenues, Net	(20,606)	4,950	5,596	3,408	5,167
Total Non-operating Revenues before Capital/Endowments	**$1,505,873**	**$652,528**	**$814,338**	**$666,681**	**$683,133**
Capital and Endowments					
State Capital Appropriations	$ -	$ -	$305	$514	$27,894
Capital Gifts	15,430	41,146	46,574	24,422	10,865
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	51,505	37,810	57,987	46,192	28,847
Total Capital and Endowments	**$66,935**	**$78,956**	**$104,866**	**$71,128**	**$67,606**
Income Before Other Revenues, Expenses, Gains, Losses, and Transfers	**$1,012,296**	**$153,654**	**$218,852**	**$148,391**	**$173,134**
Other Revenues, Expenses, Gains, Losses, and Transfers	**$ -**	**$ -**	**$ -**	**$25,387**	**$ -**
Increase in Net Position	**$1,012,296**	**$153,654**	**$218,852**	**$173,778**	**$173,134**
Net Assets, Beginning of Year	**$5,084,808**	**$4,931,154**	**$4,712,302**	**$4,538,524**	**$4,426,942**
Prior Period Adjustments	**-**	**-**	**-**	**-**	**(61,552)**
Net Assets, End of Year	**$6,097,104**	**$5,084,808**	**$4,931,154**	**$4,712,302**	**$4,538,524**

Summary Statement of Net Position

Fiscal Year Ended June 30
(dollars in thousands)

	2021	2020	2019	2018	2017
Current Assets	$ 871,865	$ 898,402	$ 800,607	$ 709,792	$ 649,350
Capital Assets	2,806,662	2,642,403	2,520,836	2,496,148	2,408,286
Other Assets	4,160,317	3,214,695	3,195,472	2,997,230	2,939,846
Total Assets	**7,838,844**	**6,755,500**	**6,516,915**	**6,203,170**	**5,997,482**
Deferred Outflows of Resources	39,502	36,832	42,194	59,330	76,129
Current Liabilities	541,575	573,427	551,541	459,003	382,335
Noncurrent Liabilities	1,184,711	1,087,558	1,043,797	1,055,143	1,105,941
Total Liabilities	**1,726,286**	**1,660,985**	**1,595,338**	**1,514,146**	**1,488,276**
Deferred Inflows of Resources	54,956	46,539	32,617	36,052	46,811
Net Investment in Capital Assets	1,719,680	1,710,945	1,610,376	1,552,896	1,454,962
Restricted - Nonexpendable	872,775	820,444	777,197	707,779	652,926
Restricted - Expendable	1,482,763	928,747	1,011,002	951,793	941,110
Unrestricted	2,021,886	1,624,672	1,532,579	1,499,834	1,489,526
Total Net Position	**$ 6,097,104**	**$ 5,084,808**	**$ 4,931,154**	**$ 4,712,302**	**$ 4,538,524**

Please refer to the University's audited financial statements for additional information on the financial operations and balance sheet.

Student Fees

Student Fee Bonds are payable from "Student Fees". The General Assembly has historically appropriated to the University an amount equal to the annual debt service requirements due on previously approved and outstanding Student Fee Bonds that are eligible for "Fee Replacement." See "State Appropriations to the University".

The Student Fees (for purposes of the Corporation's student fee indenture) for the past five years are below.

Student Fee Revenues
(dollars in thousands)

Fiscal Year Ended June 30	2021	2020	2019	2018	2017
Total Tuition & Fees	$ 1,459,857	$ 1,385,459	$ 1,378,546	$ 1,037,216 [1]	$ 902,701
Less: Scholarship Allowance	(202,730)	(213,949)	(220,216)	(145,279)	(116,391)
Less: Purdue Global, Net	(372,046)	(306,373)	(305,119)	(93,665)	-
Purdue University Tuition & Fees	**$ 885,081**	**$ 865,137**	**$ 853,211**	**$ 798,272**	**$ 786,310**

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. 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 its 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. 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. 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 General Assembly's authorization of certain capital construction projects for the University, payable from Student Fee revenues, are designated as eligible or not eligible for "Fee Replacement". With respect to the financing of eligible Fee Replacement projects, the General Assembly authorizes the appropriation, on a biennial basis, or otherwise provides for an amount equal to the annual debt service requirements due on Student Fee Bonds issued to finance such projects. In the 45 plus years of making Fee Replacement appropriations, the State has never failed to fully fund or otherwise provide for a Fee Replacement obligation established by a prior General Assembly. Approximately one-third of the University's total debt service is eligible for Fee Replacement appropriations. The University expects that the policy of Fee Replacement appropriations will be continued in future years.

The State appropriations received by the University for fiscal years 2017 through 2021 and budgeted for fiscal years 2022 and 2023 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. On June 10, 2020, Indiana's State Budget Agency announced that FY21 operating appropriations for state higher education institutions would be reduced by 7% from the originally appropriated amount as a result of state revenue shortfalls caused by the pandemic. The 7% operating appropriation reduction was reverted in FY22.

State Appropriations
(dollars in thousands)

Fiscal Year Ended June 30	Unrestricted General Operating	Unrestricted Fee Replacement	Restricted Repair & Rehabilitation	Restricted Special	Non-Recurring Appropriations	Total
2017	326,131	27,541	10,567	33,466	27,894	425,599
2018	321,832	25,127	11,251	36,402	4,044	398,657
2019	323,787	32,280	11,251	36,402	2,505	406,225
2020	326,159	29,599	12,242	33,620	267	401,886
2021	307,834 [1]	39,080	12,242	31,277	3,766	394,199
2022 (Budgeted)	331,004	39,084	12,242	34,681	267	417,278
2023 (Budgeted)	335,099	35,930	12,242	34,681	3,500	421,452

Note: Sums may not equal totals due to rounding.

[1] Reflects 7% reduction of the original appropriation by the State for projected COVID-19 economic impacts.

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Student Financial Aid

The following table summarizes the financial aid provided to students of the University from a limited set of various sources for the 2020-21 academic year. Purdue Global offers multiple terms, which differ from the traditional academic calendar at Purdue University.

Student Financial Assistance[1]

Aid Year 2020-21

	West Lafayette	Regional Campuses	Total	Purdue Global
Scholarships and Grants:				
University Scholarships, Grants & Fee Remissions	$ 95,988,710	$ 17,595,421	$ 113,584,131	$ 54,737,133
Athletic Grant-in-Aid	11,655,307	3,611,731	15,267,038	-
State Awards	29,900,563	18,855,310	48,755,873	2,960,363
Private Awards	15,458,081	4,172,092	19,630,173	447,214
Fellowships	8,563,549	-	8,563,549	-
Federal Pell Grants	25,556,537	23,817,990	49,374,527	78,084,146
Federal SEOG	1,834,515	844,800	2,679,315	3,418,291
Other Federal Aid	129,029	3,227,431	3,356,460	299,635
Total	**$ 189,086,291**	**$ 72,124,775**	**$ 261,211,065**	**$ 139,946,782**
Loans:				
Federal Stafford Loans	$ 92,971,816	$ 39,873,710	$ 132,845,526	$ 288,317,342
Federal Parent Loans for Undergraduate Students	31,207,169	3,858,912	35,066,081	2,734,554
Federal Graduate PLUS Loans	3,641,413	33,970	3,675,383	2,050,214
Federal Health Professions Loans	847,890	-	847,890	-
Purdue Loans	1,090,190	-	1,090,190	-
Private Loans	42,689,563	3,654,350	46,343,913	2,483,327
Total	**$ 172,448,041**	**$ 47,420,942**	**$ 219,868,983**	**$ 295,585,437**
Employment and Employment Related:				
Work-Study Salaries	$ 1,033,559	$ 249,474	$ 1,283,033	$ 205,245
Graduate Student Staff Salaries	116,936,831	2,349,136	119,285,967	-
Other Part-Time University Salaries	16,763,640	3,106,798	19,870,438	-
Employment Related Fee Remissions	55,230,788	2,286,325	57,517,114	-
Other Employment Related Awards	-	-	-	32,880,544
Total	**$ 189,964,818**	**$ 7,991,734**	**$ 197,956,552**	**$ 33,085,789**
Private/Other:				
Contracts	$ 24,846,206	$ 1,531,256	$ 26,377,462	$ 34,737,237
Fee Dedicated Aid	8,072,940	-	8,072,940	-
Other	1,907,138	-	1,907,138	-
Total	**$ 34,826,284**	**$ 1,531,256**	**$ 36,357,540**	**$ 34,737,237**
Total Student Financial Assistance	**$ 586,325,434**	**$ 129,068,706**	**$ 715,394,140**	**$ 503,355,245**

Note: Sums may not equal totals due to rounding.

[1] Data may not tie to fiscal year reporting provided in the Financial Report.

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 the past five fiscal years are shown below. These values are not pledged under any Indenture of the Corporation and do not include endowments separately held by the Corporation valued at $76,967,879 on June 30, 2021. The current spending policy for the endowment allows for an annualized rate of up to five percent (5.0%) within the range of (a) the current market value of the endowment and (b) the average of the ending market values for the prior twelve quarters.

Fiscal Year Ended June 30	Endowment Market Value
2017	$1,572,080,183
2018	$1,679,484,031
2019	$1,756,734,278
2020	$1,764,182,976
2021	$2,615,864,790

As of March 1, 2022, the unaudited market value of the Corporation's endowment was $2,762,889,462 (including net additions).

Related Foundations

The foundations listed below are organized exclusively to serve the University by providing funds and other resources. The funds and other assets managed by Purdue Research Foundation ("PRF") are comprised primarily of the Corporation's endowment, as described above under "Endowment and Similar Funds", and PRF's endowment. The asset value, income and support to the Corporation for each foundation for the fiscal year ending June 30, 2021 are shown in the following table.

Foundation	Asset (Book) Value	Income	Disbursed to/for the Corporation
Purdue Research Foundation [1]	$ 3,476,026,690	$ 233,586,569	$ 48,403,059
Ross-Ade Foundation	181,997,639	3,154,582	4,034,061
Purdue Fort Wayne Foundation	13,222,284	1,735,527	2,056,757
Total	**$ 3,671,246,613**	**$ 238,476,678**	**$ 54,493,877**

[1] Includes book value of endowment (net) of $777,559,552 (Purdue Research Foundation) and $1,977,060,422 (Corporation) (market values of $997,993,537 and $2,511,909,117, respectively).

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 6,317 acres of land, 5,301 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 football and softball stadiums and parking garages for the University, and has been instrumental in the development of the regional campuses by acquiring the land and constructing 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.

Purdue Fort Wayne Foundation: The Purdue Fort Wayne Foundation was incorporated in 1958 exclusively to promote the educational purposes of Purdue University Fort Wayne. The PFW 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 University appoints the voting majority of the PFW Foundation's Board of Directors, but it is not substantively the same as the University's Board of Directors.

Please refer to the University's audited financial statements for additional information on the related foundations.

Fundraising Activity

The table below summarizes gift giving by category over the past five fiscal years. Purdue's total of $421 million in fiscal year 2021 was its third highest in University history and the largest total in a non-campaign fiscal year. Additionally, the average monthly fundraising totals rebounded to $35 million, exceeding the pre-pandemic monthly average in fiscal year 2020. This improvement was a result of strong relationship work during the Covid-19 pandemic, the Protect Purdue campaign to help support the safe reopening of campus, and two Days of Giving in the fall and spring timeframes. The University raised $101.9 million for student support, the second-highest total in its history. Scholarship giving remains strong and donors also responded to our need for additional graduate student fellowship support.

Total Gift Giving by Category
(dollars in thousands)

	2021	2020	2019	2018	2017
Cash/Securities [1]	$ 204,426	$ 233,542	$ 185,477	$ 168,236	$ 146,272
Real Estate	0	525	980	2,116	63
Gifts-in-Kind	89,268	79,906	101,277	123,454	95,796
Irrevocable Deferred	14,629	7,334	3,301	11,181	2,851
Revocable Deferred	95,588	68,525	140,712	88,479	80,489
New Pledge Balances [1]	116,455	82,832	158,536	101,985	68,956
Total Production	**$ 520,366**	**$ 472,664**	**$ 590,282**	**$ 495,451**	**$ 394,427**
Less: Prior Year Pledge payments [1]	(99,026)	(130,639)	(72,659)	(43,993)	(42,569)
Net Production	**$ 421,340**	**$ 342,025**	**$ 517,623**	**$ 451,459**	**$ 351,858**

Note: sums may not equal totals due to rounding.

[1] 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, and then subtracted as Prior Year Pledge payments to provide annual Net Production.

For fiscal year 2022, the University set a goal of $500 million in net production. Through March 1, 2022, the total raised was $405.4 million, or 81% of the goal.

Grants and Contracts

System-wide sponsored program expenditures for the 2020-21 fiscal year were $494 million, an increase of $50.5 million, or approximately 11.4%, above previous year expenditures. Activity includes approximately $54 million in Institutional Higher Education Emergency Relief Fund (HEERF) expenditures. The following list represents fiscal 2021 expenditures by departments with sponsored research program expenditures in excess of $10 million.

Department	Total ($MM)	Department	Total ($MM)
Mechanical Engineering	43.0	Materials Engineering	13.9
Electrical & Computer Engineering	41.2	Chemical Engineering	13.4
Treasurer & CFO	33.4	Biological Sciences	13.4
Chancellor Admin	20.6	Physics and Astronomy	13.2
Chemistry	18.9	Biomedical Engineering	11.5
Civil Engineering	18.3	Medicinal Chemistry & Molecular Pharmacology	11.4
Aeronautics & Astronautics	17.5	Industrial Engineering	10.1
Computer Science	14.9		

The following tables lists sources of grants and contracts for the past five fiscal years:

Grants and Contracts by Source (Expenditures)
Fiscal Year Ended June 30
(dollars in thousands)

	2021	2020	2019	2018	2017
Federal Sources					
Department of HHS	$ 73,382	$ 69,106	$ 61,408	$ 58,441	$ 52,115
National Science Foundation	71,894	72,668	71,186	69,632	66,757
Department of Energy	29,511	28,929	27,048	24,366	24,069
Department of Defense	53,607	44,995	40,075	44,122	40,805
Department of Agriculture	17,833	15,184	16,986	17,704	19,072
Other Federal Agencies	104,546	47,540	39,465	38,681	38,862
Total	**$ 350,772**	**$ 278,423**	**$ 256,167**	**$ 252,946**	**$ 241,679**
Non-Federal Sources					
State of Indiana	$ 27,723	$ 30,064	$ 30,066	$ 27,663	$ 26,042
Business and Foundations	97,449	112,918	105,279	96,791	114,146
Non-Profit Organizations	11,431	13,762	13,414	19,918	20,440
Foreign Government	6,633	8,383	7,417	5,209	5,236
Total	**$ 143,236**	**$ 165,127**	**$ 156,176**	**$ 149,581**	**$ 165,864**
Combined Total	**$ 494,008**	**$ 443,550**	**$ 412,343**	**$ 402,527**	**$ 407,543**

Note: Sums may not equal totals due to rounding

Research funding awards for Fiscal 2021 totaled $668.2 million. Research funding awards for Fiscal 2022 through March 1, 2022 totaled $393.9 million, an increase of $10.9 million over the same period of Fiscal 2021.

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.

For the obligations shown in the table, note Student Fee Bonds are secured by a pledge of Student Fees, Student Facilities System Revenue Bonds are secured by a pledge of the net income of the designated Auxiliary Enterprise and payable from available funds of the Corporation, and Leasehold Indebtedness is payable from available funds of the Corporation.

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Debt Outstanding	Final Maturity	Amount Outstanding as of April 1, 2022	
Bonds Outstanding			
Student Fee Bonds, Series U	2022	$2,990,000	
Student Fee Bonds, Series Z-2	2035	73,615,000	
Student Fee Bonds, Series AA	2032	36,135,000	(1)
Student Fee Bonds, Series BB-1	2034	24,300,000	
Student Fee Bonds, Series BB-2	2032	12,480,000	
Student Fee Bonds, Series CC	2036	101,425,000	
Student Fee Bonds, Series DD	2038	79,680,000	
Student Fee Bonds, Series EE	2037	106,215,000	
Student Facilities System Revenue Bonds, Series 2004A	2033	15,860,000	
Student Facilities System Revenue Bonds, Series 2005A	2029	5,755,000	(2)
Student Facilities System Revenue Bonds, Series 2007A	2029	39,150,000	
Student Facilities System Revenue Bonds, Series 2007C	2032	24,385,000	(2)
Student Facilities System Revenue Bonds, Series 2012A	2032	17,950,000	(3)
Student Facilities System Revenue Bonds, Series 2015A	2040	84,890,000	
Student Facilities System Revenue Bonds, Series 2016A	2036	51,635,000	
Leasehold Indebtedness			
COPS 2006	2025	14,770,000	
COPS 2014A	2027	16,365,000	
COPS 2016A	2037	73,875,000	
COPS 2021A	2035	29,935,000	
COPS 2021B	2032	2,350,000	
Total Outstanding Indebtedness		**$813,760,000**	

(1) The Corporation intends to refund $33,585,000 of Series AA bonds maturing after July 1, 2022 on the July 1, 2022 call date with Series FF bond proceeds

(2) The Corporation intends to refund $30,140,000 of variable rate Series 2005A and Series 2007C bonds with Series 2022A bond proceeds

(3) The Corporation intends to refund $16,665,000 of Series 2012A bonds maturing after July 1, 2022 on the July 1, 2022 call date with Series 2022A bond proceeds

Physical Property

Physical property owned by the Corporation, or otherwise available to and utilized by the University, consists primarily of approximately 19,755 acres of land and 468 buildings. The buildings, together with equipment and furnishings, were valued at an estimated replacement cost for insurance purposes at approximately $8.5 billion as of June 30, 2021. The following table sets forth the increase in net plant investment for the past five fiscal years. 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
2017	$4,536,409,000	$2,128,123,000	$2,408,286,000
2018	$4,773,965,000	$2,277,818,000	$2,496,147,000
2019	$4,961,826,000	$2,440,990,000	$2,520,836,000
2020	$5,256,109,000	$2,613,706,000	$2,642,403,000
2021	$5,573,599,000	$2,766,937,000	$2,806,662,000

Insurance

Open Risk Property 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 $500,000 deductible clause, which is applicable to each occurrence of loss. The Corporation self-insures losses within the $500,000 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 per occurrence policy limit for all property coverage is $1.5 billion.

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 $100,000,000 liability policy) and the aircraft (covered by a separate $25,000,000 policy), the Corporation's primary liability policy is $50,000,000 per occurrence annual aggregate over a $2,000,000 per occurrence self-insured retention. Losses handled within this retention are funded through the Office of Risk Management allocated reserve fund.

Capital Programs

The University 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 University funds. Major projects currently under design or construction on the West Lafayette campus include:

Funding Source (in $MM)	Gifts / Department	University Central Funding	Student Fee Bonds	Total
Polytechnic Gateway	$ 66.0	$ 6.0	$ 60.0	**$ 132.0**
Vet Medicine Teaching Hospital	8.2	26.8	73.0	**108.0**
Schleman Hall/Data Science & Stewart Center	5.0	47.8	-	**52.8**
Hypersonics Research Facility	5.0	36.0	-	**41.0**
Purdue Memorial Union Ground Floor Dining	35.7	-	-	**35.7**
Hagle Hall Bands and Orchestras	25.6	-	-	**25.6**
Total	**$ 145.5**	**$ 116.6**	**$ 133.0**	**$ 395.1**

At March 1, 2022, the University had $122.8 million of other major construction projects greater than $500,000 in progress or awarded.

As West Lafayette continues to see record growth in enrollment, the University is committed to ensuring that undergraduate housing on campus is available to meet student demand. Purdue is considering several approaches to addressing this need, including the acquisition of existing residential facilities and the potential construction of new residence halls consistent with the 2018 Giant Leaps Master Plan. The scope and funding sources for the additional housing are currently under consideration.

At Purdue Fort Wayne, a strategic goal of the long-term campus master plan aims to reinforce the campus core to better serve the cultural shift from a traditionally commuter campus to a more residential, student-life focused campus. This plan involves exploring and increasing housing options on campus. The University is evaluating a range of procurement methods for delivering the additional housing.

Retirement Plans

The Corporation participates in a defined contribution retirement plan for its faculty, professional and certain administrative employees. 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. Voluntary participation in a 403(b) plan and/or a 457(b) plan is also available to certain employees. This plan is administered by Fidelity Investments. The Corporation is current with all payments due to Fidelity Investments.

All clerical and service staff hired on or after September 9, 2013 and employed at least half-time 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. There is not a material forfeiture balance at this time.

The clerical and service staff hired on or prior to September 8, 2013 and employed at least half-time 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.

For the year ended June 30, 2021, there were 1,859 employees participating in PERF. The Corporation's proportionate share of PERF's Net Pension Liability, based on covered payroll of approximately $88,943,000, was 1.65% for the measurement date June 30, 2020, which was the date used for this financial report. The proportionate share of the Net Pension Liability as calculated by the Indiana Public Retirement System ("INPRS") under GASB 68 guidance was approximately $49,762,000 as of June 30, 2021.

The Corporation made contributions to the plan totaling approximately $10,020,000 for the year ending June 30, 2021. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $7,892,000 for the year ended June 30, 2021. The proportionate shares of pension plan expense for the year ended June 30, 2021, as calculated under GASB 68 guidance, was approximately $4,008,000, less net amortization of deferred amounts of approximately $1,178,000, leaving a net pension expense of approximately $2,830,000.

During fiscal 2016, the Corporation made a payment in the amount of $2,242,668 to the INPRS toward the Unfunded Actuarial Accrued Liability pursuant to Indiana Public Law 241-2015. The Corporation made an additional supplemental contribution in August 2016 in the amount of $20,184,015, satisfying the total liability of $22,426,683. The payment made in August 2016 is included in Accounts Payable and Accrued Expenses at June 30, 2016. The Corporation is current with all payments due to PERF.

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 other retirement plans offered by the Corporation, 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. 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 https://www.in.gov/inprs/annualreports.htm.

Purdue Global: All full-time eligible employees of Purdue Global may participate in the Purdue University Global, Inc. 457(b) Deferred Compensation Plan immediately upon employment. The default elective deferral rate begins at 6% of eligible compensation, and increases annually by 1% until it reaches a maximum of 10%. Contributions are not mandatory, and employees have the option to defer 0% up to the maximum percentage of compensation allowed. In addition, employees who are not full time eligible employees may elect to participate in the plan by completing a deferred compensation agreement. All funds in this plan are immediately vested, so forfeitures do not exist. For the period ended June 30, 2021, there were 1,036 employees participating in the 457(b) plan with pay equal to approximately $48.9 million.

Additionally, all employees except interns, temporary, vacation relief, or call-in employees participate in the Purdue University Global, Inc. 403(b) Defined Contribution Retirement Savings Plan immediately upon commencement of employment. This plan features a non-elective employer contribution of 3% of participant's compensation. It also provides an employer matching contribution of 100% of elective deferrals up to 4% of compensation made to the Purdue University Global, Inc. 457(b) Deferred Compensation Plan. Three-year cliff vesting is in effect for the contributions in this plan. For the period ended June 30, 2021, there were 2,142 employees participating in the 403(b) plan with pay equal to approximately $63.9 million. For the period ended June 30, 2021 the University made contributions totaling $3.7 million to the plan.

In 2018, the Plan's board implemented a trust to hold the assets of the Program in accordance with Internal Revenue Code Section 457. The Plan assets are the property of the trust, which holds the assets on behalf of the participants. Therefore, in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets of this Plan are not reported in the accompanying financial statements.

See Note 9 of the financial statement – Retirement Plans and the Required Supplementary Information to the Financial Statements for Purdue University for further information. See also Note 1 – Basis of Presentation and Summary of Significant Accounting Policies 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, 2021, the University reported Other Post-Employment Benefits (OPEB) annual cost of $3,077,000. 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.

During the fiscal year ended June 30, 2017, the Trustees approved a voluntary early retirement incentive program for certain employees aged 60 or older with at least 10 years of employment. The incentive program included contributions to a health reimbursement account (HRA), with maximum dollar amounts and length of participation based on the campus of employment at the date of retirement. 201 employees took the retirement incentive, and the actuarial calculations have been updated to take this into account.

Previous to fiscal year 2017, the Trustees had approved similar early retirement arrangements. For the years ended June 30, 2017 and 2016, there were 71 and 165 employees, respectively, participating in the previous voluntary retirement incentive programs.

Outstanding liabilities associated with all retiree related health reimbursement accounts as of June 30, 2021 and June 30, 2020 were approximately $2,157,141 and $2,431,000, respectively.

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 of the financial statement – Other Debt Information for further information.

APPENDIX B

PURDUE UNIVERSITY
FINANCIAL REPORT

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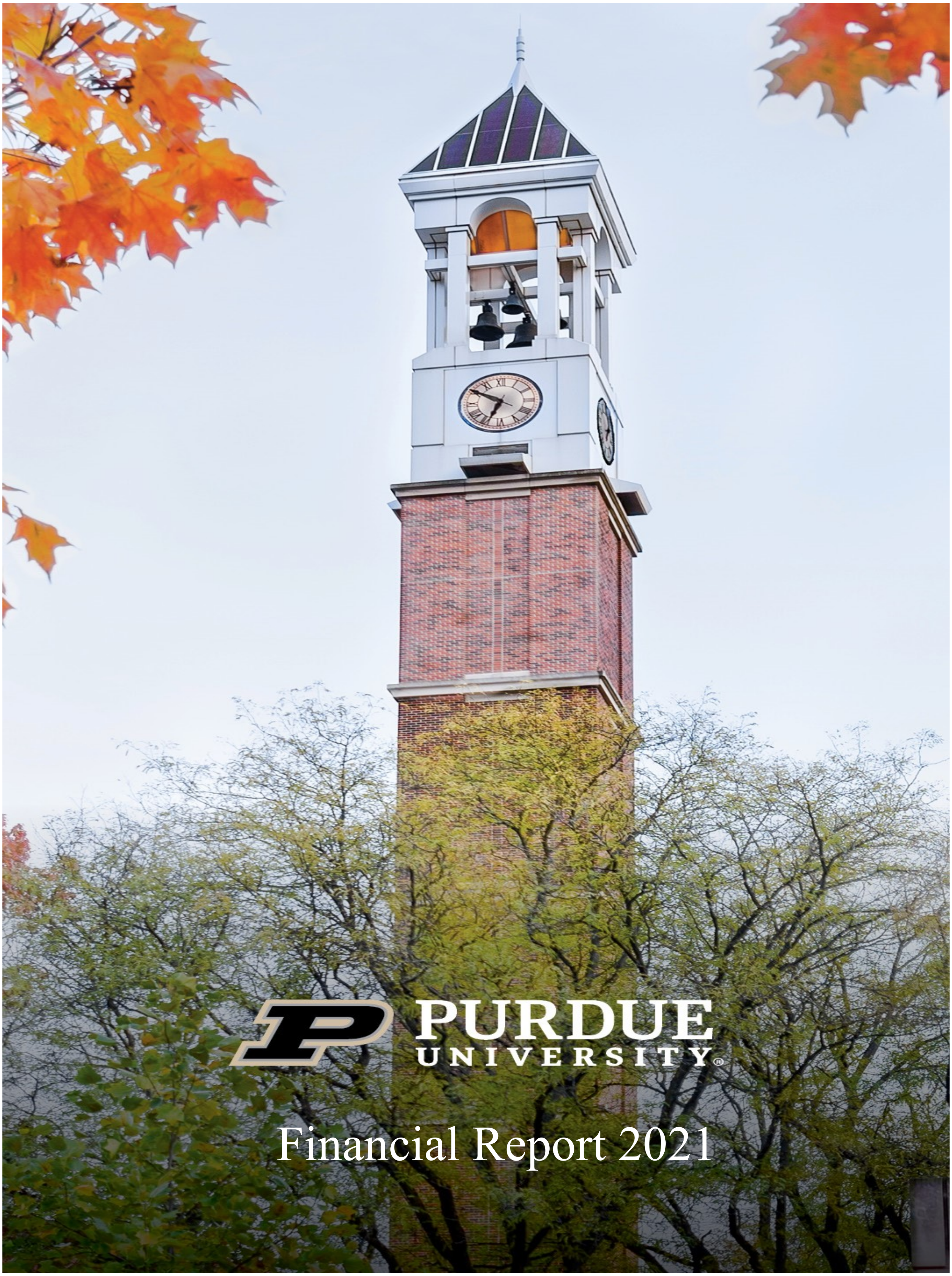


PURDUE UNIVERSITY

Financial Report 2021

LETTER OF TRANSMITTAL

October 27, 2021

To the Board of Trustees of Purdue University:

On behalf of the students, faculty, staff, and other leaders of Purdue University, I respectfully submit this, the 99th annual financial report of Purdue University for the 2021 fiscal year. This report sets forth the complete and permanent record of the financial status of the University for the year.

Plante Moran, PLLC has audited these financial statements and their report, which is unmodified, follows.

At Purdue our goal continues to be providing "higher education at the highest proven value". We believe we made significant progress again this year. As this report shows, our university is in very strong financial shape — the result of the vigilant stewardship of so many across our campus.

Each year, we try to do a better job than the one before as a mark of respect for our state, the taxpayers, and the families who work so hard to send their children to Purdue. We appreciate the opportunity to share the most recent results.

Respectfully submitted,

MITCHELL E. DANIELS, JR.
President

Respectfully submitted,

CHRISTOPHER A. RUHL
Treasurer and Chief Financial Officer

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

BOARD OF TRUSTEES

July 1, 2020-June 30, 2021

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, 2021

OFFICERS OF THE BOARD OF TRUSTEES

Michael R. Berghoff, Chairman

Gary J. Lehman, Vice Chairman

Christopher A. Ruhl, Treasurer

James S. Almond, Assistant Treasurer and Assistant Secretary

Janice A. Indrutz, Secretary

Steven R. Schultz, Legal Counsel

Trenten D. Klingerman, Deputy General Counsel

ADMINISTRATIVE OFFICERS

Mitchell E. Daniels, Jr., President

Jay T. Akridge, Provost and Executive Vice President for Academic Affairs & Diversity

Christopher A. Ruhl, Treasurer and Chief Financial Officer

Eva M. Nodine, Vice President and Deputy Chief Financial Officer

Michael A. Bobinski, Vice President and Director of Intercollegiate Athletics

Ian C. Hyatt, Vice President for Information Technology and CIO

Michael B. Cline, Senior Vice President – Administrative Operations

William J. Bell, Vice President for Human Resources

Gina C. DelSanto, Chief of Staff

R. Ethan Braden, Senior Vice President of Marketing & Communications

Theresa S. Mayer, Executive Vice President for Research and Partnerships

Gary R. Bertoline, Senior Vice President for Purdue Online and Learning Innovation

Alysa C. Rollock, Vice President for Ethics and Compliance

Mung Chiang, Executive Vice President for Strategic Initiatives

Steven R. Schultz, Chief Legal Counsel

REGIONAL CAMPUS STAFF

Ronald L. Elsenbaumer, Chancellor, Purdue University Fort Wayne

Thomas L. Keon, Chancellor, Purdue University Northwest

Stephen R. Turner, Vice Chancellor for Finance and Administration, Purdue University Northwest

Glen Nakata, Vice Chancellor for Financial and Administrative Affairs, Purdue University Fort Wayne

Plante & Moran, PLLC
Suite 300
537 E. Pete Rose Way
Cincinnati, OH 45202-3578
Tel: 513.595.8800
Fax: 513.595.8806
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Purdue University

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the fiduciary activities, and the aggregate discretely presented component units of Purdue University (the "University"), a component unit of the State of Indiana, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Purdue University's basic financial statements, as listed in the table of contents.

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, which represents 96 percent, 98 percent, and 99 percent, respectively, of the assets, net position, and revenue of the discretely presented component units. Those financial 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 Purdue Research 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 from material misstatement. The discretely presented component units and Purdue International, Inc., a blended component unit, were not audited under *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, the fiduciary activities, and the aggregate discretely presented component units of Purdue University as of June 30, 2021 and the changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Purdue University

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2021, the University adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activitie*s. Our opinion is not modified with respect to this matter.

Other Matters

Report on Prior Year Financial Statements

The basic financial statements of the business-type activities and the aggregate discretely presented component units of Purdue University as of and for the year ended June 30, 2020 were audited by a predecessor auditor, which expressed an unmodified opinion on the business-type activities and its aggregate discretely presented component units. The predecessor auditor's report was dated October 22, 2020.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in Purdue's total OPEB liability and related ratios, schedule of Purdue's share of the net pension liability Indiana Public Employees' Retirement Fund, schedule of Purdue's contributions Indiana Public Employees' Retirement Fund, schedule of changes in net pension liability Purdue Police and Fire Supplemental Pension Plan, schedule of net pension liability (surplus) Purdue Police and Fire Supplemental Pension Plan, and schedule of contributions Purdue Police and Fire Supplemental Pension Plan 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, which 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 supplemental 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's basic financial statements. The letter of transmittal, board of trustees, officers of the University, report of the president, total in-state enrollment by county, and acknowledgements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The letter of transmittal, board of trustees, officers of the University, report of the president, total in-state enrollment by county, 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of Purdue University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Purdue University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 27, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021 and 2020

We are pleased to present this financial discussion and analysis of Purdue University (the University). It is intended to provide an overview of the financial position and activities of the University for the fiscal years ended June 30, 2021 and 2020, along with comparative financial information for the fiscal year ended June 30, 2019. This discussion has been prepared by management to assist readers in understanding the accompanying financial statements and footnotes.

