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 federal statutes, decisions, regulations and rulings, interest on the Series 2023A Bonds (as hereinafter defined) is excludable from gross income for federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Such excludability 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 2023A 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

$98,125,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Facilities System Revenue Bonds, Series 2023A

Dated: Date of Delivery **Due: 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 2023A (the "Series 2023A 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 Twenty-Second Supplemental and Amendatory Indenture dated as of April 1, 2023 (the "Twenty-Second Supplemental and Amendatory Indenture") (such Indenture of Trust, as supplemented and amended to date and as supplemented and amended by the Twenty-Second Supplemental and Amendatory Indenture, collectively, 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 the Refunded Bonds (as hereinafter defined) which financed the purchase of the Aspire at Discovery Park housing complex (the "Aspire Housing Complex") and (ii) paying or reimbursing certain costs of issuing the Series 2023A Bonds, all as described in this Official Statement. See "PLAN OF FINANCE."

Interest on the Series 2023A Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2024. The Series 2023A Bonds are issuable only as fully registered bonds, and will be issued in denominations of $5,000 or any integral multiple thereof. The Series 2023A 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 2023A Bonds will be made in book-entry only form, and purchasers of a beneficial interest in the Series 2023A Bonds will not receive physical delivery of the certificates representing their interests in the Series 2023A Bonds. The principal of and interest on the Series 2023A Bonds will be paid to DTC or its nominee as the registered owner of the Series 2023A Bonds. Disbursement of such payments to owners of beneficial interests in the Series 2023A Bonds will be the responsibility of DTC and its participants and indirect participants. See "DESCRIPTION OF SERIES 2023A BONDS—Book Entry System."

The Series 2023A Bonds are subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF SERIES 2023A BONDS–Redemption."

The Twenty-Second Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2023A Bonds, and all purchasers of any Additional Bonds (as defined herein) issued subsequent to the Series 2023A 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 (as defined in the Indenture) 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 2023A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2023A 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 2023A 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 2023A 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 2023A 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 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 2023A 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 2023A Bonds will be available for delivery to DTC on or about April 6, 2023.

Wells Fargo Securities

Truist Securities **JP Morgan**

Official Statement dated: March 28, 2023

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

$98,125,000
The Trustees of Purdue University
Purdue University Student Facilities System Revenue Bonds, Series 2023A

Due	Principal Amount	Interest Rate	Yield	Price	CUSIP
July 1, 2024	$2,350,000	5.000%	2.450%	103.082	746189B32
July 1, 2025	2,470,000	5.000	2.380	105.668	746189B40
July 1, 2026	2,595,000	5.000	2.260	108.500	746189B57
July 1, 2027	2,730,000	5.000	2.260	111.005	746189B65
July 1, 2028	2,870,000	5.000	2.260	113.455	746189B73
July 1, 2029	3,020,000	5.000	2.280	115.724	746189B81
July 1, 2030	3,170,000	5.000	2.290	117.973	746189B99
July 1, 2031	3,335,000	5.000	2.320	119.983	746189C23
July 1, 2032	3,505,000	5.000	2.350	121.883	746189C31
July 1, 2033	6,295,000	5.000	2.390	123.571	746189C49
July 1, 2034	6,620,000	5.000	2.520	122.249*	746189C56
July 1, 2035	6,960,000	5.000	2.660	120.843*	746189C64
July 1, 2036	7,315,000	5.000	2.830	119.163*	746189C72
July 1, 2037	7,690,000	5.000	2.990	117.607*	746189C80
July 1, 2038	8,085,000	5.000	3.110	116.455*	746189C98
July 1, 2039	8,500,000	5.000	3.180	115.790*	746189D22
July 1, 2040	8,935,000	5.000	3.280	114.848*	746189D30
July 1, 2041	2,500,000	5.000	3.330	114.380*	746189D48
July 1, 2042	500,000	5.000	3.360	114.100*	746189D55
July 1, 2043	8,680,000	5.000	3.410	113.636*	746189D63

*Priced to the first optional redemption date of July 1, 2033

THE TRUSTEES OF PURDUE UNIVERSITY
West Lafayette, Indiana

[1] Student Trustee

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 2023A BONDS IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE SERIES 2023A 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 2023A 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" or "the University" or "Purdue University") 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. See "APPENDIX A: PURDUE UNIVERSITY AND THE TRUSTEES OF PURDUE UNIVERSITY."

PURPOSES OF ISSUE. The Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2023A (the "Series 2023A Bonds"), are being issued to (a) refund the Refunded Bonds (as hereinafter defined) which financed the purchase of the Aspire at Discovery Park housing complex (the "Aspire Housing Complex") and (b) pay or reimburse certain costs of issuing the Series 2023A Bonds, all as described in this Official Statement. See "PLAN OF FINANCE."

SECURITY. The Series 2023A 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 Twenty-Second Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, dated as of April 1, 2023 (the "Twenty-Second Supplemental and Amendatory Indenture") (such Indenture of Trust, as supplemented and amended to date and as supplemented and amended by the Twenty-Second Supplemental and Amendatory Indenture, the "Indenture"). The Series 2023A Bonds and any other obligations of the Corporation secured by a first lien on the Pledged Revenues under the Indenture (the Series 2023A 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 March 1, 2023, 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	$15,655,000
Series 2007A Bonds	January 5, 2007	61,865,000	34,850,000
Series 2015A Bonds	March 31, 2015	98,070,000	81,860,000
Series 2016A Bonds	May 11, 2016	67,470,000	48,205,000
Series 2022A Bonds	June 30, 2022	41,750,000	37,625,000
Series 2022B-1 Bonds	November 8, 2022	60,000,000	60,000,000
Series 2022B-2 Bonds	November 8, 2022	60,000,000	60,000,000
			$338,195,000

The Series 2023A 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 Twenty-Second Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2023A Bonds, and all purchasers of any Additional Bonds issued subsequent to the Series 2023A 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 (as defined in the Indenture) 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 2023A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2023A 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, food service facilities and certain other facilities. See "FACILITIES AND SYSTEM."

BOOK-ENTRY SYSTEM. The Series 2023A 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 2023A Bonds. Purchases of the Series 2023A Bonds by investors will be made in book-entry form only and individual purchasers will not receive physical delivery of Series 2023A Bond certificates. See "DESCRIPTION OF SERIES 2023A 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, 2022, and June 30, 2021 (excluding any other Available Funds), and the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2023A Bonds:

	Fiscal Year Ended June 30	
	2022	2021
Net Income[(1)]	$40,510,846	$26,723,551
Projected coverage[(2)]	1.92	1.26

Projected average annual debt service: $21,128,517 [(2)]

(1) See "FACILITIES AND SYSTEM—Historical Debt Service Coverage."
(2) Projected average of annual debt service for Fiscal Years ending June 30, 2024, through and including June 30, 2044, after giving effect to issuance of the Series 2023A 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, 2022, exceeded 27.6 times the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2023A Bonds, determined in accordance with the footnote (2) above.

The Available Funds balance (unaudited), at June 30, 2022, exceeded 20.0 times the projected average of the annual debt service on (a) the Outstanding First Lien Bonds and the Series 2023A 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 2023A Bonds, and the Series 2023A 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 2023A 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 Third Supplement to the Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated the date of delivery of the Series 2023A 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. The accounting principles pursuant to which the Corporation's financial statements will be prepared shall be generally accepted accounting principles applicable to public colleges and universities, as in effect from time to time, those described in the auditors' report and the notes accompanying the audited financial statements of the Corporation included in an appendix to any Final Official Statement or those mandated by State law from time to time, or any other accounting principles which do not, in the determination of the Corporation, materially deviate from any of such accounting principles. See "APPENDIX D: SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT."

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

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OFFICIAL STATEMENT

$98,125,000
THE TRUSTEES OF PURDUE UNIVERSITY
Purdue University Student Facilities System Revenue Bonds, Series 2023A

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" or the "University" or "Purdue University") of its Purdue University Student Facilities System Revenue Bonds, Series 2023A (the "Series 2023A Bonds").

The Series 2023A 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 Twenty-Second Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, dated as of April 1, 2023 (the "Twenty-Second Supplemental and Amendatory Indenture") (such Indenture of Trust, as supplemented and amended to date and as supplemented and amended by the Twenty-Second Supplemental and Amendatory Indenture, collectively, the "Indenture").

The Indenture permits the Corporation to issue: (a) First Lien Bonds on a parity with the Series 2023A 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 2023A Bonds and any other obligations of the Corporation secured by a first lien on the Pledged Revenues under the Indenture (the Series 2023A 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 March 1, 2023, 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	$15,655,000
Series 2007A Bonds	January 5, 2007	61,865,000	34,850,000
Series 2015A Bonds	March 31, 2015	98,070,000	81,860,000
Series 2016A Bonds	May 11, 2016	67,470,000	48,205,000
Series 2022A Bonds	June 30, 2022	41,750,000	37,625,000
Series 2022B-1 Bonds	November 8, 2022	60,000,000	60,000,000
Series 2022B-2 Bonds	November 8, 2022	60,000,000	60,000,000
			$338,195,000

The Series 2023A 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 2023A 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 2023A Bonds and all other First Lien Bonds due on such date. Such amounts will be deposited in the Sinking Fund.

The Series 2023A Bonds are subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF SERIES 2023A 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 Third Supplement to Second Amended and Restated Continuing Disclosure Undertaking Agreement, to be dated the date of delivery of the Series 2023A Bonds (the "Undertaking Agreement"), for the benefit of the beneficial owners of the Series 2023A 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.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

PURPOSE OF SERIES 2023A BONDS

The Series 2023A Bonds are being issued for the purpose of (a) refunding the Refunded Bonds (as hereinafter defined) which financed the acquisition of the Aspire at Discovery Park housing complex (the "Aspire Housing Complex") and (b) paying or reimbursing certain costs of issuing the Series 2023A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

DESCRIPTION OF SERIES 2023A BONDS

General

The Series 2023A Bonds will be issued in the aggregate principal amount of $98,125,000 and will be dated and bear interest from their date of delivery. The Series 2023A Bonds will bear interest, payable January 1 and July 1 of each year, commencing January 1, 2024 (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 2023A Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months.

Each Series 2023A 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 2023A Bond is in default, such Series 2023A Bond will bear interest from the date to which interest has been paid.

The Series 2023A Bonds will be issued in fully registered form in the denomination of $5,000 or any integral multiple thereof (an "Authorized Denomination").

The Series 2023A 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 2023A Bonds is payable when due upon presentation and surrender thereof at the designated corporate trust operations office of the Trustee. Interest on the Series 2023A 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 2023A 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 2023A 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 2023A Bond as the absolute owner of such Series 2023A Bond, whether such Series 2023A Bond is overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Corporation nor the Trustee, Registrar or Paying Agent will be affected by any notice to the contrary.

Redemption

Optional Redemption. The Series 2023A Bonds maturing on or after July 1, 2034, are subject to redemption prior to maturity at the option of the Corporation at any time on or after July 1, 2033, in whole or in part, in any order of maturity as selected by the Corporation (less than all of the Series 2023A Bonds of a single maturity to be selected by lot in any manner selected by the Trustee), at the redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Selection of Series 2023A Bonds to be Redeemed. If less than all of the Series 2023A Bonds within a maturity are called for redemption, the Trustee will select the Series 2023A Bonds or portions thereof within a maturity to be redeemed in any manner the Trustee in its sole discretion deems appropriate.

Notice of Redemption. For so long as the Series 2023A Bonds are registered in the name of DTC or its nominee or its successor, any redemption notice will be given only to DTC or its nominee or successor, as described under "Book Entry System."

Notice of redemption of the Series 2023A Bonds or portions thereof will be given by the Trustee by mailing a copy of the redemption notice by first class mail not less than 30 days nor more than 45 days prior to the date fixed for redemption to the registered owner of each Series 2023A Bond to be redeemed at the address shown on the registration books. In the case of optional redemption of Series 2023A Bonds, notice will also be sent to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2023A Bonds (the sole such depository now being The Depository Trust Company of New York, New York), not less than 30 days nor more than 45 days prior to the date fixed for redemption. Any failure to give any such notice, or any defect therein, with respect to any Series 2023A Bond will not affect the validity of any proceedings for the redemption of any other Series 2023A Bonds. If for any reason it is impossible or impractical to mail such notice of call for redemption in the manner provided, then any mailing in lieu thereof made with the Trustee's approval will constitute sufficient notice.

On and after the redemption date specified in the aforesaid notice, such Series 2023A Bonds, or portions thereof, thus called (provided funds for their redemption are on deposit at the place of payment) will no longer bear interest, will no longer be protected by the Indenture and will no longer be deemed to be Outstanding under the Indenture, and the holders thereof will have the right to receive only the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

No notice of optional redemption of any Series 2023A Bonds will be effective if sufficient funds have not been deposited in the Redemption Fund on the redemption date pursuant to the Indenture, and such event will not constitute an Event of Default under the Indenture and such Series 2023A Bonds will continue to bear interest until paid at the same rate as if such Series 2023A Bonds had not been called for redemption.

Partial Redemption or Purchase. In case any Series 2023A Bond is of a denomination larger than the minimum Authorized Denomination, all or a portion of such Series 2023A Bond may be redeemed (or purchased), provided that the principal amount not being redeemed (or purchased) is in any Authorized Denomination.

Upon surrender of any Series 2023A Bond for redemption (or purchase) in part only, the Corporation will execute and the Trustee will authenticate and deliver to the registered owner thereof, at the Corporation's expense, a new Series 2023A Bond or Series 2023A Bonds of Authorized Denominations in aggregate principal amount equal to the unredeemed portion of such Series 2023A Bond surrendered.

Open Market Purchases. At its option, to be exercised not less than 45 days prior to any redemption date, or such shorter period as is acceptable to the Trustee and Paying Agent, the Corporation may (a) deliver to the Trustee any Series 2023A Bonds purchased with moneys on deposit in the Revenue Fund and available for redemption of such Series 2023A Bonds and (b) instruct the Trustee to apply the principal amount of such Series 2023A Bonds so delivered for credit at 100% of the principal amount thereof against the principal amount of Series 2023A Bonds of the same maturity to be redeemed on the next succeeding redemption date. The Trustee will so credit each such Series 2023A Bond so delivered.

Redeemed Series 2023A Bonds. If the amount necessary to redeem any Series 2023A Bonds called for redemption has been deposited with the Trustee for that purpose on or before the date specified for redemption, and if the notice described above has been duly given and all proper charges and expenses of the Trustee, Registrar and Paying Agent in connection with such redemption have been paid or provided for, the Corporation will be released from all liability on such Series 2023A Bonds, and such Series 2023A Bonds will no longer be deemed to be outstanding under the Indenture. Thereafter, such Series 2023A Bonds will not be secured by the lien of the Indenture, and the holders thereof may look only to the Trustee for payment thereof.

Payment of Principal and Interest

For so long as the Series 2023A 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 2023A Bonds are no longer registered under a book-entry only system, payment of the principal of and interest on the Series 2023A Bonds will be made as described above under "General."

Interest Account. The Trustee will establish and maintain, as long as any Series 2023A Bonds are outstanding, a separate account within the Sinking Fund created by the Indenture to be known as the Series 2023A 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 2023A Interest Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the interest on the Series 2023A Bonds due on such date and (b) the amount of moneys then on deposit in the Series 2023A Interest Account available to pay such interest. The Trustee will use moneys on deposit in the Series 2023A Interest Account to pay the interest on the Series 2023A Bonds whenever such interest is due and payable.

Principal Account. The Trustee will establish and maintain, as long as any Series 2023A Bonds are outstanding, a separate account within the Sinking Fund to be known as the Series 2023A 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 2023A Principal Account moneys received from the Corporation in an amount equal to the difference, if any, between (a) the principal amount of Series 2023A Bonds maturing or subject to mandatory sinking fund redemption on such date and (b) the amount of moneys then on deposit in the Series 2023A Principal Account available to pay such principal. The Trustee will use moneys on deposit in the Series 2023A Principal Account to pay the principal of the Series 2023A Bonds at maturity or upon mandatory sinking fund redemption.

Redemption Account. The Trustee will establish and maintain, as long as any Series 2023A Bonds are outstanding, a separate account within the Redemption Fund to be known as the Series 2023A Account. On or before any day on which any Series 2023A Bonds are subject to optional redemption, the Trustee will deposit in the Series 2023A 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 2023A Bonds due on such date and (b) the amount of moneys then on deposit in the Series 2023A Account of the Redemption Fund available to pay such redemption price. The

Trustee will use moneys on deposit in the Series 2023A Account of the Redemption Fund to pay the optional redemption price of the Series 2023A 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 2023A Bonds or the date fixed for redemption of any Series 2023A 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 2023A 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 2023A Bonds. The Series 2023A 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 2023A Bonds certificate will be issued for the Series 2023A Bonds, in the aggregate principal amount of the Series 2023A 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 2023A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023A 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 2023A 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 2023A Bonds, except in the event that use of the book-entry system for the Series 2023A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023A 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 2023A 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 2023A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023A 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 2023A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2023A Bond documents. For example, Beneficial Owners of Series 2023A Bonds may wish to ascertain that the nominee holding the Series 2023A 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 2023A 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 2023A 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 2023A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2023A 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 2023A 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 2023A 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 2023A 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 2023A Bonds is discontinued, the Trustee would provide for the registration of the Series 2023A Bonds in the name of the Beneficial Owners thereof. The Corporation and the Trustee would treat the person in whose name any Series 2023A Bond is registered as the absolute owner of such Series 2023A 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 2023A 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 2023A Bonds for transfer or exchange, the Trustee would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new Series 2023A Bond or Series 2023A 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 2023A Bond or Series 2023A Bonds so presented. The Corporation or the Trustee would require the owner of any Series 2023A 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 2023A Bonds. A Series 2023A Bond would not be subject to transfer or exchange after the mailing of notice calling such Series 2023A Bond for redemption has been made, or during a period of 15 days next preceding the mailing of notice for redemption of any Series 2023A Bonds.

SECURITY AND SOURCES OF PAYMENT FOR BONDS

The Series 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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 Twenty-Second Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2023A Bonds, and all purchasers of any Additional Bonds issued subsequent to the Series 2023A 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 (as defined in the Indenture) 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 2023A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2023A 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, 2022, and June 30, 2021 (excluding any other Available Funds), and the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2023A Bonds:

	Fiscal Year Ended June 30	
	2022	2021
Net Income(1)	$40,510,846	$26,723,551
Projected coverage(2)	1.92	1.26
Projected average annual debt service: $21,128,517(2)		

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

(2) Projected average of annual debt service for Fiscal Years ending June 30, 2024, through and including June 30, 2044, after giving effect to issuance of the Series 2023A 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, 2022, exceeded 27.6 times the projected average of the annual debt service on the Outstanding First Lien Bonds and the Series 2023A Bonds, determined in accordance with the footnote (2) above.

The Available Funds balance (unaudited), at June 30, 2022, exceeded 20.0 times the projected average of the annual debt service on (a) the Outstanding First Lien Bonds and the Series 2023A 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 2023A Bonds is as follows:

		Series 2023A Bonds		
Fiscal Year ended June 30	Outstanding Debt Service (1)(2)	Principal	Interest	Total Debt Service
2024	$24,766,034	--	$3,611,545	$28,377,579
2025	24,296,904	$2,350,000	4,847,500	31,494,404
2026	24,295,807	2,470,000	4,727,000	31,492,807
2027	24,291,421	2,595,000	4,600,375	31,486,796
2028	24,292,177	2,730,000	4,467,250	31,489,427
2029	24,290,262	2,870,000	4,327,250	31,487,512
2030	22,798,228	3,020,000	4,180,000	29,998,228
2031	20,515,153	3,170,000	4,025,250	27,710,403
2032	20,518,857	3,335,000	3,862,625	27,716,482
2033	20,516,486	3,505,000	3,691,625	27,713,111
2034	12,994,899	6,295,000	3,446,625	22,736,524
2035	9,809,325	6,620,000	3,123,750	19,553,075
2036	7,747,750	6,960,000	2,784,250	17,492,000
2037	5,703,375	7,315,000	2,427,375	15,445,750
2038	4,416,400	7,690,000	2,052,250	14,158,650
2039	4,419,600	8,085,000	1,657,875	14,162,475
2040	4,416,400	8,500,000	1,243,250	14,159,650
2041	4,416,600	8,935,000	807,375	14,158,975
2042	--	2,500,000	521,500	3,021,500
2043	--	500,000	446,500	946,500
2044	--	8,680,000	217,000	8,897,000

(1) Following the issuance of the Series 2023A 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 sum due to rounding.

FACILITIES AND SYSTEM

General

The Student Facilities System (the "System") may include any Purdue University facility permitted under the Acts. The Facilities consist of certain student residence and dining facilities located on the Corporation's West Lafayette, Fort Wayne and 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 (depicted under "Current System Housing Facilities"), and several dining operations facilities on the West Lafayette campus (depicted under "Current System Dining Facilities").

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

Housing accommodations, including room and board, room only, and apartments, are available to both undergraduate and graduate students. For Fall 2022, approximately 87% of student housing facilities on the West Lafayette campus are undergraduate residence halls and nearly 13% are apartments. Housing facilities on the Fort Wayne and PNW Hammond campuses are all apartments. Fall 2022 occupancy for the Student Facilities is 99%.

The student residence facilities on the West Lafayette campus are managed by a central administrative office under the direction of the Vice Provost for Student Life. The Fort Wayne and PNW Hammond campuses manage their own housing facilities under the Vice Chancellor for the Student Experience and Vice Chancellor for Student Life, respectively.

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 27 locations across campus. Dining operations of the System are not included in this contract.

Current System Housing Facilities

The following table summarizes the System's student residence facilities for Fall 2022. For the West Lafayette campus, around 1,323 spaces are not captured below for two residence halls that opened in Fall 2020 under a P3 agreement. Of note, starting in the Fall 2023, the Aspire Housing Complex will offer 1,200 available spaces.

West Lafayette	Year of Initial Construction	Fall 2022 Available Spaces	West Lafayette	Year of Initial Construction	Fall 2022 Available Spaces
Cary Quadrangle	1927	1,020	Honors College Residence	2015	812
Windsor Halls	1934	677	Aspire Housing Complex	2018	831
Hilltop Apartments	1944	924	**Sub-Total**		**13,216**
Meredith Hall	1952	521			
Owen Hall	1957	804	**Fort Wayne**		
Tarkington Hall	1958	809	FW Housing Complex I	2003	558
Wiley Hall	1958	839	FW Housing Complex II	2007	188
McCutcheon Hall	1963	856	FW Housing Complex III	2009	448
Earhart Hall	1964	822	**Sub-Total**		**1,194**
Harrison Hall	1966	868			
Hawkins Graduate House	1968	840	**PNW Hammond**		
Shreve Hall	1970	890	Peregrine Hall	2004	376
Hillenbrand Hall	1993	809	Griffin Hall	2008	368
First Street Towers	2007	526	**Sub-Total**		**744**
Parker Hall	2012	368			
			TOTAL		**15,154**

Aspire Housing Complex

The Aspire Housing Complex consists of approximately 4.8 acres and includes a three-building, four-story, 387,000-square foot housing facility and ancillary amenities. Initial construction began in 2018 and was completed in August 2019 through a private development company. In June 2022, the Corporation approved a resolution of support for the Purdue Research Foundation (the "Foundation") to purchase the housing facility from the private developer, and for the future acquisition by the Corporation from the Foundation upon receipt of all necessary governmental approvals which allowed for the issuance of the Refunded Bonds.

The Aspire Housing Complex is situated proximate and adjacent to current University residential housing and dining, and provides immediate additional housing capacity to help meet the demands of enrollment growth on the West Lafayette campus. Notably, the Corporation's acquisition of the Aspire Housing Complex is consistent with the transformative education pillar of the University's "Purdue Moves" and "Purdue's Next Moves" strategic initiatives to continue to meet its long-term goal of increasing student success and value by adding housing capacity and ensuring on-campus living opportunities for undergraduate students.

Housing Occupancy

The following table provides the occupancy percentage of the System's student residence facilities as of the Fall Semester for the years listed. 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	**2022**	**2021**	**2020**	**2019**	**2018**
West Lafayette	99%	98%	90%	100%	98%
Fort Wayne	99%	99%	97%	99%	99%
PNW Hammond	99%	77%	68%	93%	91%
TOTAL	**99%**	**97%**	**90%**	**99%**	**98%**

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				
	2022-23	2021-22	2020-21	2019-20	2018-19
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
Maximum Academic Year Rate	-	$7,850	$7,850	$7,850	$7,850
Graduate Housing					
Minimum Academic Year Rate	-	$5,840	$5,840	$5,840	$5,840
Maximum Academic Year Rate	-	$7,670	$7,670	$7,670	$7,670
Fort Wayne Student Housing Complex					
Minimum Academic Year Rate	$5,130	$4,930	$4,930	$4,930	$4,930
Maximum Academic Year Rate	$10,076	$9,876	$9,876	$9,826	$9,826
PNW Student Housing					
Minimum Academic Year Rate	$5,967	$5,850	$5,707	$5,595	$5,595
Maximum Academic Year Rate	$6,946	$6,810	$6,644	$6,514	$6,514

Current System Dining Facilities

There are five operating dining court locations on the West Lafayette campus: Earhart Hall, Hillenbrand Hall, Windsor Hall, the Fred and Mary Ford Dining Court, and Wiley Dining Court. In addition, the System has five '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 2022-2023 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				
	2022-23	2021-22	2020-21	2019-20	2018-19
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 table includes the unaudited Statements of Revenues, Expenses and Changes in Net Assets for the Purdue University Student Facility System as of June 30, 2022, 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)

	2022	2021	2020	2019
Operating Revenues				
Housing, net	$75,795,688	$69,165,289	$72,447,733	$78,705,534
Food Service	60,266,125	49,614,455	52,803,211	63,953,233
Other Operating Revenues	2,391,862	2,034,525	2,048,780	2,388,221
TOTAL	$138,453,675	$120,814,269	$127,299,724	$145,046,988
Operating Expenses				
Depreciation [1]	$22,802,896	$22,951,505	$22,980,987	$31,944,747
Operating Expenses	97,942,829	94,090,718	90,391,630	99,671,097
TOTAL	$120,745,725	$117,042,223	$113,372,617	$131,615,844
System Operating Income	**$17,707,950**	**$3,772,046**	**$13,927,107**	**$13,431,143**
Add back of Depreciation	22,802,896	22,951,505	22,980,987	31,944,747
Add back Investment Income	0	0	7	0
System Net Income	**$40,510,846**	**$26,723,551**	**$36,908,101**	**$45,375,890**
Annual Debt Service of the Bonds [1]	**$25,873,306**	**$28,177,973**	**$31,202,576**	**$31,238,243**
System Net Income Coverage of Debt Service	**1.57x**	**0.95x**	**1.18x**	**1.45x**

[1] Excludes federal subsidy on Build America Bonds and one-time cash redemption of SFSRB Series 2011A in fiscal year 2022 and 2010A in fiscal year 2021.

The Available Funds balance (unaudited), at June 30, 2022, exceeded 35.7 times the average annual debt service on the outstanding Student Facilities System Revenue First Lien Bonds.

The Available Funds balance (unaudited), at June 30, 2022, exceeded 22.4 times the 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, 2022, the System has $17.3 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. The Corporation is considering the potential construction of new residence halls consistent with the 2018 Giant Leaps Master Plan. The scope and funding sources for the additional new housing are currently under evaluation.

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 2023A Bonds are being issued for the purpose of (a) refunding the Refunded Bonds (as hereinafter defined) which financed the acquisition of the Aspire Housing Complex and (b) paying or reimbursing certain costs of issuing the Series 2023A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

Refunding of Refunded Bonds

A portion of the proceeds of the Series 2023A Bonds, together with other University funds, will be used for the purpose of refunding the Refunded Series 2022B-1 Bonds and Refunded Series 2022B-2 Bonds (as described in Appendix E) on or before April 6, 2023 which financed the acquisition of the Aspire Housing Complex.

The Refunded Series 2022B-1 Bonds and Series 2022B-2 Bonds are owned by Truist Bank and Wells Fargo Municipal Capital Strategies, LLC, respectively.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to the issuance of the Series 2023A Bonds are summarized below:

Sources of Funds:	
Principal Amount of Series 2023A Bonds	$ 98,125,000
Original Issue Premium	16,373,551
Equity Contribution	5,000,000
Total Sources of Funds	$119,498,551
Uses of Funds:	
Refunding Account of the Project Fund[1]	$118,925,290
Costs of Issuance[2]	573,261
Total Uses of Funds	$119,498,551

[1] To be transferred and deposited in an escrow fund (the "Escrow Fund") established pursuant to an Escrow Deposit Agreement dated as of April 1, 2023 (the "Escrow Agreement"), between the University and The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the "Escrow Trustee") and as the Trustee.
[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 2023A 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 Twenty-Second Supplemental Indenture contains a prospective amendment to the Indenture. All purchasers of the Series 2023A Bonds, and all purchasers of any Additional Bonds issued subsequent to the Series

2023A 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 (as defined in the Indenture) 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 2023A Bonds and all Additional Bonds issued subsequent thereto will no longer be secured by the Pledged Revenues; rather, the Series 2023A 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 <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.**

"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 Twenty-Second Supplemental and Amendatory Indenture, and as further supplemented or amended from time to time.

"Interest Payment Date" means each January 1 and July 1, commencing January 1, 2024.

"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.

"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."

"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.

"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 collectively, the Refunded Series 2022B-1 Bonds and the Refunded Series 2022B-2 Bonds, as 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 2023A Bonds have <u>no</u> 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 2023A Bonds have <u>no</u> 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 2023A Bonds have <u>no</u> 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 Twenty-Second Supplemental and Amendatory Indenture and the issuance of the Series 2023A 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 2023A Bondholder," "Holder of a Series 2023A Bond," "holder of a Series 2023A Bond," "Owner of a Series 2023A Bond," "owner of a Series 2023A Bond" or any similar term means a registered owner of any Series 2023A Bond.

"Series 2023A Bonds" means the Corporation's Purdue University Student Facilities System Revenue Bonds, Series 2023A.

"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.

"Twenty-Second Supplemental and Amendatory Indenture" means the Twenty-Second Supplemental and Amendatory Indenture by and between the Corporation and the Trustee, Registrar and Paying Agent, dated as of April 1, 2023.

"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 2023A Account."

A portion of the proceeds of the Series 2023A Bonds will be deposited in the Series 2023A 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 2023A 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 2023A Bonds. The Corporation will transfer any money in the Series 2023A Account of the Bond Expense Fund remaining after payment of Costs of Issuance of the Series 2023A Bonds to the Series 2023A 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 2023A Bonds will have no 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 2023A 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 2023A 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 2023A Bonds; nor will the Corporation act in any other manner that would result in the loss of exclusion of interest on any Series 2023A 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 2023A Bonds.

The Corporation will not make any investment or do any other act or thing during the period that any Series 2023A Bonds or any Refunded Bonds are Outstanding that would cause any Series 2023A 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 2023A Bonds.

It will not be an Event of Default under the Indenture if the interest on any Series 2023A 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 2023A 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:

(c) 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);

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

(e) 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:

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

(g) 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;

(h) 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;

(i) 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;

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

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

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

(m) 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;

(n) 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

(o) 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, Bond Counsel, under existing federal statutes, decisions, regulations, and rulings, interest on the Series 2023A Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. This opinion relates only to the excludability from gross income of interest on the Series 2023A 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 2023A 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 2023A Bonds is exempt from income taxation in the State of Indiana. This opinion relates only to the exemption of interest on the Series 2023A 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 2023A Bonds as a condition to the exclusion from gross income of interest on the Series 2023A 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 2023A Bonds, that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2023A 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 2023A 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 2023A Bonds.

Although Bond Counsel will render an opinion that interest on the Series 2023A 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 2023A 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 2023A Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2023A Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2023A Bonds.

BOND PREMIUM

The initial public offering prices of all of the Series 2023A 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

The continued spread of COVID-19 or any other similar outbreaks in the future may materially adversely impact securities markets and foreign and domestic economies and, accordingly, may have a material adverse effect on the investment performance and financial condition of the Corporation. There also could be a material adverse impact on the secondary market for and value of the Bonds. The Corporation cannot predict the future course of the COVID-19 pandemic, any similar outbreaks in the future, or their impact on travel; on assemblies or gatherings; on demand for higher education; on the State, national, or global economy; or on securities markets; whether any such disruptions may adversely impact the Corporation's operations, or revenues; or whether any of the foregoing may have a material adverse effect on the financial condition or operations of the Corporation. See "APPENDIX B: PURDUE UNIVERSITY FINANCIAL REPORT."

LITIGATION

Absence of Litigation Related to Series 2023A Bonds

As of the date of delivery the Series 2023A 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 2023A Bonds or the pledging of the Pledged Revenue, or in any way contesting, questioning or affecting the validity of any provision of the Series 2023A Bonds, the proceedings or the authority of the Corporation taken with respect to the issuance or sale thereof, the resolutions authorizing the Series 2023A 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 2023A 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 2023A 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 2023A Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2023A 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 2023A 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 2023A 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 2023A 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 2023A Bonds in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

UNDERWRITING

Wells Fargo Bank National Association, N.A., Truist Securities, and J.P. Morgan Securities LLC (collectively, the "Underwriters"), have agreed to purchase the Series 2023A Bonds subject to certain conditions precedent, and the Underwriters are obligated to purchase all Series 2023A Bonds issued at an underwriting discount of $236,621.06 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 2023A Bonds to certain dealers (including dealers depositing the Series 2023A 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.

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.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as “CIB,” “Wells Fargo Securities” or “WFS”) is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association (“WFBNA”), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, the senior underwriter of the Series 2023A Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2023A Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2023A Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2023A Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly owned subsidiaries of Wells Fargo & Company.

A portion of the proceeds of the Series 2023A Bonds will be used to refund the Series 2022B-2 Bonds owned by Wells Fargo Municipal Capital Strategies, LLC.

Truist Securities, Inc. has entered into agreements (the "Truist Distribution Agreements") with certain of its affiliates (the “Retail Affiliates”) for the retail distribution of certain municipal securities offerings, including the 2023A Bonds. Pursuant to the Truist Distribution Agreements, Truist Securities, Inc. may share a portion of its underwriting compensation, as applicable, with respect to the 2023A Bonds with the Retail Affiliates. Truist Securities, Inc. and the Retail Affiliates are subsidiaries of Truist Financial Corporation.

Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries. Securities and strategic advisory services are provided by Truist Securities, Inc., member FINRA and SIPC. Lending, financial risk management, and treasury management and payment services are offered by Truist Bank. Deposit products are offered by Truist Bank, Member FDIC. In its normal course of business Truist Bank may currently, or in the future, provide credit, treasury management, or other commercial banking services to the Corporation.

The Corporation obtained a loan dated November 8, 2022 from Truist Bank. A portion of the proceeds of the 2023A bonds will be used for the purpose of refunding the loan with Truist Bank, an affiliate of Truist Securities, Inc.

JP Morgan has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, if applicable to this transaction, each of CS&Co. and LPL will purchase Bonds from JP Morgan at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

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 2023A 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 Corporation 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"). HedgeStar provides hedge accounting, fair value accounting, and valuation services for financial instruments including, but not limited to, fixed-income securities and derivatives. HedgeStar currently does not, and in connection with the Series 2023A Bonds is not expected to, provide services to the Corporation.

MISCELLANEOUS

During the initial offering period for the Series 2023A 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.

The execution and delivery of this Official Statement has been duly authorized by the Board of Trustees of the Corporation.

THE TRUSTEES OF PURDUE UNIVERSITY

/s/ Christopher A. Ruhl
Christopher A. Ruhl, Chief Financial Officer & Treasurer

Dated: March 28, 2023

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 69,000 full-time and part-time students and approximately 5,258 faculty and lecturers on its main, regional, and statewide campuses as of Fall 2022.

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 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. See "*Purdue University Global*" herein.

On August 12, 2022, Indiana University ("IU") and Purdue University approved a new vision that will transform the 52-year-old Indiana University-Purdue University ("IUPUI") – a joint venture between the two universities on a campus IU owns and manages – into separate academic organizations in which IU and Purdue will each govern their own programs. See "*Purdue University in Indianapolis*" herein.

Academic Colleges and Schools of Purdue University

The University divides its academic year into two semesters, a summer term, and a new winter session. The winter session is designed to provide enhanced opportunities for student success, an expanded curricular, academic innovation, and assist with time-to-degree.

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 the academic colleges and schools as listed below, including the new Mitchell E. Daniels, Jr. School of Business (the "Daniels School of Business"). See "*The Daniels School of Business*" herein. 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; Daniels School of Business; Education; Engineering; Exploratory Studies; Health and Human Sciences; Liberal Arts; Pharmacy; Polytechnic Institute; Science; Veterinary Medicine; and Honors.

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; Education; 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.

The Daniels School of Business

In September 2022, Purdue announced its next big move in a decade-long series of major strategic investments to reimagine its current School of Management into a new School of Business. On February 3, 2023, the Board of Trustees branded this new school after the University's 12th President who led transformative change during his tenure: The Mitchell E. Daniels, Jr. School of Business (the "Daniels School of Business"). The Daniels School of Business is comprised of the Bruce White Undergraduate Institute and the Krannert Graduate Institute. The Bruce White Undergraduate Institute is the result of a recent $50 million gift from the Dean and Barbara White Family Foundation to honor Bruce White, former Purdue Trustee and founder and chairman of White Lodging. The Krannert Graduate Institute honors original school benefactors Herman and Ellnora Krannert.

The Board of Trustees committed to investing $300 million from the University and fundraising to establish Purdue's program as the standard for an affordable, technology-focused, business education driven by a philosophy that free enterprise underpins economic prosperity and individual liberty. Alumni and friends of Purdue have rallied to support the Daniels School of Business, committing more than $127 million so far. As part of the investment, the new school has pledged to double the size of its facilities with an expansive renovation plan over the next several years, including a 125,000 GSF new academic building with target move-in of 2027.

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 and 2,500 employees. 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 2,230 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 in Purdue Global's operations. Purdue Global operates primarily online with administrative headquarters in West Lafayette. Purdue Global is governed by a seven-member Board of Trustees, composed of five members of Purdue University's Board of Trustees and two independent trustees. The independent trustees 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. After six years, Purdue Global has the option 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.

Purdue University in Indianapolis

Since August 2022, when IU and Purdue announced IUPUI's separation into two distinct academic organizations governed independently by each university, Purdue has described its vision as the next giant leap: a new, fully integrated extension of the main West Lafayette campus bringing the same academic rigor and accessible excellence, with a focus on growth in STEM related degrees and additional applied research opportunities with business and industry in central Indiana. As President Mung Chiang also described, the vision includes the goal of developing a hard-tech corridor along the 63-mile route connecting downtown Indianapolis and West Lafayette, in partnership with the State of Indiana. It is anticipated that the full realignment will be completed in time for the Fall 2024 semester.

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

Officers of the Corporation

Principal Administrative Officers of the University

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

Regional Campus Staff

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 two independent trustees.

Purdue Applied Research Institute Board of Managers

The Purdue Applied Research Institute, LLC (PARI) was launched in fiscal year 2022 as part of the University's Next Moves strategic plan. PARI, LLC is a wholly owned subsidiary of The Trustees of Purdue University. It is a tax-exempt, 501(c)(3), single-member LLC that exists primarily to support the research and outreach missions of Purdue. PARI is a blended component unit for GASB reporting purposes and is included in the University's consolidated financial statements.

The PARI Board of Managers is charged with oversight of the corporation and is composed of five members: Purdue's President, Executive Vice President for Research, Chief Financial Officer, and two Purdue University trustees.

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
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%
2022-23	68,309	35,995	52.7%	9,354	26.0%	48.5%

The freshman applicants at the West Lafayette campus for the fall semesters 2018 through 2022 had an average combined score for the Scholastic Aptitude Test (SAT) verbal and mathematical test of 1289, 1307, 1291, 1297 and 1322, respectively. Approximately 83% of the Fall 2022 freshman class had a high school grade point average between 3.5 and 4.0 and 98% of the Fall 2022 freshman class had a high school grade point average between 3.0 and 4.0.

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
2017-18 [1]	383,678	12,389	6,736	54.4%	5
2018-19	1,377,475	49,156	35,173	71.6%	22
2019-20	1,195,713	50,788	37,533	73.9%	22
2020-21	1,269,484	51,634	36,791	71.3%	22
2021-22	1,010,364	49,291	36,582	74.2%	22

[1] April – June 2018

Tuition and Fees

The University operates its programs on a two semester and summer term basis, with students on the West Lafayette campus also having the option to participate in a winter session. 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 undergraduate students at the West Lafayette campus for the past five academic years. Approximately 60% of the total undergraduate and graduate students at the West Lafayette campus and approximately 14% of regional campus students were not residents of the State of Indiana in Fall 2022. The full-time summer session tuition and fees is one-half of the regular academic year tuition and fees. Winter session tuition and fees are set at the same per-credit rate as the fall and spring semesters. 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
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
2022-23	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). At its February 2023 meeting, the Board of Trustees endorsed President Mung Chiang's request for a 12th consecutive tuition freeze (through the 2024-25 academic year) which would be up for formal approval in the late spring per state statute, after completion of the legislative budget process.

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
2018-19	$8,450	$20,288	N/A	$8,334	$18,864	N/A
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
2022-23	8,985	22,355	21,573	8,862	20,853	20,060

Northwest	Undergraduate			Graduate		
Academic Year	Indiana Resident	Non-Resident	Non-Resident Domestic	Indiana Resident	Non-Resident	Non-Resident Domestic
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
2022-23	8,174	18,469	11,859	7,943	16,946	11,675

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 2021-22, 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 60% 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 2022, 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		
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
2022-23	43,011	7,873	50,884	9,831	8,149	17,980	646	69,510

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]
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
2022-23	37,949	12,935	50,884	46,579	59,034

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

As of March 2023, nearly 33,500 students were enrolled at Purdue University Global.

Faculty and Employees

As of September 30, 2022, the University's faculty and staff aggregate total was 20,406. Of the total faculty, 57% 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	1,973	437	2,410
Non-Tenure Appointments	1,047	141	1,188
Continuing Lecturers and Limited-Term Lecturers	511	554	1,065
Adjunct Faculty	368	227	595
Graduate Student Staff	5,631	189	5,820
Staff	8,044	1,284	9,328
TOTAL	**17,574**	**2,832**	**20,406**

Facilities (as of Fall 2022)

Academic, Administrative, Athletic and Residential Facilities: Across its main and regional campuses, the University has 265 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 19,596 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. 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, and the Northwest Athletic site which includes the Schwartz Tennis Center, Bittinger Softball Stadium, Alexander Baseball Field, Folk Soccer Field, and the Boilermaker 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 simulation centers for specialized instruction as required for the nursing program.