Financial Highlights

The University's financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The University's financial statements, related footnote disclosures, and discussion and analysis have been prepared by University management in accordance with Governmental Accounting Standards Board (GASB) principles.

> ***Statement of Net Position*** is the University's balance sheet. The statement presents the University's financial position by reporting all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the fiscal year. The statement as a whole provides information about the adequacy of resources to meet current and future operating and capital needs. Net position is the residual of all other elements presented in the Statement of Net Position and is one indicator of the current financial condition of the University.
>
> ***Statement of Revenues, Expenses, and Changes in Net Position*** is the University's income statement. The statement presents the total revenues earned and expenses incurred by the University during the fiscal year, along with the increase or decrease in net position. This statement depicts the University's revenue streams, along with the categories of expenses supported by that revenue. Changes in net position are an indication of the change in the University's overall financial condition.
>
> ***Statement of Cash Flows*** provides additional information about the University's financial results by presenting detailed information about cash activity during the fiscal year. The statement reports the major sources and uses of cash and is useful in the assessment of the University's ability to generate future net cash flows, the ability to meet obligations as they come due, and the need for external financing.

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 fiscal 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 data indicators include trend and quality of applicants, freshman class size, student retention, the condition of 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 Data Analytics and Assessment online at https://www.purdue.edu/datadigest/.

Statement of Net Position

A comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2021, 2020, and 2019, is summarized below.

Table 1

Summary Statement of Net Position (Dollars in Thousands)

	2021	2020	2019
Current Assets	$ 871,865	$ 898,402	$ 800,607
Capital Assets	2,806,662	2,642,403	2,520,836
Other Assets	4,160,317	3,214,695	3,195,472
Total Assets	7,838,844	6,755,500	6,516,915
Deferred Outflows of Resources	39,502	36,832	42,194
Current Liabilities	541,575	573,427	551,541
Noncurrent Liabilities	1,184,711	1,087,558	1,043,797
Total Liabilities	1,726,286	1,660,985	1,595,338
Deferred Inflows of Resources	54,956	46,539	32,617
Net Investment in Capital Assets	1,719,680	1,710,945	1,610,376
Restricted - Nonexpendable	872,775	820,444	777,197
Restricted - Expendable	1,482,763	928,747	1,011,002
Unrestricted	2,021,886	1,624,672	1,532,579
Total Net Position	**$ 6,097,104**	**$ 5,084,808**	**$ 4,931,154**

Assets

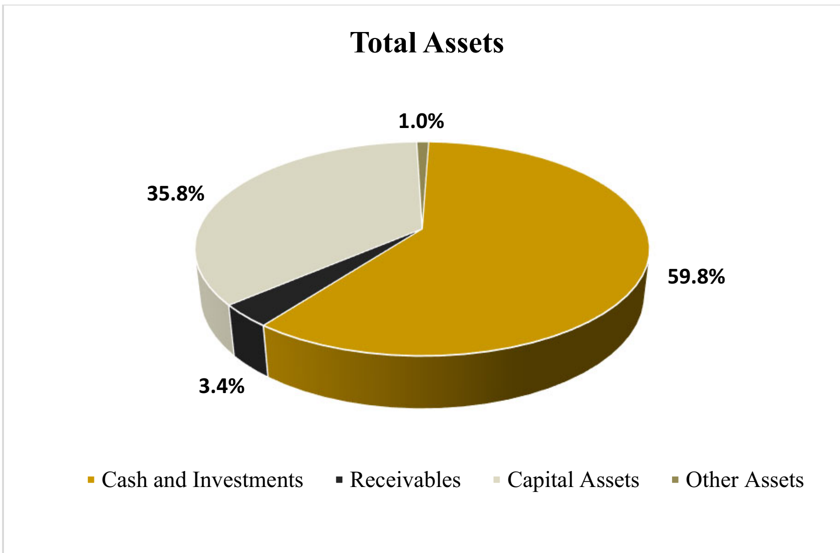
Current assets include those that may be used to support current operations, such as cash and cash equivalents, accounts receivable, and inventories. Capital assets include non-depreciable land, as well as buildings and equipment, net of depreciation. Other noncurrent assets include pledges receivable, investments, and Purdue's interest in charitable remainder trusts.

As of June 30, 2021 and 2020, current assets were approximately $871.9 and $898.4 million, respectively, resulting in a decrease of $26.5 million or 3.0% during fiscal year 2021 and increase of approximately $97.8 million or 12.2% during fiscal year 2020. As of June 30, 2021 and 2020, cash and cash equivalents were approximately $356.4 and $437.2 million respectively, resulting in a decrease of $80.8 and an increase of $160.6 million, respectively. The changes in current assets and cash and cash equivalents are mostly due to movement of assets between current and noncurrent investments.

As of June 30, 2021 and 2020, noncurrent assets were approximately $7.0 and $5.9 billion, respectively, which is an increase $1.1 billion, or 18.9%, during fiscal year 2021 and $140.8 million, or 2.5%, during fiscal year 2020. The increase in fiscal year 2021 is primarily due to the increase in the value of investments. Fiscal years 2021 and 2020 also had increases in capital assets. Please refer to a more detailed discussion in the Statement of Revenues, Expenses, and Changes in Net Position section and Note 2.

As of June 30, 2021 and 2020, total assets were approximately $7.8 and $6.8 billion, an increase of $1.0 billion and $238.6 million, or 16.0% and 3.7% respectively, over the previous fiscal year. The overall growth in assets is attributed to an increase in investments and capital assets.

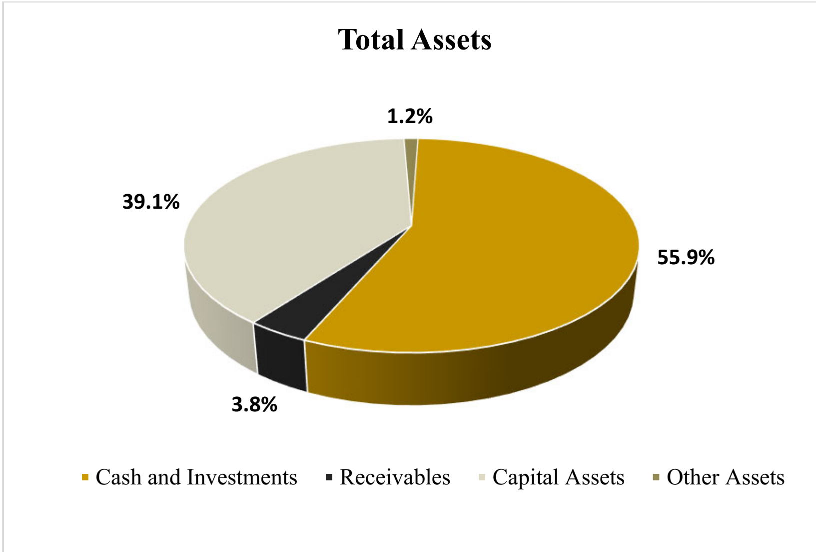
Figure 1 represents the composition of total assets as of June 30, 2021.



(in thousands of dollars)

Cash and Investments	$ 4,689,999	59.8%
Receivables	262,204	3.4%
Capital Assets	2,806,662	35.8%
Other Assets	79,979	1.0%
Total Assets	**$ 7,838,844**	**100.0%**

Figure 2 represents the composition of total assets as of June 30, 2020.



Total Assets

(in thousands of dollars)

Cash and Investments	$	3,778,278	55.9%
Receivables		254,523	3.8%
Capital Assets		2,642,403	39.1%
Other Assets		80,296	1.2%
Total Assets	**$**	**6,755,500**	**100.0%**

Deferred Outflows of Resources

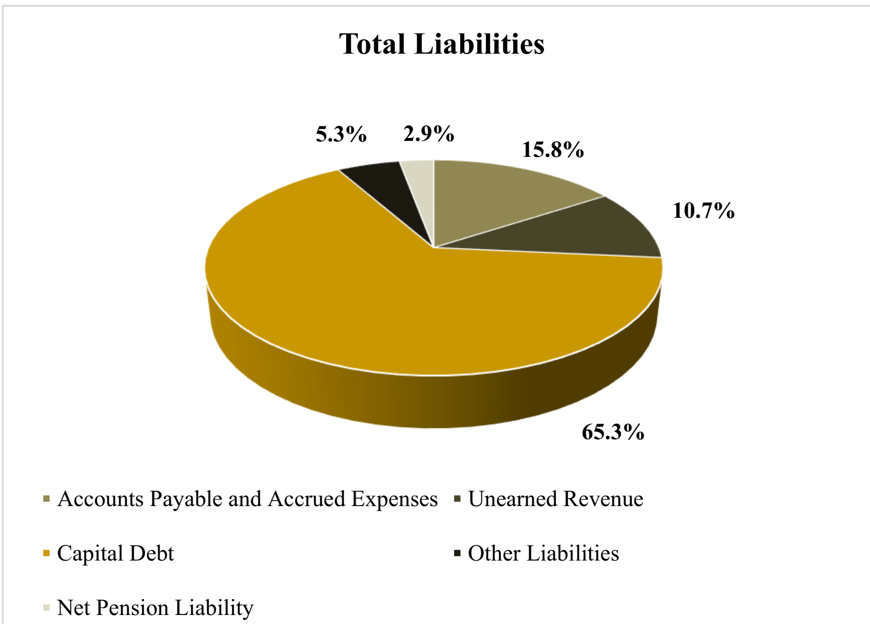
Deferred outflows of resources represent a consumption of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not expense items relating to the current fiscal year, but to future periods. They are not shown on the Statement of Net Position in the Asset section because they are not items the University owns. Instead, they are presented on the Statement of Net Position as deferred outflows to reflect the fact that the recognition of the related expense will happen at a future date. The amounts recorded as deferred outflows for the fiscal years presented result from pension and other post employment benefits related items, capital debt refunding transactions, and asset retirement obligations.

Liabilities

Current liabilities generally are due and payable over the course of the following fiscal year. These include accounts and other payables, unearned revenues, current portion of long-term debt, and salaries along with 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 are generally expected to be extinguished at some point later than the following fiscal year. These include the noncurrent portion of compensated absences, pension, other post employment benefits, other liabilities, and bonds, notes, and leases payable. Total liabilities were approximately $1.7 billion as of June 30, 2021 and 2020.

Bonds, leases, and notes payable increased by $54.8 million in fiscal year 2021 and increased $24.8 million in fiscal year 2020, primarily due to issuances of new debt, net of debt repayments. A discussion of the University's capital financing activities appears in the Debt and Financing Activities section below, and in Note 6.

Figure 3 represents the composition of total liabilities as of June 30, 2021.

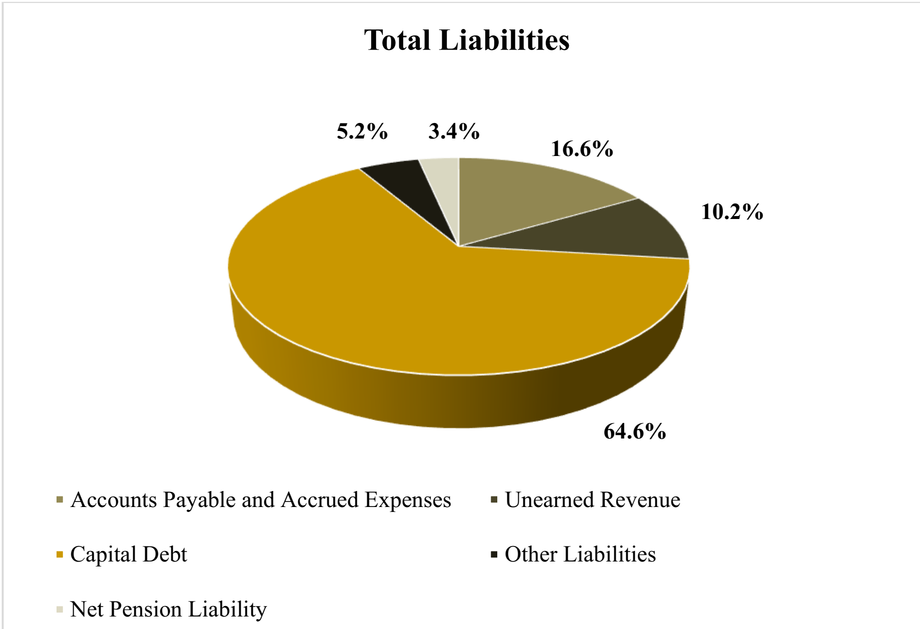


Total Liabilities

(in thousands of dollars)

Accounts Payable and Accrued Expenses	$ 272,935	15.8%
Unearned Revenue	185,273	10.7%
Capital Debt	1,127,628	65.3%
Other Liabilities	90,688	5.3%
Net Pension Liability	49,762	2.9%
Total Liabilities	**$ 1,726,286**	**100.0%**

Figure 4 represents the composition of total liabilities as of June 30, 2020.



Total Liabilities

(in thousands of dollars)

Accounts Payable and Accrued Expense	$ 276,321	16.6%
Unearned Revenue	170,217	10.2%
Capital Debt	1,072,795	64.6%
Other Liabilities	85,873	5.2%
Net Pension Liability	55,779	3.4%
Total Liabilities	**$ 1,660,985**	**100.0%**

Deferred Inflows of Resources

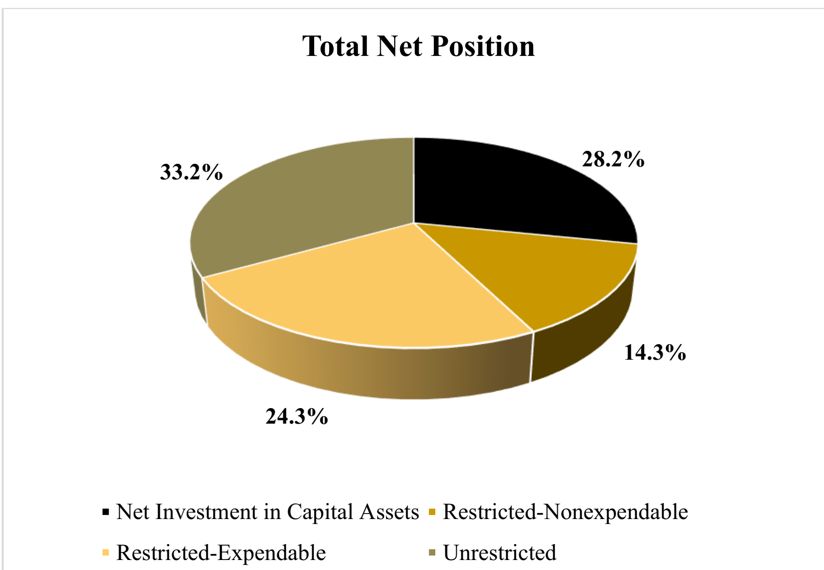
Deferred inflows of resources represent an acquisition of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not revenue items related to the current fiscal year, but to future periods. They are not shown on the Statement of Net Position in the Liability section because they are not items the University owes. Instead, they are presented on the Statement of Net Position as deferred inflows to reflect the fact that the recognition of the related revenue will happen at a future date. The amounts recorded as deferred inflows for the fiscal years presented result from other post employment benefits, charitable remainder trusts, and pension related items.

Net Position

Net position is the residual of all other elements presented in the Statement of Net Position. Net position is classified into four categories:

> **Net Investment in Capital Assets** represents the University's investment in capital assets such as moveable equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation and related debt.
>
> **Restricted–Nonexpendable** represents the corpus of the University's permanent endowments received from donors for the purpose of creating present and future income. The corpus must be held inviolate and in perpetuity.
>
> **Restricted–Expendable** represents the portion of net position that may be spent, provided certain third party restrictions are met. Examples include balances from scholarships, grants and contracts, and spendable earnings from endowments.
>
> **Unrestricted** represents the portion of net position that has no third-party restrictions. Management designates the majority of this balance for specific purposes to fulfill strategic initiatives and operational needs.

Figure 5 represents the composition of net position as of June 30, 2021.

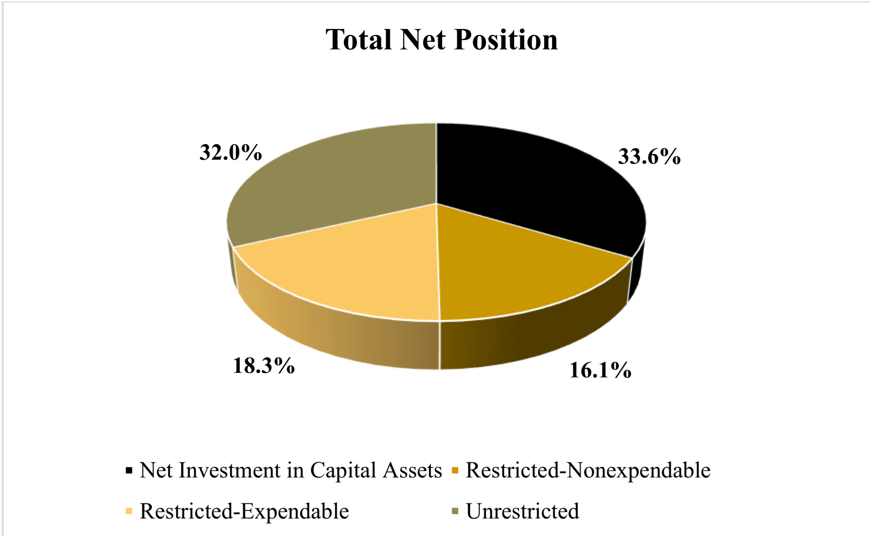


Total Net Position

(in thousands of dollars)

Net Investment in Capital Assets	$ 1,719,680	28.2%
Restricted-Nonexpendable	872,775	14.3%
Restricted-Expendable	1,482,763	24.3%
Unrestricted	2,021,886	33.2%
Total	**$ 6,097,104**	**100.0%**

Figure 6 represents the composition of net position as of June 30, 2020.



Total Net Position

(in thousands of dollars)

Net Investment in Capital Assets	$ 1,710,945	33.6%
Restricted-Nonexpendable	820,444	16.1%
Restricted-Expendable	928,747	18.3%
Unrestricted	1,624,672	32.0%
Total	**$ 5,084,808**	**100.0%**

Net investment in capital assets increased $8.7 and $100.6 million in fiscal years 2021 and 2020, respectively. For the fiscal years ended June 30, 2021 and 2020, the University added capital assets of $366.6 and $311.1 million, offset by annual depreciation of $198.8 and $186.9 million, respectively. Additional details are provided in the Capital Asset and Debt Administration section of this analysis.

The restricted-nonexpendable balance increased $52.3 and $43.2 million in fiscal years 2021 and 2020, respectively, primarily resulting from contributions to endowments. Restricted-expendable balances increased by $554.0 million and decreased by $82.3 million in fiscal years ended June 30, 2021 and 2020, respectively, driven by the respective changes in market value of investments.

The unrestricted net position had an increase of $397.2 and $92.1 million for the fiscal years ended June 30, 2021 and 2020, respectively, resulting from both operating and nonoperating activities, including changes in investment income.

Statement of Revenues, Expenses, and Changes in Net Position

Revenues are classified for financial reporting as either operating or nonoperating. Operating revenues are generated by providing goods and services to our students and other important constituents of the University and include tuition and fees, grants and contracts, and sales and services. Tuition and fees and housing revenue assessed to students are reported gross, with the related scholarship allowance presented separately. Nonoperating revenues are those received by the University without providing a corresponding good or service and include our state appropriations, investment income, and private gifts. As Purdue is a public university, nonoperating revenues are an integral part of the operating budget. Private gifts for capital projects and additions to the University's endowment are also considered nonoperating sources of revenue.

A summarized comparison of the University's revenues, expenses, and changes in net position at June 30, 2021, 2020, and 2019, is presented below.

Table 2

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

	2021	2020	2019
Operating Revenues			
Tuition and Fees	$ 1,459,857	$ 1,385,459	$ 1,378,546
Less: Scholarship Allowance	(202,730)	(213,949)	(223,872)
Grants and Contracts	461,752	488,096	421,103
Auxiliary Enterprises	198,307	234,336	244,142
Less: Scholarship Allowance	(14,694)	(16,830)	(16,660)
Other Operating Revenues	131,906	143,231	150,957
Total Operating Revenues	2,034,398	2,020,343	1,954,216
Operating Expenses			
Instruction	814,313	853,454	849,478
Research	292,695	295,279	295,225
Extension and Public Service	136,943	146,346	143,446
Academic Support	163,348	174,145	189,094
Student Services	181,761	170,182	94,724
General Administration and Institutional Support	397,698	368,874	494,616
Physical Plant Operations and Maintenance	131,454	140,743	141,387
Depreciation	198,774	186,934	190,100
Student Aid	98,585	62,240	65,666
Auxiliaries	179,339	199,976	190,832
Total Operating Expenses	2,594,910	2,598,173	2,654,568
Operating Loss	(560,512)	(577,830)	(700,352)
Nonoperating Revenues	1,541,076	681,497	843,497
Interest Expense	(35,203)	(28,969)	(29,159)
Capital and Endowments	66,935	78,956	104,866
Total Nonoperating Revenues	1,572,808	731,484	919,204
Increase in Net Position	1,012,296	153,654	218,852
Net position, Beginning of Year	5,084,808	4,931,154	4,712,302
Net position, End of Year	**$ 6,097,104**	**$ 5,084,808**	**$ 4,931,154**

Figures 7 and 8 provide information about the University's sources of revenues for fiscal years 2021 and 2020. The University had an increase in net position of $1.0 billion and $153.7 million for fiscal years ended June 30, 2021 and 2020, respectively.

Figure 7: University Revenue by Category for FY 2021

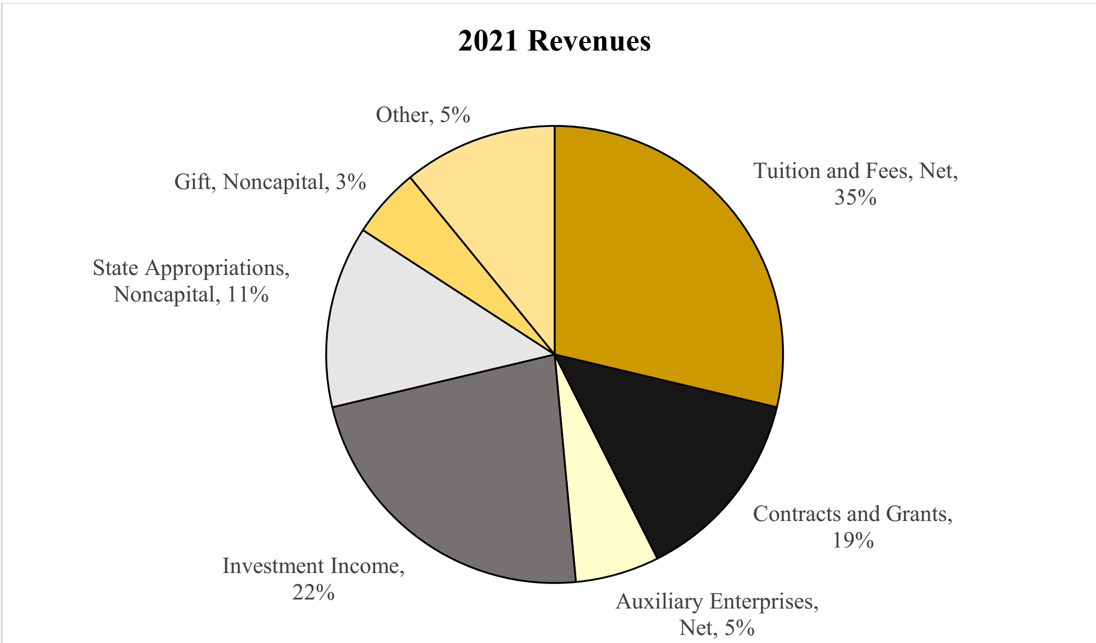
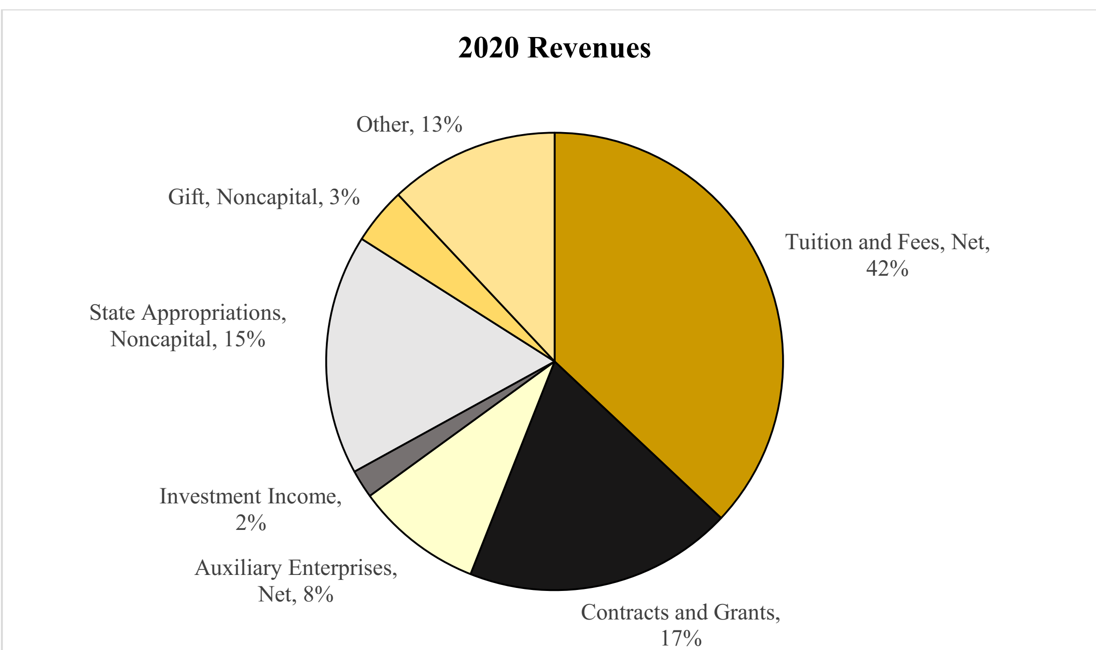
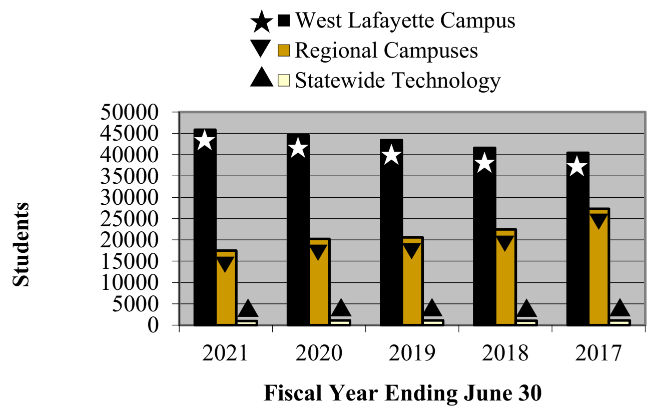


Figure 8: University Revenue by Category for FY 2020



For the fiscal years ended June 30, 2021 and 2020, the total operating revenues increased $14.1 million, or 0.7% and increased $66.1 million, or 3.4%, respectively. Net tuition and fee revenue increased by $85.6 and $16.8 million in fiscal years 2021 and 2020, respectively, primarily resulting from increased enrollment at the West Lafayette campus. Enrollment patterns for the past five years are illustrated below.

Five-Year Enrollment Data*
Fall Semester Enrollment



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

Operating grants and contracts revenue decreased $26.3, or 5.4% and increased $67.0, or 15.9% million for the fiscal years ended June 30, 2021 and 2020, respectively, primarily due to the timing of grants.

For fiscal year ended June 30, 2021, non-operating revenues before capital and endowments, net of expenses, increased by $853.3 million, consisting of $90.2 million HEERF grant revenue, with the balance of the increase due to changes in investment income related to a significant increase in the market. Investment income fluctuations also drove the $161.8 million decrease in non-operating revenues before capital and endowments for fiscal year June 30, 2020. The net investment performance of the University's endowment was 38.6% and -0.7% for the fiscal years 2021 and 2020, respectively, using the most recent data available. The endowment was invested in private investments (39.7%), public equities (53.1%), and fixed income investments (7.2%). The portfolio composition did not materially change from the prior fiscal year.

For the fiscal years ended June 30, 2021 and 2020, capital and endowment income decreased by $12.0 million, or 15.2%, and $25.9 million, or 24.7%, respectively, primarily due to decreases in private gifts for endowments and capital gifts.

Operating expenses were $2.6 billion for the fiscal years ended June 30, 2021 and 2020. Compensation and benefits expenses were $1.6 billion and $1.7 billion for fiscal years ended June 30, 2021 and 2020, respectively, representing a decrease of $53.9 million during 2021 and decrease of $3.3 million during 2020. These decreases are primarily due to reductions in certain operations related to the COVID 19 pandemic.

Supplies and services expenses were $696.4 million for the fiscal year ended June 30, 2021, an increase of $2.5 million from 2020. For the fiscal year ended June 30, 2020, supplies and service expenses were $693.9 million, a decrease $46.5 million from 2019. The decrease during 2020 was primarily due to reductions in certain operations related to the COVID 19 pandemic, and 2021 had a 0.4% change as certain reductions in operations continued into 2021.

For the fiscal years ended June 30, 2021 and 2020, depreciation expense was $198.8 and $186.9 million, respectively.

Scholarships, fellowships, and student awards were $98.6 and $62.2 million for the fiscal years ended June 30, 2021 and 2020, respectively, resulting in an increase of $36.3 million and a decrease of $3.4 million, respectively. The increase of $36.3 million during 2021 was primarily due to HEERF funds expensed for the benefit of students.

In addition to the functional classification of operating expenses, the University also presents expenses by natural classification on the Statement of Revenues, Expenses, and Changes in Net Position. Figures 9 and 10 provide information about the functional classification of the University's expenses for the fiscal years ended June 30, 2021 and 2020.

Figure 9: University Expenses by Function for FY 2021

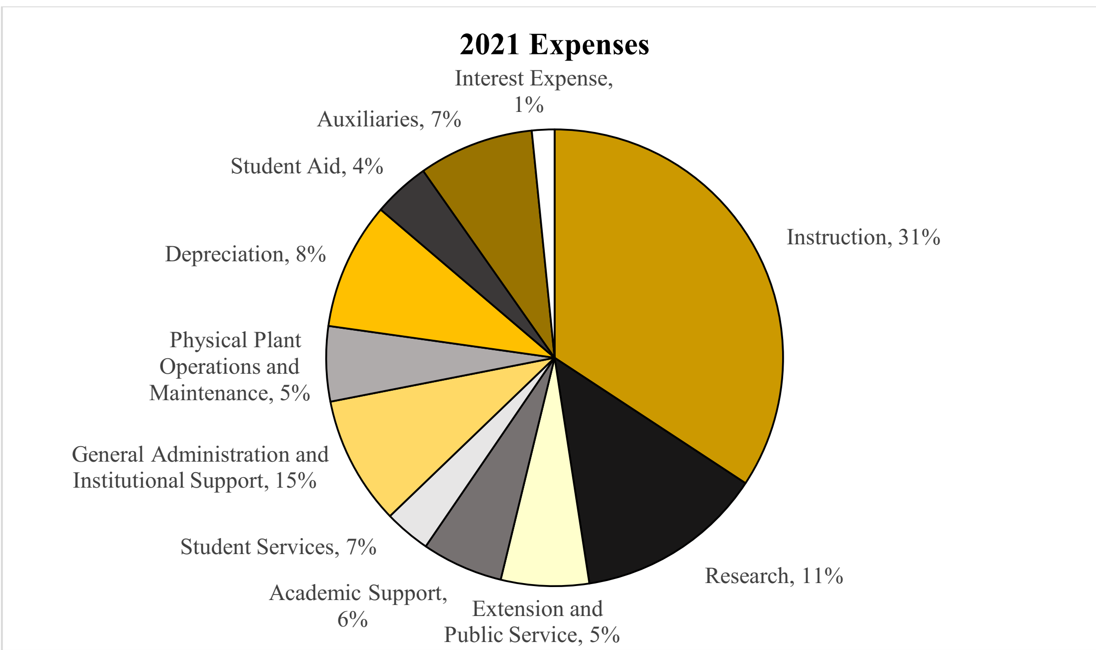
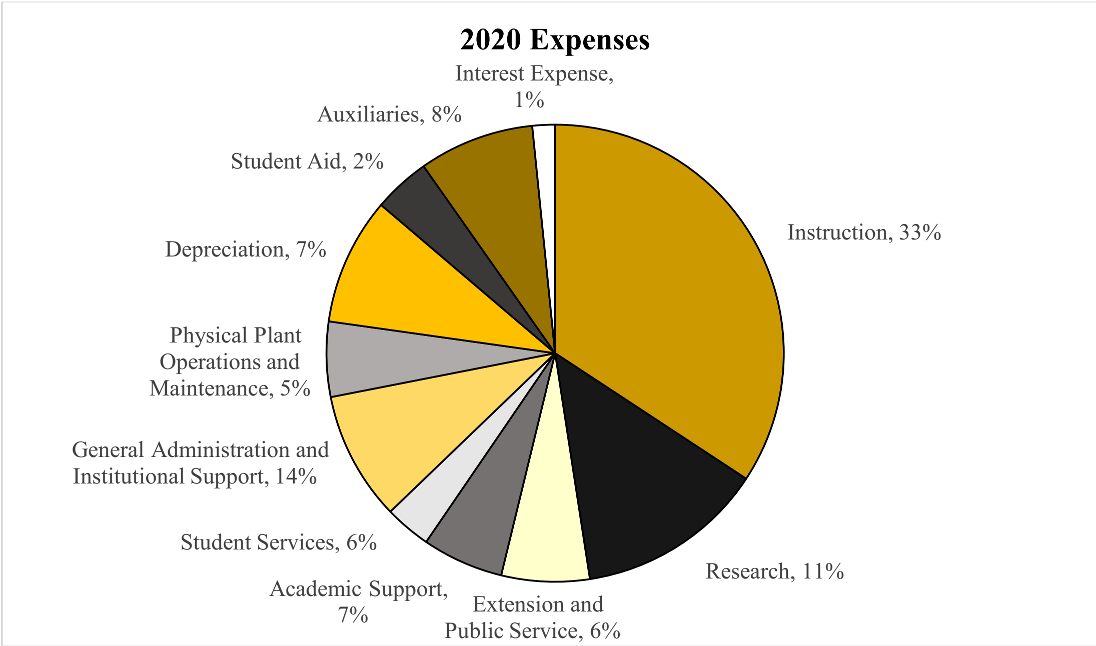


Figure 10: University Expenses by Function for FY 2020



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

Summary Statement of Cash Flows (Dollars in Thousands)

	2021	2020	2019
Cash Used by Operating Activities	$ (371,046)	$ (319,094)	$ (456,985)
Cash Provided by Noncapital Financing Activities	782,168	673,751	710,822
Cash (Used) Provided by Investing Activities	(173,769)	36,701	(51,490)
Cash Used by Capital and Related Financing Activities	(318,217)	(230,808)	(177,798)
Net (Decrease) Increase in Cash and Cash Equivalents	(80,864)	160,550	24,549
Cash and Cash Equivalents, Beginning of Year	437,221	276,671	252,122
Cash and Cash Equivalents, End of Year	**$ 356,357**	**$ 437,221**	**$ 276,671**

The cash provided by noncapital financing activities reflect the nonoperating revenue changes described above. The cash used by investing activities in fiscal years 2021 and 2020 represent the investment of cash from operations. 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 2021 and 2020 are presented in Table 4 and significant projects in progress at June 30, 2021 are presented in Table 5. Significant projects authorized by the Board of Trustees but not started at June 30, 2021 are presented in Table 6.