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; and 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 as 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 (achieved)
- **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 (achieved)

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:

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

	Fiscal Year Ended June 30 (dollars in thousands)				
	2022	**2021**	**2020**	**2019**	**2018**
Operating Revenues					
Tuition and Fees	$1,548,064	$1,459,857	$1,385,459	$1,378,546	$1,037,216
Less: Scholarship Allowance	(202,420)	(205,657)	(213,949)	(223,872)	(145,279)
Net Tuition and Fees	$1,345,644	$1,254,200	$1,171,510	$1,154,674	$891,937
Grants and Contracts	524,269	461,752	488,096	421,103	405,179
Sales and Services	151,565	128,820	140,368	148,176	91,810
Auxiliary Enterprises (Net of Scholarship Allowance)	253,257	183,629	217,506	227,482	285,583
Other Operating Revenues	2,045	1,562	2,863	2,781	7,172
Total Operating Revenues	**$2,276,780**	**$2,029,963**	**$2,020,343**	**$1,954,216**	**$1,681,681**
Operating Expenses					
Compensation and Benefits	$1,670,683	$1,604,709	$1,655,110	$1,658,423	$1,469,602
Supplies and Services	789,130	676,322	693,889	740,379	558,063
Depreciation Expense	215,560	212,195	186,934	190,100	175,821
Scholarships, Fellowships, and Student Awards	146,669	98,585	62,240	65,666	67,613
Total Operating Expenses	**$2,822,042**	**$2,591,811**	**$2,598,173**	**$2,654,568**	**$2,271,099**
Net Operating Loss	**($545,262)**	**($561,848)**	**($577,830)**	**($700,352)**	**($589,418)**
Non-operating Revenues (Expenses)					
State Appropriations	$417,428	$394,199	$401,886	$405,921	$398,143
Grants and Contracts	260,439	225,113	138,170	147,944	77,447
Private Gifts	137,538	127,876	78,258	102,397	91,659
Investment Income	(195,435)	817,505	58,233	181,639	125,711
Interest Expense	(33,722)	(35,712)	(28,969)	(29,159)	(29,687)
Other Non-operating Revenues, Net	8,119	(20,610)	4,950	5,596	3,408
Total Non-operating Revenues before Capital/Endowments	**$594,367**	**$1,508,371**	**$652,528**	**$814,338**	**$666,681**
Capital and Endowments					
State Capital Appropriations	$ -	$ -	$ -	$305	$514
Capital Gifts	27,017	15,430	41,146	46,574	24,422
Private Gifts for Permanent Endowments and Charitable Remainder Trusts	78,076	51,505	37,810	57,987	46,192
Total Capital and Endowments	**$105,093**	**$66,935**	**$78,956**	**$104,866**	**$71,128**
Cumulative Effect of Change in Accounting Policy					
Assets under Capitalization Level Written Off	**$0**	**$0**	**$0**	**$0**	**$0**
Income Before Other Revenues, Expenses, Gains, Losses, and Transfers	**$154,198**	**$1,013,458**	**$153,654**	**$218,852**	**$148,391**
Other Revenues, Expenses, Gains, Losses, and Transfers	**$ -**	**$ -**	**$ -**	**$ -**	**$25,387**
Increase in Net Position	**$154,198**	**$1,013,458**	**$153,654**	**$218,852**	**$173,778**
Net Assets, Beginning of Year	**$6,098,266**	**$5,084,808**	**$4,931,154**	**$4,712,302**	**$4,538,524**
Prior Period Adjustments	**-**	**-**	**-**	**-**	**-**
Net Assets, End of Year	**$6,252,464**	**$6,098,266**	**$5,084,808**	**$4,931,154**	**$4,712,302**

Summary Statement of Net Position

	Fiscal Year Ended June 30 (dollars in thousands)				
	2022	**2021**	**2020**	**2019**	**2018**
Current Assets	$ 629,814	$ 860,156	$ 898,402	$ 800,607	$ 709,792
Capital Assets	2,943,693	2,873,341	2,642,403	2,520,836	2,496,148
Other Assets	4,396,427	4,165,067	3,214,695	3,195,472	2,997,230
Total Assets	**7,969,934**	**7,898,564**	**6,755,500**	**6,516,915**	**6,203,170**
Deferred Outflows of Resources	47,451	39,502	36,832	42,194	59,330
Current Liabilities	547,579	553,852	573,427	551,541	459,003
Noncurrent Liabilities	1,118,717	1,224,211	1,087,558	1,043,797	1,055,143
Total Liabilities	**1,666,296**	**1,778,063**	**1,660,985**	**1,595,338**	**1,514,146**
Deferred Inflows of Resources	98,625	61,737	46,539	32,617	36,052
Net Investment in Capital Assets	1,864,149	1,733,508	1,710,945	1,610,376	1,552,896
Restricted - Nonexpendable	962,179	872,775	820,444	777,197	707,779
Restricted - Expendable	1,377,049	1,468,958	928,747	1,011,002	951,793
Unrestricted	2,049,087	2,023,025	1,624,672	1,532,579	1,499,834
Total Net Position	**$ 6,252,464**	**$ 6,098,266**	**$ 5,084,808**	**$ 4,931,154**	**$ 4,712,302**

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	**2022**	**2021**	**2020**	**2019**	**2018**
Total Tuition & Fees	$ 1,548,064	$ 1,459,857	$ 1,385,459	$ 1,378,546	$ 1,037,216
Less: Scholarship Allowance	(202,420)	(202,730)	(213,949)	(220,216)	(145,279)
Less: Purdue Global, Net	(360,556)	(372,046)	(306,373)	(305,119)	(93,665)
Purdue University Tuition & Fees	**$ 985,088**	**$ 885,081**	**$ 865,137**	**$ 853,211**	**$ 798,272**

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 2018 through 2022 and budgeted for fiscal year 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
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	307,833 [1]	39,080	12,242	31,277	3,767	394,199
2022	331,003	39,084	12,242	32,406	2,692	417,427
2023 (Budgeted)	335,099	35,930	15,742	32,406	2,425	421,602

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 2021-22 academic year. Purdue Global offers multiple terms, which differ from the traditional academic calendar at Purdue University.

Student Financial Assistance[1]

Aid Year 2021-22

	West Lafayette	Regional Campuses	Total	Purdue Global
Scholarships and Grants:				
University Scholarships, Grants & Fee Remissions	$ 100,442,277	$ 14,423,777	$ 114,866,054	$ 54,700,199
Athletic Grant-in-Aid	11,314,109	3,816,609	15,130,718	-
State Awards	28,922,517	17,023,608	45,946,125	3,172,713
Private Awards	16,718,531	3,692,419	20,410,950	563,775
Fellowships	8,162,450	-	8,162,450	-
Federal Pell Grants	26,204,900	21,582,038	47,786,938	75,042,687
Federal SEOG	1,654,412	788,217	2,442,629	2,604,097
Other Federal Aid	148,817	1,013,983	1,162,800	309,316
Total	**$ 193,568,012**	**$ 62,340,651**	**$ 255,908,663**	**$ 136,392,786**
Loans:				
Federal Stafford Loans	$ 91,834,207	$ 34,347,254	$ 126,181,461	$ 290,207,005
Federal Parent Loans for Undergraduate Students	34,193,007	3,391,918	37,584,925	3,070,865
Federal Graduate PLUS Loans	4,134,803	203,969	4,338,772	2,662,767
Federal Health Professions Loans	375,560	-	375,560	-
Purdue Loans	1,197,440	-	1,197,440	-
Private Loans	44,990,535	3,711,898	48,702,433	3,606,124
Total	**$ 176,725,552**	**$ 41,655,039**	**$ 218,380,591**	**$ 299,546,761**
Employment and Employment Related:				
Work-Study Salaries	$ 867,327	$ 277,444	$ 1,144,771	$ 193,843
Graduate Student Staff Salaries	123,756,980	2,164,016	125,920,997	-
Other Part-Time University Salaries	20,315,399	2,875,483	23,190,883	-
Employment Related Fee Remissions	61,644,805	2,086,631	63,731,436	-
Other Employment Related Awards	-	-	-	40,961,830
Total	**$ 206,584,511**	**$ 7,403,575**	**$ 213,988,086**	**$ 41,155,673**
Private/Other:				
Contracts	$ 25,492,398	$ 2,163,107	$ 27,655,506	$ 35,712,849
Fee Dedicated Aid	6,992,032	-	6,992,032	-
Other	1,471,013	-	1,471,013	-
Total	**$ 33,955,444**	**$ 2,163,107**	**$ 36,118,551**	**$ 35,712,849**
Total Student Financial Assistance	**$ 610,833,519**	**$ 113,562,372**	**$ 724,395,891**	**$ 512,808,069**

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 $79,909,222 on June 30, 2022. 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
2018	$1,679,484,031
2019	1,756,734,278
2020	1,764,182,976
2021	2,615,864,790
2022	2,617,107,287

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, 2022 are shown in the following table.

Foundation	Asset (Book) Value	Income	Disbursed to/for the Corporation
Purdue Research Foundation [1]	$ 3,534,094,503	$ 222,020,490	$ 54,571,797
Ross-Ade Foundation	180,651,757	4,230,686	4,413,188
Purdue Fort Wayne Foundation	14,352,650	1,687,074	1,738,421
Total	**$ 3,729,098,910**	**$ 227,938,250**	**$ 60,723,406**

[1] Includes book value of endowment (net) of $805,686,492 (Purdue Research Foundation) and $2,199,933,327 (Corporation) (market values of $980,951,725 and $2,617,107,287, 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 5,469 acres of land, 4,466 acres of which are leased to the Corporation.

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 $542 million in fiscal year 2022 was its highest in University history, with a significant increase in cash resources. In addition, strong performance in deferred gifts and new pledge balances continue to build a growing pipeline for additional cash in future years. Approximately $151 million of the fiscal year 2022 total was raised for student support, the highest amount in Purdue history.

Fiscal year 2022 was the first full year of operations for the Purdue for Life Foundation (PFLF). PFLF continues to coordinate all private fundraising operations for Purdue University and its affiliated organizations, as well as provide alumni engagement services formerly performed by the Purdue Alumni Association. The new Purdue for Life model combined engagement and fundraising activities and streamlined the Purdue experience for alumni and donors—through special events and travel opportunities offered, digital and print communications received—and provided a more customized approach when connecting alumni and friends with the University. Additional information is available in the PFLF 2022 Impact Report at https://purdueforlife.shorthandstories.com/2022-impact-report/ .

Total Gift Giving by Category
(dollars in thousands)

	2022	2021	2020	2019	2018
Cash/Securities [1]	$ 241,938	$ 204,426	$ 233,542	$ 185,477	$ 168,236
Real Estate	250	0	525	980	2,116
Gifts-in-Kind	32,609	89,268	79,906	101,277	123,454
Irrevocable Deferred	75,837	14,629	7,334	3,301	11,181
Revocable Deferred	136,902	95,588	68,525	140,712	88,479
New Pledge Balances [1]	185,240	116,455	82,832	158,536	101,985
Total Production	**$ 672,776**	**$ 520,366**	**$ 472,664**	**$ 590,282**	**$ 495,451**
Less: Prior Year Pledge payments [1]	(130,638)	(99,026)	(130,639)	(72,659)	(43,993)
Net Production	**$ 542,139**	**$ 421,340**	**$ 342,025**	**$ 517,623**	**$ 451,459**

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.

Grants and Contracts

System-wide sponsored program expenditures for the 2021-22 fiscal year were $591 million, an increase of $97 million, or approximately 20%, above previous year expenditures. Activity includes approximately $49 million in Institutional Higher Education Emergency Relief Fund (HEERF) expenditures. The following list represents fiscal 2022 expenditures by departments with sponsored research program expenditures in excess of $10 million.

Department	Total ($MM)	Department	Total ($MM)
Electrical & Computer Eng	52.7	IT Research Computing	13.7
Mechanical Engineering	48.9	Biomedical Eng	13.7
Ofc of Provost Admin	34.4	Materials Eng	13.6
Treasurer & CFO Admin	29.8	Biological Sciences	13.6
Chemistry	24.6	Chem Engr	13.3
Aero & Astro	21.8	MedChem/Molecul Phar	13.0
Civil Engr	19.5	EVPRP Admin	10.7
Computer Science	15.8	Ag & Biological Eng Program	10.4
Physics & Astronomy	14.5	PNW Chancellor Admin	10.2

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)

	2022	2021	2020	2019	2018
Federal Sources					
Department of HHS	$ 78,800	$ 73,382	$ 69,106	$ 61,408	$ 58,441
National Science Foundation	89,143	71,894	72,668	71,186	69,632
Department of Energy	35,038	29,511	28,929	27,048	24,366
Department of Defense	71,932	53,607	44,995	40,075	44,122
Department of Agriculture	19,850	17,833	15,184	16,986	17,704
Other Federal Agencies	111,201	104,546	47,540	39,465	38,681
Total	**$ 405,963**	**$ 350,772**	**$ 278,423**	**$ 256,167**	**$ 252,946**
Non-Federal Sources					
State of Indiana	$ 30,941	$ 27,723	$ 30,064	$ 30,066	$ 27,663
Business and Foundations	136,016	97,449	112,918	105,279	96,791
Non-Profit Organizations	12,851	11,431	13,762	13,414	19,918
Foreign Government	5,522	6,633	8,383	7,417	5,209
Total	**$ 185,330**	**$ 143,236**	**$ 165,127**	**$ 156,176**	**$ 149,581**
Combined Total	**$ 591,294**	**$ 494,008**	**$ 443,550**	**$ 412,343**	**$ 402,527**

Note: Sums may not equal totals due to rounding

Outstanding Indebtedness

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

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.

Debt Outstanding	Final Maturity	Amount Outstanding as of 6/30/2022	3/1/2023
Bonds Outstanding			
Student Fee Bonds, Series U	2022	$ 2,990,000	$ -
Student Fee Bonds, Series Z-2	2035	73,615,000	69,440,000
Student Fee Bonds, Series AA	2032	2,550,000	-
Student Fee Bonds, Series BB-1	2034	24,300,000	21,375,000
Student Fee Bonds, Series BB-2	2032	12,480,000	11,520,000
Student Fee Bonds, Series CC	2036	101,425,000	89,805,000
Student Fee Bonds, Series DD	2038	79,680,000	76,595,000
Student Fee Bonds, Series EE	2037	106,215,000	99,550,000
Student Fee Bonds, Series FF	2032	30,550,000	30,550,000
Student Facilities System Revenue Bonds, Series 2004A	2033	15,655,000	15,655,000
Student Facilities System Revenue Bonds, Series 2007A	2029	39,150,000	34,850,000
Student Facilities System Revenue Bonds, Series 2012A	2032	1,285,000	-
Student Facilities System Revenue Bonds, Series 2015A	2040	84,890,000	81,860,000
Student Facilities System Revenue Bonds, Series 2016A	2036	51,635,000	48,205,000
Student Facilities System Revenue Bonds, Series 2022A	2032	41,750,000	37,625,000
Student Facilities System Revenue Bonds, Series 2022B-1	2047	-	60,000,000
Student Facilities System Revenue Bonds, Series 2022B-2	2047	-	60,000,000
Leasehold Indebtedness			
COPS 2006	2025	14,770,000	11,355,000
COPS 2014A	2027	16,365,000	15,425,000
COPS 2016A	2037	73,875,000	69,685,000
COPS 2021A	2035	29,935,000	29,935,000
COPS 2021B	2032	2,350,000	2,350,000
Total Outstanding Indebtedness		**$ 805,465,000**	**$865,780,000**

Physical Property

Physical property owned by the Corporation, or otherwise available to and utilized by the University, consists primarily of approximately 19,596 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 $10.9 billion as of June 30, 2022. 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
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
2022	5,834,038,000	2,945,096,000	2,888,942,000

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**
ZL9 & High Pressure Air Plant	0.9	72.1	-	**73.0**
Schleman Hall/Data Science & Stewart Center	5.0	47.8	-	**52.8**
Ross-Ade Stadium Renovation	45.4	-	-	**45.4**
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**
Life Science Range Phenotyping Greenhouse	-	20.0	-	**20.0**
Child Care Facility	-	6.9	-	**6.9**
Mackey Arena Locker Rooms Renovation	6.7	-	-	**6.7**
Purdue Secure Research Facility	2.0	3.5	-	**5.5**
Total	**$ 200.5**	**$ 219.1**	**$ 133.0**	**$ 552.6**

At June 30, 2022, the University had $119.7 million of other major construction projects greater than $500,000 in progress or awarded.

As West Lafayette continues to experience growth in enrollment, the University is committed to ensuring that undergraduate housing on campus is available to meet student demand. The University is considering 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 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, 2022, there were 1,585 employees participating in PERF. The Corporation's proportionate share of PERF's Net Pension Liability, based on covered payroll of approximately $88,623,000, was 1.61% for the measurement date June 30, 2021, 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 $21,151,000 using the same measurement date of June 30, 2021.

The Corporation made contributions to the plan totaling approximately $9,401,000 for the year ending June 30, 2022. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $7,403,000 for the year ended June 30, 2022. The proportionate shares of pension plan expense for the year ended June 30, 2022, as calculated under GASB 68 guidance, was approximately ($1,826,000), less net amortization of deferred amounts of approximately ($1,996,000), leaving a net pension expense of approximately ($3,822,000).

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, 2022, there were 1,104 employees participating in the 457(b) plan with pay equal to approximately $54.3 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, 2022, there were 2,231 employees participating in the 403(b) plan with pay equal to approximately $70 million. For the period ended June 30, 2022, the University made contributions totaling $4.1 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, 2022, the University reported Other Post-Employment Benefits (OPEB) annual cost of $3,443,000. 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.

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 2022

LETTER OF TRANSMITTAL

October 26, 2022

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 100th annual financial report of Purdue University for the fiscal year ended June 30, 2022. 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 position — 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, 2021-June 30, 2022

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, 2022

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

Cindy C. Ream, 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, Executive 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
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Independent Auditor's Report

To the Board of Trustees
Purdue University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, 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 years ended June 30, 2022 and 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.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, fiduciary activities, and the aggregate discretely presented component units of Purdue University as of June 30, 2022 and 2021 and the changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Purdue Research Foundation, which represents 95 percent, 98 percent, and 96 percent of the assets, net position, and revenue of the discretely presented component units, respectively. 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. The financial statements of the discretely presented component units and Purdue International, Inc., a blended component unit, were not audited under *Government Auditing Standards*.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component units and Purdue International, Inc., a blended component unit, were not audited under *Government Auditing Standards*.

Emphasis of Matter

As described in Note 1 to the financial statements, the University adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of July 1, 2020. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees
Purdue University

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

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 is the responsibility of management and, 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

Management is responsible for the other information included in the annual financial report. The other information comprises the letter of transmittal, board of trustees, officers of the University, report of the president, total in-state enrollment by county and acknowledgements but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Board of Trustees
Purdue University

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2022 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 solely 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 effectiveness of Purdue University's 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 26, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2022 and 2021

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, 2022 and 2021, along with comparative financial information for the fiscal year ended June 30, 2020. 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/.

The University restated the 2021 Financial Statements to reflect the implementation of GASB 87 Leases, as a result restated and reclassified balances are presented throughout the MD&A.

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, 2022, 2021, and 2020, is summarized below.

Table 1

Summary Statement of Net Position (Dollars in Thousands)

	2022	2021	2020
		As Restated	
Current Assets	$ 629,814	$ 860,156	$ 898,402
Capital Assets	2,943,693	2,873,341	2,642,403
Other Assets	4,396,427	4,165,067	3,214,695
Total Assets	7,969,934	7,898,564	6,755,500
Deferred Outflows of Resources	47,451	39,502	36,832
Current Liabilities	547,579	553,852	573,427
Noncurrent Liabilities	1,118,717	1,224,211	1,087,558
Total Liabilities	1,666,296	1,778,063	1,660,985
Deferred Inflows of Resources	98,625	61,737	46,539
Net Investment in Capital Assets	1,864,149	1,733,508	1,710,945
Restricted - Nonexpendable	962,179	872,775	820,444
Restricted - Expendable	1,377,049	1,468,958	928,747
Unrestricted	2,049,087	2,023,025	1,624,672
Total Net Position	**$ 6,252,464**	**$ 6,098,266**	**$ 5,084,808**

Assets

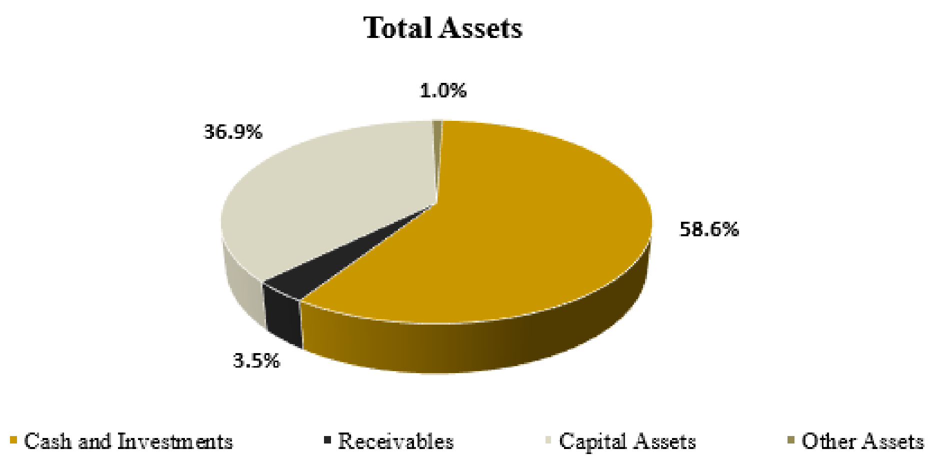
Current assets include those that may be used to support current operations, such as cash and cash equivalents, accounts receivable, and inventories. Capital assets include non-depreciable land, as well as buildings, equipment, and right-to-use assets, net of depreciation. Other noncurrent assets include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

As of June 30, 2022 and 2021, current assets were approximately $629.8 and $860.2 million, respectively, resulting in a decrease of $230.4 million or 26.8% during fiscal year 2022 and a decrease of $38.2 million or 4.3% during fiscal year 2021. As of June 30, 2022 and 2021, cash and cash equivalents were approximately $303.5 and $356.4 million respectively, resulting in decreases of $52.9 million and $80.8 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, 2022 and 2021, noncurrent assets were approximately $7.3 and $7.0 billion, respectively, which is an increase $301.7 million, or 4.3%, during fiscal year 2022 and an increase $1.2 billion, or 20.2%, during fiscal year 2021. The increase in 2022 was driven by changes in investment strategy, expansion and renovation of our campuses, and increased pledges receivable. The increase in 2021 was primarily driven by market increases on our investment portfolio as well as capital investments.