Table 4

Significant Construction Projects Completed (Dollars in Thousands)

Projects Completed in 2021	
Agricultural and Biological Engineering Renovation and Addition	$ 80,000
Purdue Memorial Union Hotel Renovation	35,700
Total Significant Construction Projects Completed	**$ 115,700**
Projects Completed in 2020	
Bioscience Innovation Building	$ 40,500
STEM Teaching Lab Building	64,000
Total Significant Construction Projects Completed	**$ 104,500**

Table 5

Significant Construction Projects in Progress (Dollars in Thousands)

		Project Budget
Engineering and Polytechnic Gateway	$	140,000
Veterinary Hospital Complex		108,000
PMU Ground Floor Dining Renovation		47,300
Hagle Hall Bands and Orchestra Building		22,000
Total Significant Construction Projects in Progress	**$**	**317,300**

Table 6

Significant Construction Projects Authorized But Not Started (Dollars in Thousands)

		Project Budget
Hypersonics and Applied Research Facility	$	41,000
Total Significant Construction Projects Authorized But Not Started	**$**	**41,000**

Debt and Financing Activities

As of June 30, 2021 and 2020, bonds, leases, and notes payable totaled approximately $1.13 and $1.07 billion, respectively, and represented approximately 65.3% and 64.6%, respectively, of the total liabilities of the University. The University's debt portfolio as of June 30, 2021 consisted of $54.2 million of variable rate instruments (4.8%) and $1.1 billion in fixed rate obligations (95.2%). As of June 30, 2020 consisted of $86.9 million of variable rate instruments (8.1%) and $985.9 million in fixed rate obligations (91.9%). Additional details about University indebtedness are provided in Note 6.

As of June 30, 2021 and 2020, the University had a credit rating of Aaa from Moody’s Investors Service and AAA from Standard & Poor’s. The University was in a limited group of public higher education institutions with such a credit rating – only eight Universities were so rated at those dates by Moody’s and only seven by Standard & Poor’s. In addition, the University’s variable rate debt maintains short-term ratings from Moody’s of Aaa/VMIG-1 and by Standard & Poor’s of A-1+.

Economic Outlook

For fiscal year 2022, the Indiana General Assembly appropriated $314.4 million for the West Lafayette campus, $54.9 million for Purdue Northwest and $50 million for Purdue Fort Wayne. In fiscal year 2021, the state appropriations had been reduced due to COVID economic impacts. For fiscal year 2022, the Indiana General Assembly restored prior reductions resulting in an overall increase of 6.5% in state appropriations.

Academic year 2021-22 tuition rates for both Indiana resident and nonresident students remain flat at the West Lafayette campus for the ninth year in a row. The regional campuses had modest tuition increases for undergraduates as follows: Fort Wayne 1.45% and Purdue Northwest 1.45%. 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 remain a high priority as illustrated by the decision to continue holding tuition flat at the West Lafayette campus for the tenth year in fiscal year 2023.

Enrollment at all Purdue campuses was 67,439* for the fall semester of the 2021-2022 academic year. Enrollment at the West Lafayette campus hit a record high at 49,639 for the fall semester of the 2021-2022 academic year, up 3,770 from the fall semester of the prior academic year. First-year undergraduate students also hit a record high at 10,191, up 1,322 from the fall semester of the prior academic year. Purdue continues to experience record-high retention and graduation rates due to a university-wide commitment to student success. The four-year graduation rate increased to 65% compared to 62.6% last year. The average undergraduate time to degree is now less than 4 years, at 3.95 years for the 2021-2022 academic year. The six-year graduation rates decreased to 83% from 83.3% last year.

The COVID-19 pandemic has changed the landscape of higher education. While the full impact to Purdue University is yet to be quantified, the University remains financially healthy and will be able to adjust as needed to any potential operational or financial impacts. The University will continue to monitor the impact of the pandemic to our campuses.

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

Purdue University

Statement of Net Position

As of June 30 (Dollars in Thousands)

	Purdue University 2021	Purdue University 2020	Discretely Presented Component Units 2021	Discretely Presented Component Units 2020
Assets and Deferred Outflows of Resources:				
Current Assets:				
Cash and Cash Equivalents	$ 356,357	$ 437,221	$ 4,721	$ 4,735
Investments	278,499	242,007	-	-
Accounts Receivable, Net	150,529	113,346	40	901
Pledges Receivable, Net	31,782	36,866	360	232
Notes Receivable, Net	8,570	15,650	-	-
Other Receivables	1,174	1,122	-	-
Other Assets	44,954	52,190	5	4
Total Current Assets	**871,865**	**898,402**	**5,126**	**5,872**
Noncurrent Assets:				
Investments	4,055,143	3,099,050	9,044	6,867
Pledges Receivable, Net	36,520	25,915	77	110
Notes and Other Receivables, Net	33,629	61,624	181,846	186,227
Interest in Charitable Remainder Trusts	35,025	28,106	-	-
Capital Assets, Net	2,806,662	2,642,403	7,080	7,183
Total Noncurrent Assets	**6,966,979**	**5,857,098**	**198,047**	**200,387**
Total Assets	**7,838,844**	**6,755,500**	**203,173**	**206,259**
Deferred Outflows of Resources	39,502	36,832	4,019	4,390
Liabilities and Deferred Inflows of Resources:				
Current Liabilities:				
Accounts Payable and Accrued Expenses	198,998	201,674	535	3,005
Unearned Revenue	185,273	170,217	2,846	2,424
Accrued Compensated Absences	28,972	29,067	-	-
Other Post Employment Benefits	2,715	2,897	-	-
Bonds (net), Leases, and Notes Payable	125,617	169,572	2,423	40,738
Total Current Liabilities	**541,575**	**573,427**	**5,804**	**46,167**
Noncurrent Liabilities:				
Accrued Compensated Absences	44,965	45,580	-	-
Other Post Employment Benefits	32,045	30,460	-	-
Net Pension Liability	49,762	55,779	-	-
Advances from Federal Government	4,896	8,518	-	-
Other Noncurrent Liabilities	51,032	43,998	22,157	17,867
Bonds (net), Leases, and Notes Payable	1,002,011	903,223	155,419	123,760
Total Noncurrent Liabilities	**1,184,711**	**1,087,558**	**177,576**	**141,627**
Total Liabilities	**1,726,286**	**1,660,985**	**183,380**	**187,794**
Deferred Inflows of Resources	54,956	46,539	-	-

Statement of Net Position

As of June 30 (Dollars in Thousands) (continued from previous page)	Purdue University 2021	Purdue University 2020	Discretely Presented Component Units 2021	Discretely Presented Component Units 2020
Net Position:				
Net Investment in Capital Assets	**$ 1,719,680**	**$ 1,710,945**	**$ 9,021**	**$ 11,932**
Restricted:				
Nonexpendable:				
Instruction and Research	449,503	423,194	-	-
Student Aid	394,549	375,118	-	-
Other	28,723	22,132	1,682	1,665
Total Nonexpendable	**872,775**	**820,444**	**1,682**	**1,665**
Expendable:				
Instruction, Research and Public Service	215,773	152,665	-	-
Student Aid	89,063	78,441	-	-
Construction	150,968	176,943	-	-
Other, Including Gains on Restricted Endowments	1,026,959	520,698	10,030	8,180
Total Expendable	**1,482,763**	**928,747**	**10,030**	**8,180**
Unrestricted	**2,021,886**	**1,624,672**	**3,079**	**1,078**
Total Net Position	**$ 6,097,104**	**$ 5,084,808**	**$ 23,812**	**$ 22,855**

The Accompanying Notes are an Integral Part of these Financial Statements

Purdue University

Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30 (Dollars in Thousands)

	Purdue University		Discretely Presented Component Units	
	2021	**2020**	**2021**	**2020**
Operating Revenues:				
Tuition and Fees	$ 1,459,857	$ 1,385,459	$ -	$ -
Less: Scholarship Allowance	(202,730)	(213,949)	-	-
Grants and Contracts	461,752	488,096	-	-
Sales and Services	128,826	140,368	3,538	4,924
Auxiliary Enterprises	198,307	234,336	-	-
Less: Scholarship Allowance	(14,694)	(16,830)	-	-
Other Operating Revenues	3,080	2,863	1,017	1,232
Total Operating Revenues	**2,034,398**	**2,020,343**	**4,555**	**6,156**
Operating Expenses:				
Compensation and Benefits	1,601,165	1,655,110	-	-
Supplies and Services	696,386	693,889	2,379	1,573
Depreciation Expense	198,774	186,934	9	8
Scholarships, Fellowships, & Student Awards	98,585	62,240	-	-
Total Operating Expenses	**2,594,910**	**2,598,173**	**2,388**	**1,581**
Net Operating (Loss) Income	**(560,512)**	**(577,830)**	**2,167**	**4,575**
Nonoperating Revenues (Expenses):				
State Appropriations	394,199	401,886	-	-
Grants and Contracts	222,186	138,170	-	-
Private Gifts	127,876	78,258	-	-
Investment Income (Loss)	817,421	58,233	2,491	(50)
Interest Expense	(35,203)	(28,969)	(3,702)	(878)
Other Nonoperating (Expenses) Revenues	(20,606)	4,950	-	-
Total Nonoperating Revenues (Expenses) before Capital and Endowments	**1,505,873**	**652,528**	**(1,211)**	**(928)**
Capital and Endowments:				
Capital Gifts	15,430	41,146	-	-
Private Gifts for Permanent Endowments	51,505	37,810	1	2
Total Capital and Endowments	**66,935**	**78,956**	**1**	**2**
Total Nonoperating Revenues (Expenses)	**1,572,808**	**731,484**	**(1,210)**	**(926)**
INCREASE IN NET POSITION	**1,012,296**	**153,654**	**957**	**3,649**
Net Position, Beginning of Year	5,084,808	4,931,154	22,855	19,206
Net Position, End of Year	**$ 6,097,104**	**$ 5,084,808**	**$ 23,812**	**$ 22,855**

The Accompanying Notes are an Integral Part of these Financial Statements

Purdue University

Statement of Cash Flows

For the Years Ended June 30 (Dollars in Thousands)

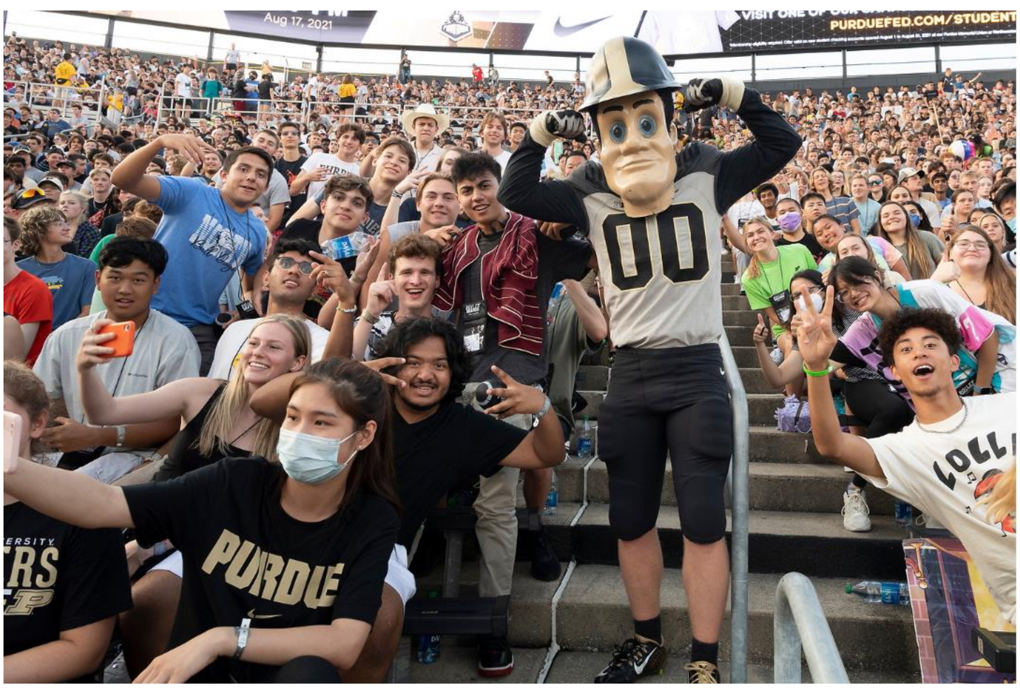
	2021	2020
Cash Flows From Operating Activities:		
Tuition and Fees, Net of Scholarship Allowances	$ 1,231,788	$ 1,195,463
Grants and Contracts	461,086	497,968
Sales and Services	135,752	138,737
Auxiliary Enterprises, Net of Scholarship Allowances	186,796	218,795
Other Operating Revenues	2,508	665
Compensation and Benefits	(1,593,728)	(1,644,377)
Supplies and Services	(700,000)	(663,903)
Scholarships, Fellowships and Student Awards	(98,634)	(62,216)
Other Operating Expenses	(3,622)	(6,692)
Direct Loans Issued	(485,568)	(499,579)
Direct Loans Received	485,346	499,106
Student Loans Issued	(1,975)	(2,222)
Student Loans Collected	9,205	9,161
Cash Used by Operating Activities	**(371,046)**	**(319,094)**
Cash Flows From Noncapital Financing Activities:		
State Appropriations	394,199	401,886
Grants and Contracts	222,186	138,170
Gifts for Other than Capital Purposes	158,956	127,013
Other Nonoperating Revenues, Net	6,827	6,682
Cash Provided by Noncapital Financing Activities	**782,168**	**673,751**
Cash Flows From Investing Activities:		
Purchases of Investments	(4,279,611)	(3,776,966)
Proceeds from Sales and Maturities of Investments	4,067,022	3,760,841
Interest and Dividends on Investments, Net	38,820	52,826
Cash (Used) Provided by Investing Activities	**(173,769)**	**36,701**
Cash Flows From Capital and Related Financing Activities:		
Debt Repayment	(124,211)	(63,146)
Capital Debt Proceeds	42,310	133,683
Interest Expense	(47,260)	(40,131)
Capital Gifts Received	20,541	56,443
Construction or Purchase of Capital Assets	(209,597)	(317,657)
Cash Used by Capital and Related Financing Activities	**(318,217)**	**(230,808)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(80,864)**	**160,550**
Cash and Cash Equivalents, Beginning of Year	437,221	276,671
Cash and Cash Equivalents, End of Year	**$ 356,357**	**$ 437,221**

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)	**2021**	**2020**
Reconciliation of net operating loss to net cash used by operating activities:		
Operating Loss	$ (560,512)	$ (577,830)
Depreciation Expense	198,774	186,934
Noncash investing, capital, and financing activities	47	52
Changes in Assets and Liabilities:		
Accounts Receivable	(32,770)	37
Notes Receivable	7,230	6,939
Other Assets	7,250	3,847
Accrued Compensated Absences	(709)	2,979
Other Post Employment Benefits and related deferreds	(2,518)	(4,554)
Net Pension liability and related deferreds	(4,968)	(147)
Accounts Payable	5,538	38,747
Unearned Revenue	15,214	30,595
Advances from Federal Government	(3,622)	(6,693)
Cash Used by Operating Activities	**$ (371,046)**	**$ (319,094)**

The Accompanying Notes are an Integral Part of these Financial Statements



Purdue University
Component Units Statement of Financial Position

Purdue Research Foundation

As of June 30 (Dollars in Thousands)

	2021	2020
Assets:		
Cash and Cash Equivalents	$ 33,600	$ 16,493
Accounts Receivable, Net	20,911	25,986
Right of Use Assets - Operating Leases	1,568	-
Other Assets	14,330	18,748
Investments	3,896,649	2,740,240
Notes Receivable, Net	32,411	31,918
Interest in Charitable Perpetual Trusts	19,803	15,799
Capital Assets, Net of Accumulated Depreciation	267,327	273,391
Total Assets	**$4,286,599**	**$3,122,575**
Liabilities:		
Accounts Payable and Accrued Expenses	$ 41,008	$ 35,899
Due on Split Interest Agreements	47,833	42,406
Deposits Held in Custody for Others	2,694,688	1,829,899
Bonds (Net), Leases, and Notes Payable	172,369	191,926
Lease Liability	1,568	-
Other Liabilities	588	3,659
Total Liabilities	**2,958,054**	**2,103,789**
Net Assets:		
Without Donor Restriction	306,732	282,067
With Donor Restriction	1,021,813	736,719
Total Net Assets	**1,328,545**	**1,018,786**
Total Liabilities and Net Assets	**$4,286,599**	**$3,122,575**

The Accompanying Notes are an Integral Part of these Financial Statements

Purdue University
Component Units Statement of Activities

Purdue Research Foundation

For the Years Ended June 30 (Dollars in Thousands)

	2021	2020
Revenue and Support		
Amount Received for Purdue University Research Projects	$ 381	$ 706
Less Payments to Purdue University	(381)	(706)
	-	-
Contributions	46,089	59,584
Income on Investments	12,279	18,245
Net Unrealized and Realized Gains (Losses)	321,741	(14,439)
Change in Value of Split Interest Agreements	(4,910)	3,781
Change in Interests in Perpetual Trusts	4,004	(325)
Rents	24,445	24,236
Royalties	8,070	11,380
Other	40,711	36,054
Total Revenue and Support	**452,429**	**138,516**
Expenses and Losses		
Expenses for the Benefit of Purdue University		
Contributions to Purdue University	35,878	44,989
Patent and Royalty	4,980	8,755
Grants	394	581
Services for Purdue University	3,275	2,493
Other	3,876	2,716
Total Expenses for the Benefit of Purdue University	**48,403**	**59,534**
Administrative and Other Expenses		
Salaries and Benefits	39,410	39,307
Property Management	22,721	23,155
Professional Fees	13,336	12,632
Supplies	2,931	3,384
Interest	7,462	8,091
Research park	333	554
Other	8,074	11,443
Total Administrative and Other Expenses	**94,267**	**98,566**
Change in Net Assets	309,759	(19,584)
Net Assets, Beginning of Period	1,018,786	1,038,370
Net Assets, End of Period	**$ 1,328,545**	**$ 1,018,786**

The Accompanying Notes are an Integral Part of these Financial Statements

STATEMENT OF FIDUCIARY NET POSITION
Police and Firefighters Supplemental Pension Trust Funds
For the Years Ended June 30 (Dollars in Thousands)

	2021	2020
ASSETS		
TIAA Traditional	$ 15,391	$ 16,081
CREF Stock Account	10,477	10,211
CREF Growth Account	15,250	12,631
TOTAL INVESTMENTS	41,118	38,923
Accrued Income	42	40
TOTAL ASSETS	41,160	38,963
NET POSITION		
Restricted for:		
Pension benefit payments	41,160	38,963
TOTAL NET POSITION	**$ 41,160**	**$ 38,963**

The Accompanying Notes are an Integral Part of these Financial Statements

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Police and Firefighters Supplemental Pension Trust Funds
For the Years Ended June 30 (Dollars in Thousands)

	2021	2020
ADDITIONS		
Contributions:		
Members	$ 177	$ 168
Employers	19	255
TOTAL CONTRIBUTIONS	196	423
Investment Income	3,420	2,258
TOTAL ADDITIONS	3,616	2,681
DEDUCTIONS		
Benefits paid to participants/beneficiaries	1,419	1,398
TOTAL DEDUCTIONS	1,419	1,398
NET INCREASE IN FIDUCIARY NET POSTION	2,197	1,283
NET POSITION - BEGINNING	38,963	37,680
NET POSITION - ENDING	**$ 41,160**	**$ 38,963**

The Accompanying Notes are an Integral Part of these Financial Statements

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

For the Fiscal Year Ended June 30, 2021

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:

Purdue University Fort Wayne

Purdue University Northwest

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

Purdue Polytechnic Institute Statewide

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 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 facilitate the University's international education, research, and exchange activities. In this regard, PII serves as the flagship entity for Purdue's international outreach.

The University is the sole beneficiary of PII and the governing body is substantively the same as the University's governing body. As a result, PII is reported as a blended component unit of the University and consolidated within the University's financial statements. PII is an exempt organization under Section 501(c) (3) of the Internal Revenue Code.

Purdue University Global, Inc. (Purdue Global) is also a separately incorporated entity formed to further the online education offerings in support of Purdue's land grant mission.

The sole corporate member of Purdue Global is Purdue University, and Purdue Global's Board of Trustees is made up primarily of members who are also members of the Board of Trustees of Purdue University. As a result, Purdue Global is reported as a blended component unit of the University and consolidated within the University's financial statements.

There are three discretely presented component units, which are defined as organizations that raise and hold economic resources for the direct benefit of the University. These units are not consolidated within the University's financial statements, but their summary financial information is presented in Note 10 and in statements of presentation immediately following the University's statements as required by GASB Statement No. 39, as amended by GASB Statement No. 61. Two of the current discretely presented component units report under GASB standards, however, Purdue Research Foundation reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117 replaced by ASC 958 *Financial Reporting of Not-for-Profit*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

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 to aid in scientific investigation, research, or educational studies; seek, acquire, invest, and hold gifts and endowments for the needs of the University; 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, LLC 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 Blvd, Suite 2500, 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. The Ross-Ade 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: Ross-Ade Foundation, 1281 Win Hentschel Blvd, West Lafayette, IN 47906.

Purdue Fort Wayne (PFW) Foundation was created in 1958 to promote the educational purposes of Purdue University Fort Wayne. The PFW 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 PFW Foundation provides services entirely to the University or otherwise exclusively benefits the University even if it does not provide services directly to it. The University appoints the voting majority of the PFW Foundation's Board of Directors, but it is not substantively the same as the

University's Board of Directors. As a result, the PFW Foundation is reported as a discretely presented component unit. The PFW 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: PFW Foundation, 2101 East Coliseum Blvd., KT G06, Fort Wayne, IN 46805-1499.

Indiana University-Purdue University Indianapolis is a campus of Indiana University, and accordingly 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 discrete component unit of the state of Indiana with its financial results being included in the State's Annual Comprehensive Financial Report. 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, 2021 and 2020.

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 2021, the University adopted GASB Statement 84 *Fiduciary Activities*.

The effect of GASB Statement 84:

This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Fiduciary Statements will be presented for the Purdue University Pension Plan for Police Officers and Firefighters for fiscal years 2021 and 2020 based on valuation dates of July 1, 2020 and July 1, 2019 respectively. The University's business-type activities net position was not impacted by the adoption of this standard.

During fiscal year 2020, the University did not adopt any new GASB Statements.

BASIS OF ACCOUNTING:

The University is considered a special-purpose government engaged only in business-type activities for financial reporting purposes. 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. Eliminations have been made to prevent the double counting of internal activities. The University reports fiduciary activities, as defined in GASB Statement No. 84, Fiduciary Activities, in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position prepared using the economic resources measurement focus and the accrual basis of accounting.

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, and certain investments with original maturities of three months or less. It is the University's practice to invest operating cash balances 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 readily convertible to known amounts of cash and so near their maturity date that they present insignificant risk of changes in value due to 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 the 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 bond proceeds and endowment funds, may be classified current or noncurrent, depending on the individual investment's maturity date at June 30. Bond proceeds restricted for capital projects and endowment funds are included in noncurrent investments.

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 loans due to the University and are shown net of allowance for doubtful accounts.

Other Assets. Other assets include the following types of assets:

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 are stated at market value.

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 PRF 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, 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 at fair value as deferred inflows of resources. 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.

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.

Capital Assets. Capital assets are stated at cost at the date of acquisition or at the acquisition value as of the date of the gift for capital assets donated to the University. Items are capitalized when their value exceeds the threshold shown in the following table and its estimated useful life is greater than one year.

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. Prior to the adoption of GASB 89, interest incurred during the construction phase was 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.

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.

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	5-10 years
Intangible Assets (software)	$500,000	7 years

Unearned Revenue. Unearned revenue consists of amounts received in advance of an event, such as student tuition, amounts received from grant sponsors not yet earned, and advance ticket sales related to future fiscal 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 accrue 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.

Net Pension Liability and Related Items. The University participates in the Public Employees' Retirement Fund (PERF) Hybrid Plan, 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.

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

Net Invested in Capital Assets. Represents 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. This is the portion of net position subject to externally imposed stipulations that the funds be maintained inviolate and in perpetuity. Such assets include the corpus of the University's permanent and term endowments and are categorized as instruction and research, student aid, and other.

Restricted–Expendable. Represents 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 undistributed gains of donor-restricted balances on endowments or quasi-endowments.

Unrestricted. Unrestricted net position is the balance 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.

Deferred Outflows and Inflows of Resources. In addition to Assets, Liabilities, and Net Position, shown in a separate section of the Statement of Net Position are Deferred Outflows and Inflows of Resources, which represent a consumption or an acquisition of resources not requiring any further exchange of goods and services, but which are applicable to future periods. Expense or Revenue related to these deferred items will be appropriately recognized in future reporting periods.

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), and sales and service operations.

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.

Nonoperating Revenues and Expenses. Revenues and related expenses that do not meet the definition of operating revenues. These revenues and expenses are primarily derived from activities that are classified as 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 borrowing.

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 source based on individual facts and circumstances. The University, as a matter of policy, does not require monies to be spent in a particular order, only that the expenditure be allowable, allocable, and reasonable to the source selected. Restricted monies are categorized as restricted until the external stipulations have been satisfied.

Tuition and Fees. Tuition and fees assessed to students are reported gross with the related scholarship discount and allowance presented below in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship allowances represent the value of scholarships, grants, and various other types of aid provided by the University. Student loans are not included in this calculation. Student aid applied to housing is shown as an allowance, presented below auxiliary revenues. Aid paid 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. Monies 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 acquisition 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 $4,516,000 and $2,885,000 was recognized during the years ending June 30, 2021 and 2020, respectively.

Fiduciary Activity. The University records amounts held in a fiduciary capacity for others. These amounts are not used to operate the University's programs. A single-employer defined benefit plan pension program for police officers and firefighters is reported as a fiduciary activity of the University.

Reclassifications. Certain reclassifications have been made to prior year statements and certain notes for comparative purposes and do not constitute a restatement of prior periods.

Use of Estimates. Management uses estimates and assumptions in the preparation of the financial statements in conformity with generally accepted accounting principles. These estimates and assumptions may affect the reported amounts of assets and liabilities, the 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.

COVID-19 Impact and Current Environment. On March 6, 2020, the Governor of Indiana issued Executive Order 20-02, declared a public health emergency, and ordered the Indiana State Department of Health (ISDH) to take action to prevent the spread of coronavirus disease 2019 (COVID-19). There was much uncertainty at the time as to how the COVID pandemic could impact the University's finances. Now that we are over one year into the pandemic, we have seen that University responses have mitigated potential negative financial impacts. The safeguards put into place have enabled students to return to a safe environment, allowing the University to continue to operate and in fact grow its student population and tuition revenue throughout the last fiscal year. There could still be a financial impact to the University, as the pandemic continues to ebb and flow, and the future extent and severity of the impact on the University and its students cannot be definitively predicted. However, we believe that the University is uniquely positioned to provide its educational offerings in a safe, effective manner, enabling continuation of services even through more potential COVID related lockdowns.

The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress on March 27th 2020. This bill allotted approximately $14 billion to the Office of Postsecondary Education as the Higher Education Emergency Relief Fund, or HEERF I. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law. As part of the CRRSAA, universities and colleges across the country were allocated funding through the Higher Education Emergency Relief Fund II (HEERF II) to offset the financial impact to students due to the disruption caused by COVID-19. On March 11, 2021, The Higher Education Emergency Relief Fund III (HEERF III), authorized by the American Rescue Plan, Public Law 117-2, was signed into law, providing $39.6 billion in support to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic.

Both Purdue University and Purdue Global received grant funding under the HEERF grant programs.

During the year ended June 30, 2020, Purdue University was awarded HEERF grants of $34.0 million, where 50 percent was required to be directly given to students. During the year ended June 30, 2021, Purdue University was awarded additional HEERF grants of $152.1 million. Of this amount, $66.0 million was required to be directly given to students.

During fiscal year ended June 30, 2020, Purdue University paid out $4.3 million to students, with an equal amount being received from the HEERF grant during that fiscal year, and recognized as revenue. In the fiscal year ended June 30, 2021, Purdue University received $83.0 million from the HEERF grants, of which $29.0 million was given directly to students, and $54.0 million was utilized for institutional COVID-related expenses. Of the total amount received during this fiscal year, $80.1 million was recognized as nonoperating revenue.

As of June 30, 2021, Purdue University has $98.8 million available to draw on HEERF grants, of which $49.7 million is required to go directly to students.

Purdue Global did not receive any HEERF funding during fiscal year 2020. They were awarded $38.6 million of HEERF grants during the year ended June 30, 2021. During this fiscal year, Purdue Global recognized HEERF grant revenue of $10.1 million, all of which was distributed directly to students. As of June 30, 2021, Purdue Global still has $28.5 million available to draw on this grant and any remaining funds drawn will be distributed to students.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The new lease standard is expected to have a significant effect on the University's financial statements as a result of the leases for real property and equipment classified as operating leases. The effect of applying the new lease guidance on the financial statements has not yet been determined. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2022.

In June 2020, the Governmental Accounting Standards Board issued GASB Statement No 97, *Certain component unit criteria, and accounting and financial reporting for internal revenue code section 457 Deferred Compensation Plans—an amendment of GASB Statements No 14 and No 84, and a supersession of GASB Statement No 32,* which:

- Increases consistency and comparability related to reporting of fiduciary component units with certain governance structures.
- Mitigates costs, and enhances relevance, consistency and comparability of certain defined contribution pension, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans).
- Enhances the relevance, consistency and comparability of accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet certain definitions.

The effect of applying the new guidance on the financial statements has not yet been determined. The provisions of this statement related to financial reporting are effective for the University's financial statements for the year ending June 30, 2022.

Note 2 — Deposits and Investments

Purdue University Deposits and 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 August 3, 2018, authorize the Treasurer of the Trustees of Purdue University 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 deposits and investments (dollars in thousands):

Investment Type	June 30, 2021	June 30, 2020
SEPARATELY HELD INVESTMENTS:		
Land Grant Cash Held by State Treasurer	$ 340	$ 340
US Equity	73,832	52,092
Public Real Estate	1,755	1,623
Asset-Backed Securities	1,698	1,426
Corporate Bonds	796	878
Venture Capital/Private Equity	98	245
Short Term Investments	60,440	78,317
BOND PROCEEDS INVESTED:		
Short Term Investments	22,440	120,881
PIPC:		
Short Term Investments	296,394	360,263
Fixed Income:		
Asset-Backed Securities	104,420	108,187
Corporate Bonds	626,316	569,136
Mortgage-Backed Securities	294,656	287,045
US Agencies	60,629	58,152
US Treasuries and Securities	530,321	374,312
PIP:		
Short Term Investments	81,338	77,598
US Equity	660,943	494,996
International Equity	363,440	265,029
Fixed Income	106,399	88,920
Emerging Markets	122,683	93,852
Marketable Alternatives	203,645	184,762
Public Real Estate	148,764	105,409
Private Real Estate	74,712	55,560
Public Natural Resources	85,197	25,384
Private Natural Resources	67,532	51,586
Venture Capital/Private Equity	701,211	322,285
Total	**$ 4,689,999**	**$ 3,778,278**

At June 30, the fiduciary activities had the following investments (dollars in thousands):

Investment Type	June 30, 2021	June 30, 2020
FIDUCIARY INVESTMENTS:		
TIAA Traditional	$ 15,391	$ 16,081
CREF Stock Account	10,477	10,211
CREF Growth Account	15,250	12,631
Total	**$ 41,118**	**$ 38,923**

The University's investment values included accumulated unrealized gains of approximately $696,626,000 and $184,805,000 as of June 30, 2021 and 2020, respectively. During the years ended June 30, 2021 and 2020, the investment income included an unrealized gain of approximately $511,821,000 and an unrealized loss of approximately $73,880,000, respectively.