As of June 30, 2022 and 2021, total assets were approximately $8.0 and $7.9 billion, an increase of $71.4 million and $1.1 billion, or 1.0% and 16.9% respectively, over the previous fiscal year. The overall growth in assets is attributed to an increase in capital assets in fiscal year 2022 and increases in investments and capital assets in fiscal year 2021.

Figure 1 represents the composition of total assets as of June 30, 2022.

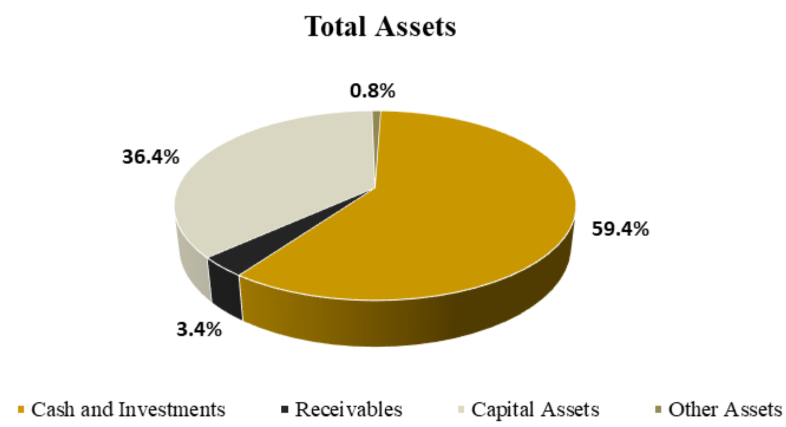


Total Assets

(in thousands of dollars)

Cash and Investments	$	4,672,275	58.6%
Receivables		282,382	3.5%
Capital Assets		2,943,693	36.9%
Other Assets		71,584	1.0%
Total Assets	**$**	**7,969,934**	**100.0%**

Figure 2 represents the composition of total assets as of June 30, 2021.



Total Assets

(in thousands of dollars)

Cash and Investments	$	4,689,999	59.4%
Receivables		269,010	3.4%
Capital Assets		2,873,341	36.4%
Other Assets		66,214	0.8%
Total Assets	**$**	**7,898,564**	**100.0%**

Deferred Outflows of Resources

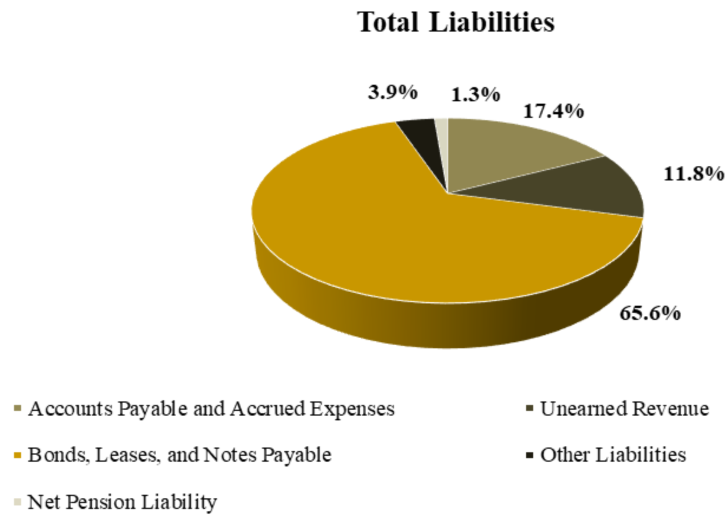
Deferred outflows of resources represent a consumption of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not expense items 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 and $1.8 billion as of June 30, 2022 and 2021, respectively.

Bonds, leases, and notes payable decreased by $87.9 million in fiscal year 2022 primarily due to debt payments, and increased $107.7 million in fiscal year 2021, primarily due to issuances of new debt and the implementation of GASB 87 for Leases. 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, 2022.

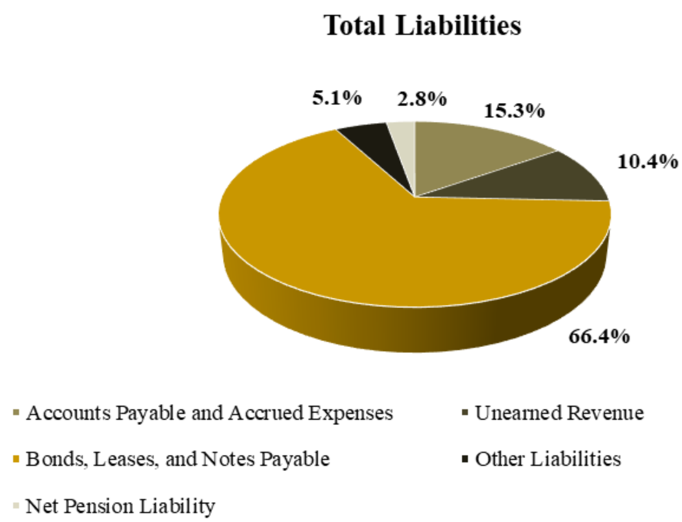


Total Liabilities

(in thousands of dollars)

Accounts Payable and Accrued Expenses	$	291,589	17.4%
Unearned Revenue		196,488	11.8%
Bonds, Leases, and Notes Payable		1,092,585	65.6%
Other Liabilities		64,483	3.9%
Net Pension Liability		21,151	1.3%
Total Liabilities	**$**	**1,666,296**	**100.0%**

Figure 4 represents the composition of total liabilities as of June 30, 2021.



Total Liabilities

(in thousands of dollars)

Accounts Payable and Accrued Expenses	$	272,057	15.3%
Unearned Revenue		185,273	10.4%
Bonds, Leases, and Notes Payable		1,180,479	66.4%
Other Liabilities		90,492	5.1%
Net Pension Liability		49,762	2.8%
Total Liabilities	**$**	**1,778,063**	**100.0%**

Deferred Inflows of Resources

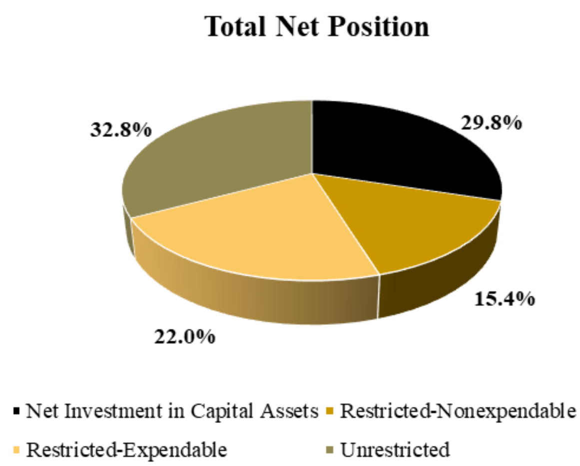
Deferred inflows of resources represent an acquisition of resources that do not require a further exchange of goods and services, but that are applicable to a future reporting period. They are not shown on the Statement of Revenues, Expenses, and Changes in Net Position because they are not revenue items 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 pension, other post-employment benefits, charitable remainder trusts, capital debt refunding, and leases.

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 right-to-use assets and capital assets such as moveable equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation, lease liabilities, 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, 2022.

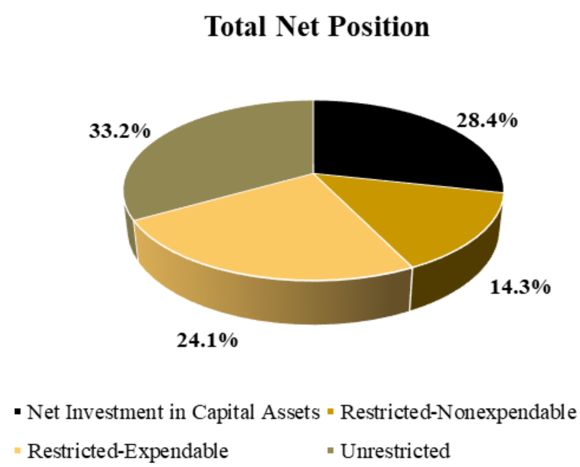


Total Net Position

(in thousands of dollars)

Net Investment in Capital Assets	$	1,864,149	29.8%
Restricted-Nonexpendable		962,179	15.4%
Restricted-Expendable		1,377,049	22.0%
Unrestricted		2,049,087	32.8%
Total	**$**	**6,252,464**	**100.0%**

Figure 6 represents the composition of net position as of June 30, 2021.



Total Net Position

(in thousands of dollars)

Net Investment in Capital Assets	$	1,733,508	28.4%
Restricted-Nonexpendable		872,775	14.3%
Restricted-Expendable		1,468,958	24.1%
Unrestricted		2,023,025	33.2%
Total	**$**	**6,098,266**	**100.0%**

Net investment in capital assets increased $130.6 and $22.6 million in fiscal years 2022 and 2021, respectively. The increases for fiscal years ended June 30, 2022 and 2021 are a result of continued capital investment and changes in the capital debt portfolio. Additional details are provided in the Capital Asset and Debt Administration section of this analysis.

The restricted-nonexpendable balance increased $89.4 and $52.3 million in fiscal years 2022 and 2021, respectively, primarily resulting from contributions to endowments. Restricted-expendable balances decreased by $91.9 million and increased by $540.2 million in fiscal years ended June 30, 2022 and 2021, respectively, driven by the respective changes in market value of investments.

The unrestricted net position had an increase of $26.1 and $398.4 million for the fiscal years ended June 30, 2022 and 2021, respectively.

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 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, 2022, 2021, and 2020, is presented below.

Table 2

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

	2022	2021	2020
		As Restated	
Operating Revenues			
Tuition and Fees	$ 1,548,064	$ 1,459,857	$ 1,385,459
Less: Scholarship Allowance	(202,420)	(205,657)	(213,949)
Grants and Contracts	524,269	461,752	488,096
Auxiliary Enterprises	268,657	198,323	234,336
Less: Scholarship Allowance	(15,400)	(14,694)	(16,830)
Other Operating Revenues	153,610	130,382	143,231
Total Operating Revenues	2,276,780	2,029,963	2,020,343
Operating Expenses			
Instruction	860,483	811,219	853,454
Research	336,208	291,473	295,279
Extension and Public Service	153,406	135,935	146,346
Academic Support	183,243	163,194	174,145
Student Services	165,637	180,730	170,182
General Administration and Institutional Support	427,231	396,888	368,874
Physical Plant Operations and Maintenance	140,178	128,627	140,743
Depreciation	215,560	212,195	186,934
Student Aid	146,669	98,585	62,240
Auxiliaries	193,427	172,965	199,976
Total Operating Expenses	2,822,042	2,591,811	2,598,173
Operating Loss	(545,262)	(561,848)	(577,830)
Nonoperating Revenues	628,089	1,544,083	681,497
Interest Expense	(33,722)	(35,712)	(28,969)
Capital and Endowments	105,093	66,935	78,956
Total Nonoperating Revenues	699,460	1,575,306	731,484
Increase in Net Position	154,198	1,013,458	153,654
Net position, Beginning of Year	6,098,266	5,084,808	4,931,154
Net position, End of Year	**$ 6,252,464**	**$ 6,098,266**	**$ 5,084,808**

Figures 7 and 8 provide information about the University's sources of revenues for fiscal years 2022 and 2021. The University had an increase in net position of $154.2 million and $1.0 billion for fiscal years ended June 30, 2022 and 2021, respectively.

Figure 7: University Revenue by Category for FY 2022

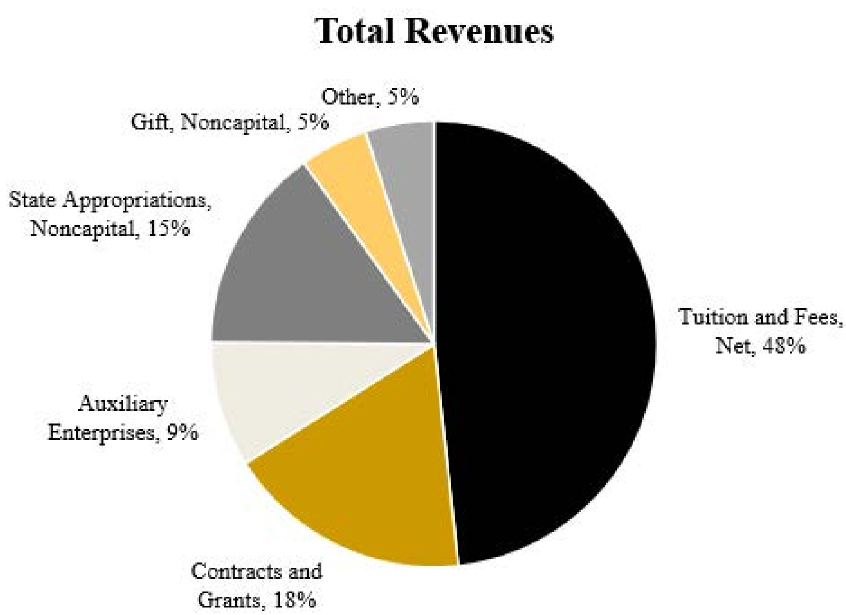
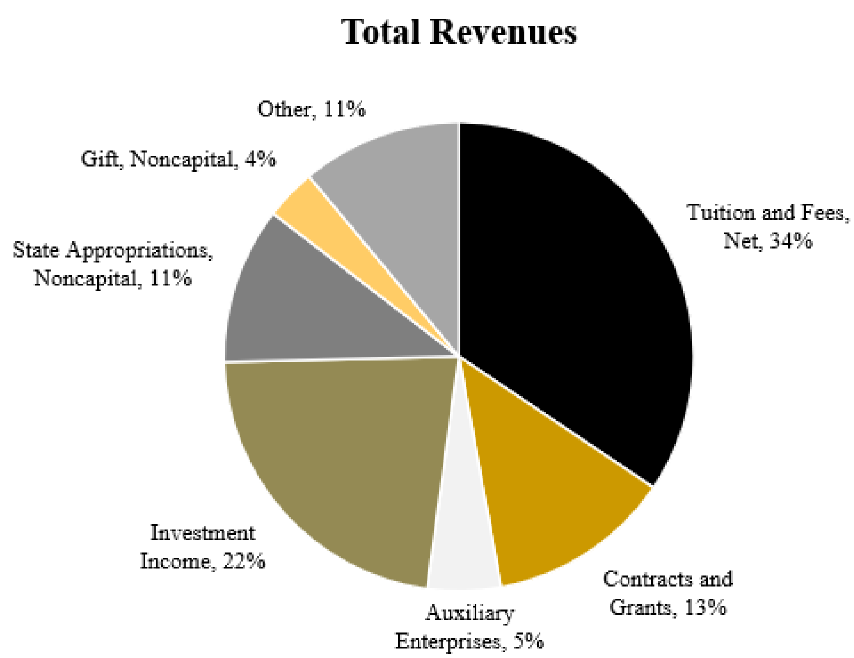
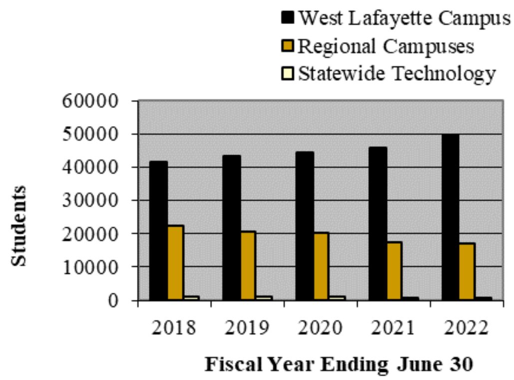


Figure 8: University Revenue by Category for FY 2021



For the fiscal years ended June 30, 2022 and 2021, the total operating revenues increased $246.8 million, or 12.2% and $9.6 million, or 0.5%, respectively. Net tuition and fee revenue increased by $91.4 and $82.7 million in fiscal years 2022 and 2021, 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 increased $62.5 million, or 13.5% and decreased $26.3 million, or 5.4% for the fiscal years ended June 30, 2022 and 2021, respectively, primarily due to fluctuations in grant research. Auxiliary Enterprises revenue increased $70.3 million, or 35.5% and decreased $36.0 million, or 15.4% in fiscal years ended June 30, 2022 and 2021, respectively, primarily due to changes in operations related to the COVID-19 pandemic.

For fiscal year ended June 30, 2022, nonoperating revenues before capital and endowments, net of expenses, decreased by $914.0 million. The nonoperating revenues includes $129.6 million in HEERF grant revenue. The overall decrease in nonoperating revenue is primarily due to investment income fluctuations related to the market. These investment income fluctuations also drove the $855.8 million increase in nonoperating revenues before capital and endowments for fiscal year June 30, 2021. The net investment performance of the University's endowment was 1.1% and 38.6% for the fiscal years 2022 and 2021, respectively, using the most recent data available. The endowment was invested in private investments (41.8%), public equities (50.0%), and fixed income investments (8.2%). The portfolio composition did not materially change from the prior fiscal year.

For the fiscal years ended June 30, 2022 and 2021, capital and endowment income increased by $38.2 million, or 57.0%, and decreased by $12.0 million, or 15.2%, respectively, primarily due to changes in private gifts for endowments and capital gifts.

Operating expenses were $2.8 billion and $2.6 billion for the fiscal years ended June 30, 2022 and 2021, respectively, representing an increase of $230.2 million during 2022 and a decrease of $6.4 million during 2021. Compensation and benefits expenses were $1.7 billion and $1.6 billion for fiscal years ended June 30, 2022 and 2021, respectively, representing an increase of $66.0 million during 2022 and a decrease of

$50.4 million during 2021. These changes are primarily due to changes in select operations related to the COVID 19 pandemic.

Supplies and services expenses were $789.1 million for the fiscal year ended June 30, 2022, an increase of $112.8 million from 2021. Supplies and services expenses were $676.3 million for the fiscal year ended June 30, 2021, a decrease of $17.6 million from 2020. These changes are also primarily due to changes in select operations related to the COVID 19 pandemic.

For the fiscal years ended June 30, 2022 and 2021, depreciation expense was $215.6 and $212.2 million, respectively.

Scholarships, fellowships, and student awards were $146.7 and $98.6 million for the fiscal years ended June 30, 2022 and 2021, respectively. The increases of $48.1 and $36.3 million during 2022 and 2021 were 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, 2022 and 2021.