As of June 30, 2021 and 2020, the University had approximately $590,520,000 and $347,030,000 of PIPC assets invested in, and shown as part of the PIP investment. In addition, the bank balance of the University's deposits (demand deposit accounts) as of June 30, 2021 and 2020, was approximately $96,079,000 and $8,642,000, respectively. Federal depository insurance covered $250,000 of demand deposits 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.

Cash and Cash Equivalents at Purdue Global consist of funds held in checking, savings, and money market accounts. Balances, excluding money market funds, at June 30, 2021 and 2020 were approximately $500,000 and $100,000, respectively. Federal depository insurance covered $500,000 and any remaining balance is uninsured and uncollateralized. Purdue Global evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with acceptable estimated risk levels are used as depositories.

Purdue University Investment Policies

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 Purdue Board of Trustees adopted the Purdue Investment Pool – Cash (PIPC) investment policy on May 15, 2015. 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 (US) 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.

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 updated on December 6, 2019. 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 active manager or affiliated groups of active managers will not represent more than 10% of the total endowment's market value. A single passive manager or affiliated groups of passive managers will not represent more than 25% of the total endowment's market value. As a partial hedge against prolonged economic contraction, the University has adopted a target allocation of 10% 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.

Interest Rate and Credit Rate Risks

Interest rate risk is the risk that changes in interest rates over time 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 10% but does not limit the maturity of the individual holdings as a means to manage interest rate risk.

The University had the following fixed-income investments and maturities (dollars in thousands):

June 30, 2021	**Maturity**				
Investment Type	**0–1 year**	**1–5 years**	**6–10 years**	**>10 years**	**Totals**
Separately Held:					
Asset-Backed Securities	$ 20	$ 443	$ 1,219	$ 16	$ 1,698
Corporate Bonds	-	210	586	-	796
PIPC:					
Asset-Backed Securities	12,749	57,246	2,402	32,023	104,420
Corporate Bonds	105,668	353,386	95,773	71,489	626,316
Mortgage-Backed Securities	13,463	34,417	25,770	221,006	294,656
US Agencies	519	14,542	33,102	12,466	60,629
US Treasuries and Securities	184,224	267,425	70,194	8,478	530,321
PIP:					
Fixed Income and other	24,328	53,531	15,365	26,980	120,204
Total	$ 340,971	$ 781,200	$ 244,411	$ 372,458	$ 1,739,040

June 30, 2020	**Maturity**				
Investment Type	**0–1 year**	**1–5 years**	**6–10 years**	**>10 years**	**Totals**
Separately Held:					
Asset-Backed Securities	$ -	$ 370	$ 963	$ 93	$ 1,426
Corporate Bonds	-	209	669	-	878
PIPC:					
Asset-Backed Securities	3,813	64,938	8,228	31,208	108,187
Corporate Bonds	93,952	340,099	79,678	55,407	569,136
Mortgage-Backed Securities	23,087	41,099	28,811	194,048	287,045
US Agencies	1,817	18,919	25,522	11,894	58,152
US Treasuries and Securities	123,335	172,046	66,426	12,505	374,312
PIP:					
Fixed Income and other	14,389	44,915	14,036	22,493	95,833
Total	$ 260,393	$ 682,595	$ 224,333	$ 327,648	$ 1,494,969

The distribution of investments by credit ratings is summarized below (dollars in thousands):

		June 30, 2021	% of Total		June 30, 2020	% of Total
Separately Held:						
A	$	688	27.59%	$	441	19.14%
AA		680	27.27%		391	16.97%
AAA		138	5.53%		259	11.24%
BAA		129	5.17%		155	6.73%
Unrated		859	34.44%		1,058	45.92%
Total Separately Held		2,494	100.00%		2,304	100.00%
PIPC:						
A		299,155	18.51%		293,061	20.98%
AA		63,734	3.94%		73,585	5.27%
AAA		886,852	54.86%		731,148	52.34%
B		-	-		1,096	0.08%
BA		38,889	2.41%		24,840	1.78%
BAA		198,732	12.30%		157,552	11.28%
Unrated[1]		128,980	7.98%		115,550	8.27%
Total PIPC:		1,616,342	100.00%		1,396,832	100.00%
PIP:						
A		17,765	14.78%		20,743	21.65%
AA		4,255	3.54%		5,205	5.43%
AAA		69,343	57.69%		49,240	51.38%
BA		3,826	3.18%		1,793	1.87%
BAA		13,609	11.32%		9,959	10.39%
Unrated[1]		11,406	9.49%		8,893	9.28%
Total PIP		120,204	100.00%		95,833	100.00%
Total	**$**	**1,739,040**		**$**	**1,494,969**	

[1]Unrated includes investments with Not Rated (NR) or Withdrawn (WR) ratings.

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.

All Separately Held and PIPC investments were maintained either in Purdue University accounts or Purdue Global accounts at custodial banks with the exception of $340,000 at both June 30, 2021 and 2020 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 $1,047,100,000 and $614,193,000 respectively at June 30, 2021 and 2020.

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. The University's exposure to foreign currency risk at June 30 was comprised of investments denominated in the following foreign currencies (dollars in thousands).

Currency	June 30, 2021	June 30, 2020
Australian Dollar	$ 6	$ 53
British Pound Sterling	-	3
Canadian Dollar	1,740	2,142
Euro	2,888	5,259
Hong Kong Dollar	-	497
Swiss Franc	-	485
Total	**$ 4,634**	**$ 8,439**

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. As of June 30, 2021 and 2020, no more than 5% of total investments were with any single issuer, except U.S. Treasury, Agencies, and other pooled investments, consistent with policy limits.

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 up to 5% of the average of the ending values for the prior twelve quarters in semiannual distributions.

As of June 30, 2021 and 2020, accumulated market appreciation of the PIP pool was approximately $1,048,334,000 and $360,479,000, respectively. Of this amount, 46.51% and 39.44% represents appreciation attributable to donor-restricted (true and term) endowments during the year ended June 30, 2021 and 2020, 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. As of June 30, 2021 and 2020, the PRF PIP investment pool includes the following PRF Trusts assets, net of liabilities (dollars in thousands).

	Assets at Fair Value	
	June 30, 2021	June 30, 2020
University	$ 34,137	$ 27,718
PRF	41,773	35,954
Other Affiliates	282	242
Total	**$ 76,192**	**$ 63,914**

As of June 30, 2021 and 2020, the University's beneficial interest in the Trust Assets of $34,137,000 and $27,718,000, respectively, are reported as Deferred Inflows of Resources.

PRF Investments. PRF manages the investment of the PIP on behalf of the University. The fair value of all PRF investments, inclusive of the $2,615,864,000 and $1,765,381,000 of the University's PIP, at June 30, 2021 and 2020, respectively, is as follows (dollars in thousands):

Investment Type	June 30, 2021	June 30, 2020
Short-Term Investments	$ 1,332	$ 5,222
U.S. Equity	31,030	31,686
Fixed Income	15,619	7,083
Venture Capital	680	537
Private Natural Resources	9,500	9,500
Pooled Funds:		
Short-Term Investments	239,482	210,193
U.S. Equity	986,156	764,222
International Equity	507,837	380,987
Fixed Income	157,428	136,343
Emerging Markets	171,426	134,916
Public Real Estate	207,869	151,528
Private Real Estate	87,889	63,528
Public Natural Resources	119,046	36,490
Private Natural Resources	94,363	74,156
Hedge Funds	284,554	265,601
Venture Capital/Private Equity	976,287	459,846
Total	**$ 3,890,498**	**$ 2,731,838**

Fair Value Disclosures

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the University's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The GASB 72 accounting standard for disclosure describes three levels of inputs that may be used to measure fair value, as indicated below:

Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2. Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3. Significant unobservable inputs that reflect a reporting entity's own assumptions.

Net Asset Value (NAV). Certain investments are valued using the net asset value (NAV), or its equivalent, provided by the fund as a practical expedient. Those investments include pooled equities, marketable alternative assets, and partnerships and are excluded from the valuation hierarchy.
In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The fair values of investments that are readily marketable, such as equities, government securities and money market funds, are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing for mutual funds and bonds (Level 2 inputs).

Assets and Liabilities measured at fair value on a recurring basis for the University are summarized below (dollars in thousands):

	Fair Value Measurements at June 30, 2021				
Investment Type	**Level 1**	**Level 2**	**Level 3**	**NAV**	**Total**
SEPARATELY HELD INVESTMENTS:					
Land Grant Cash Held by State Treasurer	$ -	$ 340	$ -	$ -	$ 340
US Equity	73,832	-	-	-	73,832
Public Real Estate	-	-	1,755	-	1,755
Asset-Backed Securities	-	1,698	-	-	1,698
Corporate Bonds	-	796	-	-	796
Venture Capital/Private Equity	-	-	-	98	98
Short Term Investments	60,440	-	-	-	60,440
BOND PROCEEDS INVESTED:					
Short Term Investments	22,440	-	-	-	22,440
PIPC:					
Short Term Investments	296,394	-	-	-	296,394
Fixed Income:					
Asset-Backed Securities	-	104,420	-	-	104,420
Corporate Bonds	-	626,316	-	-	626,316
Mortgage-Backed Securities	-	294,656	-	-	294,656
US Agencies	-	60,629	-	-	60,629
US Treasuries and Securities	530,321	-	-	-	530,321
PIP:					
Short Term Investments	81,338	-	-	-	81,338
US Equity	-	-	-	660,943	660,943
International Equity	363,440	-	-	-	363,440
Fixed Income	31,981	74,418	-	-	106,399
Emerging Markets	122,683	-	-	-	122,683
Marketable Alternatives	-	-	-	203,645	203,645
Public Real Estate	148,764	-	-	-	148,764
Private Real Estate	-	-	-	74,712	74,712
Public Natural Resources	85,197	-	-	-	85,197
Private Natural Resources	-	-	-	67,532	67,532
Venture Capital/Private Equity	-	4,136	-	697,075	701,211
Total	**$ 1,816,830**	**$ 1,167,409**	**$ 1,755**	**$ 1,704,005**	**$ 4,689,999**

Investment Type	Fair Value Measurements at June 30, 2020 Level 1	Level 2	Level 3	NAV	Total
SEPARATELY HELD INVESTMENTS:					
Land Grant Cash Held by State Treasurer	$ -	$ 340	$ -	$ -	$ 340
US Equity	52,092	-	-	-	52,092
Public Real Estate	-	-	1,623	-	1,623
Asset-Backed Securities	-	1,426	-	-	1,426
Corporate Bonds	-	878	-	-	878
Venture Capital/Private Equity	-	-	-	245	245
Short Term Investments	78,317	-	-	-	78,317
BOND PROCEEDS INVESTED:					
Short Term Investments	120,881	-	-	-	120,881
PIPC:					
Short Term Investments	360,263	-	-	-	360,263
Fixed Income:					
Asset-Backed Securities	-	108,187	-	-	108,187
Corporate Bonds	-	569,136	-	-	569,136
Mortgage-Backed Securities	-	287,045	-	-	287,045
US Agencies	-	58,152	-	-	58,152
US Treasuries and Securities	374,312	-	-	-	374,312
PIP:					
Short Term Investments	77,598	-	-	-	77,598
US Equity	278,667	20,499	-	195,830	494,996
International Equity	227,939	-	-	37,090	265,029
Fixed Income	21,496	67,424	-	-	88,920
Emerging Markets	68,607	-	-	25,245	93,852
Marketable Alternatives	-	-	-	184,762	184,762
Public Real Estate	105,409	-	-	-	105,409
Private Real Estate	-	-	-	55,560	55,560
Public Natural Resources	25,384	-	-	-	25,384
Private Natural Resources	-	-	-	51,586	51,586
Venture Capital/Private Equity	-	5,136	-	317,149	322,285
Total	**$ 1,790,965**	**$ 1,118,223**	**$ 1,623**	**$ 867,467**	**$ 3,778,278**

Investments measured at fair value on a recurring basis for fiduciary activities are summarized below (dollars in thousands):

Investment Type	Fair Value Measurements at June 30, 2021 Level 1	Level 2	Level 3	NAV	Total
FIDUCIARY INVESTMENTS:					
TIAA Traditional	$ -	$ 15,391	$ -		$ 15,391
CREF Stock Account	-	-	-	10,477	10,477
CREF Growth Account	-	-	-	15,250	15,250
Total	**$ -**	**$ 15,391**	**$ -**	**$ 25,727**	**$ 41,118**

Investment Type	Fair Value Measurements at June 30, 2020 Level 1	Level 2	Level 3	NAV	Total
FIDUCIARY INVESTMENTS:					
TIAA Traditional	$ -	$ 16,081	$ -		$ 16,081
CREF Stock Account	-	-	-	10,211	10,211
CREF Growth Account	-	-	-	12,631	12,631
Total	**$ -**	**$ 16,081**	**$ -**	**$ 22,842**	**$ 38,923**

Short Term Investments. Short Term Investments include cash and cash equivalents valued at cost, which approximates fair value. Investments in this category are valued at the quoted market price reported on the active market on which the individual securities are traded on the last day of the business year (Level 1 inputs).

U.S. Equity. Equity investments are generally in separately managed accounts principally invested in common stocks. The fair values of common stocks are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). The University also has equity investments in commingled funds that are valued using NAV under the market approach as a practical expedient in one case and not as a practical expedient in another (Level 2 inputs).

Fixed Income. Investments in U.S. treasury notes are determined by obtaining quoted prices on globally recognized exchanges (Level 1 inputs). Government agency and asset-backed securities are valued without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities or on models using market information (Level 2 inputs). The University also has fixed income investments held in commingled funds that are valued using NAV, not as a practical expedient, under the market approach. These investments are able to be redeemed on a short-term basis (Level 2 inputs).

International Equity. Non-U.S. equity investments are generally in separately managed accounts principally invested in common stocks. The fair values of common stocks are determined by obtaining quoted prices on globally recognized securities exchanges (Level 1 inputs). The University also has an equity investment in a commingled fund that is valued using NAV as a practical expedient under the market approach. This investment is able to be redeemed on a short-term basis. There are no unfunded future commitments to these investments.

Emerging Markets. Equity investments held in common stock of developing countries. The fair values of common stocks are determined by obtaining quoted prices on globally recognized securities exchanges (Level 1 inputs). The University also has an equity investment held in a commingled fund that is valued using NAV as a practical expedient under the market approach. There are no significant restrictions on redemption and no unfunded future commitments to these investments.

Marketable Alternatives. Marketable Alternatives include Hedge funds which are investments that employ a variety of strategies including US and global long/short, event and diversified arbitrage. The funds seek to generate positive risk-adjusted returns across a range of market environments. An NAV is used to determine the fair value as a practical expedient. The managers utilize standard valuation procedures and policies to assess the fair value of the underlying investment holdings to derive NAV. For holdings in marketable securities listed on national securities exchanges, the values represent the publicly traded values, and holdings in private securities are generally valued using the market approach, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations, appraisals and/or the income approach. Redemptions may be made monthly, quarterly, or annually with notice periods ranging from 30 to 90 days.

Public Real Estate. Real estate equity investments are generally in separately managed accounts or a fund principally invested in common stocks. The fair values of common stocks are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). There are no significant restrictions on redemption and no unfunded future commitments to these investments.

Private Real Estate. The fair values of the investments in real estate partnerships have been estimated using the NAV of the ownership interest in partners' capital, not as a practical expedient. For partnership holdings in marketable securities listed on national securities exchanges, the values represent the publicly traded values, and holdings in private securities are generally valued using the mark-to-market method, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations, appraisals and/or the income approach. These investments cannot be redeemed with the fund managers until the partnerships terminate, which range from 3 to 10 years.

Public Natural Resources. Natural Resource equity investments are generally in separately managed accounts or a fund principally invested in common stocks. The fair values of the common stocks held in a commingled fund are valued by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). There are no significant restrictions on redemption and no unfunded future commitments to these investments.

Private Natural Resources. The fair values of the investments in energy-related and mineral and mining partnerships have been estimated using the NAV of the ownership interest in partners' capital, not as a practical expedient, for some of the investments but not for all of the holdings. For partnership holdings in marketable securities listed on national securities exchanges, the values represent the publicly traded values, and holdings in private securities are generally valued using the mark-to-market method, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations, appraisals and/or the income approach. These investments cannot be redeemed with the fund managers until the partnerships terminate, which range from 5 to 12 years.

Venture Capital/Private Equity. The fair values of the investments in buyout and venture partnership have been estimated using the NAV of ownership interest in partners' capital, not as a practical expedient. For partnership holdings in marketable securities listed on national securities exchanges, the values represent the publicly traded values, and holdings in private securities are generally valued using the mark-to-market method, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations, appraisals and/or the income approach. These investments cannot be redeemed with the fund managers until the partnerships terminate, which range from 1 to 12 years. A special situations private equity investment fund is able to be redeemed on a short-term basis with no significant restrictions (Level 2 inputs).

Note 3 – Accounts, Pledges, and Notes Receivable

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

	June 30, 2021	June 30, 2020
Grants and Contracts	$ 81,228	$ 53,951
Student and General	49,982	40,555
Other Accrued Revenues	24,424	22,519
Less: Allowance for Doubtful Accounts	(5,105)	(3,679)
Total Accounts Receivable, Net	**150,529**	**113,346**
Pledges Receivable	72,510	65,651
Less: Allowance for Doubtful Pledges	(4,208)	(2,870)
Net Pledges Receivables	68,302	62,781
Less: Noncurrent Portion	(36,520)	(25,915)
Pledges Receivable, Current Portion	**31,782**	**36,866**
Perkins Loans	8,823	11,817
Institutional Loans	33,890	38,574
Other Student Loans and Notes Receivable	412	28,257
Less: Allowance for Doubtful Loans	(926)	(1,374)
Net Notes Receivable	42,199	77,274
Less: Noncurrent Portion	(33,629)	(61,624)
Notes Receivable, Current Portion	**8,570**	**15,650**
Other Receivables	1,174	1,122
Other Receivables, Current Portion	**$ 1,174**	**$ 1,122**

Note 4-Capital Assets (dollars in thousands)

Capital Assets Activity	Balance July 1, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	$ 63,133	$ 3,541	$ -	$ 494	$ 67,168
Construction in Progress	183,119	119,327	-	(120,915)	181,531
Total Capital Assets, Not Being Depreciated	246,252	122,868	-	(120,421)	248,699
Capital Assets, Being Depreciated:					
Land Improvements	99,492	2,102	1,706	883	100,771
Infrastructure	241,636	4,938	213	6,294	252,655
Buildings	3,872,309	193,523	1,070	113,155	4,177,917
Equipment	712,325	43,213	46,157	89	709,470
Software	84,095	-	8	-	84,087
Total Capital Assets, Being Depreciated	5,009,857	243,776	49,154	120,421	5,324,900
Less Accumulated Depreciation:					
Land Improvements	79,171	2,299	1,706	-	79,764
Infrastructure	96,575	10,576	213	-	106,938
Buildings	1,910,747	136,776	566	-	2,046,957
Equipment	458,951	43,755	43,050	-	459,656
Software	68,262	5,368	8	-	73,622
Total Accumulated Depreciation	2,613,706	198,774	45,543	-	2,766,937
Total Capital Assets, Net of Accumulated Depreciation	**$ 2,642,403**	**$ 167,870**	**$ 3,611**	**$ -**	**$ 2,806,662**

Capital Assets Activity	Balance July 1, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital Assets, Not Being Depreciated:					
Land	$ 58,678	$ 4,801	$ 346	$ -	$ 63,133
Construction in Progress	136,991	117,193	-	(71,065)	183,119
Total Capital Assets, Not Being Depreciated	195,669	121,994	346	(71,065)	246,252
Capital Assets, Being Depreciated:					
Land Improvements	101,202	3,688	6,065	667	99,492
Infrastructure	226,285	9,058	397	6,690	241,636
Buildings	3,701,371	112,905	5,377	63,410	3,872,309
Equipment	675,836	63,240	27,049	298	712,325
Software	83,868	227	-	-	84,095
Total Capital Assets, Being Depreciated	4,788,562	189,118	38,888	71,065	5,009,857
Less Accumulated Depreciation:					
Land Improvements	82,633	2,578	6,040	-	79,171
Infrastructure	86,891	10,081	397	-	96,575
Buildings	1,790,310	125,368	4,931	-	1,910,747
Equipment	440,662	43,544	25,255	-	458,951
Software	62,899	5,363	-	-	68,262
Total Accumulated Depreciation	2,463,395	186,934	36,623	-	2,613,706
Total Capital Assets, Net of Accumulated Depreciation	**$ 2,520,836**	**$ 124,178**	**$ 2,611**	**$ -**	**$ 2,642,403**

During fiscal years 2021 and 2020, the University expensed $35,203,000 and $28,969,000, respectively, in interest costs related to the ownership of capital assets.

Note 5 —Accounts Payable and Accrued Expenses

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

	June 30, 2021	June 30, 2020
Construction Payables	$ 19,582	$ 20,185
Accrued Insurance Liabilities	23,855	25,872
Interest Payable	16,579	18,462
Accrued Salaries and Wages	13,796	23,465
Vendor and Other Payables	125,186	113,690
Total Accounts Payable and Accrued Expenses	**$ 198,998**	**$ 201,674**

Note 6 — Debt Related to Capital Assets

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

Debt Related Liabilities	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion
Notes Payable	$ 4,930	$ -	$ 4,930	$ -	$ -
Leases Payable	168,465	32,285	51,500	149,250	4,395
Bonds Payable					
Student Facilities System Revenue Bonds	304,065	-	32,420	271,645	78,020
Student Fee Bonds	502,030	-	35,030	467,000	30,160
Total Bonds Payable	806,095	-	67,450	738,645	108,180
Availability Payments Payable	-	149,158	331	148,827	380
Net Unamortized Premiums and Costs	93,305	$ 10,025	$ 12,424	90,906	12,662
Total Debt Related Liabilities	**$ 1,072,795**	**$ 191,468**	**$ 136,635**	**$ 1,127,628**	**$ 125,617**

Debt Related Liabilities	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Notes Payable	$ 5,410	$ -	$ 480	$ 4,930	$ 465
Leases Payable	214,937	-	46,472	168,465	43,306
Bonds Payable					
Student Facilities System Revenue Bonds	322,255	-	18,190	304,065	78,420
Student Fee Bonds	429,525	112,140	39,635	502,030	35,030
Total Bonds Payable	751,780	112,140	57,825	806,095	113,450
Net Unamortized Premiums and Costs	75,832	28,203	10,730	93,305	12,351
Total Debt Related Liabilities	**$ 1,047,959**	**$ 140,343**	**$ 115,507**	**$ 1,072,795**	**$ 169,572**

Notes Payable. As of June 30, 2021 and 2020, the balance of notes outstanding was approximately $-0- and $4,930,000, respectively, representing financing for various activities.

On November 15, 2015, the University entered into an agreement with Purdue Research Foundation (PRF) that transferred the Bowen Laboratory Facility property to the University in exchange for an agreement to pay the balance of the PRF debt attributable to the Bowen Lab. The initial balance was $7,070,000, and the balances at June 30, 2021 and 2020 were $-0- and $4,930,000, respectively. The interest rate for this agreement ranges between 3-4% as of June 30, 2021 and 2020. On June 30, 2021, the University paid the total remaining balance of the outstanding maturities attributable to Bowen Lab.

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

Issue	Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Outstanding June 30, 2021	Outstanding June 30, 2020	Current Outstanding June 30, 2021
Certificates of Participation with Ross-Ade:							
Series 2006	2006	70,345	5.25%	2025	14,770	21,095	-
Series 2011A	2011	32,185	0.06%*	2021	-	31,295	-
Series 2016A	2016	85,120	4.00-5.00%	2037	73,875	81,675	-
Series 2021A	2021	29,935	5.00%	2035	29,935	-	-
Series 2021B	2021	2,350	2.25%	2032	2,350	-	-
Direct Placement Certificates of Participation:							
Series 2014A	2014	21,955	2.66%	2027	16,365	18,180	-
Leases with Purdue Research Foundation:							
Kaplan Commons	2012	1,335	5.63%	2022	126	246	126
Child Care Facility	2018	5,522	2.38%*	2033	4,336	4,643	325
NW Recreation Facility	2018	4,924	2.38%*	2031	3,845	4,125	296
Other Leases:							
Cisco	2018	23,458	2.52%	2022	3,648	7,206	3,648
					149,250	168,465	4,395
Net unamortized premiums and costs					20,547	12,253	2,423
Total					**$ 169,797**	**$ 180,718**	**$ 6,818**

**Variable interest rates are reset periodically and are based upon market conditions. Rates shown are as of June 30, 2021, except Certificates of Participation Series 2011A is as of May 12, 2021.*

The Certificates of Participation (COPs) 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. 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. During the fiscal years ended June 30, 2021 and 2020, the University included approximately $-0- and $31,295,000 in Current Liabilities related to variable rate Certificates of Participation (Series 2011A). Certificates of Participation Series 2011A was refunded by Certificates of Participation Series 2021A on May 12, 2021 eliminating all variable rate debt for Certificates of Participation.

Under the Certificates of Participation, assets are financed on a lease purchase basis under an Indenture between the Ross Ade Foundation and the Trustee for the Certificates. The Foundation assigns the right to receive lease rental payments received from the University to the Trustee. The Indenture constitutes a mortgage on the financed property for each series. All series are secured on a parity basis by all mortgages and all lease rental payments. The liens granted through the financings are to be maintained on each financed asset until all payments of principal, interest and fees are received by the Trustee. Other than permission to inspect the facilities, the Trustee receives no special rights to the facilities and maintains no financial covenants through the Indenture.

Terms of default include the failure to make scheduled payments of principal or interest, bankruptcy of the Ross-Ade Foundation and failure to cure lack of performance of covenants within stated time frames.

The Trustee can, under certain instances of University default, declare all principal and interest due and payable, subject to the right of at least 51% of the outstanding owners of the Certificates to annul the demand for payment if the default has been cured and all Trustee fees paid. Annual disclosures are required under SEC Rule 15c2-12 each year.

With the exception of COPS 2014A, the Certificates have been issued through public sales. The COPS 2014A were issued pursuant to the same terms and conditions as all other Certificates and were purchased by JPMorgan Chase Bank, N.A.

The University's lease rental payments are otherwise unsecured and are payable from all available funds of the University, as defined in the Indentures.

As of June 30, 2021 and 2020, leases payable included amounts relating to properties with a book value, net of accumulated depreciation, of approximately $210,006,000 and $218,220,000, respectively.

On May 12, 2021, the University issued Certificates of Participation, Series 2021A at par value of $29,935,000 and a premium of $10,025,000 to refund the portion of the outstanding principal that matures on July 1, 2021 for Certificates of Participation, Series 2006, 2014A, 2016A, and to refund in whole the Series 2011A outstanding principal amount of $31,295,000. The University also issued Taxable Certificates of Participation, Series 2021B at par value of $2,350,000 to fund the payment of interest due on July 1, 2021 for Certificates of Participation, Series 2006, 2014A and 2016A. The University estimates a reduction in its aggregate debt service payments over the life of the debt of approximately $4,760,000, due to the refunding.

On May 29, 2020, the University completed an optional call from the last scheduled maturity on the outstanding variable rate certificates series. The certificates called were Certificates of Participation, Series 2011A ($405,000, July 1, 2035).

On July 1, 2019, $34,865,450 of principal and interest was paid from funds held in trust by Trustee for the crossover refunding of Taxable Certificates of Participation, Series 2009B as provided in the issuance of Certificates of Participation, Series 2016A.

On June 15, 2016, the University issued Certificates of Participation, Series 2016A at par value of $85,120,000 and a premium of approximately $18,127,000 to fund the renovation and expansion of the Mollenkopf Football Performance Center at the West Lafayette campus, to pay for allowable construction period interest and costs of issuance, and to effect a cross-over refunding of a portion of Series 2009B effective July 1, 2019. Debt service on the Series 2016A refunding certificates due up to and including July 1, 2019 was paid from an irrevocable escrow held by the Escrow Trustee, Bank of New York Mellon. At the cross-over date, $34,130,000 was outstanding in Series 2009B and was called and paid for by the escrowed funds. The university estimates a reduction in its aggregate debt service payments over the life of the debt of approximately $2,579,000, due to the refunding. An economic loss (difference between the reacquisition cost and unamortized premium) of approximately $3,471,000 was created when the cross-over was effected on July 1, 2019 and will be amortized through 2031. For fiscal years, 2021 and 2020, the annual debt service of $-0- and $735,000, respectively, related to the crossover refunding was paid from securities held by the Escrow Trustee. Interest income earned on the escrowed securities during fiscal years 2021 and 2020 was approximately $-0- and $52,000, respectively.

In December 2017, the University entered into a lease with Cisco Systems Capital Corporation for approximately $23,458,000. The purpose of this agreement is for the campus lifecycle replacement of core network infrastructure.

In September 2017 and October 2017, the University entered into lease arrangements with Purdue Research Foundation. The arrangements are capital leases for the improvements to the North West Student Recreation Facility for $4,924,000 and for the Child Care Center Facility for $5,522,000.

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

Bonds Payable. As of June 30, 2021 and 2020, the balance of bonds payable was approximately $809,004,000 and $887,147,000, respectively. Bonds payable consisted of the following issues (dollars in thousands):

Issuance and Description		Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2021	Total Outstanding June 30, 2020	Current Outstanding June 30, 2021
Student Facilities System Revenue Bonds:								
Series 2004A								
	Finance construction of Hammond student housing and parking garage facilities	2004	$ 28,100	0.02%*	2033	$ 15,860	$ 16,145	$ 15,860
Series 2005A								
	Finance construction and renovation of West Lafayette housing and food service facilities	2005	24,200	0.01%*	2029	5,755	5,855	5,755
Series 2007A								
	Refund a portion of Student Facilities System Revenue Bond Series 2003A and 2003B	2007	61,865	5.25%	2029	43,180	46,950	4,030
Series 2007C								
	Renovate a West Lafayette student housing facility, and finance construction on a new West Lafayette student housing facility	2007	61,725	0.01%*	2032	24,385	24,820	24,385
Series 2010A								
	Taxable Build America Bonds to finance the renovation of West Lafayette student housing facilities, and refund a portion of commercial paper	2010	24,985		2020	-	16,775	-
Series 2011A								
	Refund a portion of Student Facilities System Revenue Bond Series 2004A, 2005A, and 2007C	2011	49,440	5.00%	2021	20,615	24,640	20,615
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	44,770	3.13-5.00%	2032	19,180	20,350	1,230
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	98,070	3.00-5.00%	2040	87,765	90,505	2,875
Series 2016A								
	Finance construction for the West Lafayette Flex Lab Facility, refund portion of Series 2009A and Series 2009B.	2016	67,470	3.00-5.00%	2036	54,905	58,025	3,270
						271,645	304,065	78,020
Net unamortized premiums and costs						17,565	20,261	2,822
Total Student Facilities System Revenue Bonds						**$ 289,210**	**$ 324,326**	**$ 80,842**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/21.

**Variable interest rates are reset weekly and are based upon market conditions. Rates shown are as of June 30, 2021.*

Issuance and Description		Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2021	Total Outstanding June 30, 2020	Current Outstanding June 30, 2021
Student Fee Bonds:								
Series U								
	Refund a portion of Student Fee Bond Series Q	2005	35,200	5.25%	2022	5,825	9,315	2,835
Series Y								-
	Refund Student Fee Bond Series S, T, and V	2010	74,130		2020	-	4,300	-
Series Z-1								-
	Finance a portion of construction of West Lafayette Student Fitness and Wellness Center, Fort Wayne Parking Garage, and West Lafayette Repair & Rehabilitation projects and refund Student Fee Bond Series H, K, L, O, a portion of Series R and a portion of commercial paper	2010	68,320		2020	-	4,280	-
Series Z-2								
	Taxable Build America Bonds to finance a portion of construction of West Lafayette Student Fitness and Wellness Center, Fort Wayne Parking Garage, and West Lafayette Repair & Rehabilitation projects	2010	100,705	3.59-5.33%	2035	77,690	81,680	4,075
Series AA								
	Finance a portion of construction of West Lafayette Student Fitness and Wellness Center, Health and Human Sciences Facility, West Lafayette Repair & Rehabilitation projects and Westville Student Services and Activities complex	2012	54,555	3.25-5.00%	2032	38,560	40,880	2,425
Series BB1								
	Finance a portion of construction of Westville Student Services and Activities Complex, Repair & 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	48,630	3.00-5.00%	2034	27,345	30,810	3,045
Series BB2								
	Taxable debt for reallocation of Drug Discovery from tax-exempt Series AA	2015	18,985	2.65-3.81%	2032	13,420	14,335	940
Series CC								
	Finance construction of West Lafayette Agriculture & Life Sciences Facility and partially refund Series X and Series Y	2016	121,885	3.00-5.00%	2036	112,480	118,880	11,055
Series DD								
	Finance renovation and construction of Agricultural and Biological Engineering building and construction of BioScience Innovation building	2018	90,135	5.00%	2038	82,615	85,410	2,935
Series EE								
	Finance construction of Engineering and Polytechnic Gateway building and Veterinary Medical Teaching Hospital; refund of Z-1 maturities beyond 2020	2020	112,140	5.00%	2037	109,065	112,140	2,850
						467,000	502,030	30,160
Net unamortized premiums and costs						52,794	60,791	7,417
Total Student Fee Bonds						**$ 519,794**	**$ 562,821**	**$ 37,577**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/21.

The University has two separate indentures for capital asset financing through bonds based on statutory distinctions for the pledge supporting the debt service.

Student Fee Bonds

Under State statutes, the pledge supporting the Student Fee Bonds is the student tuition and general fees received by the University and qualified swap receipts and proceeds thereof, as defined. There are no outstanding qualified swaps. Annual disclosures are required under SEC Rule 15c2-12 each year.

Terms of default include the failure to make scheduled payments of principal or interest, or a budget that does not cover annual debt service at least one (1) time. The University and the Trustee can enter into a supplemental indenture to release specific student fees from the definition of student fees if actual student fees received by the University during the preceding fiscal year, less those student fees to be removed from the definition and from the lien of the Indenture, are equal to or greater than two (2) times the maximum annual debt service, as defined, to become due in that or any succeeding fiscal year for the payment of principal and interest on Student Fee Bonds then outstanding. The University is obligated to maintain the continued tax status of all Student Fee Bonds, provide for audited financial statements and continue operations of the University.

The Trustee may undertake any remedy available by suit or suits at law or equity, and can accelerate the payment of principal and interest on the Student Fee Bonds if there is a default on any junior lien obligations.

All Student Fee Bonds outstanding have been issued through public sales.

Student Facilities System Revenue Bonds

Under State statues, the pledge for the Student Facilities System Revenue Bonds is the net income (as defined) of certain facilities as well as amounts held in the project fund (as defined), including investment income thereon. The Trustee has a secured interest in the pledged revenues, as defined, for payment of principal and interest. Annual disclosures are required under SEC Rule 15c2-12 each year.

While student fees and state appropriations are unavailable to meet debt service on these obligations, all other available funds (as defined) are available for debt service.

Failure to make scheduled payments of principal or interest would constitute a default which allows the Trustee to pursue legal remedies, as available, including appointment of a receiver for the pledged revenues. The University is obligated to maintain the continued tax status of all Student Facilities System Revenue Bonds, provide for audited financial statements and continue operations of the University, among other routine operating considerations.

All Student Facilities System Revenue Bonds outstanding have been issued through public sales, including the weekly remarketed variable rate Series 2004A, 2005A and 2007C.

As of June 30, 2021 and 2020, the University had $46,000,000 and $46,820,000 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, with serial maturities July 1, 2025 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, 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 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. Therefore, these variable rate bonds are classified as current liabilities.

The Series 2010A and Series Z-2 bonds participate in the Build America Bonds program. Prior to March 1, 2013, the University received semi-annual federal credit payments equal to 35% of actual interest expense incurred on the outstanding principal balance of the bonds. Certain annual reductions began on March 1, 2013. The reduction rate was 5.7% from October 1, 2020 to September 30, 2021 and 5.9% from October 1, 2019 to September 30, 2020.

On June 1, 2021, notice was provided to bondholders by the University's trustee, the Bank of New York Mellon, of the full redemption on July 1, 2021 of the outstanding maturities of Student Facilities System Revenue Bonds, Series 2011A, in the total amount of $16,420,000 for the annual maturities for each July 1 of 2022 through 2025.

On June 1, 2020, notice was provided to bondholders by the University's trustee, the Bank of New York Mellon, of the full redemption on July 1, 2020 of the outstanding maturities of Student Facilities System Revenue Bonds, Series 2010A, in the total amount of $15,490,000 for the annual maturities for each July 1 of 2021 through 2030.

On May 29, 2020, the University completed an optional call from the last scheduled maturity on each of the outstanding variable rate bond series. The bonds called were: Student Facilities System Revenue Bonds. Series 2004A ($200,000, July 1, 2033); Student Facilities System Revenue Bonds, Series 2005A ($75,000, July 1, 2029); and Student Facilities System Revenue Bonds, Series 2007C ($315,000, July 1, 2032).

On May 27, 2020, the University issued Student Fee Bonds, Series EE at par value of $112,140,000 and a premium of approximately $28,203,000 to partially fund the construction of the Engineering and Polytechnic Gateway and the Veterinary Medicine Teaching Hospital, new facilities on the West Lafayette campus, to refund a portion of Student Fee Bonds, Series Z-1 in the amount of $6,660,000 on July 1, 2020, and to pay for allowable costs of issuance. As a result of the refunding, the University anticipates a reduction of debt service payments over the life of the debt of $273,112.50. The refunding resulted in an economic loss (difference between the reacquisition cost and unamortized premium) of $167,000 through 2024 over the term of the refunding bonds.

Availability Payments Payable. Plenary Properties Purdue, LLC was selected for a public-private partnership to construct two new residence halls on the West Lafayette campus. The two residence halls accommodate approximately 1,300 beds through the term of the project, which ends in June 2083. Monthly availability payments from this agreement include payments for the capital investment and payments for ongoing operation and maintenance. The two residence halls opened in August 2020, at which time the availability payments started. The capital element of the availability payment was recognized at a net present value of $149,158,000 as current and long-term liabilities and capital assets for the two residence halls.

Scheduled payments. Debt scheduled payments for capital assets for the fiscal years ending June 30 are as follows (dollars in thousands):

	All Debt except Direct Borrowings			Direct Borrowings		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2022	62,180	35,044	97,224	4,775	7,953	12,728
2023	54,620	34,985	89,605	1,974	8,025	9,999
2024	54,155	32,453	86,608	2,034	7,965	9,999
2025	55,565	29,890	85,455	2,101	7,902	10,003
2026	60,925	27,259	88,184	2,164	7,837	10,001
2027-2031	286,430	95,295	381,725	19,336	37,200	56,536
2032-2036	224,990	38,728	263,718	4,131	35,711	39,842
2037-2041	60,710	4,261	64,971	4,363	34,743	39,106
Thereafter	-	-	-	136,269	192,218	328,487
	859,575	297,915	1,157,490	177,147	339,554	516,701
Net unamortized premiums and costs	90,906	-	90,906	-	-	-
	$ 950,481	$ 297,915	$ 1,248,396	$ 177,147	$ 339,554	$ 516,701

As of June 30, 2021 and 2020, the Deferred Outflows of Resources for debt refunding was $18,206,000 and $20,456,000, respectively.

Lines of Credit

The University does not use lines of credit.

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 when due through call date, and with the exception of Student Fee Bonds, Series Z1, have been deposited in irrevocable trusts with the Trustee. Neither the defeased bonds nor the related trusts are reflected in the accompanying financial statements.

Bond proceeds from the new Series EE in the amount of $6,660,000 and associated interest of $165,025 from the University were prepaid to the Trustee at the May 27, 2020 closing for SFB Series EE, allowing for defeasement of all Z-1 remaining obligations in conjunction with the scheduled principal and interest payments on July 1, 2020.

Description of Bonds	Final Maturity/ Call Date	Amount Outstanding	
		June 30, 2021	June 30, 2020
Student Fee Bonds:			
Student Fee Bonds, Series Y	7/1/2020	-	35,380
Student Fee Bonds, Series Z1	7/1/2020	-	6,660

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	
2022	$	12,863
2023		6,468
2024		5,515
2025		4,139
2026		2,617
Total Future Minimum Payments	**$**	**31,602**

Note 7— Other Debt Information

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

Liabilities	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion
Accrued Compensated Absences	$ 74,647	$ 26,798	$ 27,508	$ 73,937	$ 28,972
Other Post Employment Benefits	33,357	3,077	1,674	34,760	2,715
Net Pension Liability	55,779	-	6,017	49,762	-
Other Noncurrent Liabilities	43,998	25,022	17,988	51,032	-
Advances from Federal Government	8,518	-	3,622	4,896	-
Total	**$ 216,299**	**$ 54,897**	**$ 56,809**	**$ 214,387**	**$ 31,687**

Liabilities	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Accrued Compensated Absences	$ 71,668	$ 31,729	$ 28,750	74,647	$ 29,067
Other Post Employment Benefits	43,457	3,676	13,776	33,357	2,897
Net Pension Liability	58,681	-	2,902	55,779	-
Other Noncurrent Liabilities	23,266	21,215	483	43,998	-
Advances from Federal Government	15,211	315	7,008	8,518	-
Total	**$ 212,283**	**$ 56,935**	**$ 52,919**	**$ 216,299**	**$ 31,964**

Other Post-Employment Benefits (OPEB). Purdue University administers a single-employer OPEB plan, known as the Pre-65 Retiree Health Plan, used to provide postemployment benefits other than pensions for official retirees who were formerly permanent full-time general employees. Plan authority is outlined in Purdue HR Policy VI.A.1, and governed by the Purdue University Board of Trustees. Assets for payment of benefits related to this plan are not accumulated in a trust that meets the criteria of GASB Statement No. 75, paragraph 4.

The University offers medical insurance for official retirees and their dependents. Participants may continue to receive benefits until they reach the age of 65. As of July 1, 2014, separating employees who are 55 or older, and have at least 10 years of service are eligible for official retirement status. Prior to July 1, 2014, the official retirement policy was retirees who are age 55 or older, whose age and years of service are equal to or greater than 70 and have at least 10 years of service. 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. Early retirees enjoy the benefit of a lower insurance cost due to continued participation in the University plan, which creates an implicit rate subsidy.

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, and 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 or after, 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.

For the fiscal years ended June 30, 2021 and 2020, the actuarial valuation used census data at July 1, 2019:

Retired members or beneficiaries currently receiving benefits	302
Disabled members currently receiving benefits	89
Active members	12,544
Total	**12,935**

Purdue's total OPEB liabilities of approximately $34,760,000 as of June 30, 2021 and $33,357,000 as of June 30, 2020 were determined with measurement/experience dates of July 1, 2020 and July 1, 2019, using an actuarial valuation as of July 1, 2019 done in accordance with GASB Statement No. 75. The total OPEB liabilities in the June 30, 2020 and 2019 actuarial reports were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions:	
Inflation	2.50%
Projected salary increases	3.00%
Discount rate	2.21% as of July 1, 2020; 3.50% as of July 1, 2019, based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
Health care cost trend rate:	
Medical & Prescription Drug	7.00% graded to 4.5% over 10 years as of July 1, 2020; 7.25% graded to 4.5% over 11 years as of July 1, 2019
Vision	3.00%
Administrative Costs	3.00%
Mortality Rates	As prescribed under IRS Regulations 1.431 (c)(6)-1 and 1.430(h)(3)-1, using static tables with separate tables for annuitants and nonannuitants (RP-2000 tables projected forward to the valuation year plus 7 years for annuitants and 15 years for nonannuitants)

Because Purdue University is not prefunding the OPEB benefits, the discount rates used in the valuation for financial disclosure purposes are based on the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the Total OPEB Liability (dollars in thousands):

For the years ended June 30,

		2021		2020
Beginning Balance	$	**33,357**	$	**43,457**
Changes for Year:				
Service Cost		1,927		2,023
Interest		1,150		1,653
Change in benefit terms		-		(755)
Differences between expected and actual experience		634		(2,219)
Changes of assumptions		2,571		(5,252)
Benefit payments, including refunds of member contributions		(4,879)		(5,550)
Net Change in Total OPEB Liability		1,403		(10,100)
Ending Balance	$	**34,760**	$	**33,357**

Changes of assumptions reflect a decrease in the discount rate from 3.50% to 2.21% as of June 30, 2021 and a decrease from 3.87% to 3.50% as of June 30, 2020. The June 30, 2021 assumption changes reflected the potential excise tax on plans that exceed certain cost thresholds which was repealed on December 20, 2019. The June 30, 2020 assumptions reflected the valuation-year per capita health costs and future trend on such costs, updates to the retiree contribution rates to current levels and the assumed future disability and mortality rates were modified.

Sensitivity Analysis:

OPEB liability is sensitive to both changes in the discount rate and the healthcare cost trend rates. The following presents the Total OPEB Liability of the University as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate as of June 30, 2021 and June 30, 2020. Also shown is the amount the Total OPEB Liability would be if it were calculated using healthcare cost trend rates that were 1 percentage point lower or 1 percentage point higher than the current healthcare trend rates.

Discount Rate Sensitivity

Total OPEB Liability as of June 30, 2021

1% Decrease (1.21%)	Current (2.21%)	1% Increase (3.21%)
$ 37,112,095	$ 34,759,696	$ 32,595,306

Total OPEB Liability as of June 30, 2020

1% Decrease (2.5%)	Current (3.5%)	1% Increase (4.5%)
$ 35,504,058	$ 33,356,895	$ 31,395,851

Healthcare Cost Trend Rate Sensitivity

Total OPEB Liability as of June 30, 2021

1% Decrease	Current	1% Increase
$ 31,802,602	$ 34,759,696	$ 38,192,361

Total OPEB Liability as of June 30, 2020

1% Decrease	Current	1% Increase
$ 30,820,169	$ 33,356,895	$ 36,281,173

OPEB Expense and Deferred Inflows of Resources related to OPEB:

For the year ended June 30, 2021 and 2020, the University recognized OPEB expense of approximately $2,179,000 and $1,611,000, respectively. At June 30, 2021 and 2020, the University reported Deferred Inflows of Resources related to the Change of Assumptions in the amount of approximately $6,894,000 and $8,205,000, respectively, related to the Changes of Assumptions. At June 30, 2021 and 2020, the University reported Deferred Outflows of Resources in the amount of approximately $5,507,000 and $2,897,000, respectively, including $2,715,000 and $2,897,000 related to payments made beyond the measurement dates of July 1, 2020 and 2019.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows (dollars in thousands):

Total Year Ended June 30,	
2022	$ (898)
2023	(898)
2024	(898)
2025	(793)
2026	(604)
Thereafter	(10)
Total	$ (4,101)

Note 8 - Operating Expenses by Function

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

June 30, 2021

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & Student Awards	Total
Instruction	$ 731,661	$ 82,652	$ -	$ -	$ 814,313
Research	197,338	95,357	-	-	292,695
Extension and Public Service	104,576	32,367	-	-	136,943
Academic Support	106,672	56,676	-	-	163,348
Student Services	132,966	48,795	-	-	181,761
General Administration and Institutional Support	166,339	231,359	-	-	397,698
Physical Plant Operations and Maintenance	86,437	45,017	-	-	131,454
Depreciation	-	-	198,774	-	198,774
Student Aid	-	-	-	98,585	98,585
Auxiliary Enterprises	75,176	104,163	-	-	179,339
Total	**$ 1,601,165**	**$ 696,386**	**$ 198,774**	**$ 98,585**	**$ 2,594,910**

June 30, 2020

Function	Compensation & Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships & Student Awards	Total
Instruction	$ 752,756	$ 100,698	$ -	$ -	$ 853,454
Research	200,582	94,697	-	-	295,279
Extension and Public Service	104,989	41,357	-	-	146,346
Academic Support	106,046	68,099	-	-	174,145
Student Services	138,960	31,222	-	-	170,182
General Administration and Institutional Support	168,128	200,746	-	-	368,874
Physical Plant Operations and Maintenance	83,960	56,783	-	-	140,743
Depreciation	-	-	186,934	-	186,934
Student Aid	-	-	-	62,240	62,240
Auxiliary Enterprises	99,689	100,287	-	-	199,976
Total	**$ 1,655,110**	**$ 693,889**	**$ 186,934**	**$ 62,240**	**$ 2,598,173**

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, 2021 and 2020, the University's contribution to FICA was approximately $67,449,000 and $68,232,000, respectively. The University has adopted a CARES Act provision enabling the University to retain the employer's share of FICA tax from April 22, 2020 until December 31, 2020, remitting 50% of the tax by December 31, 2021 and 50% of the tax by December 31, 2022. As of June 30, 2021 and 2020, $35,977,000 and $12,171,000 respectively has been retained under this provision, and is included in the accounts payable and other noncurrent liabilities.

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 significant outstanding liability at June 30, 2021 or 2020.

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, 2021 and 2020, there were 7,602 and 7,553 employees, respectively, participating in the plans with annual pay equal to approximately $719,180,000 and $712,361,000, respectively. For the years ended June 30, 2021 and 2020, the University made contributions totaling approximately $67,882,000 and $67,846,000, 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, 2021 and 2020, there were 2,707 and 2,547 employees, respectively, participating in the plan with annual pay equal to approximately $73,570,000 and $66,033,000, respectively. For the year ended June 30, 2021 and 2020, the University made base contributions totaling approximately $2,578,000 and $2,509,000, respectively, and matching contributions totaling approximately $2,113,000 and $2,170,000, respectively, to the plan.

Purdue University Global Defined Contribution Plans. The University has two defined contribution plans, administered through Fidelity Investments in which all full time eligible employees may participate. Benefit provisions are established and/or amended by the Trustees. Plan contributions are typically made at the time the associated payroll is issued, so there is not a significant outstanding liability at June 30, 2021 or June 30, 2020.

All full-time eligible employees of the University may participate in the Purdue University Global, Inc. 457(b) Deferred Compensation Plan immediately upon employment. Enrollment is automatic at the date of employment or re-employment by operation of a default elective deferral. The default elective deferral rate begins at 6% of eligible compensation, and increases annually by 1% until it reaches a maximum of 10%. Contributions are not mandatory, and employees have the option to make a Contrary Election not to defer any compensation, or to defer a percentage of compensation, which is more or less than the default elective deferral amount, up to the maximum allowed. In addition, employees who are not full time eligible employees may elect to participate in the plan by completing a deferred compensation agreement. All funds in this plan are immediately vested, so forfeitures do not exist. For the period ended June 30, 2021 and 2020, there were 1,036 and 1,041 employees participating in the 457(b) plan with pay equal to approximately $48.9 and $41.6 million, respectively. For the periods ended June 30, 2021 and 2020, employees contributed $5.2 million and $4.8 million, respectively.

In 2018, the Plan's board implemented a trust to hold the assets of the Plan in accordance with Internal Revenue Code Section 457. The Plan assets are the property of the trust, which holds the assets on behalf of the participants. Therefore, in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets of this Plan are not reported in the accompanying financial statements.

Likewise, all employees except interns, temporary, vacation relief, or call-in employees participate in the Purdue University Global, Inc. 403(b) Defined Contribution Retirement Savings Plan immediately upon commencement of employment. This plan features a non-elective employer contribution of 3% of participant's compensation. It also provides an employer matching contribution of 100% of elective deferrals up to 4% of compensation made to the Purdue University Global, Inc. 457(b) Deferred Compensation Plan. Three-year cliff vesting is in effect for the contributions in this plan. For the period ended June 30, 2021 and 2020, there were 2,142 and 2,047 employees participating in the 403(b) plan with pay equal to approximately $63.9 and $56.0 million. For the period ended June 30, 2021 and 2020 the University made contributions totaling $3.7 and $3.6 million 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 Hybrid. 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) Hybrid Plan, a retirement program administered by Indiana Public Retirement System (INPRS), an agency of the state of Indiana.

PERF Hybrid 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 Hybrid retirement benefit consists of the sum of PERF DB, a defined pension provided by employer contributions, plus PERF DC the amount credited to the member's defined contribution account. Employees were eligible to participate in this plan immediately upon employment.

PERF DB is a cost-sharing, multiple employer defined benefit fund providing retirement, disability and survivor benefits to eligible employees participating in the fund. Administration of the fund is generally in accordance with IC 5-10.2, 5-10.3, 5-10.5, 35 IAC 1.2, and other Indiana pension law. PERF DB is a component of the Public Employees' Hybrid plan (PERF Hybrid).

Eligibility for Pension Benefit Payments under the PERF DB plan are as follows:

Full Retirement Benefit:

- At age 65 with at least 10 years of creditable service
- At age 60 with at least 15 years of creditable service
- At age 55 if age and creditable service total at least 85
- At age 70 with 20 years of creditable service and still active in the PERF-covered position

Calculation of Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1% (minimum of $180/month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than $2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the Board.

PERF DC is a multiple-employer defined contribution fund providing retirement benefits to eligible employees participating in the fund. Administration of the account is generally in accordance with IC 5-10.2, 5-10.3, 35 IAC 1.2, and other Indiana pension law. PERF DC is also a component of the Public Employees' Hybrid plan (PERF Hybrid).

Retirement and Termination Benefit under PERF DC:

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). PERF DC members are 100% vested in their account balance.

The required contributions to the PERF Hybrid plan are determined by INPRS Board of Trustees based on an actuarial valuation. For the years ended June 30, 2021 and 2020, the University was required to contribute 11.2% of the employee's salary to the PERF DB plan. The employee contribution to the PERF DC plan in the amount 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 Hybrid, 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, 2021 and 2020, there were 1,859 and 2,095 employees, respectively, participating in PERF Hybrid. The University's proportionate share of PERF Hybrid's Net Pension Liability, based on covered payroll of approximately $88,943,000 was 1.65% for the measurement date June 30, 2020, 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 $49,762,000 and $55,779,000 as of June 30, 2021 and 2020. The proportionate share of 1.65% is a decrease of .04 percentage points from the measurement date of June 30, 2019 of 1.69%. The June 30, 2019 value was a decrease of .04 percentage points from the proportionate share from the measurement date of June 30, 2018 of 1.73%.

The University made contributions to the plan totaling approximately $10,020,000 and $11,426,000 for the years ending June 30, 2021 and 2020, respectively. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $7,892,000 and $9,000,000 for the years ended June 30, 2021 and 2020, respectively. The proportionate shares of pension plan expense for the years ended June 30, 2021 and 2020 as calculated under GASB 68 guidance were approximately $4,008,000 and $8,828,000, less net amortization of deferred amounts of approximately $1,178,000 and $472,000, leaving a net pension expense of approximately $2,830,000 and $8,356,000.

Actuarial calculations reflect a long-term perspective and the significant assumptions used in the actuarial valuation to calculate the total pension liability follow.

	2021	2020
Asset Valuation Date	June 30, 2020	June 30, 2019
Liability Valuation Date *	June 30, 2019	June 30, 2018
Actuarial Amortization Method	20 years, closed	30 years, closed
Actuarial Amoriztion Period	Level Dollar	Level Dollar
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	
Employer Required Contribution	Asset Smoothing Method	
Actuarial Assumptions:		
Investment Rate of Return	6.75%	6.75%
Inflation Rate	2.25%	2.25%
Projected Salary Increases	2.75%-8.75%	2.50%-4.25%
Cost of Living Adjustments	1%	1%

*With standard actuarial roll forward techniques used to project the total pension liability at June 30.

Mortality rates for June 30, 2021 were based on the Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019. Mortality rates for June 30, 2020 were based on the 2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006.

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.

ASSET CLASS TABLE:	2021		2020	
		Geometric Basis		Geometric Basis
	Target Asset Allocation	Long-Term Expected Real Rate of Return	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	22.0%	4.4%	22.0%	4.9%
Private Markets	14.0%	7.6%	14.0%	7.0%
Fixed Income - Ex Inflation-Linked	20.0%	1.9%	20.0%	2.5%
Fixed Income - Inflation-Linked	7.0%	0.5%	7.0%	1.3%
Commodities	8.0%	1.6%	8.0%	2.0%
Real Estate	7.0%	5.8%	7.0%	6.7%
Absolute Return	10.0%	2.9%	10.0%	2.9%
Risk Parity	12.0%	5.5%	12.0%	5.3%

Total pension liability was calculated using the discount rate of 6.75% for June 30, 2021 and 2020. 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:

Actuarial Valuation as of: June 30, 2020

1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
$ 81,128,826	$ 49,761,902	$ 23,489,556

Actuarial Valuation as of: June 30, 2019

1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
$ 89,581,648	$ 55,778,899	$ 27,584,820

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

Summary of Deferred Outflows and Inflows of Resources
(dollars in thousands)

	As of June 30, 2021	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ 882	$ 668
Net difference between projected and actual investment earnings on pension plan investments	4,259	-
Change of assumptions	-	10,368
Changes in proportion and differences between employer contributions and proportionate share of contributions	273	2,890
Contribution made after the measurement date	7,892	-
Total Deferred Outflows and Inflows	$ 13,306	$ 13,926

	As of June 30, 2020	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ 1,477	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	2,637
Change of assumptions	12	6,063
Changes in proportion and differences between employer contributions and proportionate share of contributions	556	1,916
Contribution made after the measurement date	9,000	-
Total Deferred Outflows and Inflows	$ 11,045	$ 10,616

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		
2021		(6,167)
2022		(2,810)
2023		(1,344)
2024		1,809
Total	$	(8,512)

Purdue University Police Officers and Firefighters Pension Plan. A supplemental pension program for police officers and firefighters (Police/Fire) was authorized by the Purdue Board of 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. Both benefit provisions and contribution requirements are established and may be amended by the Employer. The program is a single-employer defined benefit plan, funded through group annuities, and administered by the plan Administrator, with funding and reporting through the Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF). The financial statements of the plan are included in these financial statements as a pension trust fund (a fiduciary fund).

The plan provides 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 non-probationary-level police officer at each camus, 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 Hybrid.

Employees are vested after the completion of 10 years of covered employment, and those who are also age 55 or over are then eligible for early retirement benefits using the same calculation as above, but replacing 50% of the defined salary with 2.5% of the defined salary multiplied by the years of service for accrual.

If an eligible employee terminates employment because of a total disability as defined in the plan, he shall be eligible for disability retirement benefits under the plan.

All benefits will be adjusted annually for Cost of Living changes based on the Consumer Price Index.

For the years ending June 30, 2021 and 2020, there were 104 and 107 employees, respectively, actively participating in Police/Fire. In addition to this there were 33 and 28 vested employees who had terminated and 94 and 92 retired participants, for the years ending June 30, 2021 and 2020 respectively.

Employees covered by this plan are required to make contributions equal to 3% of the current salary for a non-probationary-level police officer. University contributions are to be in such additional amounts as needed to maintain the plan on an actuarially sound basis. University contributions were not required to be made to the plan for the fiscal year ended June 30, 2021, and contributions totaling approximately $20,000 were made for the fiscal year ending June 30, 2020.

Financial reports related to this plan may be obtained by writing to: Office of Legal Counsel, Public Records Officer; Purdue University, Hovde Hall, 610 Purdue Mall, West Lafayette, IN 47907-2040.

Schedule of Changes in Pension Liability for the fiscal years ended June 30,

(Dollars in Thousands)

	2021	2020
Total pension liability		
Service cost	$ 954	$ 815
Interest	3,221	1,954
Differences between expected and actual experience	(1,999)	31
Changes of assumptions	3,852	1,510
Benefit payments, including refunds of contributions	(1,419)	(1,409)
Net change in total pension liability	4,609	2,901
Total pension liability - beginning	34,801	31,900
Total pension liability - ending (a)	$ 39,410	$ 34,801
Plan fiduciary net position		
Contributions - employer	$ 19	$ 268
Contributions - employee	177	179
Net investment income	3,420	2,245
Benefit payments, including refunds of contributions	(1,419)	(1,409)
Net change in plan fiduciary net position	2,197	1,283
Plan fiduciary net position - beginning	38,963	37,680
Plan fiduciary net position - ending (b)	$ 41,160	$ 38,963
Net pension liability (asset) ending (a) - (b)	$ (1,750)	$ (4,162)

The total pension liability, as of June 30, 2021 and 2020 was determined by actuarial valuations as of July 1, 2020 and 2019. Significant Actuarial Assumptions for these valuations follow:

- Actuarial Cost Method was Projected Unit Credit for both valuations
- Cost of Living increases of 2.25% were assumed for both valuations
- Salary increases of 2.50% were assumed for both valuations
- Mortality tables for the 2020 valuation were:
    - Pre-retirement – PubS-2010 generational table for non-annuitants projected with Scale MP-2020
    - Post-retirement – PubS-2010 generational table for annuitants projected with Scale MP-2020
- Mortality tables for the 2019 valuation were:
    - Pre-retirement – PubS-2010 generational table for non-annuitants projected with Scale MP-2019
    - Post-retirement – PubS-2010 generational table for annuitants projected with Scale MP-2019
- Interest discount rate used was 5.25% at July 1, 2020 and 6.00% at July 1, 2019, and the long term expected rate of return is the same at 5.25% and 6.00% for the same time periods
- The long term expected rates are projected to apply to benefit payments for the life of the plan, or 30 years, whichever is earlier
- If University contributions were required, based on the actuarial calculations, the assumption is that the University would make such contributions to provide required cash flow to the plan

Plan investments were chosen, pursuing an investment strategy long term in nature, which was established by the employer, with funding through TIAA/CREF investment vehicles. The TIAA Traditional Annuity is a guaranteed fixed annuity. There are no concentrations of over five percent ownership of any company within the CREF Growth and CREF Stock accounts combined.

Asset Allocation Policy for the plan:

	Percentage of Total Assets at July 1,		**Expected Rate of Return at July 1,**	
Asset Breakdown:	**2020**	**2019**	**2020**	**2019**
TIAA Traditional	37.43%	41.32%	4.67%	4.69%
CREF Growth Account	37.09%	32.45%	5.44%	6.50%
CREF Stock Account	25.48%	26.23%	6.27%	7.04%
Total	**100.00%**	**100.00%**		

Weighted average return (rounded to nearest 25 bp) 5.25%

Expected rates of return developed using capital market assumptions for each asset class based on 20-year arithmetic expected returns provided by Morningstar as of November 2019.

Expected Rates of Return using Capital Market Assumptions for each asset class of 20-year arithmetic expected returns provided by Morningstar as of November 2019.

The actual rates of return for valuation years ended June 30, 2020 and 2019 were 8.93% and 6.07% respectively.

The actuarial pension liability (surplus) is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the liability (surplus) calculated using the current discount rate as well as discount rates 1% above and 1% below for each of the years presented.

Sensitivity Analysis

For the year ended June 30, 2021

1% decrease	**Current**	**1% increase**
4.25%	5.25%	6.25%
$ 3,809,362	$ (1,750,458)	$ (7,310,278)

For the year ended June 30, 2020

1% decrease	**Current**	**1% increase**
5.00%	6.00%	7.00%
$ 676,870	$ (4,161,806)	$ (9,000,482)

Note 10 – Component Units

Discretely Presented Component Units

Summary financial information as of and for the years ended June 30, 2021 and 2020, for the University's discretely presented component units are presented in the tables below.