Figure 9: University Expenses by Function for FY 2022

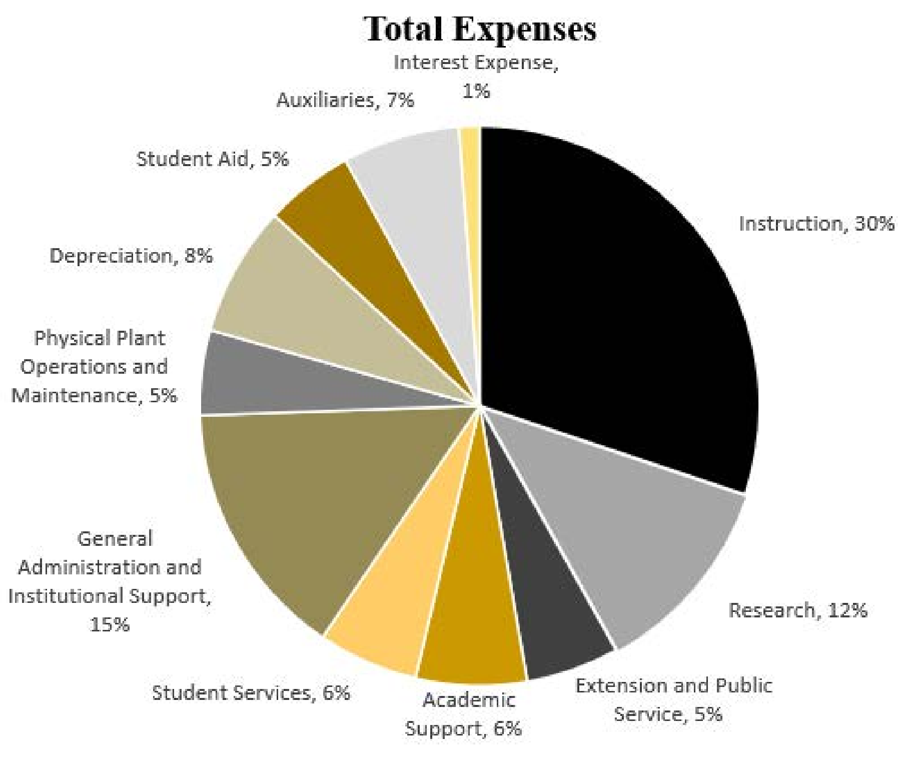
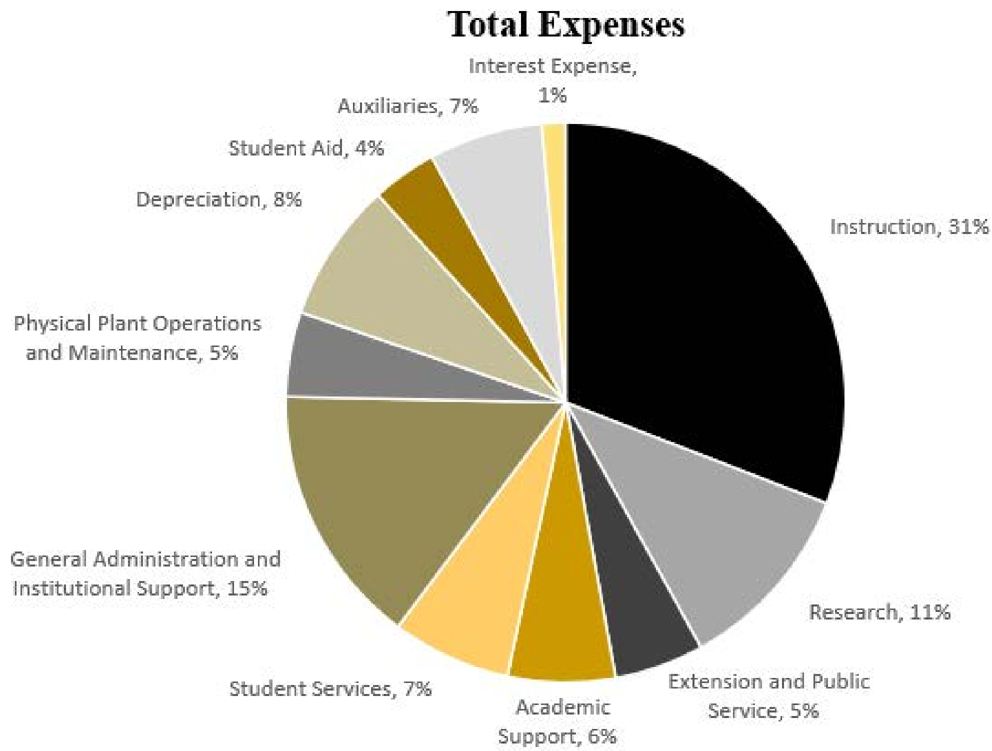


Figure 10: University Expenses by Function for FY 2021



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)

		2022		2021		2020
				As Restated		
Cash Used by Operating Activities	$	(296,534)	$	(372,312)	$	(319,094)
Cash Provided by Noncapital Financing Activities		851,808		785,096		673,751
Cash (Used) Provided by Investing Activities		(232,332)		(173,769)		36,701
Cash Used by Capital and Related Financing Activities		(375,768)		(319,879)		(230,808)
Net (Decrease) Increase in Cash and Cash Equivalents		(52,826)		(80,864)		160,550
Cash and Cash Equivalents, Beginning of Year		356,357		437,221		276,671
Cash and Cash Equivalents, End of Year	**$**	**303,531**	**$**	**356,357**	**$**	**437,221**

The cash provided by noncapital financing activities reflect the nonoperating revenue changes described above. The cash provided and used by investing activities represent the changes in investments of cash to and 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 2022 and 2021 are presented in Table 4 and significant projects in progress at June 30, 2022 are presented in Table 5.

Table 4

Significant Construction Projects Completed (Dollars in Thousands)

Projects Completed in 2022		
Veterinary Hospital Complex	$	108,000
Purdue Memorial Union Ground Floor Dining Renovation		35,700
Total Significant Construction Projects Completed	**$**	**143,700**
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**

Table 5

Significant Construction Projects in Progress (Dollars in Thousands)

	Project Budget
Engineering and Polytechnic Gateway	$ 140,000
Hypersonics and Applied Research Building	41,000
Schleman Hall, Stewart Center, and Related Renovation	52,800
Life Science Ranges Phenotyping Greenhouse Building	20,000
Ross-Ade Stadium Renovation	45,400
ZL9 & High Pressure Air Plant	73,000
Hagle Hall Bands and Orchestra Building	22,000
Total Significant Construction Projects in Progress	**$ 394,200**

Debt and Financing Activities

As of June 30, 2022 and 2021, bonds, leases, and notes payable totaled approximately $1.1 and $1.2 billion, respectively, and represented approximately 65.4% and 66.4%, respectively, of the total liabilities of the University. The University's debt portfolio as of June 30, 2022 consisted of $28.9 million of variable rate instruments (2.6%) and $1.1 billion in leases and fixed rate obligations (97.4%). As of June 30, 2021, consisted of $54.2 million of variable rate instruments (4.6%) and $1.1 billion in leases and fixed rate obligations (95.4%). Additional details about University indebtedness are provided in Note 6.

As of June 30, 2022 and 2021, 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 2023, the Indiana General Assembly appropriated $312.5 million for the West Lafayette campus, $55.3 million for Purdue Northwest and $53.8 million for Purdue Fort Wayne. Fiscal year 2023 is the second year of the State of Indiana's biennial budget. Appropriations for fiscal years 2024 and 2025 will be determined in April 2023.

Academic year 2022-23 tuition rates for both Indiana resident and nonresident students remain flat at the West Lafayette campus for the tenth 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. In December 2021 the West Lafayette campus announced it will hold tuition flat for an eleventh year in fiscal year 2024, continuing its commitment to support student affordability and accessibility.

Enrollment at all Purdue campuses was 69,510* for the fall semester of the 2022-2023 academic year. At the West Lafayette campus, enrollment hit a record high at 50,884 for the fall semester of the 2022-2023 academic year, up 1,245 from the fall semester of the prior academic year. Applications for admission in

Fall 2022 increased again, growing by 15%, with an undergraduate first-year class of 9,354. By design the Fall 2022 first-year class was smaller than the record first-year class in Fall 2021.

Purdue continues to experience record-high retention and graduation rates due to a university-wide commitment to student success. The four-year graduation rate at the West Lafayette campus increased to 66% compared to 65% last year. The average undergraduate time to degree continued a decade-long decline and is less than 4 years, at 3.91 years for the 2022-2023 academic year. The six-year graduation rate increased to 84% from 83% last year.

**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 2022	Purdue University 2021 As Restated	Discretely Presented Component Units 2022	Discretely Presented Component Units 2021 As Restated
Assets and Deferred Outflows of Resources:				
Current Assets:				
Cash and Cash Equivalents	$ 303,531	$ 356,357	$ 39,788	$ 38,321
Investments	103,907	278,499	140,547	127,009
Accounts Receivable, Net	139,110	151,063	10,806	6,720
Pledges Receivable, Net	39,071	31,782	175	360
Notes Receivable, Net	9,837	10,092	4,298	1,867
Other Receivables	1,271	1,174	-	-
Other Assets	33,087	31,189	6	5
Total Current Assets	**629,814**	**860,156**	**195,620**	**174,282**
Noncurrent Assets:				
Investments	4,264,837	4,055,143	3,664,640	3,778,684
Pledges Receivable, Net	62,073	36,520	-	77
Notes and Other Receivables, Net	31,020	38,379	209,546	213,721
Interest in Charitable Remainder Trusts	31,234	35,025	16,781	19,803
Capital Assets, Net	2,943,693	2,873,341	268,559	291,279
Other Noncurrent Assets	7,263	-	18,702	14,232
Total Noncurrent Assets	**7,340,120**	**7,038,408**	**4,178,228**	**4,317,796**
Total Assets	**7,969,934**	**7,898,564**	**4,373,848**	**4,492,078**
Deferred Outflows of Resources	47,451	39,502	3,628	4,019
Liabilities and Deferred Inflows of Resources:				
Current Liabilities:				
Accounts Payable and Accrued Expenses	216,089	198,121	37,590	36,921
Unearned Revenue	196,488	185,273	2,858	2,846
Accrued Compensated Absences	33,580	28,971	-	-
Other Post Employment Benefits	3,609	2,715	-	-
Bonds, Leases, and Notes Payable	97,813	138,772	17,909	8,314
Total Current Liabilities	**547,579**	**553,852**	**58,357**	**48,081**
Noncurrent Liabilities:				
Accrued Compensated Absences	41,920	44,965	-	-
Other Post Employment Benefits	25,309	32,045	-	-
Net Pension Liability	21,151	49,762	-	-
Advances from Federal Government	1,902	4,896	-	-
Other Noncurrent Liabilities	33,663	50,836	2,669,140	2,769,892
Bonds, Leases, and Notes Payable	994,772	1,041,707	317,695	324,550
Total Noncurrent Liabilities	**1,118,717**	**1,224,211**	**2,986,835**	**3,094,442**
Total Liabilities	**1,666,296**	**1,778,063**	**3,045,192**	**3,142,523**
Deferred Inflows of Resources	98,625	61,737	1,015	1,325

Statement of Net Position

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

	Purdue University		Discretely Presented Component Units	
	2022	2021 As Restated	2022	2021 As Restated
Net Position:				
Net Investment in Capital Assets	**$ 1,864,149**	**$ 1,733,508**	**$ 90,610**	**$ 118,563**
Restricted:				
Nonexpendable:				
Instruction and Research	486,707	449,503	66,230	65,741
Student Aid	435,733	394,549	92,386	88,181
Other	39,739	28,723	14,976	15,102
Total Nonexpendable	**962,179**	**872,775**	**173,592**	**169,024**
Expendable:				
Instruction, Research and Public Service	239,940	215,773	289,597	279,573
Student Aid	92,609	89,063	420,875	472,492
Construction	127,792	137,168	-	-
Other, Including Gains on Restricted Endowments	916,708	1,026,954	135,798	112,436
Total Expendable	**1,377,049**	**1,468,958**	**846,270**	**864,501**
Unrestricted	**2,049,087**	**2,023,025**	**220,797**	**200,161**
Total Net Position	**$ 6,252,464**	**$ 6,098,266**	**$ 1,331,269**	**$ 1,352,249**

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	
	2022	2021 As Restated	2022	2021 As Restated
Operating Revenues:				
Tuition and Fees	$ 1,548,064	$ 1,459,857	$ -	$ -
Less: Scholarship Allowance	(202,420)	(205,657)	-	-
Grants and Contracts	524,269	461,752	-	-
Sales and Services	151,565	128,820	41,921	41,019
Auxiliary Enterprises	268,657	198,323	-	-
Less: Scholarship Allowance	(15,400)	(14,694)	-	-
Other Operating Revenues	2,045	1,562	5,813	4,246
Total Operating Revenues	**2,276,780**	**2,029,963**	**47,734**	**45,265**
Operating Expenses:				
Compensation and Benefits	1,670,683	1,604,709	43,048	39,410
Supplies and Services	789,130	676,322	104,845	86,954
Depreciation Expense	215,560	212,195	11,301	11,343
Scholarships, Fellowships, & Student Awards	146,669	98,585	-	-
Total Operating Expenses	**2,822,042**	**2,591,811**	**159,194**	**137,707**
Net Operating Loss	**(545,262)**	**(561,848)**	**(111,460)**	**(92,442)**
Nonoperating Revenues (Expenses):				
State Appropriations	417,428	394,199	-	-
Grants and Contracts	260,439	225,113	-	-
Private Gifts	137,538	127,876	107,943	33,429
Investment Income (Loss)	(195,435)	817,505	(38,485)	335,613
Interest Expense	(33,722)	(35,712)	(11,529)	(11,168)
Other Nonoperating Revenues (Expenses)	8,119	(20,610)	27,221	32,515
Total Nonoperating Revenues before Capital and Endowments	**594,367**	**1,508,371**	**85,150**	**390,389**
Capital and Endowments:				
Capital Gifts	27,017	15,430	-	-
Private Gifts for Permanent Endowments	78,076	51,505	5,330	12,661
Total Capital and Endowments	**105,093**	**66,935**	**5,330**	**12,661**
Total Nonoperating Revenues	**699,460**	**1,575,306**	**90,480**	**403,050**
INCREASE (DECREASE) IN NET POSITION	**154,198**	**1,013,458**	**(20,980)**	**310,608**
Net Position, Beginning of Year	6,098,266	5,084,808	1,352,249	1,041,641
Net Position, End of Year	**$ 6,252,464**	**$ 6,098,266**	**$ 1,331,269**	**$ 1,352,249**

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)

	2022	2021 As Restated
Cash Flows From Operating Activities:		
Tuition and Fees, Net of Scholarship Allowances	$ 1,356,633	$ 1,226,829
Grants and Contracts	518,808	461,086
Sales and Services	152,429	135,752
Auxiliary Enterprises, Net of Scholarship Allowances	269,966	186,796
Other Operating Revenues	2,212	2,508
Compensation and Benefits	(1,669,153)	(1,597,272)
Supplies and Services	(784,657)	(692,763)
Scholarships, Fellowships and Student Awards	(146,675)	(98,634)
Other Operating Expenses	(2,994)	(3,622)
Direct Loans Issued	(483,807)	(485,568)
Direct Loans Received	483,607	485,346
Student Loans Issued	(1,592)	(1,975)
Student Loans Collected	8,689	9,205
Cash Used by Operating Activities	**(296,534)**	**(372,312)**
Cash Flows From Noncapital Financing Activities:		
State Appropriations	417,428	394,199
Grants and Contracts	260,439	225,113
Gifts for Other than Capital Purposes	183,320	158,956
Other Nonoperating Revenues (Expenses)	(9,379)	6,828
Cash Provided by Noncapital Financing Activities	**851,808**	**785,096**
Cash Flows From Investing Activities:		
Purchases of Investments	(4,343,816)	(4,279,611)
Proceeds from Sales and Maturities of Investments	4,065,883	4,067,022
Interest and Dividends on Investments, Net	45,601	38,820
Cash Used by Investing Activities	**(232,332)**	**(173,769)**
Cash Flows From Capital and Related Financing Activities:		
Debt Repayment	(114,321)	(125,932)
Capital Debt Proceeds	30,784	42,310
Interest Expense	(43,920)	(47,271)
Capital Gifts Received	27,556	20,570
Construction or Purchase of Capital Assets	(275,867)	(209,556)
Cash Used by Capital and Related Financing Activities	**(375,768)**	**(319,879)**
Net Decrease in Cash and Cash Equivalents	**(52,826)**	**(80,864)**
Cash and Cash Equivalents, Beginning of Year	356,357	437,221
Cash and Cash Equivalents, End of Year	**$ 303,531**	**$ 356,357**

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)		**2022**		**2021 As Restated**
Reconciliation of net operating loss to net cash used by operating activities:				
Operating Loss	$	(545,262)	$	(561,848)
Depreciation Expense		215,560		212,195
Noncash investing, capital, and financing activities		220		61
Changes in Assets and Liabilities:				
Accounts Receivable		12,741		(33,253)
Notes Receivable		7,040		7,190
Other Assets		(9,213)		2,604
Accrued Compensated Absences		1,563		(709)
Other Post Employment Benefits and related deferreds		(2,711)		(2,518)
Net Pension liability and related deferreds		(4,399)		(4,419)
Accounts Payable and Accrued Expenses		19,528		(3,207)
Unearned Revenue		11,393		15,214
Advances from Federal Government		(2,994)		(3,622)
Cash Used by Operating Activities	**$**	**(296,534)**	**$**	**(372,312)**
Significant Noncash Transactions				
Right-to-use assets acquired under leases	$	3,937	$	5,290

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)

	2022	2021
ASSETS		
TIAA Traditional	$ 14,589	$ 15,391
CREF Stock Account	14,921	10,477
CREF Growth Account	21,791	15,250
TOTAL INVESTMENTS	51,301	41,118
Accrued Income	49	42
TOTAL ASSETS	51,350	41,160
NET POSITION		
Restricted for:		
Pension benefit payments	51,350	41,160
TOTAL NET POSITION	**$ 51,350**	**$ 41,160**

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)

	2022	2021
ADDITIONS		
Contributions:		
Members	$ 189	$ 177
Employers	-	19
TOTAL CONTRIBUTIONS	189	196
Investment Income	11,471	3,420
TOTAL ADDITIONS	11,660	3,616
DEDUCTIONS		
Benefits paid to participants/beneficiaries	1,470	1,419
TOTAL DEDUCTIONS	1,470	1,419
NET INCREASE IN FIDUCIARY NET POSTION	10,190	2,197
NET POSITION - BEGINNING	41,160	38,963
NET POSITION - ENDING	**$ 51,350**	**$ 41,160**

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 Years Ended June 30, 2022 and 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 28 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 and online in the state of Indiana through:

Purdue Polytechnic Institute Statewide

College of Agriculture Purdue Extension

Technical Assistance Program

Purdue University Online

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 a single two year term.

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.

There are three blended component units which are legally separate organizations that have a fiscal dependency and financial benefit or burden relationship with the primary government 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.

Purdue Applied Research Institute, LLC (PARI) was established as an Indiana Single Member LLC, with Purdue being the sole member, in December 2019 and did not engage in any activity until fiscal year 2022. PARI's governing body is substantially the same as the University's, and the University is the sole beneficiary of PARI. As a result, PARI is reported as a blended component unit of the University, consolidated within the university's financial statements. PARI's charitable, scientific, and educational purposes include facilitating, supporting, and delivering a large portfolio of applied and translational research programs to advance technology and develop innovative solutions to global problems through collaborations with sponsors and partners, and other outreach programs.

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 columnar format next to the University's information on the Statement of Net Position and Statement of Revenues, Expenses and Net Position 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 (PRF) 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. PRF's FASB audited financial statements were reclassified to GASB presentation for inclusion in the University's financial statements.

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, 2022 and 2021.

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 2022, the University adopted GASB Statement 87 *Leases.*

The effect of GASB Statement 87:

GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement increases the usefulness of the University's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as current inflows or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability for the present value of payments expected to be made and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

In implementing this GASB, the University recognized right-to-use assets valued at $76,512,000 and related liabilities, net of prepaid lease amounts, valued at $62,358,000 on July 1, 2020 for leases it had entered into as the lessee. The University also recognized receivables and deferred inflows for leases of $6,859,000 where the University is the lessor on July 1, 2020. Fiscal year 2021 statements have been restated to reflect the impact of implementing this GASB. The University's business-type activities net position was not impacted by the adoption of this standard.

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. Additional investment details are in Note 2.

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, including other noncurrent 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, services of consultants, subscriptions, and certain subcontracts.

Net Pension Asset. The University provides a supplemental Retirement Plan for it's Police Officers and Firefighters, administered by the Teachers Insurance and Annuity Association (TIAA). The University's net pension asset, associated deferred outflows and deferred inflows of resources, and pension expense are reported in conformance with GASB 68. Additional information may be found in Note 9 to the financial statements.

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.

Right-to-use assets are capitalized if the lease agreements meet the standards outlined in GASB 87, Leases. The right-to-use assets 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 on capital assets 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

Accounts Payable and Accrued Expenses. Accounts Payable and Accrued Expenses represent vendor and other payables along with accrued bi-weekly salaries due and payable within the current operating cycle.

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.

Other Post Employment Benefits (OPEB). The Purdue Pre-65 Retiree Health Plan is used to provide postemployment benefits other than pensions for official Purdue retirees, and the liability for future benefit obligations, along with associated deferred outflows and inflows of resources and OPEB expense, as actuarially calculated are presented in conformance with GASB 75 on the financial statements.

Bonds, Leases, and Notes Payable. The University has issued various types of debt, with maturity dates both current and non-current. Additional discussion around the University's debt may be found in Note 6 to the financial statements.

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.

Advances from Federal Government. Advances from Federal Government relate to the Perkins Federal Student Loan program, which is being phased out.

Other Noncurrent Liabilities. Other Noncurrent Liabilities relate to endowments held for one of our component units, and asset retirement obligations resulting from implementation of GASB 83.

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 acquisition and construction of capital assets, right-to-use assets, net of accumulated depreciation, and net of related lease liabilities and 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 and Inter University Transactions. Intra and Inter University transactions are eliminated from the financial statements to avoid double counting of certain activities. Examples of eliminated Intra University transactions include sales and services between departments, and Inter University transactions include leases between blended component units.

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 $966,000 and $4,516,000 was recognized during the years ending June 30, 2022 and 2021, 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. A blended component unit reclassified items related to scholarships from nonoperating to operating, and made reclassifications between categories of operating expenses.

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. Early in 2020 the Governor of Indiana declared a public health emergency related to the COVID 19 pandemic which remained in effect until March 2022. University responses throughout this time period have mitigated potential negative financial impacts. There could still potentially be a financial consequence to the University, if the pandemic were to become virulent again, 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.