Purdue University
Component Units Consolidated Statement of Financial Position

Purdue Research Foundation

As of June 30 (Dollars in Thousands)

	2021	2020
Assets:		
Cash and Cash Equivalents	$ 33,600	$ 16,493
Accounts Receivable, Net	20,911	25,986
Right of Use Assets - Operating Leases	1,568	-
Other Assets	14,330	18,748
Investments	3,896,649	2,740,240
Notes Receivable, Net	32,411	31,918
Interest in Charitable Perpetual Trusts	19,803	15,799
Capital Assets, Net of Accumulated Depreciation	267,327	273,391
Total Assets	**$ 4,286,599**	**$ 3,122,575**
Liabilities:		
Accounts Payable and Accrued Expenses	$ 41,008	$ 35,899
Due on Split Interest Agreements	47,833	42,406
Deposits Held in Custody for Others	2,694,688	1,829,899
Bonds (Net), Leases, and Notes Payable	172,369	191,926
Lease Liability	1,568	-
Other Liabilities	588	3,659
Total Liabilities	**2,958,054**	**2,103,789**
Net Assets:		
Without Donor Restriction	306,732	282,067
With Donor Restriction	1,021,813	736,719
Total Net Assets	**1,328,545**	**1,018,786**
Total Liabilities and Net Assets	**$ 4,286,599**	**$ 3,122,575**

Purdue University
Component Units Statement of Activities

Purdue Research Foundation

For the Years Ended June 30 (Dollars in Thousands)

	2021	2020
Revenue and Support		
Amount Received for Purdue University Research Projects	$ 381	$ 706
Less Payments to Purdue University	(381)	(706)
	-	-
Contributions	46,089	59,584
Income on Investments	12,279	18,245
Net Unrealized and Realized Gains (Losses)	321,741	(14,439)
Change in Value of Split Interest Agreements	(4,910)	3,781
Change in Interests in Perpetual Trusts	4,004	(325)
Rents	24,445	24,236
Royalties	8,070	11,380
Other	40,711	36,054
Total Revenue and Support	**452,429**	**138,516**
Expenses and Losses		
Expenses for the Benefit of Purdue University		
Contributions to Purdue University	35,878	44,989
Patent and Royalty	4,980	8,755
Grants	394	581
Services for Purdue University	3,275	2,493
Other	3,876	2,716
Total Expenses for the Benefit of Purdue University	**48,403**	**59,534**
Administrative and Other Expenses		
Salaries and Benefits	39,410	39,307
Property Management	22,721	23,155
Professional Fees	13,336	12,632
Supplies	2,931	3,384
Interest	7,462	8,091
Research park	333	554
Other	8,074	11,443
Total Administrative and Other Expenses	**94,267**	**98,566**
Change in Net Assets	309,759	(19,584)
Net Assets, Beginning of Period	1,018,786	1,038,370
Net Assets, End of Period	**$ 1,328,545**	**$ 1,018,786**

Purdue University
Component Units Consolidated Statement of Net Position

Ross Ade Foundation and Purdue Fort Wayne Foundation

As of June 30, 2021 (Dollars in Thousands)

	Ross Ade Foundation	Purdue Fort Wayne Foundation	Component Unit Total
Assets			
Current Assets			
Cash and Cash Equivalents	$ 923	$ 3,798	$ 4,721
Accounts Receivable	1	11	12
Rents Receivable	-	28	28
Contributions Receivable, Net	-	360	360
Other Assets	-	3	3
Prepaid Insurance	2	-	2
Total Current Assets	926	4,200	5,126
Noncurrent Assets			
Investments	-	9,044	9,044
Contributions Receivable, Net	-	77	77
Notes Receivable	1,079	-	1,079
Lease Purchase Agreements	180,767	-	180,767
Real Estate	151	6,929	7,080
Total Noncurrent Assets	181,997	16,050	198,047
Total Assets	**182,923**	**20,250**	**203,173**
Deferred Outflows of Resources	**4,019**	-	**4,019**
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Expenses	3	532	535
Unearned Revenue	2,846	-	2,846
Bonds Payable, Net	2,423	-	2,423
Total Current Liabilities	5,272	532	5,804
Noncurrent Liabilities			
Unearned Revenue	22,157	-	22,157
Bonds Payable, Net	155,419	-	155,419
Total Noncurrent Liabilities	177,576	-	177,576
Total Liabilities	**182,848**	**532**	**183,380**
Net Position			
Net Investment in Plant	2,092	6,929	9,021
Restricted - Nonexpendable	-	1,682	1,682
Restricted - Expendable	-	10,030	10,030
Unrestricted	2,002	1,077	3,079
Total Net Position	**$ 4,094**	**$ 19,718**	**$ 23,812**

Purdue University
Component Units Consolidated Statement of Net Position

Ross Ade Foundation and Purdue Fort Wayne Foundation

As of June 30, 2020 (Dollars in Thousands)

	Ross Ade Foundation	Purdue Fort Wayne Foundation	Component Unit Total
Assets			
Current Assets			
Cash and Cash Equivalents	$ 909	$ 3,826	$ 4,735
Accounts Receivable	798	78	876
Rents Receivable	-	25	25
Contributions Receivable, Net	-	232	232
Other Assets	-	2	2
Prepaid Insurance	2	-	2
Total Current Assets	1,709	4,163	5,872
Noncurrent Assets			
Investments	-	6,867	6,867
Contributions Receivable, Net	-	110	110
Notes Receivable	1,079	-	1,079
Lease Purchase Agreements	185,148	-	185,148
Real Estate	151	7,032	7,183
Total Noncurrent Assets	186,378	14,009	200,387
Total Assets	**188,087**	**18,172**	**206,259**
Deferred Outflows of Resources	**4,390**	-	**4,390**
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Expenses	2,714	291	3,005
Unearned Revenue	2,424	-	2,424
Bonds Payable, Net	40,738	-	40,738
Total Current Liabilities	45,876	291	46,167
Noncurrent Liabilities			
Unearned Revenue	17,867	-	17,867
Bonds Payable, Net	123,760	-	123,760
Total Noncurrent Liabilities	141,627	-	141,627
Total Liabilities	**187,503**	**291**	**187,794**
Net Position			
Net Investment in Plant	4,900	7,032	11,932
Restricted - Nonexpendable	-	1,665	1,665
Restricted - Expendable	-	8,180	8,180
Unrestricted	74	1,004	1,078
Total Net Position	**$ 4,974**	**$ 17,881**	**$ 22,855**

Purdue University
Component Units Consolidated Statement of Revenues, Expenses, and Changes in Net Position

Ross Ade Foundation and Purdue Fort Wayne Foundation

For the Year Ended June 30, 2021 (Dollars in Thousands)

	Ross Ade Foundation	Purdue Fort Wayne Foundation	Component Unit Total
Operating Revenues:			
Contributions and Grants	$ -	$ 1,001	$ 1,001
Lease Income	3,146	-	3,146
Rental Income	8	384	392
Miscellaneous Income	-	16	16
Total Operating Revenues	**3,154**	**1,401**	**4,555**
Operating Expenses:			
Cost of Issuance	319	-	319
Contributions	-	840	840
Insurance	-	1,104	1,104
Depreciation Expense	9	-	9
Administrative and Other Expenses	-	103	103
Other Operating Expenses	4	9	13
Total Operating Expenses	**332**	**2,056**	**2,388**
Net Operating Income	**2,822**	**(655)**	**2,167**
Nonoperating Revenues (Expenses):			
Contributions to Endowments	-	1	1
Interest Income	-	333	333
Investment Income (Loss)	-	2,158	2,158
Interest Expense	(3,702)	-	(3,702)
Total Nonoperating Revenues	**(3,702)**	**2,492**	**(1,210)**
INCREASE IN NET POSITION	**(880)**	**1,837**	**957**
Net Position, Beginning of Year	4,974	17,881	22,855
Net Position, End of Year	**$ 4,094**	**$ 19,718**	**$ 23,812**

Purdue University
Component Units Consolidated Statement of Revenues, Expenses, and Changes in Net Position

Ross Ade Foundation and Purdue Fort Wayne Foundation

For the Year Ended June 30, 2020 (Dollars in Thousands)

	Ross Ade Foundation	Purdue Fort Wayne Foundation	Component Unit Total
Operating Revenues:			
Contributions and Grants	$ -	$ 1,151	$ 1,151
Lease Income	4,490	-	4,490
Rental Income	8	426	434
Miscellaneous Income	-	81	81
Total Operating Revenues	**4,498**	**1,658**	**6,156**
Operating Expenses:			
Contributions	150	717	867
Insurance	-	571	571
Depreciation Expense	8	-	8
Administrative and Other Expenses	-	103	103
Other Operating Expenses	10	22	32
Total Operating Expenses	**168**	**1,413**	**1,581**
Net Operating Income	**4,330**	**245**	**4,575**
Nonoperating Revenues (Expenses):			
Contributions to Endowments	-	2	2
Interest Income	-	371	371
Investment Income (Loss)	61	(482)	(421)
Interest Expense	(878)	-	(878)
Total Nonoperating Revenues	**(817)**	**(109)**	**(926)**
INCREASE IN NET POSITION	**3,513**	**136**	**3,649**
Net Position, Beginning of Year	1,461	17,745	19,206
Net Position, End of Year	**$ 4,974**	**$ 17,881**	**$ 22,855**

Blended Component Unit

Condensed financial information for Purdue University Global, Inc., a blended component unit, before the elimination of certain intra-University transactions, as of and for the years ended June 30, 2021 and 2020

Purdue University Global, Inc.

Blended Component Unit Condensed Statement of Net Position
As of June 30 (Dollars in Thousands)

	2021	2020
Assets:		
Current Assets	$ 77,142	$ 96,045
Noncurrent Assets	1,071	21,562
Total Assets	**78,213**	**117,607**
Liabilities:		
Current Liabilities	100,616	142,798
Noncurrent Liabilities	20,975	22,492
Total Liabilities	**121,591**	**165,290**
Net Assets:		
Net Investment in Capital Assets	1,071	1,555
Unrestricted	(44,449)	(49,238)
Total Net Assets	**$ (43,378)**	**$ (47,683)**

Purdue University Global, Inc.

Blended Component Unit Condensed Statement of Revenues, Expenses, and Changes in Net Position

For the Period Ended June 30 (Dollars in Thousands)

	2021	2020
Operating Revenues	$ 372,046	$ 306,374
Operating Expenses other than Depreciation	431,553	408,717
Depreciation Expense	553	1,306
Net Operating Loss	**(60,060)**	**(103,649)**
Non Operating Revenues	64,365	82,557
Increase (Decrease) in Net Position	**4,305**	**(21,092)**
Net Assets, Beginning of Period	(47,683)	(26,591)
Net Assets, End of Period	**$ (43,378)**	**$ (47,683)**

Purdue University Global, Inc.

Blended Component Unit Condensed Statement of Cash Flows

For the Period Ended June 30 (Dollars in Thousands)

	2021	2020
Cash Used by Operating Activities	$ (108,787)	$ (50,651)
Cash Provided by Noncaptial Financing Activities	91,832	81,903
Cash Provided by Investing Activities	33	654
Cash Used by Capital and Related Financing Activities	(72)	(275)
Net (Decrease) Increase in Cash and Cash Equivalents	(16,995)	31,631
Cash and Cash Equivalents - Beginning of Period	76,958	45,327
Cash and Cash Equivalents - End of Period	**$ 59,963**	**$ 76,958**

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 significant impact on the financial statements.

Construction Projects. As of June 30, 2021 and 2020, contractual obligations for capital construction projects were approximately $136,080,000 and $116,294,000 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.

Note 12 – Risk Management

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. The amount of settlements paid during the last three years did not exceed the insurance coverage for the same time period. There was no significant reduction in insurance coverage during the fiscal year.

For buildings and contents, the University's risk retention is $500,000 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. For the fiscal years ended June 30, 2021 and 2020, the maximum liability to the University for job-related illness or injury was $950,000 per incident, with no maximum annual aggregate liability.

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, 2021 and 2020, the University reflected approximately $47,000 and $52,000, 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, 2021	June 30, 2020	June 30, 2019
Beginning Liability	$ 25,872	$ 26,081	$ 28,202
Claims Incurred	117,284	137,565	131,879
Claims Payments	(119,301)	(137,774)	(134,000)
Ending Liability	**$ 23,855**	**$ 25,872**	**$ 26,081**

Required Supplementary Information

SCHEDULE OF CHANGES IN PURDUE'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in Thousands)
June 30,

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 1,927	$ 2,023	$ 2,290	$ 2,417
Interest	1,150	1,653	1,631	1,416
Changes of benefit terms	-	(755)	-	-
Differences between expected and actual experience	634	(2,219)	-	-
Changes of assumptions	2,571	(5,252)	(699)	(1,952)
Benefit payments, including refunds of member contributions	(4,879)	(5,550)	(6,112)	(5,567)
Net Change in Total OPEB Liability	**1,403**	**(10,100)**	**(2,890)**	**(3,686)**
Total OPEB Liability - beginning	**33,357**	**43,457**	**46,347**	**50,033**
Total OPEB Liability - ending	**$ 34,760**	**$ 33,357**	**$ 43,457**	**$ 46,347**
Covered employee payroll	$ 977,356	$ 959,487	$ 939,138	$ 920,742
Plan total OPEB Liability as a percentage of covered employee payroll	3.56%	3.48%	4.63%	5.03%

Notes to Schedule:

Change in Benefits:

- For 2020, deductibles and out-of-pocket maximums increased by various levels in the medical plans. The prescription drug plans added a specialty tier and contact lens allowances were changed.

Changes in Assumptions:

- For 2021, assumption changes reflected the potential excise tax on plans that exceed certain cost thresholds which was repealed on December 20, 2019. The discount rate decreased to 2.21%.
- For 2020, assumptions reflected the valuation-year per capita health costs and future trend on such costs, updates to the retiree contribution rates to current levels and the assumed future disability and mortality rates were modified. The discount rate was decreased to 3.50%.
- For 2019 the discount rate was increased to 3.87%.
- For 2018 the discount rate was increased to 3.58%.

The notes to the RSI are an integral part of the RSI.

Required Supplementary Information

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

	Measurement Date as of						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Proportion of the Net Pension Liability	1.6%	1.7%	1.7%	1.8%	1.8%	2.5%	2.8%
Proportionate Share of the Net Pension Liability	$ 49,762	$ 55,779	$ 58,681	$ 78,861	$ 82,044	$ 102,146	$ 74,323
Covered-employee payroll	$ 88,943	$ 87,930	$ 88,142	$ 87,693	$ 86,639	$ 120,126	$ 138,081
Proportionate share of the Net Pension Liability as a percentage of covered-employee payroll	55.9%	63.4%	66.6%	89.9%	94.7%	84.8%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	81.4%	80.1%	78.9%	76.6%	75.3%	77.3%	84.3%

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

	Fiscal Year						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution	$ 9,962	$ 9,848	$ 9,872	$ 9,822	$ 9,704	$ 13,431	$ 15,471
Contributions in relation to the contractually required contribution	$ 9,962	$ 9,848	$ 9,872	$ 9,822	$ 9,704	$ 13,431	$ 15,471
Contribution deficiency	-	-	-	-	-	-	-
Covered-employee payroll	$ 88,943	$ 87,930	$ 88,142	$ 87,693	$ 86,639	$ 120,126	$ 138,081
Contributions as a percentage of covered-employee payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%

**Based on INPRS previous fiscal year audit and report on allocation of pension amounts. Ie: FY2021 Purdue reported amounts based on INPRS FY2020 report.*

The amounts presented for each fiscal year were determined as of June 30.

Notes to RSI:

Changes of Benefit Terms: There were no changes of benefit terms for the years presented.

Changes in Assumptions:

FY 2021:
The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to a service-based table ranging from 2.75% to 8.75%.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30% are now assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility. Previously 33% of actives were assumed to commence benefits with early retirement while 67% were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than $20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than $20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80% of male members and 65% of female members are assumed to be married or to have a dependent beneficiary. Previously, 75% of male members and 60% of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from $400 to $200.

FY 2020:
None

FY 2019:
For the actuarial valuation as of June 30, 2018, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0% COLA beginning on January 1, 2020, INPRS assumes the COLA will be replaced by a thirteenth check for 2020 and 2021. The COLA assumption thereafter, would be 0.4% beginning on January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.

FY 2018:
For the actuarial valuation as of June 30, 2017, an actuarial audit was completed which included updating the following assumptions: adding a load on final average salary of $400 to reflect unused sick leave accumulated at termination of employment for active and inactive vested members. Additionally, for disabled members, the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables are assumed instead of the RP2014 (with MP-2014 improvement removed) Total Data Set Mortality tables.

FY 2017:
None

FY 2016:
The inflation assumption changed from 3.00% to 2.25% per year.

The future salary increase assumption changed from an age-based table ranging from 3.25% to 4.50% to an age-based table ranging from 2.50% to 4.25%.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

The retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33% are assumed to commence benefits immediately and 67% are assumed to commence benefits at unreduced retirement eligibility. 100% of actives were assumed to commence benefits immediately upon early retirement eligibility in the prior year.

The termination assumption was updated based on recent experience. For members earning less than $20,000, the tables were updated from a select and ultimate table to just an ultimate table as there is little correlation with service. For members earning more than $20,000, the tables were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule.

The disability assumption was updated based on recent experience.

The ASA Annuitization assumption was updated from 50% of members assumed to annuitize their ASA balance to 60% of members assumed to annuitize their ASA balance prior to January 1, 2017.

FY 2015:
Assumptions concerning ASA withdrawal and annuitization were added pursuant to the addition of IC 5-10.5-4-2.5 and 2.6 in accordance with the 2014 House Enrolled Act No. 1075.

All other assumptions are the same as the June 30, 2013 valuation.

The notes to the RSI are an integral part of the RSI.

Required Supplementary Information

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Purdue Police and Fire Supplemental Pension Plan
(Dollar Amounts in Thousands)
June 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	$ 954	$ 815	$ 875	$ 862	$ 837	$ 812	$ 780	$ 767
Interest	3,221	1,954	3,814	3,672	398	1,804	3,462	2,389
Differences between expected and actual experience	(1,999)	31	(2,571)	(2,051)	1,191	(522)	(2,123)	(1,739)
Changes of assumptions	3,852	1,510	(1,281)	(207)	(14)	440	47	45
Benefit payments, including refunds of contributions	(1,419)	(1,409)	(1,317)	(1,278)	(1,289)	(1,172)	(1,049)	(1,011)
Net change in total pension liability	4,609	2,901	(480)	998	1,123	1,362	1,117	451
Total pension liability - beginning	34,801	31,900	32,380	31,382	30,259	28,897	27,780	27,329
Total pension liability - ending (a)	$ 39,410	$ 34,801	$ 31,900	$ 32,380	$ 31,382	$ 30,259	$ 28,897	$ 27,780
Plan fiduciary net position								
Contributions - employer	$ 19	$ 268	$ 738	$ 528	$ 725	$ 1,068	$ 1,307	$ 1,166
Contributions - employee	177	179	157	158	167	158	155	159
Net investment income	3,420	2,245	3,851	3,590	380	1,751	3,243	2,057
Benefit payments, including refunds of contributions	(1,419)	(1,409)	(1,317)	(1,278)	(1,289)	(1,172)	(1,049)	(1,011)
Net change in plan fiduciary net position	2,197	1,283	3,429	2,998	(17)	1,805	3,656	2,371
Plan fiduciary net position - beginning	38,963	37,680	34,251	31,253	31,270	29,465	25,809	23,438
Plan fiduciary net position - ending (b)	$ 41,160	$ 38,963	$ 37,680	$ 34,251	$ 31,253	$ 31,270	$ 29,465	$ 25,809
Net pension liability (asset) ending (a) - (b)	$ (1,750)	$ (4,162)	$ (5,780)	$ (1,871)	$ 129	$ (1,011)	$ (568)	$ 1,971

Schedule of Net Pension Liability (Asset) and Related Ratios
Purdue Police and Fire Supplemental Pension Plan
(Dollar Amounts in Thousands)
June 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Pension Liability (Asset)	$ (1,750)	$ (4,162)	$ (5,780)	$ (1,871)	$ 129	$ (1,011)	$ (568)	$ 1,971	$ 3,891	$ 3,825
Covered Employee Payroll	$ 7,544	$ 6,887	$ 6,060	$ 5,612	$ 6,493	$ 5,816	$ 5,803	$ 5,611	$ 5,648	$ 5,677
Pension Liability (Asset) as a percentage of covered payroll	-23.2%	-60.4%	-95.4%	-33.3%	2.0%	-17.4%	-9.8%	35.1%	68.9%	67.4%

Schedule of Contributions
Purdue Police and Fire Supplemental Pension Plan
(Dollar Amounts in Thousands)
June 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ -	$ -	$ -	$ 77	$ 790	$ 483	$ 585	$ 1,030	$ 1,286	$ 1,182
Contributions made	$ -	$ 20	$ 268	$ 738	$ 528	$ 725	$ 1,068	$ 1,307	$ 1,166	$ 976
Contribution deficiency (surplus)	$ (1,513)	$ (1,513)	$ (1,493)	$ (1,225)	$ (564)	$ (826)	$ (584)	$ (101)	$ 176	$ 56
Covered Employee Payroll	$ 7,544	$ 6,887	$ 6,060	$ 5,612	$ 6,493	$ 5,816	$ 5,803	$ 5,611	$ 5,648	$ 5,677
Contributions as a percentage of covered employee payroll	0.0%	0.3%	4.4%	13.2%	8.1%	12.5%	18.4%	23.3%	20.6%	17.2%

*Actuarial data for 2021 was not available at the time of this report.

Notes to Purdue Police and Fire Supplemental Pension Plan Schedule:

	2021	2020	2019	2018	2017	2016
Valuation Date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015
Actuarial Cost Method			Projected Unit Credit			
Interest Discount Rate	5.25%	6.00%	6.25%	6.25%	6.25%	6.25%
Cost of Living Increases	2.25%	2.25%	2.25%	3.00%	3.00%	3.00%
Salary Scale	2.50%	2.50%	2.50%	2.50%	2.50%	2.00%

Mortality

Pub-2010 Public Retirement Plans Mortality for Safety Employees Table (PubS-2010) with generational improvements projected under Scale MP-2020, MP-2019, MP-2018

Pre-Retirement

PubS-2010 generational table for non-annuitants projected with Scale MP-2020 and MP-2019

Post-Retirement

PubS-2010 generational table for annuitants projected with Scale MP-2020, MP-2019, MP-2018, MP-2017, MP-2016 and MP-2015

The notes to the RSI are an integral part of the RSI.

Total In-State Enrollment by County

Fall, 2020-21 Academic Year

The overall (in-state and out-of-state) enrollment at Purdue University was 64,117 students for the 2020-21 fall semester. The breakdown was West Lafayette, 45,869, Northwest, 9,363, Fort Wayne, 8,093, Statewide Technology, 792. Enrollment numbers do not include 5,918 Purdue University students at Indiana University-Purdue University Indianapolis. Although students came to Purdue from all over the world, 56% system-wide came from within Indiana.

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Adams	60	241	-	301
Allen	942	4,034	1	4,977
Bartholomew	277	6	48	331
Benton	95	2	5	102
Blackford	19	8	1	28
Boone	637	11	1	649
Brown	23	3	3	29
Carroll	107	4	10	121
Cass	125	7	9	141
Clark	130	8	64	202
Clay	20	4	-	24
Clinton	152	9	9	170
Crawford	1		1	2
Daviess	36	1	1	38
De Kalb	67	306	-	373
Dearborn	88	-	1	89
Decatur	77	1	8	86
Delaware	111	18	12	141
Dubois	101	-	2	103
Elkhart	354	147	15	516
Fayette	29	2	9	40
Floyd	143	7	42	192
Fountain	83	2	2	87
Franklin	103	1	2	106
Fulton	63	33	1	97
Gibson	55	3	9	67
Grant	99	55	4	158
Greene	39	3	3	45
Hamilton	2,579	81	21	2,681
Hancock	373	23	6	402
Harrison	39	-	18	57
Hendricks	788	22	4	814

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Henry	86	11	13	110
Howard	234	29	48	311
Huntington	72	232	1	305
Jackson	74	3	12	89
Jasper	121	147	-	268
Jay	24	16	1	41
Jefferson	43	5	4	52
Jennings	22	4	6	32
Johnson	484	15	11	510
Knox	37	3	3	43
Kosciusko	191	318	-	509
La Porte	261	715	1	977
Lagrange	45	76	-	121
Lake	1,126	4,975	4	6,105
Lawrence	87	7	2	96
Madison	203	22	49	274
Marion	1,793	157	11	1,961
Marshall	130	50	8	188
Martin	12	-	2	14
Miami	65	33	16	114
Monroe	192	16	-	208
Montgomery	154	4	1	159
Morgan	115	6	-	121
Newton	47	64	-	111
Noble	89	300	-	389
Ohio	- 6	1		7
Orange	26	-	2	28
Owen	29	1	-	30
Parke	20	2	1	23
Perry	15	1	4	20
Pike	8	2	2	12
Porter	583	1,279	3	1,865

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Posey	44	-	1	45
Pulaski	51	26	1	78
Putnam	77	4	1	82
Randolph	41	12	7	60
Ripley	55	2	7	64
Rush	33	1	3	37
Scott	10	-	9	19
Shelby	77	8	-	85
Spencer	42	-	2	44
St Joseph	744	164	57	965
Starke	27	84	-	111
Steuben	66	124	-	190
Sullivan	23	-	1	24
Switzerland	4		-	4
Tippecanoe	2,671	55	74	2,800
Tipton	45	1	7	53
Union	15	2	3	20
Vanderburgh	230	13	3	246
Vermillion	19	3	1	23
Vigo	124	7	-	131
Wabash	68	80	-	148
Warren	40	1	-	41
Warrick	137	7	1	145
Washington	25	-	8	33
Wayne	77	6	22	105
Wells	83	257	-	340
White	178	11	5	194
Whitley	64	272	-	336
Unknown	1,195	75	3	1,273
Total	**20,474**	**14,751**	**733**	**35,958**

ACKNOWLEDGEMENTS

The following staff members of the Treasurer's Office prepared the 2020-2021 Financial Report.

Kathleen E. Thomason, *Comptroller*

Tamara K. Carpenter, *Accountant*

Shannon R. Goff, *Senior Accountant*

Carrie M. Lohmeyer, *Accountant*

Shannel M. Lohrman, *Senior Accountant*

Corbin T. Richter, *Accountant*

Joshua S. Sterrett, *Senior Accounting Manager*

Katherine L. Vanderwall, *Assistant Comptroller Accounting and Reporting*

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APPENDIX C

FORM OF APPROVING OPINION
OF BOND COUNSEL

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APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL

June 30, 2022

The Trustees of Purdue University
West Lafayette, Indiana

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

Bank of America Securities, Inc.,
as Representative of the Underwriters
Chicago, Illinois

Re: $41,750,000 The Trustees of Purdue University Student Facilities System Revenue Bonds, Series 2022A (the "Bonds") issued by The Trustees of Purdue University (the "Corporation") pursuant to an Indenture of Trust dated as of January 1, 2003, as heretofore supplemented and amended, and as further supplemented and amended by a Nineteenth Supplemental and Amendatory Indenture dated as of June 1, 2022 (collectively, the "Indenture"), between Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee")

Ladies and Gentlemen:

We have examined (i) a transcript of proceedings had by the Corporation, in our capacity as Bond Counsel, relative to the authorization of the issuance and sale of the Bonds to provide funds to finance the current refunding of the Refunded Series 2005A Bonds, the Refunded Series 2007C Bonds and the Refunded Series 2012A Bonds (as defined in the Indenture), all as certified by the Secretary or the Assistant Secretary of the Corporation, and (ii) 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 contained in such transcript (particularly, the Corporation's Arbitrage and Federal Tax Certificate dated the date hereof) (collectively, 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, certificates, instruments 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"), and is not a specific preference item for purposes of the Federal alternative minimum tax. This opinion relates only to the excludability 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 excludability 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

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

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APPENDIX D

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the Corporation entered into a Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated May 27, 2020, as heretofore supplemented, to be further supplemented by a Second Supplement to Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated the date of delivery of the Series 2022A Bonds (collectively, the "Undertaking").

Pursuant to the terms of the Undertaking, the Corporation will agree to provide the following information while any of the Series 2022A Bonds are Outstanding:

- Audited Financial Statements. To the Municipal Securities Rulemaking Board (the "MSRB"), when and if available, the audited financial statements of the Corporation for each fiscal year of the Corporation, beginning with the fiscal year ending June 30, 2022, 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, 2022, annual financial information of the Corporation for such fiscal year, other than the audited financial statements described above, including (a) unaudited financial statements of the Corporation if audited financial statements are not then available and (b) operating data (excluding any demographic information or forecasts) of the general type provided under the following headings in this Official Statement (collectively, the "Annual Information"); provided, however, that the updating information may be provided in such format as the Corporation deems appropriate:

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

  FACILITIES AND SYSTEM

  APPENDIX A

  — Student Admissions
  — Tuition and Fees
  — Student Enrollment
  — Financial Operations of the Corporation
  — State Appropriations
  — Student Financial Aid
  — Endowment and Similar Funds
  — Related Foundations
  — Fundraising Activity
  — Grants and Contracts
  — 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 2022A Bonds:

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

- — substitution of credit or liquidity providers, or their failure to perform;
- — adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2022A Bonds, or other material events affecting the tax status of the Series 2022A Bonds;
- — modifications to the rights of owners of the Series 2022A Bonds, if material;
- — Series 2022A Bond calls, if material, and tender offers;
- — defeasances;
- — release, substitution or sale of property securing repayment of the Series 2022A 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;
- — appointment of a successor or additional trustee or the change of name of a trustee, if material;
- — incurrence of a Financial Obligation of the Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligor, any of which affect security holders, if material; and
- — default event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligor, any of which reflect financial difficulties.

"Financial Obligation" shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the SEC Rule.

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

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

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

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

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

Remedy. The sole remedy against the Corporation for any failure to carry out any provision of the Undertaking will be for specific performance of the Corporation's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or for any other remedy. The Corporation's failure to honor its covenants under the Undertaking will not constitute a breach or default of the Series 2022A Bonds, the Indenture or any other agreement to which the Corporation is a party and will not give rise to any other rights or remedies.

In the event the Corporation fails to provide any information required of it by the terms of the Undertaking, any holder or beneficial owner of Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bonds, as determined either by (A) any person selected by the Corporation that is unaffiliated with the Corporation (including the trustee under the Indenture, or nationally recognized bond counsel) or (B) an approving vote of the holders of a majority of Outstanding Series 2022A Bonds at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the Rule, as then in effect.

Prior Compliance. In order to assist the Underwriters in complying with the Underwriters' obligations pursuant to the Rule, the Corporation represents that in the previous five years it has fully complied with its previous undertakings.

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

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APPENDIX E

REFUNDED BONDS

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APPENDIX E

REFUNDED BONDS

Student Facilities System Revenue Bonds, Series 2005A

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2029	$5,755,000	**	746189GN3

**Variable Rate

Student Facilities System Revenue Bonds, Series 2007C

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2032	$24,385,000	**	746189LE7

**Variable Rate

Student Facilities System Revenue Bonds, Series 2012A

Maturity Date	Principal	Interest Rate	CUSIP
July 1, 2023	$1,345,000	5.000%	746189TL3
July 1, 2024	1,415,000	5.000	746189TM1
July 1, 2025	1,490,000	5.000	746189TN9
July 1, 2026	1,565,000	5.000	746189TP4
July 1, 2027	1,645,000	5.000	746189TQ2
July 1, 2028	1,720,000	4.000	746189TR0
July 1, 2029	1,780,000	3.125	746189TS8
July 1, 2030	1,840,000	3.250	746189TT6
July 1, 2031	1,900,000	3.250	746189TU3
July 1, 2032	1,965,000	3.250	746189TV1

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APPENDIX F

FORM OF AMENDED AND RESTATED INDENTURE OF TRUST

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AMENDED AND RESTATED
INDENTURE OF TRUST

by and between

THE TRUSTEES OF PURDUE UNIVERSITY

and

THE BANK OF NEW YORK TRUST COMPANY, N.A.
as Trustee

Originally Dated as of January 1, 2003
and
Amended and Restated as of May 1, 2022
and
Effective Upon the Conditions Stated Herein

PURDUE UNIVERSITY
STUDENT FACILITIES SYSTEM REVENUE BONDS

INDENTURE OF TRUST

TABLE OF CONTENTS

AMENDED AND RESTATED
INDENTURE OF TRUST

THIS AMENDED AND RESTATED INDENTURE OF TRUST dated as of May 1, 2022 (hereinafter called the "First Restatement"), by and between THE TRUSTEES OF PURDUE UNIVERSITY, a body corporate created and existing under the laws of the State of Indiana (such body corporate, or any successors or assigns, the "Issuer") and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, with a principal corporate trust office in Indianapolis, Indiana, as trustee (herein, the "Trustee"), amends, supplements and replaces an Indenture of Trust dated as of January 1, 2003, entered into by and between the Issuer and the Trustee (the "Original Indenture"). This First Restatement, as subsequently amended or supplemented, is hereinafter collectively referred to as the "Indenture".

This Indenture shall not become effective until such time as all Bonds issued under the Original Indenture prior to the Series 2022A Bonds (i.e., the Prior Obligations) are no longer Outstanding, and only if the Owners of the Series 2022A Bonds and all Bonds issued under the Original Indenture subsequent thereto have consented to this Indenture (all terms as defined in the Original indenture).

RECITALS

1. Reference is made to Article I for definitions of certain terms used in this Indenture.

2. The Act empowers the Issuer to acquire, erect, construct, equip, furnish, and operate certain facilities, and to issue and sell Bonds necessary to pay the costs of such facilities.

3. The Issuer is authorized to issue Bonds pursuant to the Act which are payable from Net Income of the Facilities and other sources.

4. The Issuer now wishes to execute, acknowledge, and deliver an indenture in the form and tenor of this Indenture providing for the issuance and the securing of Bonds to be issued from time to time hereunder.

5. The creation, execution, acknowledgment, and delivery of this Indenture have been duly and legally authorized by the Issuer.

6. All acts and things prescribed by law and otherwise necessary to constitute this Indenture a valid indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds issued pursuant hereto, have been duly taken, done, and performed.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Issuer covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective owners from time to time of the Bonds, as follows:

[END OF RECITALS]

ARTICLE I.

Definitions

For all purposes of this Indenture, the following terms shall have the following meanings unless the context or use indicates a different meaning. Words importing the singular number shall include the plural number, words importing the plural number shall include the singular number, and the words "hereof" and "herein" shall refer to the entirety of this Indenture and shall not be restricted by a particular Article, Section, or paragraph in which they may appear.

"Account" means any of the accounts established pursuant to this Indenture.

"Act" means Indiana Code 21-35-2 and Indiana Code 21-35-3, each as supplemented by Indiana Code 21-35-5, all as may be further amended and supplemented from time to time, including any other provisions of the Indiana Code which may be added authorizing the issuance of obligations payable from revenues or available funds of the Issuer.

"Available Funds" means (a) the Net Income of the Facilities, and (b) any and all other funds of the Issuer legally available for transfer to the Sinking Fund. Available Funds, as described in clause (b) above, include (but are not limited to) unrestricted operating fund balances, auxiliary fund balances, and certain other fund balances of the Issuer and selected related entities, in each case without any priority among any such fund balances and only to the extent not pledged, restricted, or specifically authorized for other purposes, now or in the future, or otherwise restricted by law. Available Funds does not include (i) student fees pledged for other purposes or otherwise restricted by law; (ii) Prior Encumbered Revenues to the extent of such encumbrance; (iii) other specifically identified revenues or funds pledged or otherwise dedicated or restricted for other purposes or (iv) moneys appropriated by the Indiana General Assembly and specifically authorized for other purposes or otherwise restricted by law.

"Bond" or "Bonds" means any obligation including bonds, notes, temporary, interim or permanent certificates of indebtedness, debentures, capitalized leases, or other obligations payable from Available Funds, which obligation or obligations are authenticated and delivered under and pursuant to this Indenture.

"Bond Expense Fund" means the Fund by that name established pursuant to Section 6.03.

"Bondholder" or "holder of a Bond" or any similar term means a registered owner of any Bond.

"Business Day" means any day other than a Saturday, a Sunday or legal holiday or any other day on which the New York Stock Exchange or banking institutions in Indiana and New York are authorized by law to close or to remain closed.

"Capitalized Interest Account" means the Account established within the Construction Fund pursuant to Section 6.02 hereof and a Supplemental Indenture authorizing the issuance of a series of Bonds.

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

“Construction Fund” means the Facilities Construction Fund established by or pursuant to Section 6.01 into which Bond proceeds may be deposited from time to time.

“Costs of Issuance” means any and all costs and expenses relating to the issuance, sale and delivery of any series of Bonds, including but not limited to initial fees and expenses of any Derivative Product or any Credit Facility, or initial cost of providing other credit enhancements or liquidity features for such Bonds; all fees and expenses of legal counsel, financial feasibility or other consultants, trustees, underwriters, and accountants; the preparation and printing of the Indenture, the preliminary and final official statement and such Bonds; and any and all other costs incurred in connection with the issuance of Bonds, including costs to be reimbursed to the Issuer.

“Credit Facility” means a Liquidity Facility or 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 interest on Bonds or Optional Maturities when due.

“Credit Facility Obligations” means obligations of the Issuer to make payment to a Credit Facility Provider, which shall be designated as Credit Facility Obligations in a Supplemental Indenture authorizing the issuance of a series of Bonds and shall be considered to be Bonds for all purposes, but which shall be subordinated to Bonds as to payment of principal thereof and interest thereon.

“Credit Facility Provider” means, for any series of Bonds, the provider of a Credit Facility.

“Derivative Products” means contractual arrangements which create a synthetic bond structure, including but not limited to, rate swap agreement, basis swap, forward rate agreement, rate cap agreement, rate flow agreement, rate collar agreement, or any other similar agreement (including any option to enter into any such agreement) with respect to Bonds into which the Issuer is authorized to enter pursuant to Indiana law.

“Event of Default” means those events of default specified in and defined by Section 12.01.

“Facility” means a facility of the Issuer that is part of the System and of a character eligible to be financed under the Act or specifically authorized to be financed pursuant to the provisions of the Act, which may include one or more Projects financed under the Act, which may now or hereafter be constructed and financed under this Indenture pursuant to the Act. Additional Facilities may be added as permitted under state law in one or more Supplemental Indentures.

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

"Financing Expenses" means Rebatable Amounts, if any, and any ongoing fees and expenses related to the computation of Rebatable Amounts, or to the maintenance of any Derivative Product or any Credit Facility in connection with Bonds issued under this Indenture.

"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 period as established by the Issuer from time to time.

"Fixed Rate Bond" means a Bond issued at a fixed rate (or rates) of interest to the final maturity of such Bond.

"Indenture" means this Amended and Restated Indenture of Trust as the same may be amended, modified, or supplemented by any amendments or modifications hereof and supplements hereto entered into in accordance with the provisions of this Indenture.

"Interest Payment Date" means any date on which interest is payable on the Bonds.

"Issuer" means The Trustees of Purdue University, a body corporate created and existing under the laws of the State of Indiana, or any successor entity.

"Liquidity Facility" means a line of credit or similar instrument providing for the payment of the Purchase Price (as such term may be defined in a Supplemental Indenture) on Bonds when due.

"Net Income of the Facilities" or "Net Income of the System" shall have the meaning ascribed to "net income" in Indiana Code 21-35-1-8, as the same may be amended and supplemented from time to time, and as the same may be more fully described in a Supplemental Indenture hereto.

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

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

"Original Indenture" means the Indenture of Trust by and between the Issuer and the Trustee dated as of January 1, 2003.

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

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

(b) Bonds deemed to have been redeemed as provided in Section 4.06 or paid as provided in Article XIII; and

(c) Bonds in lieu of which others have been authenticated under Section 2.08.

"Paying Agent" means the Trustee, and any one or more financial institutions so designated by the Issuer or by the Trustee.

"Permitted Investments" means the following investments to the extent permitted under Indiana law:

(a) Federal Securities; and

(b) Any other investment authorized to be made pursuant to the Issuer's internal investment guidelines, as these guidelines may be amended or supplemented from time to time.

"Prior Encumbered Revenues" means the revenues and funds pledged by the Issuer to the payment of the Prior Obligations under the Original Indenture, all as set forth in Exhibit A.

"Prior Obligations" means all outstanding obligations of the Issuer issued under the Original Indenture, all as set forth in Exhibit A.

"Projects" means, collectively, the acquisition, construction, improving, and equipping of certain specified Facilities of the Issuer more fully described in a Supplemental Indenture authorizing the issuance of a series of Bonds to finance such a Project or Projects.

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

"Rebatable Amount" means that sum of money which is periodically payable to the United States of America with respect to the Bonds pursuant to Section 148 of the Code.

"Rebate Fund" means the Rebate Fund established by Section 7.04.

"Record Date" means the record date with respect to a series of Bonds set forth in a Supplemental Indenture authorizing the issuance of a series of Bonds.

"Redemption Fund" means the Redemption Fund established by Section 7.02.

"Registrar" means the Trustee, and any one or more financial institutions so designated by the Issuer or by the Trustee.

"Sinking Fund" means the Bond and Interest Sinking Fund established by Section 7.01.

"Supplemental Indenture" means any supplemental indenture between the Issuer and the Trustee entered into, pursuant to and in compliance with the provisions of Article XIV.

"System" means the aggregated facilities or systems, each of which shall include one or more Facilities, as the same may be set forth, amended or supplemented in a Supplemental Indenture authorizing the issuance of a series of Bonds hereunder.

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

"Treasurer" means the Treasurer (or Assistant Treasurer) of the Issuer.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and any successor trustee.

"Variable Rate Bonds" means a Bond, the interest rate on which changes or can change from time to time prior to final maturity of such Bond.

"Written Request" means a request in writing signed by the President, any Vice President, or the Treasurer of the Board of Trustees of the Issuer or other authorized officer of the Issuer.

[END OF ARTICLE I]

ARTICLE II.

General Terms and Provisions of the Bonds

Section 2.01. Form of Bonds; Limited Source of Payment. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II.

The Bonds issued under this Indenture shall be fully registered and substantially in the form set forth in a Supplemental Indenture authorizing the issuance of a series of Bonds.

The Bonds shall not be a general obligation of the Issuer but shall be payable only from Available Funds.

Section 2.02. Terms of Bonds. There is hereby created for issuance under this Indenture one or more series of bonds of the Issuer designated "Purdue University Student Facilities Revenue Bonds." The issuance of each series of Bonds shall be authorized by a Supplemental Indenture between the Issuer and the Trustee. Each series of Bonds shall be designated "Purdue University Student Facilities Revenue Bonds, Series _____," with such designation indicating the year and, if necessary, the sequence within each year of the issuance of such series of Bonds and such other descriptive designation as may be necessary. The specific terms of the Bonds of each series shall be as provided in the Supplemental Indenture authorizing the issuance of such series. Each Supplemental Indenture shall specify the following:

(a) The date of issue;

(b) Maturities, mandatory redemptions and Optional Maturities, if any, term or terms of Bonds, and the denominations thereof;

(c) Interest rates and provisions, if any, for determining the interest rate to be borne on Variable Rate Bonds and provisions for non-interest bearing Bonds, as necessary;

(d) The Interest Payment Dates and Record Date for such series of Bonds;

(e) The authorized principal amount of such series of Bonds;

(f) Provisions, if any, for optional or other redemption and the terms and conditions thereof;

(g) The purpose or purposes for which the Bonds of such series are being issued;

(h) Provisions for the sale or other disposition of the Bonds and the use and application of the proceeds of such sale or other disposition;

(i) The respective form of each type of Bond issued thereunder;

(j) Provisions allowing for or relating to different modes of operation for any series of Bonds;

(k) Provisions governing methods of obtaining Bondholder consent to any amendments to such Supplemental Indenture affecting only such series of Bonds;

(l) Provisions regarding the printing of Bonds or registration in book entry only form;

(m) The Project or Projects to be financed and inclusion of such Project or Projects in the System;

(n) Any additions to, removals from, or modifications of the System;

(o) Provisions for the utilization of a Credit Facility, if any, and whether any such Credit Facility shall be required for the life of the Bonds; and

(p) Any other provisions deemed advisable by the Issuer, not in conflict with the provisions of this Indenture.

In authorizing the issuance of any series of Bonds, the Issuer shall approve the Supplemental Indenture by resolution. Such Supplemental Indenture shall specify all matters with respect to the Bonds of such series set forth in this Section 2.02.

Section 2.03. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chairman or any Vice Chairman of the Board of Trustees of the Issuer, and shall also have affixed, impressed, imprinted or otherwise reproduced thereon the Issuer's corporate seal or a facsimile of the corporate seal. The Bonds shall be attested by the manual or facsimile signature of the Secretary or any Assistant Secretary of the Board of Trustees of the Issuer.

In case any officer of the Issuer who has signed or attested any of the Bonds or whose facsimile signature appears on the Bonds shall cease to be in such official capacity before the delivery of such Bonds, such Bonds may nevertheless be adopted by the Issuer and be issued, authenticated, and delivered as though the person who signed or attested such Bonds had remained in office until delivery.

Section 2.04. Authentication. No Bonds shall be valid or obligatory for any purpose unless and until a certificate of authentication has been duly executed by an authorized officer of the Registrar. Such authentication shall be conclusive evidence that the Bond has been duly authenticated and delivered hereunder and that the holder is entitled to the security of this Indenture.

Section 2.05. Registration and Exchange of Bonds. The Issuer shall cause books for the registration and transfer of the Bonds as provided in this Indenture to be kept by the Registrar. The Registrar is hereby constituted and appointed the registrar of the Issuer. Upon surrender for transfer of any fully registered Bond at the principal corporate trust office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Registrar shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series and the same maturity for a like aggregate principal amount or for a like aggregate amount of fully registered Bonds of other authorized denominations of the same series and the same maturity. The Bonds may be exchanged without cost to the Bondholders, except for any tax or governmental charge required to be paid with respect to the exchange. The execution by the Issuer of any fully registered Bond of any denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to authenticate and deliver such registered Bond. The Registrar shall not be required to transfer or exchange any Bond (i) after the mailing of notice calling such Bond for redemption, (ii) during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bond, or (iii) after a Record Date immediately preceding an Interest Payment Date until such Interest Payment Date.

Section 2.06. Cancellation and Destruction of Surrendered Bonds. The Registrar shall promptly cancel and destroy Bonds surrendered for payment or redemption and Bonds purchased from any moneys held by the Registrar under this Indenture or surrendered to the Registrar by the Issuer. The Registrar shall deliver to the Issuer a certificate of destruction with respect to all Bonds so destroyed.

Section 2.07. Persons Treated as Owners. Unless otherwise specifically provided in a Supplemental Indenture authorizing the issuance of a series of Bonds, as to any fully registered Bond, the person in whose name the same shall be registered shall be regarded as the absolute owner thereof for all purposes, and payment of either principal or interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. Such registration may be changed as provided in this Indenture. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.08. Replacement of Mutilated, Destroyed, Lost, or Stolen Bonds. In the event any Bond is mutilated, destroyed, lost, or stolen, the Issuer in its discretion may execute, and upon its request the Registrar shall authenticate and deliver, a new Bond of the same series and of like tenor, bearing the same or a different serial number, in exchange and substitution for, and upon cancellation of, the mutilated Bond, or in lieu of and substitution for the Bond so destroyed, lost, or stolen. The applicant for a Bond in lieu of one lost, destroyed, or stolen shall furnish to the Issuer and the Registrar evidence of ownership and of the loss, destruction, or theft thereof, which evidence shall be satisfactory to the Issuer and the Registrar in their discretion. Any applicant for a new Bond shall also furnish indemnity satisfactory to both of them, and shall pay, if demanded, to the Issuer an amount sufficient to reimburse it for the expense incurred in such issue.

Section 2.09. Book Entry Provisions. Pursuant to the terms and conditions set forth in a Supplemental Indenture, the Issuer may issue any series of Bonds in book-entry-only form and designate a nationally recognized depository company to act as depository in connection with a particular series of Bonds.

[END OF ARTICLE II]

ARTICLE III.

Issuance of Bonds

Section 3.01. Issuance of Bonds. Bonds may be authorized and executed by the Issuer, authenticated by the Registrar, and issued under this Indenture from time to time in order to provide funds for any one or more of the following purposes: (a) to erect, construct, improve, renovate, equip, and furnish additional Facilities; (b) to acquire by purchase, lease, condemnation, gift, or otherwise, such property, real or personal, as may be necessary in connection with additional Facilities or for improvements, rehabilitation, or renovation made or to be made on existing Facilities; (c) to refinance indebtedness incurred, or reimburse the Issuer for funds advanced, for purposes of (a) or (b) above, including Prior Obligations; (d) to refund or advance refund Outstanding Bonds or other outstanding obligations of the Issuer; or (e) to exchange for Outstanding Bonds. Bonds shall be authenticated and delivered by the Registrar upon the terms and conditions provided in this Article III.

Section 3.02. Conditions Under Which Bonds May Be Issued.

(a) No Bonds shall be authenticated and delivered by the Registrar pursuant to Section 3.01 except as provided in this Section 3.02.

(b) Bonds may be issued if the Issuer certifies to the best of its knowledge, the Issuer is in compliance with all covenants contained in this Indenture and any Supplemental Indenture, and is not in default in the performance and observance of any of the terms, provisions and conditions hereof and thereof.

(c) Bonds may also be authorized and executed by the Issuer and authenticated and delivered by the Registrar pursuant to subsections (d) and (e) of Section 3.01 without compliance with the provisions of subsection (b) of this Section 3.02 when necessary or appropriate, in the opinion of the Trustee upon appropriate certification by the Treasurer and advice from nationally recognized bond counsel, to avoid or to eliminate or cure a default hereunder.

Section 3.03. Instruments Required in Connection with Authentication of Bonds. No Bonds or any portion thereof shall be authenticated and delivered by the Registrar unless there shall be delivered to the Trustee and Registrar, in addition to the certificate provided for in Section 3.02(b) or (c), the following:

(a) A certified copy of a resolution of the Issuer declaring and describing that a necessity exists to issue Bonds to accomplish any one or more of the purposes set forth in Section 3.01, authorizing the issuance of the Bonds then to be authenticated and delivered and determining the provisions of the Bonds as provided in Section 2.02 and in the Supplemental Indenture authorizing the issuance of such series of Bonds;

(b) A Supplemental Indenture executed by the Issuer, the Trustee and the Registrar, setting forth the provisions and the form of the Bonds, and a description of the purpose or purposes for the issuance of the Bonds;

(c) A Written Request of the Issuer to the Registrar requesting the Registrar to authenticate and deliver such series of Bonds to the purchasers thereof;

(d) Evidence of release and satisfaction of any prior interim financing for any portion of the Projects to be refinanced with proceeds of such series of Bonds;

(e) A certificate of the Treasurer stating that all conditions precedent provided in this Indenture or any Supplemental Indenture to the authentication and delivery of the Bonds have been met;

(f) An opinion of Issuer's counsel that the documents submitted to the Trustee and Registrar in connection with the issuance of the Bonds comply with the requirements of this Indenture and that all conditions precedent to the issuance of such Bonds as provided in this Indenture have been met; and

(g) An opinion of nationally recognized bond counsel to the effect that the Bonds, when executed and issued by the Issuer, and authenticated and delivered by the Registrar, will be valid and binding obligations of the Issuer and will be secured by this Indenture equally and ratably with all Bonds then Outstanding under this Indenture.

[END OF ARTICLE III]

ARTICLE IV.

Redemption of Bonds

Section 4.01. Optional Redemption of Bonds. Bonds of a particular series may be redeemed, in whole or in part, prior to their respective maturity dates, at the option of the Issuer, after the date and at the redemption price set forth in the Supplemental Indenture authorizing the issuance of such series of Bonds.

Section 4.02. Other Redemption.

(a) Bonds of a particular series, to the extent permitted in the applicable Supplemental Indenture, may also subject to extraordinary optional redemption, in whole or in part, at any time, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest at the redemption date, but without premium, from and to the extent that moneys are transferred to or deposited in the Redemption Fund pursuant to Sections 5.02(b) and 7.02.

(b) Bonds of a particular series may be redeemed, in whole or in part, prior to their respective maturity dates, at such times and under such circumstances, as may be set forth in the Supplemental Indenture authorizing the issuance of such series of Bonds, including without limitation, mandatory sinking fund redemption.

Section 4.03. Open Market Purchases. At its option, to be exercised not less than thirty (30) days prior to any redemption date, the Issuer may (a) deliver to the Paying Agent Bonds purchased, and (b) instruct the Paying Agent to apply the principal amount of such Bonds so delivered for credit at one hundred percent (100%) of the principal amount thereof against the principal amount of Bonds of the same series and of the same maturity to be redeemed on the next succeeding redemption date. Each Bond so delivered shall be so credited by the Paying Agent.

Section 4.04. Notice of Redemption to Trustee and Paying Agent. Except as otherwise set forth in a Supplemental Indenture relating to a particular series of Bonds, in the case of any redemption of Bonds, the Issuer shall give written notice to the Trustee and Paying Agent of (a) its election or direction to redeem, (b) the redemption date, (c) the principal amounts of the Bonds of each series and each maturity date to be redeemed (which series, maturity dates, and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect thereto contained in the Act or this Indenture), and (d) the particular moneys to be applied to the payment of the redemption price, which notice shall be given at least forty-five (45) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee and Paying Agent.

Section 4.05. Notice of Redemption to Bondholders. Except as otherwise set forth in a Supplemental Indenture relating to a particular series of Bonds, in the case of any redemption of Bonds, notice of the call for any such redemption identifying the Bonds, or portions thereof, to be redeemed, the redemption price, the redemption date, the place or places where the redemption price is payable, and that on the redemption date, such Bonds, or portion thereof, called for redemption (provided funds for the redemption of such Bonds are on deposit at the place of payment) shall not bear interest, shall no longer be protected by the Indenture, and shall not be deemed to be outstanding under the provisions of the Indenture, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days or more than forty-five (45) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice, or any defect therein, with respect to any such registered Bond shall not affect the validity of any proceedings for the redemption of other Bonds. If for any reason it is impossible or impractical to mail such notice of call for redemption in the manner described above, then the mailing of the notice of call shall be made in a manner approved by the Trustee and shall constitute sufficient notice. The Issuer may direct the Trustee pursuant to a Written Request to publish any redemption notice in a newspaper or financial journal of general circulation published in New York, New York, not less than thirty (30) days or more than forty-five (45) days prior to the redemption date.

On and after the redemption date specified in the notice of call, such Bonds, or portions thereof, called for redemption (provided funds for the redemption of such Bonds are on deposit at the place of payment) shall not bear interest, shall no longer be protected by this Indenture, and shall not be deemed to be Outstanding under the provisions of this Indenture, and the holders thereof shall have the right to receive only the redemption price thereof plus accrued interest thereon to the redemption date.

Section 4.06. Selection of Bonds to be Redeemed. If less than all of the Bonds are to be redeemed, the Bonds shall be redeemed only in whole multiples of the denominations authorized for such Bonds. For purposes of redemption, each authorized denomination of principal shall be considered as a Bond. If less than all of the Bonds shall be called for redemption, the principal amount, series, and maturity of the particular Bonds to be redeemed shall be selected by the Issuer and the Trustee shall select the particular Bonds to be redeemed by lot within a series and maturity in such manner as the Trustee may determine.

Section 4.07. Redemption Payments. Prior to the date fixed for redemption, the Issuer shall deposit funds in the Redemption Fund or the Sinking Fund, as the case may be, in an amount which, together with other moneys held in the Redemption Fund or the Sinking Fund, as the case may be, will be sufficient to pay the redemption price of the Bonds or portions thereof called for redemption, together with accrued interest thereon to the redemption date. The Trustee and Paying Agent are hereby authorized and directed to apply such funds to the payment of such Bonds. If proper notice of redemption has been given as provided in Section 4.05 and sufficient funds for redemption are on deposit in the Redemption Fund, interest on the Bonds or portions thereof thus called shall no longer accrue after the redemption date. No payment shall be made by the Paying Agent upon any Bond or portion thereof called for redemption until such Bond or portion thereof has been delivered for payment or cancellation or the Registrar has received the items required by Section 2.08 with respect to any mutilated, lost, stolen, or destroyed Bond. Upon surrender of any Bond in a denomination greater than any authorized denomination which has been called for redemption in part only, the Issuer shall execute and the Registrar shall authenticate and deliver to the Bondholder, without charge, a new registered Bond or Bonds of like series and maturity in any authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered. Any notice of redemption of Bonds shall not be effective if sufficient funds have not been deposited in the Redemption Fund or the Sinking Fund, as the case may be, on the redemption date pursuant to this Indenture, and such event shall not constitute an Event of Default under this Indenture and such Bonds or portions thereof shall continue to bear interest until paid at the same rate as if such Bonds had not been called for redemption.

Section 4.08. Cancellation. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued. A counterpart of the certificate of destruction shall be furnished by the Registrar to the Issuer.

Section 4.09. Release Concerning Redeemed Bonds. If the amount necessary to redeem any Bonds called for redemption has been deposited with the Trustee for that purpose on or before the redemption date, and if a notice pursuant to Section 4.05 has been duly given and all proper charges and expenses of the Trustee, Registrar, and Paying Agent in connection with such redemption have been paid or provided for, the Issuer shall be released from all liability on such Bonds, and such Bonds shall no longer be deemed to be Outstanding hereunder. Thereafter, such Bonds shall not be secured by this Indenture, and shall no longer be payable from or have any claim against Available Funds and the holders thereof shall look only to the Trustee for payment thereof, and not otherwise.

[END OF ARTICLE IV]

ARTICLE V.

Insurance

Section 5.01. Fire and Extended Coverage Insurance. The Issuer covenants to maintain for so long as any of the Bonds are Outstanding, fire and extended coverage insurance on all Facilities in the System, and on additional Facilities upon acceptance of such Facilities by the Issuer from the contractor. So long as any of the Bonds are Outstanding, the Issuer shall maintain public liability insurance with respect to operations of the System. This public liability insurance shall be from companies and with coverage and limits consistent with sound insurance practices of owners of similar facilities.

In the event that the Issuer determines in good faith that any insurance required above is not commercially available at a reasonable cost or with reasonable terms, it shall so certify to the Trustee and notify the Trustee that it proposes to engage an independent insurance consultant to make recommendations regarding the types, amounts, and provisions of any such insurance that should be purchased by the Issuer and alternative or supplementary programs to provide protection against the types of losses and liabilities covered by such insurance. The Issuer may, upon the recommendations of such insurance consultant, adopt alternative and supplemental risk management programs which the Issuer determines to be reasonable and which shall not have a material adverse impact on the Net Income of the Facilities, including without limitation (i) the right to self-insure, in whole or in part; (ii) to organize, either solely or in connection with other institutions or organizations, captive insurance companies; (iii) to participate in programs of captive insurance companies organized by others; (iv) to establish a self insurance trust fund; (v) to participate in mutual or other cooperative insurance or other risk management programs with other institutions or organizations; (vi) to participate in or enter into agreements with local, state, or federal governments in order to achieve such insurance; or (vii) to participate in other alternative risk management programs.

Section 5.02. Application of Insurance Proceeds.

(a) Except as provided in subsection (b) of this Section 5.02, the proceeds of insurance shall be applied either to the repair, replacement, and reconstruction of the damaged or destroyed property or to the construction or acquisition of a similar property.

(b) If the Issuer determines, in its sole discretion, that it is not in the best interest of the Issuer to repair, replace, or reconstruct the damaged or destroyed property or to construct or acquire similar property, then all of such insurance proceeds may be deposited to the Redemption Fund for the purpose of calling for redemption Bonds issued and Outstanding under this Indenture at a redemption price equal to one hundred percent (100%) of the principal amount thereof, with accrued interest to the redemption date, but without premium, pursuant to the provisions of Section 4.02(a), to the extent permitted by the applicable Supplemental Indenture.

(c) Pending disbursement for the purposes set forth in subsection (a) or (b) above, the Issuer may from time to time invest all or any part of such unexpended insurance proceeds in Permitted Investments as determined by the Issuer. Interest accruing and any realized gains or losses as a result of such investments shall be credited or debited to the balance of such unexpended insurance proceeds.

Section 5.03. Insurance Pending Construction. The Issuer hereby covenants and agrees that in all contracts for the construction or improvement of Facilities, it will require that insurance be carried by the general contractor with respect to all builder's risks, including fire and windstorm, or if it shall not so require, that it will itself adequately insure such Facility or improvement thereto from its inception.

[END OF ARTICLE V]

ARTICLE VI.

Construction of Projects With Proceeds of Sale of Bonds

Section 6.01. Construction Fund. The Issuer shall establish and hold a separate fund designated the "Facilities Construction Fund" and referred to in this Indenture as the "Construction Fund" (including separate accounts thereof described below) into which proceeds of Bonds issued from time to time may be deposited along with any other restricted funds for a Facility for which Bonds have been issued under this Indenture. Separate accounts of the Construction Fund, including refunding accounts, may be created for each separate series of Bonds issued pursuant to a Supplemental Indenture. The Supplemental Indenture authorizing the issuance of a series of Bonds shall provide such terms and provisions as are necessary to authorize the disbursement of the proceeds of such Bonds for the purposes authorized by the Act. The Issuer shall keep proper books and records to reflect expenditures or transfers from the Construction Fund for particular purposes.

Section 6.02. Capitalized Interest Account. The Issuer shall establish and hold (or cause to be held) within the Construction Fund a separate account for each series of Bonds designated by the series of such Bonds as "Series ____________ Capitalized Interest Account." Proceeds of Bonds deposited to the credit of such Capitalized Interest Account shall be used for payment of interest on Bonds, and shall be transferred to the Sinking Fund in the amounts and on the dates set forth in the Supplemental Indenture authorizing the issuance of such series of Bonds. If amounts held in any such Capitalized Interest Account on the last date for transfer to the Sinking Fund (as set forth in the Supplemental Indenture authorizing the issuance of such series of Bonds) exceed the amount required to be transferred on such date, such excess amount shall also be transferred to the Sinking Fund on such date unless otherwise provided in the Supplemental Indenture authorizing the issuance of such series of Bonds.

Section 6.03. Bond Expense Fund. The Issuer shall establish and hold a separate fund designated as the "Bond Expense Fund" into which certain moneys shall be deposited from proceeds of Bonds. Moneys deposited to the credit of such Bond Expense Fund shall be used to pay from time to time the Costs of Issuance of the Bonds. No later than six (6) months after the issuance of a series of Bonds, the Issuer shall transfer to the Construction Fund or Sinking Fund any moneys allocable to a series of Bonds on deposit in the Bond Expense Fund, as specified in the applicable Supplemental Indenture. Separate accounts of the Bond Expense Fund may be created for each separate series of Bonds issued pursuant to a Supplemental Indenture.

[END OF ARTICLE VI]

ARTICLE VII.

Other Funds and Accounts

Section 7.01. Sinking Fund.

(a) There shall be created and maintained a separate fund on deposit with the Trustee known as the "Bond and Interest Sinking Fund" (the "Sinking Fund"). On or before the Business Day prior to each principal or interest payment date with respect to Bonds, the Issuer shall transfer (together with moneys in the applicable Capitalized Interest Accounts of the Construction Fund in accordance with Section 6.02, if any) and remit to the Trustee for deposit in the Sinking Fund an amount which, when added to any amount available for such deposit in the Sinking Fund, equals the sum of the principal of and interest on the Bonds becoming due on the following principal or interest payment date including optional or mandatory sinking fund redemptions under Section 4.01 or 4.02(b) (other than extraordinary optional redemptions under Section 4.02(a) and other than Optional Maturities payable from a Credit Facility) and any deficiencies then in existence with regard to such Sinking Fund, which amounts the Trustee shall use to pay such principal of and interest on the Bonds (other than Optional Maturities payable from a Credit Facility) pursuant to this Indenture and the Supplemental Indenture with respect to a specific series of Bonds.

(b) On or before any interest or principal payment date on Credit Facility Obligations or any time for paying Optional Maturities not paid through a Credit Facility, the Issuer shall transfer and remit to the Trustee by wire transfer or otherwise in immediately available funds for deposit in the special account therefor in the Sinking Fund an amount, if any, which, when added to any amount in such special account and other available funds for that purpose (including specifically amounts held in a separate Fund created pursuant to a Supplemental Indenture for payment of the purchase price of Optional Maturities not paid through a Credit Facility), equals the principal amount of Credit Facility Obligations and the Optional Maturities due on that payment date and interest accrued to that payment date, all in such priority as provided by the Supplemental Indenture authorizing such series of Bonds, which amounts shall be used by the Trustee to pay amounts due on the Credit Facility Obligations and the Optional Maturities pursuant to the applicable Credit Facility and/or Supplemental Indenture with respect to a specific series of Bonds. Payments of such Optional Maturities and Credit Facility Obligations from the Sinking Fund shall be subordinated to the payment of other principal of and interest on other Bonds.

(c) There shall also be remitted to the Trustee for deposit in the Sinking Fund all sums received as accrued interest in the issuance and sale of Bonds under this Indenture.

(d) The moneys in the Sinking Fund are hereby irrevocably pledged to and shall be used by the Trustee for the payment of the interest on and principal of the Bonds as the same become due. No part of the moneys in the Sinking Fund shall be used or applied to the redemption of Bonds prior to maturity except any portion which is in excess of the amount required to be accumulated therein. (Moneys in the Sinking Fund allocable to Outstanding Bonds to be refunded may be used in connection with the issuance of Bonds to redeem such Outstanding Bonds to be refunded.)

Section 7.02. Redemption Fund. There shall also be created and maintained a separate fund on deposit with the Trustee known as the "Redemption Fund" (the "Redemption Fund"). Moneys shall be deposited to the Redemption Fund only for purposes of extraordinary optional redemption under Section 4.02(a) or similar provisions in a Supplemental Indenture and disbursed from the Redemption Fund as set forth in Article IV, and with regard to any particular series of Bonds, in accordance with the provisions of any Supplemental Indenture authorizing the issuance of such series of Bonds.

Section 7.03. Investments. All moneys on deposit in the Funds and Accounts established under the Indenture held by the Issuer (other than the Construction Fund) may be commingled for investment purposes in the Issuer's other investments and invested as permitted by law. The funds held by the Trustee shall be invested by the Trustee as directed in writing by the Issuer in Permitted Investments. Interest earned or gains or losses realized on moneys on deposit in the Funds and Accounts held by the Issuer other than the Construction Fund shall be credited or debited to the Issuer's general fund. Interest earned or gains or losses realized on the Construction Fund or on investment of Funds and Accounts held by the Trustee shall be credited or debited to the respective Fund or Account, provided that investment income on the Rebate Fund shall be applied pursuant to Section 7.04. Notwithstanding the foregoing, the Supplemental Indenture authorizing the issuance of a series of Bonds may provide for different disposition of investment income from proceeds of such Bonds deposited in the Funds and Accounts relating to such series of Bonds.

Section 7.04. Rebate Fund.

(a) So long as any Bonds are outstanding and are subject to a requirement that arbitrage profits be rebated to the United States of America, the Trustee shall establish and maintain a separate Fund to be known as the "Rebate Fund." The Trustee shall make information regarding the Bonds and investments hereunder available to the Issuer. The Issuer may make, or cause to be made, deposits into and payments to the United States of America from the Rebate Fund in the amounts and at the times required by the Code, and shall deposit, or cause to be deposited, income from such investments immediately upon receipt thereof in the Rebate Fund.

(b) If a deposit to the Rebate Fund is required as a result of the computations made by the Issuer, then upon receipt of direction from the Issuer, the Trustee shall accept such payment for the benefit of the Issuer and make transfers of moneys to the Rebate Fund to comply with such direction. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee shall, upon written direction from the Issuer, transfer such amount to the Issuer. Records of the determinations required by this Section 7.04 and the investment instructions must be retained by the Trustee until six (6) years after the Bonds of any series are no longer Outstanding.

(c) Not later than sixty (60) days after the date which is five (5) years after the date of issuance of any series of Bonds, and every five (5) years thereafter to the extent required by law, the Trustee shall, upon receipt of direction from the Issuer, pay to the United States of America ninety percent (90%) of the amount required to be paid to the United States of America as of such payment date. Not later than sixty (60) days after the final retirement of the Bonds of any series, the Trustee shall, upon receipt of direction from the Issuer, pay to the United States of America the amount required to be paid to the United States of America. Each payment required to be paid to the United States of America pursuant to this Section 7.04 shall be filed with the Internal Revenue Service at the appropriate location and with the appropriate reports, forms, and documentation as the Code requires.

Section 7.05. Additional Funds and Accounts. The Issuer may establish additional Funds and/or additional Accounts within existing Funds, as may be required in connection with the issuance of any additional series of Bonds pursuant to a Supplemental Indenture.

[END OF ARTICLE VII]

ARTICLE VIII.

Additional Covenants of the Issuer

Section 8.01. Authority For Bonds. The Issuer covenants that it is duly authorized under the laws of the State of Indiana and under all other applicable provisions of law to create and issue the Bonds, to execute and deliver this Indenture, and to apply the Net Income of the Facilities and other Available Funds as provided in this Indenture; that all corporate and other action on its part for the execution of this Indenture has been duly and effectively taken; that the Bonds when issued and delivered will be valid and enforceable obligations of the Issuer according to the import thereof; that this Indenture is and always will be a valid Indenture to secure the payment of the Bonds; and that the Issuer has complete and lawful authority to construct, equip, operate, and manage the Facilities, the Projects and the System.