The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress on March 27th 2020. This bill allocated approximately $14 billion to 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 with additional funds being allocated to universities and colleges under the Higher Education Emergency Relief Fund II (HEERF II). Then, 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. Details of Purdue's portion of the HEERF grants follow.

Details over life of HEERF grants through June 30, 2022:

	HEERF I	HEERF II	HEERF III	Total
Grants Awarded				
Student	$ 17,002,000	$ 31,050,000	$ 73,592,000	$ 121,644,000
Institutional	17,001,000	38,970,000	50,225,000	106,196,000
Total	$ 34,003,000	$ 70,020,000	$ 123,817,000	$ 227,840,000
Grants Received and Expended	$ 34,003,000	$ 70,010,000	$ 121,389,000	$ 225,402,000
Balance Available	$ -	$ 10,000	$ 2,428,000	$ 2,438,000

As of June 30, 2022, the University still has $2,438,000 available HEERF grants, of which $1,770,000 is required to go directly to students. HEERF grant revenues recognized are reported as nonoperating revenue, and HEERF grant related expenses are reported as operating expenses.

Upcoming Accounting Pronouncements

In March 2020, the Governmental Accounting Standards Board issued GASB Statement No 94, *Public-Private and Public-Public Partnerships and Availability Payments,* which:

- Improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs)
- Provides guidance for accounting and financial reporting for availability payment arrangements (APAs)

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, 2023.

In May 2020, the Governmental Accounting Standards board issued GASB Statement No 96, *Subscription-Based Information Technology Arrangements*, which:

- Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.
  - Defines a SBITA
  - Establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability
  - Provides capitalization criteria
  - Requires note disclosures regarding SBITAs

To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases. The University is in the process of analyzing its portfolio of Information Technology agreements and expects the implementation of this GASB to have a significant effect on the University's financial statements, however the total impact 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, 2023.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences* which:

- Unifies the recognition and measurement of accrued compensated absences, resulting in a liability that more appropriately reflects when a government incurs an obligation.
- Results in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

The University is in the process of reviewing the impact of this GASB to the financial statements, and at this time the impact to the University's financial statements is undetermined. The provisions of this statement related to financial reporting are effective for the University's financial statements for the year ending June 30, 2025.

Note 2 — Cash and Cash Equivalents and Investments

Purdue University Cash and Cash Equivalents 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, 2022	June 30, 2021
SEPARATELY HELD INVESTMENTS:		
Land Grant Cash Held by State Treasurer	$ 340	$ 340
US Equity	76,480	73,832
Public Real Estate	1,854	1,755
US Agencies	484	-
Asset-Backed Securities	3,662	1,698
Corporate Bonds	7,429	796
Mortgage-Backed Securities	428	-
US Treasuries and Securities	8,636	-
Venture Capital/Private Equity	132	98
Short Term Investments	50,130	60,440
BOND PROCEEDS INVESTED:		
Short Term Investments	613	22,440
PIPC:		
Short Term Investments	256,132	296,394
Fixed Income:		
Asset-Backed Securities	158,284	104,420
Corporate Bonds	602,120	626,316
Mortgage-Backed Securities	323,368	294,656
US Agencies	32,286	60,629
US Treasuries and Securities	521,436	530,321
PIP:		
Short Term Investments	71,544	81,338
US Equity	597,310	660,943
International Equity	309,443	363,440
Fixed Income	137,303	106,399
Emerging Markets	101,832	122,683
Marketable Alternatives	223,416	203,645
Public Real Estate	161,344	148,764
Private Real Estate	79,576	74,712
Public Natural Resources	104,996	85,197
Private Natural Resources	77,955	67,532
Venture Capital/Private Equity	763,742	701,211
Total	**$ 4,672,275**	**$ 4,689,999**

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

Investment Type		June 30, 2022		June 30, 2021
FIDUCIARY INVESTMENTS:				
TIAA Traditional	$	14,589	$	15,391
CREF Stock Account		14,921		10,477
CREF Growth Account		21,791		15,250
Total	**$**	**51,301**	**$**	**41,118**

The University's investment values included accumulated unrealized gains of approximately $339,307,000 and $696,626,000 as of June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, the investment (loss) income included an unrealized loss of approximately $357,319,000 and an unrealized gain of approximately $511,821,000, respectively.

As of June 30, 2022 and 2021, the University had approximately $639,791,000 and $590,520,000 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, 2022 and 2021, was approximately $87,338,000 and $96,079,000, 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, 2022 and 2021 were approximately $300,000 and $500,000, 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.

Cash and Cash Equivalents available at Purdue Applied Research Institute in the amount of $3,420,000 as of June 30, 2022 were covered up to federally insured limits and any remaining balance is uninsured and uncollateralized. Fiscal year 2022 was the initial year of reportable activity for Purdue Applied Research Institute.

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 November 17, 2021. 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 7.5% 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 7.5% 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, 2022	Maturity				
Investment Type	**0–1 year**	**1–5 years**	**6–10 years**	**>10 years**	**Totals**
Separately Held:					
US Agencies	$ -	$ 484	$ -	$ -	$ 484
Asset-Backed Securities	50	2,134	1,311	167	3,662
Corporate Bonds	360	2,644	2,797	1,628	7,429
Mortgage-Backed Securities	-	-	-	428	428
US Treasuries and Securities	827	6,862	501	446	8,636
PIPC:					
Asset-Backed Securities	16,358	100,962	3,879	37,085	158,284
Corporate Bonds	70,101	357,789	112,001	62,229	602,120
Mortgage-Backed Securities	17,674	20,577	6,566	278,551	323,368
US Agencies	2,778	7,472	11,642	10,394	32,286
US Treasuries and Securities	19,454	401,677	89,592	10,713	521,436
PIP:					
Fixed Income and other	4,971	82,300	15,287	34,745	137,303
Total	$ 132,573	$ 982,901	$ 243,576	$ 436,386	$ 1,795,436

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

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

	June 30, 2022	% of Total	June 30, 2021	% of Total
Separately Held:				
A	$ 2,807	13.60%	$ 688	27.59%
AA	1,924	9.32%	680	27.27%
AAA	9,271	44.92%	138	5.53%
BA	836	4.05%	-	0.00%
BAA	2,858	13.85%	129	5.17%
Unrated	2,943	14.26%	859	34.44%
Total Separately Held	20,639	100.00%	2,494	100.00%
PIPC:				
A	267,591	16.34%	299,155	18.51%
AA	64,438	3.94%	63,734	3.94%
AAA	928,349	56.69%	886,852	54.86%
BA	34,967	2.14%	38,889	2.41%
BAA	189,491	11.57%	198,732	12.30%
Unrated[1]	152,658	9.32%	128,980	7.98%
Total PIPC:	1,637,494	100.00%	1,616,342	100.00%
PIP:				
A	19,979	14.55%	17,765	14.78%
AA	4,989	3.63%	4,255	3.54%
AAA	82,403	60.02%	69,343	57.69%
BA	3,837	2.80%	3,826	3.18%
BAA	15,837	11.53%	13,609	11.32%
Unrated[1]	10,258	7.47%	11,406	9.49%
Total PIP	137,303	100.00%	120,204	100.00%
Total	**$ 1,795,436**		**$ 1,739,040**	

[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, Purdue University Global, or Purdue Applied Research Institute accounts at custodial banks with the exception of $340,000 at both June 30, 2022 and 2021 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 $1,144,689,000 and $1,047,100,000 respectively at June 30, 2022 and 2021.

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, 2022	June 30, 2021
Australian Dollar	$ 4	$ 6
Canadian Dollar	1,818	1,740
Euro	2,204	2,888
Total	**$ 4,026**	**$ 4,634**

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, 2022 and 2021, 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% in semiannual distributions within the range of the current market value of the unitized pool and the average of the ending market values for the prior twelve quarters.

As of June 30, 2022 and 2021, accumulated market appreciation of the PIP pool was approximately $849,022,000 and $1,048,334,000, respectively. Of this amount, 45.80% and 46.51% represents appreciation attributable to donor-restricted (true and term) endowments during the year ended June 30, 2022 and 2021, 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, 2022 and 2021, the PRF PIP investment pool includes the following PRF Trusts assets, net of liabilities (dollars in thousands).

	Assets at Fair Value	
	June 30, 2022	June 30, 2021
University	$ 30,249	$ 34,137
PRF	34,917	41,773
Other Affiliates	267	282
Total	**$ 65,433**	**$ 76,192**

As of June 30, 2022 and 2021, the University's beneficial interest in the Trust Assets of $30,249,000 and $34,137,000, 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 $2,628,461,000 and $2,615,864,000 of the University's PIP, at June 30, 2022 and 2021, respectively, is as follows (dollars in thousands):

Investment Type	June 30, 2022	June 30, 2021
Short-Term Investments	$ 334	$ 1,332
U.S. Equity	33,204	31,030
Fixed Income	11,027	15,619
Venture Capital	986	680
Private Natural Resources	9,500	9,500
Pooled Funds:		
Short-Term Investments	284,102	239,482
U.S. Equity	871,086	986,156
International Equity	423,700	507,837
Fixed Income	196,079	157,428
Emerging Markets	139,432	171,426
Public Real Estate	220,917	207,869
Private Real Estate	94,428	87,889
Public Natural Resources	143,763	119,046
Private Natural Resources	110,659	94,363
Hedge Funds	302,745	284,554
Venture Capital/Private Equity	952,122	976,287
Total	**$ 3,794,084**	**$ 3,890,498**

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 are summarized below (dollars in thousands):

	Fair Value Measurements at June 30, 2022				
Investment Type	**Level 1**	**Level 2**	**Level 3**	**NAV**	**Total**
SEPARATELY HELD INVESTMENTS:					
Land Grant Cash Held by State Treasurer	$ -	$ 340	$ -	$ -	$ 340
US Equity	71,841	-	-	4,639	76,480
Public Real Estate	-	-	1,854	-	1,854
US Agencies	-	484	-	-	484
Asset-Backed Securities	-	3,662	-	-	3,662
Corporate Bonds	-	7,429	-	-	7,429
Mortgage-Backed Securities	-	428	-	-	428
US Treasuries and Securities	8,636	-	-	-	8,636
Venture Capital/Private Equity	-	-	-	132	132
Short Term Investments	50,130	-	-	-	50,130
BOND PROCEEDS INVESTED:					
Short Term Investments	613	-	-	-	613
PIPC:					
Short Term Investments	256,132	-	-	-	256,132
Fixed Income:					
Asset-Backed Securities	-	158,284	-	-	158,284
Corporate Bonds	-	602,120	-	-	602,120
Mortgage-Backed Securities	-	323,368	-	-	323,368
US Agencies	-	32,286	-	-	32,286
US Treasuries and Securities	521,436	-	-	-	521,436
PIP:					
Short Term Investments	71,435	109	-	-	71,544
US Equity	-	-	-	597,310	597,310
International Equity	309,443	-	-	-	309,443
Fixed Income	48,269	89,034	-	-	137,303
Emerging Markets	101,832	-	-	-	101,832
Marketable Alternatives	2,767	-	-	220,649	223,416
Public Real Estate	161,344	-	-	-	161,344
Private Real Estate	-	-	-	79,576	79,576
Public Natural Resources	104,996	-	-	-	104,996
Private Natural Resources	-	-	-	77,955	77,955
Venture Capital/Private Equity	-	2,908	-	760,834	763,742
Total	**$ 1,708,874**	**$ 1,220,452**	**$ 1,854**	**$ 1,741,095**	**$ 4,672,275**

Investment Type	Level 1	Level 2	Level 3	NAV	Total
	Fair Value Measurements at June 30, 2021				
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**

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

Investment Type	Level 1	Level 2	Level 3	NAV	Total
	Fair Value Measurements at June 30, 2022				
FIDUCIARY INVESTMENTS:					
TIAA Traditional	$ -	$ 14,589	$ -	$ -	$ 14,589
CREF Stock Account	-	-	-	14,921	14,921
CREF Growth Account	-	-	-	21,791	21,791
Total	**$ -**	**$ 14,589**	**$ -**	**$ 36,712**	**$ 51,301**

Investment Type	Level 1	Level 2	Level 3	NAV	Total
	Fair Value Measurements at June 30, 2021				
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**

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. There are no significant restrictions on redemption and no unfunded future commitments to these investments.

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).

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).

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. There are no unfunded future commitments to these investments.

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).

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. There are no unfunded future commitments to these investments.

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).

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. There are no unfunded future commitments to these investments.

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. There are no unfunded future commitments to these investments. A special situations private equity investment fund is able to be redeemed on a short-term basis with no significant restrictions (Level 2 inputs).

Fiduciary Investments. The TIAA Traditional plan is a retirement annuity plan valued using Level 2 inputs. The CREF Growth and CREF Stock accounts were valued using NAV. There are no unfunded future commitments and no redemption restrictions on these investments.

Note 3 – Accounts, Pledges, and Notes Receivable

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

	June 30, 2022	June 30, 2021, As Restated
Grants and Contracts	$ 76,500	$ 81,228
Student and General	43,743	50,495
Other Accrued Revenues	22,412	24,445
Less: Allowance for Doubtful Accounts	(3,545)	(5,105)
Total Accounts Receivable, Net	**139,110**	**151,063**
Pledges Receivable	105,861	72,510
Less: Allowance for Doubtful Pledges	(4,717)	(4,208)
Net Pledges Receivables	101,144	68,302
Less: Noncurrent Portion	(62,073)	(36,520)
Pledges Receivable, Current Portion	**39,071**	**31,782**
Perkins Loans	6,447	8,823
Institutional Loans	28,818	33,890
Other Notes and Leases Receivable	6,167	6,684
Less: Allowance for Doubtful Loans	(575)	(926)
Net Notes Receivable	40,857	48,471
Less: Noncurrent Portion	(31,020)	(38,379)
Notes Receivable, Current Portion	**9,837**	**10,092**
Other Receivables	1,271	1,174
Other Receivables, Current Portion	**$ 1,271**	**$ 1,174**

Other Notes and Leases Receivable includes University leases of certain assets to various third parties. The assets leased include buildings and land and payments are generally fixed. During the years ended June 30, 2022 and 2021, the University recognized $1,635,000 and $1,547,000 of lease revenue and $53,000 and $51,000 of interest income related to its lessor agreements, respectively.

Future principal and interest payment requirements related to The University's lease receivable at June 30, 2022 are as follows (dollars in thousands):

Fiscal Year	Principal	Interest	Total
2023	$ 1,723	$ 51	$ 1,774
2024	849	45	894
2025	756	40	796
2026	542	35	577
2027	262	32	294
2028 – 2032	991	116	1,107
2033 – 2037	713	55	768
2038 – 2042	218	15	233
2043 – 2047	106	2	108
Total	$ 6,160	$ 391	$ 6,551

Note 4-Capital Assets

Capital Assets (dollars in thousands)

Capital Assets Activity	Balance as restated July 1, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	$ 67,168	$ 20,059	$ -	$ -	$ 87,227
Construction in Progress	181,531	97,008	-	(90,731)	187,808
Total Capital Assets, Not Being Depreciated	248,699	117,067	-	(90,731)	275,035
Capital Assets, Being Depreciated:					
Land Improvements	100,771	2,676	5,265	2,359	100,541
Infrastructure	252,655	11,405	483	6,200	269,777
Buildings	4,177,917	94,047	4,344	82,147	4,349,767
Equipment	709,470	59,662	14,382	25	754,775
Software	84,087	56	-	-	84,143
Total Capital Assets, Being Depreciated	5,324,900	167,846	24,474	90,731	5,559,003
Less Accumulated Depreciation:					
Land Improvements	79,764	2,427	5,243	-	76,948
Infrastructure	106,938	11,120	483	-	117,575
Buildings	2,046,957	137,385	3,973	-	2,180,369
Equipment	459,656	44,804	13,261	-	491,199
Software	73,622	5,383	-	-	79,005
Total Accumulated Depreciation	2,766,937	201,119	22,960	-	2,945,096
Total Capital Assets, Net	**$ 2,806,662**	**$ 83,794**	**$ 1,514**	**$ -**	**$ 2,888,942**

Right to Use Assets (Lessee) Activity	Balance as restated July 1, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Buildings	76,047	2,780	4,423	-	74,404
Equipment	4,013	767	217	-	4,563
Land	633	390	390	-	633
Total Right to Use Assets	80,693	3,937	5,030	-	79,600
Less Right to Use Assets Accumulated Amortization:					
Buildings	12,780	13,971	4,423	-	22,328
Equipment	1,100	1,357	217	-	2,240
Land	134	537	390	-	281
Total Accumulated Amortization	14,014	15,865	5,030	-	24,849
Total Right to Use Assets, Net	**$ 66,679**	**$ (11,928)**	**$ -**	**$ -**	**$ 54,751**
Total Capital and Right to Use Assets, Net	**$ 2,873,341**	**$ 71,866**	**$ 1,514**	**$ -**	**$ 2,943,693**

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**

Right to Use Assets (Lessee) Activity	Balance July 1, 2020	Additions	Retirements	Transfers	Balance as restated June 30, 2021
Buildings	72,550	4,521	1,024	-	76,047
Equipment	3,380	718	85	-	4,013
Land	582	51	-	-	633
Total Right to Use Assets	76,512	5,290	1,109	-	80,693
Less Right to Use Assets Accumulated Amortization:					
Buildings	-	13,804	1,024	-	12,780
Equipment	-	1,185	85	-	1,100
Land	-	134	-	-	134
Total Accumulated Amortization	-	15,123	1,109	-	14,014
Total Right to Use Assets, Net	**$ 76,512**	**$ (9,833)**	**$ -**	**$ -**	**$ 66,679**
Total Capital and Right to Use Assets, Net	**$ 2,718,915**	**$ 158,037**	**$ 3,611**	**$ -**	**$ 2,873,341**

During fiscal years 2022 and 2021, the University expensed $33,722,000 and $35,712,000, respectively, in interest costs related to the ownership of capital assets and leases for right to use assets.

Note 5 —Liabilities other than Bonds, Leases and Notes Payable

Accounts Payable, Accrued Expenses, and Unearned Revenue consisted of the following:
(dollars in thousands)

	June 30, 2022		June 30, 2021 As Restated	
Construction Payables	$	19,824	$	19,582
Accrued Insurance Liabilities		22,989		23,336
Interest Payable		16,988		16,682
Accrued Salaries and Wages		11,859		13,796
Vendor and Other Payables		144,429		124,725
Total Accounts Payable and Accrued Expenses	**$**	**216,089**	**$**	**198,121**
Tuition and Fees		87,972		83,266
Grant and Other		108,516		102,007
Total Unearned Revenue	**$**	**196,488**	**$**	**185,273**

Roll forward schedule of liabilities not detailed above:
(dollars in thousands)

Liabilities		Balance July 1, 2021		Increases		Decreases		Balance June 30, 2022		Current Portion
Accrued Compensated Absences	$	73,936	$	29,023	$	27,459	$	75,500	$	33,580
Other Post Employment Benefits		34,760		3,443		9,285		28,918		3,609
Net Pension Liability		49,762		-		28,611		21,151		-
Other Noncurrent Liabilities		50,836		1,465		18,638		33,663		-
Advances from Federal Government		4,896		-		2,994		1,902		-
Total	**$**	**214,190**	**$**	**33,931**	**$**	**86,987**	**$**	**161,134**	**$**	**37,189**

Liabilities		Balance July 1, 2020		Increases		Decreases		Balance June 30, 2021		Current Portion
Accrued Compensated Absences	$	74,647	$	26,797	$	27,508		73,936	$	28,971
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		24,826		17,988		50,836		-
Advances from Federal Government		8,518		-		3,622		4,896		-
Total	**$**	**216,299**	**$**	**54,700**	**$**	**56,809**	**$**	**214,190**	**$**	**31,686**

Note 6 — Debt Related to Capital Assets

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

Debt Related Liabilities	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion
Bonds Payable					
Student Facilities System Revenue Bonds	$ 271,645	$ 41,750	$ 79,030	$ 234,365	$ 31,825
Student Fee Bonds	467,000	30,550	63,745	433,805	34,970
Total Bonds Payable	738,645	72,300	142,775	668,170	66,795
Availability Payments Payable	148,827	-	380	148,447	399
Financed Obligations Payable	149,124	7,890	6,518	150,496	9,681
Leases Payable	52,977	3,937	14,740	42,174	8,839
Net Unamortized Premiums and Costs	90,906	8,734	16,342	83,298	12,099
Total Debt Related Liabilities	**$ 1,180,479**	**$ 92,861**	**$ 180,755**	**$ 1,092,585**	**$ 97,813**

Debt Related Liabilities, As Restated	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion
Notes Payable	$ 4,930	$ -	$ 4,930	$ -	$ -
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
Financed Obligations Payable	168,219	32,285	51,380	149,124	4,269
Leases Payable	62,358	5,290	14,671	52,977	13,281
Net Unamortized Premiums and Costs	93,305	10,025	12,424	90,906	12,662
Total Debt Related Liabilities	**$ 1,134,907**	**$ 196,758**	**$ 151,186**	**$ 1,180,479**	**$ 138,772**

Bonds Payable. As of June 30, 2022 and 2021, the balance of bonds payable was approximately $733,343,000 and $809,004,000, 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, 2022	Total Outstanding June 30, 2021	Current Outstanding June 30, 2022
Student Facilities System Revenue Bonds:								
Series 2004A								
	Finance construction of Hammond student housing and parking garage facilities	2004	$ 28,100	0.02%*	2033	$ 15,655	$ 15,860	$ 15,655
Series 2005A								
	Finance construction and renovation of West Lafayette housing and food service facilities	2005	24,200	0.01%*	2029	-	5,755	-
Series 2007A								
	Refund a portion of Student Facilities System Revenue Bond Series 2003A and 2003B	2007	61,865	5.25%	2029	39,150	43,180	4,300
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	-
Series 2011A								
	Refund a portion of Student Facilities System Revenue Bond Series 2004A, 2005A, and 2007C	2011	49,440	5.00%	2021	-	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	1,285	19,180	1,285
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	84,890	87,765	3,030
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	51,635	54,905	3,430
Series 2022A								
	Refund a portion of Student Facilities System Revenue Bond Series 2005A, 2007C, and 2012A	2022	41,750	5.00%	2032	41,750	-	4,125
						234,365	271,645	31,825
Net unamortized premiums and costs						19,141	17,565	2,861
Total Student Facilities System Revenue Bonds						**$ 253,506**	**$ 289,210**	**$ 34,686**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/22.