Section 8.02. Right to the Use and Occupancy of the Facilities; Prohibition from Encumbrance; Use of Available Funds. (a) The Issuer covenants that it has a valid and existing right to the use and occupancy of the Facilities and the right to construct, equip, operate, and manage the Facilities.

(b) Subject to the lien of the Prior Obligations and the Original Indenture on Prior Encumbered Revenues, and except as otherwise expressly authorized herein, the Issuer shall not encumber, mortgage, pledge, hypothecate, create a lien on or grant a security interest in the System or Net Income of the Facilities.

(c) Nothing in this Indenture shall be construed to limit the use by the Issuer of the Available Funds for any use permitted by applicable law.

Section 8.03. Payment of Principal, Premium, and Interest. The Issuer covenants that it will duly and punctually pay or cause to be paid, but solely from Available Funds the purchase price of any Optional Maturity, and the principal of, redemption premium, if any, and the interest on the Bonds, at the dates and places, and in the manner provided in the Bonds, according to the terms thereof. The Issuer retains the right to use Available Funds described in clause (b) of the definition thereof for the payment of other obligations of the Issuer and to use any or all Available Funds for other lawful corporate purposes of the Issuer. In particular, Net Income of the Facilities and other Available Funds may be used to pay costs of the Projects, to pay costs associated with Projects, Facilities or the System, to pay Financing Expenses, other amounts payable under any Credit Facility, and other amounts payable (such as termination payments, etc.) under a Derivative Product.

Section 8.04. Additional Funds Necessary For Completion. The Issuer covenants that if (a) the cost of acquiring, constructing, equipping, completing and furnishing any Facility or improving any such Facility in such manner that it is useful and adequate, free of all liens, claims, and encumbrances other than the lien of current taxes and assessments not in default and putting the same into use so that it shall be revenue-producing, exceeds (b) the available proceeds of the Bonds issued to finance the same, the Issuer will pay or cause to be paid into the Construction Fund the amount of such excess out of any other funds legally available to the Issuer for such purpose.

Section 8.05. Payment of Financing Expenses and Trustee's, Registrar's, Paying Agent's and the Bondholders' Costs and Expenses. The Issuer hereby covenants that it will pay Financing Expenses and the costs, charges, and expenses (including reasonable attorney fees) reasonably incurred or paid at any time by the Trustee, Registrar, and Paying Agent or any successor Trustee, Registrar, and Paying Agent or by any Bondholder because of the Issuer's failure to perform any of the covenants of the Bonds or this Indenture.

Section 8.06. Further Assurances. The Issuer will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the holders of the Bonds the rights and benefits provided in this Indenture.

Section 8.07. Inspection of Records by Trustee. The Issuer covenants that the books of accounts and records relating to the Facilities will at all reasonable times be open to inspection by authorized agents of the Trustee.

Section 8.08. Tax-Exempt Status of Bonds.

(a) The Issuer covenants that it will not permit the Projects to be used in such manner as would result in the loss of the exclusion of interest on any Bonds the interest which is intended to be excludable from gross income for federal income tax purposes under Section 103 of the Code (the "Tax-Exempt Bonds") and the Issuer will not act in any other manner which would adversely affect the exclusion from gross income for federal income tax purposes of interest on such Tax Exempt Bonds.

(b) The Issuer covenants and agrees not to make any investment or do any other act or thing during the period that any Tax-Exempt Bonds are Outstanding under this Indenture which would cause any of the Tax-Exempt Bonds to become or be classified as arbitrage bonds within the meaning of Section 148 of the Code. It is further understood and agreed that the Trustee shall not be required at any time to make any such investment or to do any such act.

(c) The Issuer reserves the right to issue Bonds, the interest on which is not intended to be excludable from gross income for federal income tax purposes under Section 103 of the Code. In such event and with respect to such Bonds, paragraphs (a) and (b) of this Section 8.08 shall not apply.

(d) It shall not be an event of default under this Indenture if the interest on the Tax-Exempt Bonds loses its exclusion from gross income for federal income tax purposes.

Section 8.09. No Additional Obligations Under Original Indenture. The Issuer shall not issue any additional bonds or make any other additional obligations under the Original Indenture.

Section 8.10. Recordings and Filings. The Issuer covenants that it will cause this Indenture or any supplemental Indenture and all other security instruments, if any, to be recorded and filed in such a manner and in such places as may be required by law in order to preserve fully and protect the security of the Holders and the rights of the Trustee.

[END OF ARTICLE VIII]

ARTICLE IX.

Sale, Transfer, Abandonment or Other Disposition of Projects; Modification of System

Section 9.01. Sale, Transfer, Abandonment or Other Disposition of Projects. The Issuer covenants that it will not sell or otherwise dispose of any Projects financed with the proceeds of Tax-Exempt Bonds unless there is filed with the Issuer, prior to such sale or disposition, an Opinion of Bond Counsel that such sale or disposition is permitted by this Indenture and that the interest on the Tax-Exempt Bonds will not become includable in the gross income of the holders thereof for federal income tax purposes as a result of such sale or disposition.

The Issuer may also sell or otherwise dispose of any furniture, fixtures, apparatus, tools, instruments or other movable property acquired for or in connection with any Project or any materials in connection therewith, if the Issuer determines that such articles are no longer needed or no longer useful in connection with the operation and maintenance of the applicable Project or Projects.

Section 9.02. Modification of the System. From time to time after the date hereof, the Issuer may add Facilities to or remove Facilities from the System, or otherwise modify the System as it deems appropriate and as provided in a Supplemental Indenture authorizing the issuance of a series of Bonds.

[END OF ARTICLE IX]

ARTICLE X.

The Trustee, the Registrar, and the Paying Agent

Section 10.01. Acceptance of the Trusts. The Trustee, the Registrar and the Paying Agent hereby accept the trusts imposed upon them by this Indenture. The Trustee, the Registrar and the Paying Agent agree to perform such trusts with the same degree of care and skill in their exercise as a prudent person would exercise under comparable circumstances in the conduct of his or her own affairs, but only upon and subject to the following express terms and conditions:

(a) Prior to the occurrence of any Event of Default and after the curing or waiving of all Events of Default which may have occurred, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise its rights and powers in accordance with the standards of conduct established by this Section 10.01;

(b) The Trustee, Registrar, and Paying Agent may execute any of the trusts or powers hereof and perform any of its duties hereunder by or through attorneys, agents, receivers, or employees and shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above. The Trustee, Registrar, and Paying Agent shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee, Registrar, and Paying Agent may act upon the opinion or advice of counsel (which may also be counsel for or employed by the Issuer) approved by the Trustee, Registrar and Paying Agent in the exercise of reasonable care, and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith in reliance upon any such opinion or advice of counsel;

(c) The Trustee, Registrar, and Paying Agent shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication of the Registrar endorsed on the Bonds), or for the validity of the execution by the Issuer of this Indenture or for any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby. The Trustee, Registrar, and Paying Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants on the part of the Issuer in connection with the matters referred to in this Indenture, except as set forth in this Indenture;

(d) The Trustee, Registrar, and Paying Agent shall not be accountable for the use of any Bonds authenticated or delivered under this Indenture. The Trustee, Registrar, and Paying Agent may in good faith buy, sell, own, hold, and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee, Registrar, and Paying Agent were not parties to this Indenture. To the extent permitted by law, the Trustee, Registrar, and Paying Agent may establish or maintain any commercial banking relationship with the Issuer and may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of enforcement of the Bonds or the Indenture, whether or not any such committee shall represent the owners of a majority in principal amount of the Bonds outstanding. The Trustee, Registrar, and Paying Agent may also engage in or be interested in any financial or other transaction with the Issuer; provided, that if the Trustee, Registrar or Paying Agent determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee, Registrar or Paying Agent;

(e) The Trustee, Registrar, and Paying Agent shall be protected in acting upon any document that it believes is genuine and correct and has been signed or sent by the proper person or persons. The Trustee, Registrar, and Paying Agent shall not withhold unreasonably its consent to, approval of, or action upon any reasonable request of the Issuer. Any action taken by the Trustee, Registrar, and Paying Agent pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond or Bonds issued in exchange therefor or in place thereof;

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee, Registrar, and Paying Agent shall be entitled in good faith to rely upon a Written Request as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee, Registrar or Paying Agent has been notified, or of which it is deemed to have notice, as provided in subsection (h) of this Section 10.01, the Trustee, Registrar or Paying Agent may, in its discretion, accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable;

(g) The permissive right of the Trustee, Registrar, and Paying Agent to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee, Registrar, and Paying Agent shall not be answerable for other than its gross negligence or willful default;

(h) The Trustee, Registrar, and Paying Agent shall not be required to take notice or be deemed to have notice of any default hereunder except any Event of Default in the payment of principal of, or interest on any Bond or any other failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article VII of this Indenture unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then outstanding. In order to be effective, all notices or other instruments required by this Indenture to be delivered to the Trustee, Registrar or Paying Agent must be delivered at the principal corporate trust office of the Trustee or the principal corporate trust office of the Registrar or Paying Agent. In the absence of such notice so delivered the Trustee, Registrar or Paying Agent may conclusively assume there is no default except as aforesaid;

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, accountants, and representatives shall have the right (but shall not be required), to inspect all books, papers, and records of the Issuer pertaining to the Bonds and to make copies thereof and take such memoranda therefrom and in regard thereto as may be desired;

(j) The Trustee, Registrar, and Paying Agent shall not be required to give any bond or surety in respect of the execution of the trusts and powers under this Indenture;

(k) Notwithstanding anything contained elsewhere in this Indenture, the Registrar shall have the right (but shall not be required), with respect to the authentication of any Bonds or any action whatsoever within the scope of this Indenture, to demand any showings, certificates, opinions, appraisals or other information, or corporate or public action or evidence thereof, in addition to that required by the terms of this Indenture, as a condition of such action and to the extent deemed desirable by the Registrar for the purpose of establishing the right of the Issuer to the authentication of any Bonds or the taking of any other action by the Registrar;

(l) In case an Event of Default shall have occurred and be continuing or, in the judgment of the Trustee, be imminent or before taking an action as a result of a reasonably unforeseeable event or circumstance, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses, including but not limited to attorneys' fees which it may incur or advance and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful default, by reason of any action so taken; and such right to indemnification shall survive the termination, cancellation and release of this Indenture; and

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received, but need not be segregated from other funds except to the extent required by this Indenture or by law. Except as provided in this Indenture, the Trustee shall have no liability for interest on any moneys received hereunder.

Section 10.02. Fees, Charges, and Expenses of the Trustee, Registrar, and Paying Agent. The Issuer shall pay to the Trustee, Registrar, and Paying Agent reasonable compensation for all services performed by the Trustee, Registrar, and Paying Agent and also the reasonable expenses, charges, and other disbursements of the Trustee, Registrar, and Paying Agent and those of their attorneys, agents, and employees incurred in and about the administration and execution of the trusts hereby created and performance of its powers and duties hereunder, but all such liability of the Issuer for payments under this Section 10.02 shall be limited to amounts payable from the Available Funds (excluding the initial acceptance fee of the Trustee and any other fees and expenses of the Trustee, Registrar, and Paying Agent payable out of the Bond Expense Fund). Prior to the payment in full of the Bonds within the meaning of Article XIII, the Trustee, Registrar, and Paying Agent shall be entitled to receive compensation and to recover such expenses, charges, and other disbursements only from moneys constituting Available Funds. If the Trustee renders any service hereunder not provided for in this Indenture, or the Trustee is made a party to or intervenes in any litigation pertaining to this Indenture or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Issuer for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees occasioned thereby.

Section 10.03. Notice to Bondholders if Default Occurs. If an Event of Default occurs and is continuing of which the Trustee is by subsection (h) of Section 10.01 required to take notice or if notice thereof be given as provided in subsection (h), then the Trustee as soon as is practicable shall give written notice thereof to the Bondholders in the manner provided in Section 15.05.

Section 10.04. Intervention by the Trustee. In any judicial proceedings to which the Issuer is a party and which in the opinion of the Trustee and its counsel have a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the owners of not less than fifty percent (50%) in aggregate principal amount of such Bonds then Outstanding; provided, that the Trustee shall first have been offered such reasonable indemnity as it may require against the costs, expenses, including but not limited to, reasonable attorneys' fees and liabilities which it may incur in or by reason of such proceeding.

Section 10.05. Successor Trustee, Registrar, and Paying Agent. Any corporation into which the Trustee, Registrar, or Paying Agent may be converted or merged or with which it may be consolidated or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party ("Reorganization"), ipso facto, shall be and become successor Trustee, Registrar, or Paying Agent hereunder, if legally qualified to serve in such capacity, and vested with all of the title to all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything in this Indenture to the contrary notwithstanding; provided, that within thirty (30) days of the effective date of any such Reorganization, the Issuer may object to such corporation or association becoming successor Trustee, Registrar, or Paying Agent by filing written notice of such objection with the Trustee, Registrar, or Paying Agent and by mailing a copy of such notice to each Bondholder, whereupon a successor or temporary Trustee, Registrar, or Paying Agent shall be appointed in accordance with Section 10.08.

Section 10.06. Resignation by the Trustee, Registrar, and Paying Agent. The Trustee, Registrar, and Paying Agent and any successor or temporary Trustee, Registrar, and Paying Agent hereunder may at any time and for any reason resign and be discharged of the trusts created by this Indenture by executing an instrument in writing resigning such trusts and specifying the date when such resignation shall take effect, and mailing the same to the Issuer and to the registered owners of the Bonds then Outstanding in the manner provided in Sections 15.04 and 15.05 not less than thirty (30) days before the date specified in such instrument when such resignation is proposed to take effect. Such resignation shall take effect on the day a successor or temporary Trustee, Registrar, or Paying Agent shall be appointed by the Issuer; provided, that such resignation shall not take effect prior to the appointment of such successor or temporary Trustee, Registrar, or Paying Agent by the Issuer in accordance with Section 10.08 and the acceptance of such appointment by the successor or temporary Trustee, Registrar, or Paying Agent.

Section 10.07. Removal of the Trustee, Registrar, and Paying Agent. The Trustee, Registrar, or Paying Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Trustee, Registrar, or Paying Agent and to the Issuer and signed by the owners of a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized. Notice of the removal of the Trustee, Registrar, or Paying Agent shall be given in the same manner as provided in Section 10.06 with regard to the resignation of the Trustee, Registrar, or Paying Agent. No removal shall take effect until a successor or temporary Trustee, Registrar, or Paying Agent has been qualified. Notwithstanding the foregoing, so long as no Event of Default or an event which, with the passage of time, would become an Event of Default has occurred and is continuing, the Trustee, Registrar, or Paying Agent may also be removed at any time with or without cause by Written Request filed by the Issuer with the Trustee, Registrar, or Paying Agent.

Section 10.08. Appointment of Successor Trustee, Registrar, and Paying Agent; Temporary Trustee, Registrar, and Paying Agent. In case the Trustee, Registrar, or Paying Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee, Registrar, or Paying Agent may be appointed by Written Request of the Issuer. Notice of the appointment of a temporary or successor Trustee, Registrar, or Paying Agent shall be given in the same manner as provided by Section 10.06 with regard to the resignation of the Trustee, Registrar, or Paying Agent. Every such Trustee, Registrar, or Paying Agent appointed pursuant to the provisions of this Section 10.08 shall be a trust company or bank in good standing, duly authorized to execute trust powers and having a reported capital and surplus of not less than $50,000,000, if there be such an institution willing, qualified, and able to accept the trusts under this Indenture upon reasonable and customary terms.

Section 10.09. Concerning Any Successor Trustees, Registrar, and Paying Agent. Every successor Trustee, Registrar, and Paying Agent appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder and shall make arrangements satisfactory to the Issuer and with its predecessor for the performance of its functions under this Indenture and the predecessor Trustee, Registrar, or Paying Agent shall, upon written request of the Issuer and the payment of all fees and expenses which may be deemed owing to the predecessor Trustee, Registrar, or Paying Agent pursuant to Section 10.02, execute and deliver an instrument transferring to such successor Trustee, Registrar, or Paying Agent all of the estates, properties, rights, powers, and trusts of the predecessor Trustee, Registrar, or Paying Agent, together with all securities and moneys held by it as Trustee, Registrar, or Paying Agent hereunder. Thereupon, such successor Trustee, Registrar, or Paying Agent, without any further act, deed, or conveyance, shall become fully vested with all of the estates, properties, rights, powers, trusts, duties, and obligations of such predecessor hereunder. Should any instrument in writing from the Issuer be required by any successor Trustee, Registrar, or Paying Agent for more fully and certainly vesting in such successor the estates, properties, rights, powers, trusts, duties, and obligations hereby vested or intended to be vested in the predecessor, any and all of such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The resignation of any Trustee, Registrar, or Paying Agent and the instrument or instruments removing any Trustee, Registrar, or Paying Agent and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee, Registrar, or Paying Agent in each recording office in which this Indenture shall have been filed or recorded.

[END OF ARTICLE X]

ARTICLE XI.

Limitation of Liability

Section 11.01. No Recourse Except as Provided by Law. This Indenture and the Bonds secured and to be secured by this Indenture are made, executed, and negotiated under and pursuant to the terms and conditions of the Act. No recourse shall be had for the performance of any covenant contained in this Indenture or for the payment of the principal of, or premium, if any, or interest on the Bonds upon the State of Indiana or upon the Issuer, or upon the property or funds of the State of Indiana or of the Issuer, except from the sources specified herein and to the extent and in the manner authorized by law and this Indenture.

Section 11.02. No Recourse Against Individuals. No recourse under or upon any obligation, covenant, or agreement contained in this Indenture or in any Bond secured by this Indenture shall be had against any officer, trustee, employee, agent, or representative of the Issuer; and no personal liability whatever shall attach to or be incurred by the present or any future officer, trustee, employee, agent, or representative of the Issuer by reason of any of the obligations, covenants, or agreements contained in this Indenture or in any of the Bonds, or to be implied therefrom.

[END OF ARTICLE XI]

ARTICLE XII.

Defaults and Remedies

Section 12.01. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as, declared to be, and constitutes an "Event of Default" with respect to the Bonds:

(a) A default occurs in the payment by the Issuer of the purchase price of, principal of, premium, if any, or interest on any Bond when the same shall become due and payable; or

(b) A default is made by the Issuer in the performance or observance of any other of the covenants, agreements, or conditions on its part in this Indenture or in the Bonds, and such default shall have continued for a period of sixty (60) days after the Issuer has been given written notice of such default by the Trustee.

Section 12.02. Remedies; Rights of Bondholders. Upon the occurrence and continuance of an Event of Default, the Trustee shall (a) notify the holders of all Outstanding Bonds of such Event of Default by registered or certified mail, and (b) have the following rights and remedies:

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

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

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

If an Event of Default occurs and continues, and if requested to do so by the owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding, and if indemnified as provided in subsection (l) of Section 10.01, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 12.02 as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to every other right or remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law, in equity, or by statute. The assertion or employment of any particular right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any default or Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or affect any subsequent default or Event of Default, or shall impair any rights or remedies consequent thereon.

Section 12.03. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, but subject to the provisions of Section 10.01, the owners of a majority (in aggregate principal amount) of the Bonds then Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 12.04. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondholder, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all of the Outstanding Bonds.

Section 12.05. Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for any other remedy hereunder unless (a) a default has occurred; (b) such default has become an Event of Default and the owners of not less than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted herein or to institute such action, suit, or proceeding in its own name; (c) such Bondholders have offered to the Trustee indemnity as provided in Section 10.01(l); and (d) the Trustee has refused, or for sixty (60) days after receipt of such request and offer of indemnification has failed to exercise the remedies granted herein, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, and for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no Bondholder shall have any right in any manner whatsoever to affect, disturb, or prejudice the rights of any other Bondholder of this Indenture by its, his, her, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the holders of all of the Bonds then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on such Bond at and after the maturity thereof, or the limited obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective holders thereof at the time and place, from the source and in the manner expressed herein and in such Bond.

Section 12.06. Termination of Proceedings. In case the Trustee or any Bondholder shall have proceeded to enforce any right under this Indenture by appointment of a receiver or otherwise and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder with regard to the property subject to this Indenture, and all rights, remedies, and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

Section 12.07. Notice of Defaults. Anything herein to the contrary notwithstanding, no default specified in Section 12.01(b) shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the holders of not less than fifty percent (50%) in aggregate principal amount of all the Bonds then Outstanding to the Issuer and the Issuer shall have had sixty (60) days after receipt of such notice to correct such default or cause such default to be corrected, and shall not have corrected such default or caused such default to be corrected within such period; provided, however, that if any default specified in Section 12.01(b) shall be such that it is correctable, but cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within the applicable period and diligently pursued until the default is corrected. Any default cured under this Section 12.07 shall not constitute an Event of Default.

With regard to any alleged default concerning which notice is given to the Issuer under the provisions of this Section 12.07, the Issuer hereby grants the Trustee full authority for the account of Issuer to perform any covenant or obligation the failure of performance of which is alleged in such notice to constitute a default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that Issuer could do and perform any such things and acts and with power of substitution; provided that the Trustee shall not be required to perform any such covenant or obligation.

Section 12.08. Waivers of Events of Default. Notwithstanding the provisions of Section 12.02, the Trustee may in its discretion waive any Event of Default hereunder and its consequences and may rescind any declaration of maturity of all the Bonds, and shall do so upon the written request of the holders of (a) two-thirds in aggregate principal amount of all of the Bonds then Outstanding, in the case of a default in the payment of principal of or interest on the Bonds, or (b) a majority in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided, however, that there may not be waived (i) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein, or (ii) any Event of Default in the payment when due of the interest on any Outstanding Bond unless, prior to such waiver, all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default have been paid or provided for, and in the case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders will be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 12.09. Issuer to Remain in Possession Until Default. Unless an Event of Default hereof shall have occurred and is continuing and a receiver shall have been appointed by a court of competent jurisdiction, the Issuer shall (a) remain in full possession, enjoyment, and control of the Facilities; (b) manage, operate, and develop the Facilities, subject always to the observance of the covenants set forth in this Indenture with respect thereto; and (c) subject to the provisions of this Indenture, receive, take, and use all rents, earnings, revenues, fees, charges, and income thereof in the same manner and with the same effect as if this Indenture had not been made.

[END OF ARTICLE XII]

ARTICLE XIII.

Discharge of Indenture

Section 13.01. Defeasance. Except as provided in this Article XIII, if payment or provision for payment is made to the Trustee of the whole amount of principal of and interest due and to become due on all of the Bonds then Outstanding under this Indenture at the times and in the manner stipulated herein and therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions hereof, then these presents and rights hereby granted shall cease, determine, and be void and this Indenture shall have no further claim on Available Funds. In such event, the Trustee shall cancel and discharge this Indenture, and release, assign, and deliver unto the Issuer any and all of the estate, right, title, and interest in and to any and all rights assigned to the Trustee hereby, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Indenture when (a) payment of the principal of such Bond and interest thereon to the due date thereof (whether by reason of maturity or upon redemption as provided in this Indenture or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) Federal Securities, which shall not contain provisions permitting the redemption thereof at the option of the issuer thereof, and maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will ensure the availability of sufficient moneys to make such payment, or (3) a combination of such moneys and Federal Securities; and (b) all other sums payable hereunder by the Issuer, including the necessary and proper fees and expenses of the Trustee, Registrar, and Paying Agent pertaining to the Bonds and the amount, if any, required to be rebated to the United States of America, shall have been paid to or deposited with the Trustee.

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

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by this Indenture and set forth in a Supplemental Indenture relating to such series of Bonds);

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

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

Any moneys so deposited with the Trustee as provided in this Article XIII may at the written direction of the Issuer also be invested and reinvested in Federal Securities, maturing in the amounts and times as hereinbefore set forth, and all income from all Federal Securities in the hands of the Trustee pursuant to this Article XIII which is not required for the payment of the principal of and interest on the Bonds, with respect to which such moneys shall have been so deposited, shall be transferred to the Issuer.

No such deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized bond counsel to the effect that such deposit and use would not cause any of the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code. Moreover, no such deposit shall be deemed a payment of such Bonds unless the Trustee shall have received a verification from an accountant or firm of accountants appointed by the Issuer verifying the sufficiency of the deposit to pay the principal of and interest on the Bonds to the due date, whether such due date be by reason of maturity or upon redemption.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article XIII, all moneys or Federal Securities set aside and held in trust pursuant to the provisions of this Article XIII for the payment of principal of and interest on Bonds (including interest thereon but excluding any amounts set aside for rebate to the United States of America) shall be applied to and used solely for the payment of principal of and interest on the particular Bonds with respect to which such moneys or Federal Securities have been so set aside in trust.

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

Section 13.02. Bonds Not Presented For Payment When Due. Notwithstanding any other provision of this Indenture, and subject in all cases to applicable provisions of law, any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for five (5) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agent at such date, or for five (5) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall, at the written request of the Issuer, be repaid by the Trustee or Paying Agent to the Issuer, as its absolute property and free from trust, and the

Trustee and Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds.

[END OF ARTICLE XIII]

ARTICLE XIV.

Supplemental Indentures

Section 14.01. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer, the Trustee, the Registrar and the Paying Agent, without the consent of or notice to any of the Bondholders, may enter into an indenture or indentures supplemental to this Indenture, not inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

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

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

(c) To add to the covenants and agreements of the Issuer in this Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Issuer;

(d) To modify, amend, or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under the Trust Indenture Act of 1939, as amended, or any other similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under any federal or state securities laws, and, in connection therewith, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions, and provisions as may be permitted or required by the Trust Indenture Act of 1939, as amended, or any other federal or state statute pertaining to any of the foregoing; provided, that any such Supplemental Indenture referred to in this Section 14.01(d) shall not, in the judgment of the Trustee, which may rely on an opinion or advice of counsel, be to the prejudice of the holders of any of the Bonds;

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

(f) To effect or facilitate the issuance of an additional series of Bonds in accordance with the provisions of Section 3.01;

(g) To make any modification or amendment to the provisions of this Indenture necessary or desirable to permit the Issuer to issue Fixed Rate Bonds, differing types of Variable Rate Bonds, or to utilize any particular Credit Facility or Derivative Product that shall not materially adversely affect the security for the Outstanding Bonds;

(h) To modify, amend, or supplement this Indenture or any indenture supplemental hereto in any manner which the Issuer determines in good faith will not have a material adverse effect on the security for the Bonds; and

(i) Otherwise to modify any of the provisions of this Indenture or to relieve the Issuer from any of the obligations, conditions, or restrictions herein contained; provided that no such modifications shall be or become operative or effective, or shall in any manner impair any of the rights of the Bondholders or of the Trustee (except as otherwise provided herein), while any Bonds of any series issued prior to the execution of such Supplemental Indenture shall remain Outstanding; and provided further, that such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any series issued after the execution of such Supplemental Indenture.

Section 14.02. Supplemental Indentures Requiring Consent of Bondholders. Except for Supplemental Indentures authorized by Section 14.01 and subject to the terms and provisions contained in this Section 14.02, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (exclusive of any such Bonds held by the Issuer) shall have the right from time to time to consent to and approve the execution by the Issuer, the Trustee, the Registrar and the Paying Agent of such other Supplemental Indenture as shall be deemed necessary and desirable by the Issuer or the Trustee for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing contained in this Section 14.02 shall permit, or be construed as permitting, without the consent of the owners of all Bonds then Outstanding (a) an extension of the stated maturity or redemption date or a reduction in the principal amount of or redemption premium, or reduction in the rate or extension of the time of payment of interest on, any Bonds; or (b) the creation of any lien on the Available Funds or any part thereof other than a lien ratably securing all of the Bonds at any time Outstanding hereunder; or (c) a reduction in the aggregate principal amount of Bonds the owners of which are required pursuant to this Section 14.02 to consent to any such Supplemental Indenture; or (d) except with regard to Credit Facility Obligations, the creation of a privilege, priority or preference of any one Bond or Bonds over any other Bond or Bonds; or (e) any amendment or modification of the trusts, powers, obligations, remedies, rights, duties, or immunities of the Trustee without the written consent of the Trustee.

If at any time the Issuer shall request the Trustee, the Registrar and the Paying Agent to enter into a Supplemental Indenture for any of the purposes of this Section 14.02, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Bondholder at the address shown on the registration books of the Registrar. All notices given under this Section 14.02 shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the owners of not less than fifty-one percent (51%) (or 100%, if required) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Registrar, the Paying Agent or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture pursuant to this Section 14.02, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

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

[END OF ARTICLE XIV]

ARTICLE XV.

Miscellaneous Provisions

Section 15.01. Consents of Bondholders. Any consent, request, direction, approval, objection, or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by a legal representative duly authorized in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the writing authorizing any such legal representative and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him or her the execution thereof, or by affidavit of any witness to such execution or by any other means which the Trustee may reasonably deem to be sufficient; and

(b) The fact of ownership of Bonds and the amount or amounts, numbers, and other identification of and dates of holding the Bonds shall be proved by the Trustee.

Section 15.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give any person or company other than the parties hereto and the owners of the Bonds any legal or equitable right, remedy, or claim under or with respect to this Indenture or any covenants, conditions, and provisions contained herein, and this Indenture and all of the covenants, conditions, and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto and the owners of the Bonds as herein provided.

Section 15.03. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative, or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstance shall not affect any other provision of this Indenture or have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision contained herein invalid, inoperative, or unenforceable to any extent whatever.

Section 15.04. Notices to Parties. It shall be sufficient service of any notice, request, complaint, demand, or other paper on the Issuer if the same shall be duly mailed to the Issuer by registered or certified mail, postage prepaid, addressed to The Trustees of Purdue University, Hovde Hall Room 230, 610 Purdue Mall, West Lafayette, Indiana 47907-2040, Attention: Treasurer; or to such other address as the Issuer may from time to time file with the Trustee. It shall be sufficient service of any notice, request, demand, or other paper on the Trustee if the same shall be duly mailed to the Trustee by registered or certified mail and addressed to The Bank of New York Trust Company, N.A., 300 North Meridian, Suite 910, Indianapolis, Indiana

46204, Attention: Corporate Trust Department, or to such other address as the Trustee may from time to time file with the Issuer.

Section 15.05. Notices to Bondholders. Any notices or other communications required or permitted to be given to the Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Bondholder as his or her address last appears on the registration books kept by the Registrar. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Bondholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Bonds entitled to such notice provide a written waiver of such notice to the Trustee.

Section 15.06. Successors and Assigns of Issuer, Trustee, Registrar, and Paying Agent. Subject to provisions of Article X, whenever in this Indenture either of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all of the covenants, promises, and agreements in this Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee, the Registrar or the Paying Agent, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 15.07. Payments Due on Saturdays, Sundays, and Holidays. In the event that the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of the Bonds shall be a day other than a Business Day, then payment of interest or principal need not be made on such date, but may be made (without additional interest) on the next succeeding Business Day with the same force and effect as if made on the date of maturity or scheduled redemption date.

Section 15.08. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.09. Governing Law. This Indenture shall be construed in accordance with and governed by the laws of the State of Indiana.

Section 15.10. Immunity of Issuer Officers and Trustees. No recourse under or upon any obligation, covenant, or agreement contained in this Indenture or to be implied therefrom shall be had against any officer, trustee, employee, agent, or representative of the Issuer; and no personal liability whatever shall attach to or be incurred by any current or future officers, trustees, employees, agents, or representatives of the Issuer by reason of any of the obligations, covenants, or agreements contained in this Indenture, or to be implied therefrom.

[END OF ARTICLE XV]

IN WITNESS WHEREOF, The Trustees of Purdue University has caused this Indenture to be signed in its name by the Chairman of its Board of Trustees and the corporate seal to be hereunto affixed and the same to be attested by the Secretary of its Board of Trustees, and The Bank of New York Mellon Trust Company, N.A., as Trustee, Registrar and Paying Agent, to evidence its acceptance of the trust hereby created, has caused this Indenture to be signed in its name by its Authorized Officer and its corporate seal to be hereunto affixed and the same to be attested by its Authorized Officer, all as of the day and year first written above. This Indenture will become effective only upon satisfaction of the conditions set forth in the Introductory Paragraph hereof.

THE TRUSTEES OF PURDUE UNIVERSITY

By: ________________________________

Printed: ____________________________

Title: ______________________________

[SEAL]

Attest:

By: ________________________________

Printed: ____________________________

Title: ______________________________

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee,
Registrar and Paying Agent

By: ____________________________

Printed: ________________________

Title: __________________________

EXHIBIT A

PRIOR OBLIGATIONS AND PRIOR ENCUMBERED REVENUES

I. Prior Obligations

A. The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2004A

B. The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2005A (Adjustable Demand)[1]

C. The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2007A

D. The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2007C (Adjustable Demand)[1]

E. The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2012A[2]

F. The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2015A

G. The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2016A

II. Prior Encumbered Revenues

Pledged Revenues, as defined in the Original Indenture.

[1] To be refunded with proceeds of the Series 2022A Bonds
[2] Series 2012A Bonds maturing on or after July 1, 2023 to be refunded with proceeds of the Series 2022A Bonds

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THE TRUSTEES OF PURDUE UNIVERSITY • PURDUE UNIVERSITY STUDENT FACILITIES SYSTEM REVENUE BONDS, SERIES 2022A

PURDUE
UNIVERSITY

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