**Variable interest rates are reset weekly and are based upon market conditions. Rates shown are as of June 30, 2022.*

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, 2022 and 2021, the University had $15,655,000 and $46,000,000 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.

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 30, 2022, the University issued Student Facilities System Revenue Bonds, Series 2022A at par value of $41,750,000 and a premium of $5,410,000 to refund Student Facilities System Revenue Bonds, Series 2012A, in the amount of $16,665,000, to set a fixed interest rate for $30,140,000 of remaining principal in the variable rate Series 2007C and Series 2005A, and to pay for allowable costs of issuance. The refunding resulted in an economic gain (difference between the reacquisition cost and unamortized premium) of $1,011,000 over the term of the refunding bonds.

Issuance and Description		Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Total Outstanding June 30, 2022	Total Outstanding June 30, 2021	Current Outstanding June 30, 2022
Student Fee Bonds:								
Series U								
	Refund a portion of Student Fee Bond Series Q	2005	35,200	5.25%	2022	2,990	5,825	2,990
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	3.74-5.33%	2035	73,615	77,690	4,175
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	2,550	38,560	2,550
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	24,300	27,345	2,925
Series BB2								
	Taxable debt for reallocation of Drug Discovery from tax-exempt Series AA	2015	18,985	2.74-3.81%	2032	12,480	13,420	960
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	101,425	112,480	11,620
Series DD								
	Finance renovation and construction of Agricultural and Biological Engineering building and construction of BioScience Innovation building	2018	90,135	5.00%	2038	79,680	82,615	3,085
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	106,215	109,065	6,665
Series FF								
	Refund Student Fee Bond Series AA	2022	30,550	4.00-5.00%	2032	30,550	-	-
						433,805	467,000	34,970
Net unamortized premiums and costs						46,032	52,794	6,931
Total Student Fee Bonds						**$ 479,837**	**$ 519,794**	**$ 41,901**

Debt issuances are comprised of annual maturities, each of which may have a different interest rate. Table above reflects the rates in effect on 6/30/22.

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.

The 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, 2022.

On June 16, 2022, the University issued Student Fee Bonds, Series FF at par value of $30,550,000 and a premium of approximately $3,324,060 to refund Student Fee Bonds, Series AA in the amount of $33,585,000 and to pay for allowable costs of issuance. The refunding resulted in an economic gain (difference between the reacquisition cost and unamortized premium) of $2,669,000 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.

Financed Obligations Payable. Financed obligations consisted of the following items (dollars in thousands):

Issue	Issue Date	Original Issuance	Interest Rates	Final Maturity Date	Outstanding June 30, 2022	Outstanding June 30, 2021	Current Outstanding June 30, 2022
Certificates of Participation with Ross-Ade:							
Series 2006	2006	70,345	5.25%	2025	14,770	14,770	3,415
Series 2016A	2016	85,120	4.00-5.00%	2037	73,875	73,875	4,190
Series 2021A	2021	29,935	5.00%	2035	29,935	29,935	-
Series 2021B	2021	2,350	2.25%	2032	2,350	2,350	-
Direct Placement Certificates of Participation:							
Series 2014A	2014	21,955	2.66%	2027	16,365	16,365	940
Purdue Research Foundation:							
Child Care Facility	2018	5,522	2.82%*	2033	4,011	4,336	315
NW Recreation Facility	2018	4,924	2.82%*	2031	3,549	3,845	287
Waldron	2022	7,890	3.07%*	2032	5,641	-	534
Other:							
Cisco	2018	23,458	2.52%	2022	-	3,648	-
					150,496	149,124	9,681
Net unamortized premiums and costs					18,125	20,547	2,307
Total					**$ 168,621**	**$ 169,671**	**$ 11,988**

**Variable interest rates are reset periodically and are based upon market conditions. Rates shown are as of June 30, 2022.*

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. As a result, this is not reported under GASB 87, Leases. 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.

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.

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.

In addition to the Certificates of Participation, the University also has other arrangements, where the property will transition to the University at the end of the agreement terms. In June 2022, the University entered into arrangements with Purdue Research Foundation for Waldron properties totaling $7,890,000.

Leases Payable. The University leases certain assets from various third parties. The assets leased include buildings, land, and equipment and payments are generally fixed. The interest rates utilized are those stated in the lease agreements or the University's incremental borrowing rate if a rate is not specified.

Future principal and interest payment requirements related to The University's lease liability at fiscal years ending June 30, 2022 are as follows (dollars in thousands):

Fiscal Year	Principal	Interest	Total
2023	$ 8,839	$ 414	$ 9,253
2024	7,514	349	7,863
2025	5,364	293	5,657
2026	2,754	257	3,011
2027	2,131	228	2,359
2028-2032	10,699	716	11,415
2033-2037	4,873	93	4,966
Total	$ 42,174	$ 2,350	$ 44,524

As of June 30, 2022, the University has approximately $4,470,000 in commitments related to leases for which the lease term has not commenced.

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
2023	58,745	34,207	92,952	2,475	8,224	10,699
2024	56,330	33,105	89,435	2,554	8,145	10,699
2025	57,300	30,433	87,733	2,639	8,064	10,703
2026	60,080	27,612	87,692	2,722	7,970	10,692
2027	58,280	24,747	83,027	6,991	7,836	14,827
2028-2032	264,160	85,316	349,476	16,773	36,995	53,768
2033-2037	199,840	29,027	228,867	4,017	35,528	39,545
2038-2042	34,365	2,106	36,471	4,581	34,525	39,106
Thereafter	-	-	-	135,261	185,405	320,666
	789,100	266,553	1,055,653	178,013	332,692	510,705
Net unamortized premiums and costs	83,298	-	83,298	-	-	-
	$ 872,398	$ 266,553	$ 1,138,951	$ 178,013	$ 332,692	$ 510,705

As of June 30, 2022 and 2021, the Deferred Outflows of Resources for debt refunding was $16,041,000 and $18,206,000, respectively. As of June 30, 2022 and 2021, the Deferred Inflows of Resources for debt refunding was $3,680,000 and $-0-, 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 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 Series FF in the amount of $33,585,000 and associated interest of $747,269 from the University were prepaid to the Trustee at the June 16, 2022 closing for SFB Series FF, allowing for defeasement of all AA remaining obligations in conjunction with the scheduled principal and interest payments on July 1, 2022.

Bond proceeds from Series 2022A in the amount of $46,805,000 and associated interest of $349,006 from the University were prepaid to the Trustee at the June 30, 2022 closing for SFSRB Series 2022A, allowing for defeasement of all 2012A, 2007C, and 2005A remaining obligations in conjunction with the scheduled principal and interest payments on July 1, 2022.

Description of Bonds	**Final Maturity/ Call Date**	**Amount Outstanding**	
		June 30, 2022	June 30, 2021
Student Fee Bonds:			
Student Fee Bonds, Series AA	7/1/2022	$ 33,585	$ -
System Facilities System Revenue Bonds:			
System Facilities System Revenue Bonds, 2012A	7/5/2022	$ 16,665	$ -

Note 7— Other Post-Employment Benefits

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 who meet eligibility criteria. Qualifying participants may continue to receive benefits until they reach the age of 65. Active employees hired on or after January 1, 2021 are not eligible for retiree health benefits. 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 year ended June 30, 2022, the actuarial valuation used census data at July 1, 2021:

Retired members or beneficiaries currently receiving benefits	200
Disabled members currently receiving benefits	45
Active members	11,280
Total	**11,525**

For the fiscal year ended June 30, 2021, 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 $28,918,000 as of June 30, 2022 and $34,760,000 as of June 30, 2021 were determined with measurement/experience dates of July 1, 2021 and July 1, 2020, using an actuarial valuation as of July 1, 2021 and July 1, 2019, done in accordance with GASB Statement No. 75. The total OPEB liabilities in the June 30, 2021 and 2020 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	3.00% as of July 1, 2021 and 2.50% as of July 1, 2020
Projected salary increases	3.00%
Discount rate	2.19% as of July 1, 2021; 2.21% as of July 1, 2020, 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	As of July 1, 2021, 7.50% decreasing by 0.5% annually to a rate of 4.50%; As of July 1, 2020, 7.00% graded to 4.50% over 10 years.
Dental	4.00% as of July 1, 2021 and 3.00% as of July 1, 2020
Administrative Costs	3.00%
Mortality Rates	As of July 1, 2021 follows the Pub-2010 mortality tables with the MP-2021 mortality improvement scale published by the SOA; As of July 1, 2020 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. The current discount rate was selected from a range between the lowest and highest rates of Bond Buyer Go 20-Bond Municipal Bond Index, S&P Municipal Bond 20-Year High Grade Rate Index, and Fidelity 20-Year Go Municipal Bond Index.

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

For the years ended June 30,

	2022	2021
Beginning Balance	**$ 34,760**	**$ 33,357**
Changes for Year:		
Service Cost	2,656	1,927
Interest	786	1,150
Differences between expected and actual experience	(6,081)	634
Changes of assumptions	454	2,571
Benefit payments	(3,657)	(4,879)
Net Change in Total OPEB Liability	(5,842)	1,403
Ending Balance	**$ 28,918**	**$ 34,760**

Changes of assumptions reflect a decrease in the discount rate from 2.21% to 2.19% as of June 30, 2022 and a decrease from 3.50% to 2.21% as of June 30, 2021. The June 30, 2022 assumption changes reflect updates to the annual per capita health care costs based on historical claims for the 24-month period ending December 31, 2021 as well as updates to the mortality tables and health care trend rates. The June 30, 2021 assumption changes reflected the repeal of the potential excise tax on plans that exceed certain cost thresholds.

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, 2022 and 2021. 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, 2022

1% Decrease (1.19%)	Current (2.19%)	1% Increase (3.19%)
$ 30,675,868	$ 28,918,020	$ 27,287,106

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

Healthcare Cost Trend Rate Sensitivity

Total OPEB Liability as of June 30, 2022

1% Decrease	Current	1% Increase
$ 26,575,632	$ 28,918,020	$ 31,643,214

Total OPEB Liability as of June 30, 2021

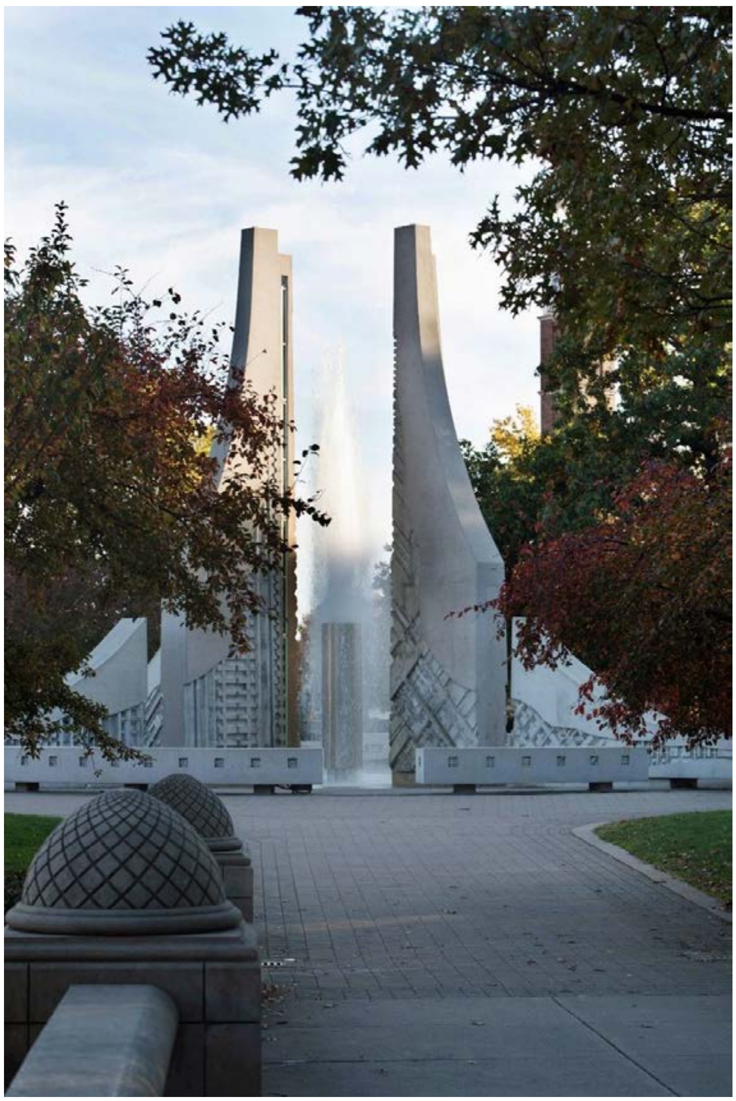
1% Decrease	Current	1% Increase
$ 31,802,602	$ 34,759,696	$ 38,192,361

OPEB Expense and Deferred Inflows of Resources related to OPEB:

For the year ended June 30, 2022 and 2021, the University recognized OPEB expense of approximately $1,841,000 and $2,179,000 respectively. At June 30, 2022 and 2021, the University reported Deferred Inflows of Resources related to the Change of Assumptions in the amount of approximately $10,904,000 and $6,894,000, respectively, related to the Changes of Assumptions. At June 30, 2022 and 2021, the University reported Deferred Outflows of Resources in the amount of approximately $6,386,000 and $5,507,000, respectively, including $3,609,000 and $2,715,000 related to payments made beyond the measurement dates of July 1, 2021 and 2020.

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

Total Year Ended June 30,		
2023	$	(1,602)
2024		(1,602)
2025		(1,496)
2026		(1,307)
2027		(1,031)
Thereafter		(1,089)
Total	$	(8,127)



Note 8 - Operating Expenses by Function

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

June 30, 2022

Function	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships and Student Awards	Total
Instruction	$ 756,721	$ 103,762	$ -	$ -	$ 860,483
Research	212,473	123,735	-	-	336,208
Extension and Public Service	114,242	39,164	-	-	153,406
Academic Support	110,481	72,762	-	-	183,243
Student Services	133,069	32,568	-	-	165,637
General Administration and Institutional Support	168,977	258,254	-	-	427,231
Physical Plant Operations and Maintenance	90,834	49,344	-	-	140,178
Depreciation	-	-	215,560	-	215,560
Student Aid	-	-	-	146,669	146,669
Auxiliary Enterprises	83,886	109,541	-	-	193,427
Total	**$ 1,670,683**	**$ 789,130**	**$ 215,560**	**$ 146,669**	**$ 2,822,042**

June 30, 2021 As Restated

Function	Compensation and Benefits	Supplies and Services	Depreciation	Scholarships, Fellowships and Student Awards	Total
Instruction	$ 732,391	$ 78,828	$ -	$ -	$ 811,219
Research	197,338	94,135	-	-	291,473
Extension and Public Service	104,576	31,359	-	-	135,935
Academic Support	107,600	55,594	-	-	163,194
Student Services	133,389	47,341	-	-	180,730
General Administration and Institutional Support	167,550	229,338	-	-	396,888
Physical Plant Operations and Maintenance	86,689	41,938	-	-	128,627
Depreciation	-	-	212,195	-	212,195
Student Aid	-	-	-	98,585	98,585
Auxiliary Enterprises	75,176	97,789	-	-	172,965
Total	**$ 1,604,709**	**$ 676,322**	**$ 212,195**	**$ 98,585**	**$ 2,591,811**

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, 2022 and 2021, the University's contribution to FICA was approximately $70,771,000 and $67,449,000 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, 2022 and 2021, $18,106,000 and $35,977,000 respectively have been retained under this provision and are 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, 2022 or 2021.

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, 2022 and 2021, there were 7,465 and 7,602 employees, respectively, participating in the plans with annual pay equal to approximately $744,351,000 and $719,180,000 respectively. For the years ended June 30, 2022 and 2021, the University made contributions totaling approximately $70,362,000 and $67,882,000, 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, 2022 and 2021, there were 2,556 and 2,707 employees, respectively, participating in the plan with annual pay equal to approximately $72,061,000 and $73,570,000 respectively. For the years ended June 30, 2022 and 2021, the University made base contributions totaling approximately $2,734,000 and $2,578,000, respectively, and matching contributions totaling approximately $2,303,000 and $2,113,000 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, 2022 or June 30, 2021.

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, 2022 and 2021, there were 1,104 and 1,036 employees participating in the 457(b) plan with pay equal to approximately $54.3 and $48.9 million, respectively. For the periods ended June 30, 2022 and 2021, employees contributed $6.1 million and $5.2 million, respectively.

In 2018, the Plan 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. 97, *Certain Component Unit Criteria, and 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 periods ended June 30, 2022 and 2021, there were 2,231 and 2,142 employees participating in the 403(b) plan with pay equal to approximately $70 million and $63.9 million. For the period ended June 30, 2022 and 2021 the University made contributions totaling $4.1 million and $3.7 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). As of January 1, 2021, members at least 59 1/2 years of age and service eligible for normal retirement may take in-service distribution of their DC account. Additionally, members who are age and service eligible for normal retirement may take a withdrawal after separation without the 30 day wait period. 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, 2022 and 2021, 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, 2022 and 2021, there were 1,585 and 1,859 employees, respectively, participating in PERF Hybrid. The University's proportionate share of PERF Hybrid's Net Pension Liability based on covered payroll of approximately $88,623,000 was 1.61% for the measurement date June 30, 2021, 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 $21,151,000 and $49,762,000 for measurement dates of June 30, 2021 and 2020. The proportionate share of 1.61% is a decrease of .04 percentage points from the measurement date of June 30, 2020 of 1.65%. The June 30, 2020 value was a decrease of .04 percentage points from the proportionate share from the measurement date of June 30, 2019 of 1.69%.

The University made contributions to the plan totaling approximately $9,401,000 and $10,020,000 for the years ending June 30, 2022 and 2021, respectively. The amount of contribution made after the measurement date, which is shown as a deferred outflow was approximately $7,403,000 and $7,892,000 for the years ended June 30, 2022 and 2021, respectively. The proportionate shares of pension plan expense (revenue) for the years ended June 30, 2022 and 2021 as calculated under GASB 68 guidance were approximately ($1,826,000) and $4,008,000 less net amortization of deferred amounts of approximately ($1,996,000) and ($1,178,000) leaving a net pension expense (revenue) of approximately ($3,822,000) and $2,830,000.

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

	2022	2021
Asset Valuation Date	June 30, 2021	June 30, 2020
Liability Valuation Date *	June 30, 2020	June 30, 2019
Actuarial Amortization Method/Period	20 year level dollar closed	
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	
Employer Required Contribution	Asset Smoothing Method	
Actuarial Assumptions:		
Investment Rate of Return	6.25%	6.75%
Inflation Rate	2.00%	2.25%
Projected Salary Increases	2.65%-8.65%	2.75%-8.75%
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, 2022 and 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.

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:

	2022		2021	
		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	20.0%	3.6%	22.0%	4.4%
Private Markets	15.0%	7.3%	14.0%	7.6%
Fixed Income - Ex Inflation-Linked	20.0%	1.5%	20.0%	1.9%
Fixed Income - Inflation-Linked	15.0%	-0.3%	7.0%	0.5%
Commodities	10.0%	0.8%	8.0%	1.6%
Real Estate	10.0%	4.2%	7.0%	5.8%
Absolute Return	5.0%	2.5%	10.0%	2.9%
Risk Parity	20.0%	4.4%	12.0%	5.5%
Leverage Offset	-15.0%	-1.4%		

Total pension liability was calculated using the discount rate of 6.25% for June 30, 2022 and 6.75% for June 30, 2021. 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 6.25% for June 30, 2022 and 6.75% for June 30, 2021. 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 current discount rate, 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, or one percentage point higher than the current rate:

Actuarial Valuation as of: June 30, 2021

1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
$ 55,319,659	$ 21,151,199	$ (7,349,819)

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

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, 2022	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ 723	$ 422
Net difference between projected and actual investment earnings on pension plan investments	-	27,463
Change of assumptions	10,639	4,751
Changes in proportion and differences between employer contributions and proportionate share of contributions	52	3,841
Contribution made after the measurement date	7,403	-
Total Deferred Outflows and Inflows	$ 18,817	$ 36,477

	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

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

2022	$ (7,543)
2023	(6,103)
2024	(3,567)
2025	(7,850)
Total	$ (25,063)

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 campus, as in effect at the time of a member's retirement, reduced by the amount of any pension benefits payable under other University retirement programs, including TIAA-CREF and PERF 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.

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.

For the years ending June 30, 2022 and 2021, there were 102 and 106 employees, with covered payroll of $6,376,000 and $6,453,000, respectively, actively participating in the Police/Fire plan. In addition to this there were 36 and 33 vested employees who had terminated and 98 and 94 retired participants, for the years ending June 30, 2022 and 2021 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 years ending June 30, 2022 and June 30, 2021.

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

	2022	**2021**
Valuation / Measurement Date	July 1, 2021	July 1, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	
Interest Discount Rate	5.25%	
Cost of Living Increases	2.25%	
Salary Scale	3.00%	2.50%
Interest Rate for Participant Contributions	3.25%	

Mortality

Pub-2010 Public Retirement Plans Mortality for Safety Employees Table (PubS-2010) with generational improvements projected under Scale MP-2021 and MP-2020

Pre-Retirement

PubS-2010 generational table for non-annuitants projected with Scale MP-2021 and MP-2020

Post-Retirement

PubS-2010 generational table for annuitants projected with Scale MP-2021 and MP-2020

The long term expected rate of return on the plan assets is 5.25%. Employee contributions are 3% of future expected base salaries, and plan funding is based on the projected unit credit cost method. 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:	**2021**	**2020**	**2021**	**2020**
TIAA Traditional	28.44%	37.43%	4.02%	4.67%
CREF Growth Account	42.48%	37.09%	5.59%	5.44%
CREF Stock Account	29.08%	25.48%	5.42%	6.27%
Total	**100.00%**	**100.00%**		

Weighted average return (rounded to nearest 25 bp) 5.00%

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 2020 and November 2019.

The actual rates of return for valuation years ended June 30, 2021 and 2020 were 29.6% and 8.9% respectively.

The actuarial pension liability (asset) is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the liability (asset) 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, 2022

1% decrease	Current	1% increase
4.25%	5.25%	6.25%
$ 527,345	$ (7,212,348)	$ (13,269,624)

For the year ended June 30, 2021

1% decrease	Current	1% increase
4.25%	5.25%	6.25%
$ 1,180,659	$ 542,530	$ (2,265,719)

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, 2022	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ -	$ 601
Net difference between projected and actual investment earnings on pension plan investments	-	10,246
Change of assumptions	3,531	-
Total Deferred Outflows and Inflows	$ 3,531	$ 10,847

	As of June 30, 2021	
	Deferred Outflows	**Deferred Inflows**
Differences between expected and actual experience	$ -	$ 866
Net difference between projected and actual investment earnings on pension plan investments	-	1,122
Change of assumptions	4,122	-
Total Deferred Outflows and Inflows	$ 4,122	$ 1,988

Amortization of Net Deferred Outflows/Inflows of Resources

2022	$	(854)
2023		(854)
2024		(1,668)
2025		(2,071)
2026		(1,869)
Total	$	(7,316)

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

(dollars in thousands)

	2022	2021
Total pension liability		
Service cost	$ 1,066	$ 954
Interest	2,148	3,221
Differences between expected and actual experience	(6)	(1,999)
Changes of assumptions	697	6,145
Benefit payments, including refunds of contributions	(1,470)	(1,419)
Net change in total pension liability	2,435	6,902
Total pension liability - beginning	41,703	34,801
Total pension liability - ending (a)	$ 44,138	$ 41,703
Plan fiduciary net position		
Contributions - employer	$ -	$ 19
Contributions - employee	189	177
Net investment income	11,471	3,420
Benefit payments, including refunds of contributions	(1,470)	(1,419)
Net change in plan fiduciary net position	10,190	2,197
Plan fiduciary net position - beginning	41,160	38,963
Plan fiduciary net position - ending (b)	$ 51,350	$ 41,160
Net pension liability (asset) ending (a) - (b)	$ (7,212)	$ 543

Note 10 – Component Units

Discretely Presented Component Units

Summary financial information as of and for the years ended June 30, 2022 and 2021, for the University's discretely presented component units are presented in the tables below.

Purdue University
Discrete Component Units Consolidated Statement of Net Position
As of June 30 (Dollars in Thousands)

	Purdue Research Foundation		Ross Ade Foundation		Purdue Fort Wayne Foundation	
	2022	2021	2022	2021	2022	2021 As Restated
Assets and Deferred Outflows of Resources:						
Current Assets:						
Cash and Cash Equivalents	$ 35,081	$ 33,600	$ 884	$ 923	$ 3,823	$ 3,798
Investments	140,547	127,009	-	-	-	-
Accounts Receivable, Net	10,164	6,679	613	1	29	40
Pledges Receivable, Net	-	-	-	-	175	360
Notes Receivable, Net	3,992	1,562	-	-	306	305
Other Assets	-	-	2	1	4	4
Total Current Assets	**189,784**	**168,850**	**1,499**	**925**	**4,337**	**4,507**
Noncurrent Assets:						
Investments	3,655,873	3,769,640	-	-	8,767	9,044
Pledges Receivable, Net	-	-	-	-	-	77
Notes and Other Receivables, Net	28,326	30,849	180,501	181,847	719	1,025
Interest in Charitable Remainder Trusts	16,781	19,803	-	-	-	-
Capital Assets, Net	261,145	283,225	151	151	7,263	7,903
Other Noncurrent Assets	18,702	14,232	-	-	-	-
Total Noncurrent Assets	**3,980,827**	**4,117,749**	**180,652**	**181,998**	**16,749**	**18,049**
Total Assets	**4,170,611**	**4,286,599**	**182,151**	**182,923**	**21,086**	**22,556**
Deferred Outflows of Resources	-	-	3,628	4,019	-	-
Liabilities and Deferred Inflows of Resources:						
Current Liabilities:						
Accounts Payable and Accrued Expenses	34,485	36,382	3,098	3	7	536
Unearned Revenue	-	-	2,858	2,846	-	-
Bonds, Leases, and Notes Payable	6,688	5,575	10,851	2,423	370	316
Total Current Liabilities	**41,173**	**41,957**	**16,807**	**5,272**	**377**	**852**
Noncurrent Liabilities:						
Other Noncurrent Liabilities	2,648,647	2,747,735	20,493	22,157	-	-
Bonds, Leases, and Notes Payable	172,728	168,362	144,568	155,419	399	769
Total Noncurrent Liabilities	**2,821,375**	**2,916,097**	**165,061**	**177,576**	**399**	**769**
Total Liabilities	**2,862,548**	**2,958,054**	**181,868**	**182,848**	**776**	**1,621**
Deferred Inflows of Resources	-	-	-	-	1,015	1,325
Net Position:						
Net Investment in Capital Assets	82,179	109,653	1,938	2,092	6,493	6,818
Restricted - Nonexpendable	171,892	167,342	-	-	1,700	1,682
Restricted - Expendable	836,483	854,471	-	-	9,787	10,030
Unrestricted	217,509	197,079	1,973	2,002	1,315	1,080
Total Net Position	**$ 1,308,063**	**$ 1,328,545**	**$ 3,911**	**$ 4,094**	**$ 19,295**	**$ 19,610**

Purdue University

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

For the Years Ended June 30 (Dollars in Thousands)

	Purdue Research Foundation		Ross Ade Foundation		Purdue Fort Wayne Foundation	
	2022	2021	2022	2021	2022	2021 As Restated
Operating Revenues:						
Sales and Services	$ 37,269	$ 37,481	$ 4,229	$ 3,154	$ 423	$ 384
Other Operating Revenues	4,870	3,229	-	-	943	1,017
Total Operating Revenues	**42,139**	**40,710**	**4,229**	**3,154**	**1,366**	**1,401**
Operating Expenses:						
Compensation and Benefits	43,048	39,410	-	-	-	-
Supplies and Services	103,520	84,882	38	332	1,287	1,740
Depreciation Expense	10,882	10,916	-	-	419	427
Total Operating Expenses	**157,450**	**135,208**	**38**	**332**	**1,706**	**2,167**
Net Operating Income (Loss)	**(115,311)**	**(94,498)**	**4,191**	**2,822**	**(340)**	**(766)**
Nonoperating Revenues (Expenses):						
Private Gifts	107,943	33,429	-	-	-	-
Investment Income (Loss)	(38,514)	333,114	1	-	28	2,499
Interest Expense	(7,151)	(7,462)	(4,375)	(3,702)	(3)	(4)
Other Nonoperating Revenues	27,221	32,515	-	-	-	-
Total Nonoperating Revenues (Expenses) before Capital and Endowments	**89,499**	**391,596**	**(4,374)**	**(3,702)**	**25**	**2,495**
Capital and Endowments:						
Private Gifts for Permanent Endowments	5,330	12,661	-	-	-	-
Total Capital and Endowments	**5,330**	**12,661**	**-**	**-**	**-**	**-**
Total Nonoperating Revenues (Expenses)	**94,829**	**404,257**	**(4,374)**	**(3,702)**	**25**	**2,495**
INCREASE (DECREASE) IN NET POSITION	**(20,482)**	**309,759**	**(183)**	**(880)**	**(315)**	**1,729**
Net Position, Beginning of Year	1,328,545	1,018,786	4,094	4,974	19,610	17,881
Net Position, End of Year	**$ 1,308,063**	**$ 1,328,545**	**$ 3,911**	**$ 4,094**	**$ 19,295**	**$ 19,610**

Blended Component Units

Condensed financial information follows for Purdue University Global, Inc. and Purdue Applied Research Institute, LLC (initial year), blended component units, before the elimination of certain intra-University transactions, as of and for the years ended June 30, 2022 and 2021. Purdue International, Inc. is also a blended component unit of the University, but is not presented because the value is insignificant to the total presentation.

Purdue University
Blended Component Units Condensed Statement of Net Position

As of June 30 (Dollars in Thousands)

	Purdue University Global, Inc.		Purdue Applied Research Institute, LLC	
	2022	2021 As Restated	2022	2021
Assets:				
Current Assets	$ 60,393	$ 77,690	$ 4,577	$ -
Noncurrent Assets	32,710	3,335	198	-
Total Assets	**93,103**	**81,025**	**4,775**	**-**
Liabilities:				
Current Liabilities	102,466	101,016	611	-
Noncurrent Liabilities	22,656	21,893	126	-
Total Liabilities	**125,122**	**122,909**	**737**	**-**
Deferred Inflows of Resources	404	549	**-**	**-**
Net Position:				
Net Investment in Capital Assets	677	840	198	-
Unrestricted	(33,100)	(43,273)	3,840	-
Total Net Position	**$ (32,423)**	**$ (42,433)**	**$ 4,038**	**$ -**

Purdue University
Blended Component Units Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30 (Dollars in Thousands)

	Purdue University Global, Inc.		Purdue Applied Research Institute, LLC	
	2022	2021 As Restated	2022	2021
Operating Revenues	$ 360,556	$ 367,601	$ 5,022	$ -
Operating Expenses other than Depreciation	460,309	429,119	3,441	-
Depreciation Expense	614	553	-	-
Net Operating Revenue (Loss)	**(100,367)**	**(62,071)**	**1,581**	
Nonoperating Revenues	110,377	67,321	2,457	-
Increase in Net Position	**10,010**	**5,250**	**4,038**	**-**
Net Position, Beginning of Year	(42,433)	(47,683)	-	-
Net Position, End of Year	**$ (32,423)**	**$ (42,433)**	**$ 4,038**	**$ -**

Purdue University
Blended Component Units Condensed Statement of Cash Flows
For the Years Ended June 30 (Dollars in Thousands)

	Purdue University Global, Inc.		Purdue Applied Research Institute, LLC	
	2022	2021 As Restated	2022	2021
Cash (Used) Provided by Operating Activities	$ (93,318)	$ (110,053)	$ 1,161	-
Cash Provided by Noncaptial Financing Activities	111,693	94,759	2,457	-
Cash (Used) Provided by Investing Activities	(32,976)	33	-	-
Cash Used by Capital and Related Financing Activities	(1,383)	(1,734)	(198)	-
Net Increase (Decrease) in Cash and Cash Equivalents	**(15,984)**	**(16,995)**	**3,420**	**-**
Cash and Cash Equivalents - Beginning of Year	59,963	76,958	-	-
Cash and Cash Equivalents - End of Year	**$ 43,979**	**$ 59,963**	**$ 3,420**	**-**

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, 2022 and 2021, contractual obligations for capital construction projects were approximately $112,025,000 and $136,080,000 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, 2022 and 2021, 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, 2022 and 2021, the University reflected approximately $88,000 and $47,000, 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, 2022	June 30, 2021	June 30, 2020
Beginning Liability	$ 23,855	$ 25,872	$ 26,081
Claims Incurred	136,359	117,284	137,565
Claims Payments	(136,580)	(119,301)	(137,774)
Ending Liability	**$ 23,634**	**$ 23,855**	**$ 25,872**

Note 13 – Subsequent Event

On August 12, 2022, Purdue University and Indiana University announced their intention to realign the programs currently offered on the campus of Indiana University-Purdue University at Indianapolis (IUPUI), a campus that Indiana University has operated and managed for 51 years. Under a Memorandum of Understanding approved by the Boards of Trustees of both universities, Indiana University and Purdue will work toward a realignment plan pursuant to which they will each offer and administer their own programs in Indianapolis. Subject to approvals from the Indiana Commission for Higher Education and the Higher Learning Commission, the academic programs offered at IUPUI over which Purdue will now assume direct responsibility—consisting of Engineering, Technology and Computer Science—are expected to begin operations as an additional location of Purdue-West Lafayette in July 2024.

In August 2022, the Purdue Research Foundation purchased Aspire at Discovery Park for $150,000,000. On the same day, the Purdue Research Foundation and University entered into a Property Management Agreement to facilitate the management of Aspire at Discovery Park. The Purdue Research Foundation expects to sell the property to the University by December 31, 2022.

Required Supplementary Information

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

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	$ 2,656	$ 1,927	$ 2,023	$ 2,290	$ 2,417
Interest	786	1,150	1,653	1,631	1,416
Changes of benefit terms	-	-	(755)	-	-
Differences between expected and actual experience	(6,081)	634	(2,219)	-	-
Changes of assumptions	454	2,571	(5,252)	(699)	(1,952)
Benefit payments, including refunds of member contributions	(3,657)	(4,879)	(5,550)	(6,112)	(5,567)
Net Change in Total OPEB Liability	**$ (5,842)**	**1,403**	**(10,100)**	**(2,890)**	**(3,686)**
Total OPEB Liability - beginning	**34,760**	**33,357**	**43,457**	**46,347**	**50,033**
Total OPEB Liability - ending	**$ 28,918**	**$ 34,760**	**$ 33,357**	**$ 43,457**	**$ 46,347**
Covered employee payroll	$ 826,141	$ 977,356	$ 959,487	$ 939,138	$ 920,742
Plan total OPEB Liability as a percentage of covered employee payroll	3.5%	3.6%	3.5%	4.6%	5.0%

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 2022, assumption changes reflected annual per capita health care costs were updated based on the University's historical claims and enrollment for the 24-month period ending December 31, 2021 (70% weight on the most recent 12 months). The discount rate has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of December 31, 2021 (measurement date). This discount rate is 2.19% as of July 1, 2021. The mortality tables have been updated. Health care trend rates have been updated to an initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5% for medical benefits, 4.0% per year for dental benefits, and 3.0% per year for administrative costs.
- 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.

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								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability	1.6%	1.6%	1.7%	1.7%	1.8%	1.8%	2.5%	2.8%	3.0%
Proportionate Share of the Net Pension Liability	21,151	$ 49,762	$ 55,779	$ 58,681	$ 78,861	$ 82,044	$ 102,146	$ 74,323	$ 103,102
Covered-employee payroll	88,624	$ 88,943	$ 87,930	$ 88,142	$ 87,693	$ 86,639	$ 120,126	$ 138,081	$ 144,526
Proportionate share of the Net Pension Liability as a percentage of covered-employee payroll	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	84.8%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	92.5%	81.4%	80.1%	78.9%	76.6%	75.3%	77.3%	84.3%	78.8%

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

June 30,	Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	9,926	$ 9,962	$ 9,848	$ 9,872	$ 9,822	$ 9,704	$ 13,431	$ 15,471	$ 13,894
Contributions in relation to the contractually required contribution	9,926	$ 9,962	$ 9,848	$ 9,872	$ 9,822	$ 9,704	$ 13,431	$ 15,471	$ 13,894
Covered-employee payroll	88,624	$ 88,943	$ 87,930	$ 88,142	$ 87,693	$ 86,639	$ 120,126	$ 138,081	$ 144,526
Contributions as a percentage of covered-employee payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	9.6%

**Based on INPRS previous fiscal year audit and report on allocation of pension amounts.*

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 2022:
The investment return assumption was lowered from 6.75% to 6.25%. The inflation assumption changed from 2.25% to 2.00%. The general wage inflation was lowered from 2.75% to 2.65%. Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplemental benefits were granted for fiscal year 2023. This replaces the COLA assumption of 0.4% for Fiscal Years 2022 and 2023 but does not change the assumption for future years.

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,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	$ 1,066	$ 954	$ 815	$ 875	$ 862	$ 837	$ 812	$ 780	$ 767
Interest	2,148	3,221	1,954	3,814	3,672	398	1,804	3,462	2,389
Differences between expected and actual experience	(6)	(1,999)	31	(2,571)	(2,051)	1,191	(522)	(2,123)	(1,739)
Changes of assumptions	697	6,145	1,510	(1,281)	(207)	(14)	440	47	45
Benefit payments, including refunds of contributions	(1,470)	(1,419)	(1,409)	(1,317)	(1,278)	(1,289)	(1,172)	(1,049)	(1,011)
Net change in total pension liability	2,435	6,902	2,901	(480)	998	1,123	1,362	1,117	451
Total pension liability - beginning	41,703	34,801	31,900	32,380	31,382	30,259	28,897	27,780	27,329
Total pension liability - ending (a)	$ 44,138	$ 41,703	$ 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	189	177	179	157	158	167	158	155	159
Net investment income	11,471	3,420	2,245	3,851	3,590	380	1,751	3,243	2,057
Benefit payments, including refunds of contributions	(1,470)	(1,419)	(1,409)	(1,317)	(1,278)	(1,289)	(1,172)	(1,049)	(1,011)
Net change in plan fiduciary net position	10,190	2,197	1,283	3,429	2,998	(17)	1,805	3,656	2,371
Plan fiduciary net position - beginning	41,160	38,963	37,680	34,251	31,253	31,270	29,465	25,809	23,438
Plan fiduciary net position - ending (b)	$ 51,350	$ 41,160	$ 38,963	$ 37,680	$ 34,251	$ 31,253	$ 31,270	$ 29,465	$ 25,809
Net pension liability (asset) ending (a) - (b)	$ (7,212)	$ 543	$ (4,162)	$ (5,780)	$ (1,871)	$ 129	$ (1,011)	$ (568)	$ 1,971

Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Pension Liability (Asset)	$ (7,212)	$ 543	$ (4,162)	$ (5,780)	$ (1,871)	$ 129	$ (1,011)	$ (568)	$ 1,971	$ 3,891
Covered Employee Payroll	$ 6,376	$ 6,453	$ 6,887	$ 6,060	$ 5,612	$ 6,493	$ 5,816	$ 5,803	$ 5,611	$ 5,648
Pension Liability (Asset) as a percentage of covered payroll	-113.1%	8.4%	-60.4%	-95.4%	-33.3%	2.0%	-17.4%	-9.8%	35.1%	68.9%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ -	$ -	$ -	$ -	$ 77	$ 790	$ 483	$ 585	$ 1,030	$ 1,286
Contributions made	$ -	$ -	$ 20	$ 268	$ 738	$ 528	$ 725	$ 1,068	$ 1,307	$ 1,166
Contribution deficiency (surplus)	$ (1,513)	$ (1,513)	$ (1,513)	$ (1,493)	$ (1,225)	$ (564)	$ (826)	$ (584)	$ (101)	$ 176
Covered Employee Payroll	$ 6,376	$ 6,453	$ 6,887	$ 6,060	$ 5,612	$ 6,493	$ 5,816	$ 5,803	$ 5,611	$ 5,648
Contributions as a percentage of covered employee payroll	0.0%	0.0%	0.3%	4.4%	13.2%	8.1%	12.5%	18.4%	23.3%	20.6%

*Actuarial data for 2022 was not available at the time of this report.

Notes to Purdue Police and Fire Supplemental Pension Plan Schedule:

	2022	2021	2020	2019	2018	2017	2016
Valuation Date	July 1, 2021	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%	5.25%	6.00%	6.25%	6.25%	6.25%	6.25%
Cost of Living Increases	2.25%	2.25%	2.25%	2.25%	3.00%	3.00%	3.00%
Salary Scale	3.00%	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-2021, MP-2020, MP-2019, MP-2018

Pre-Retirement

PubS-2010 generational table for non-annuitants projected with Scale MP-2021, MP-2020 and MP-2019

Post-Retirement

PubS-2010 generational table for annuitants projected with Scale MP-2021, 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, 2021-22 Academic Year

The overall (in-state and out-of-state) enrollment at Purdue University was 67,439 students for the 2021-22 fall semester. The breakdown was West Lafayette, 49,639, Northwest, 8,794, Fort Wayne, 8,298, Statewide Technology, 708. Enrollment numbers do not include 5,638 Purdue University students at Indiana University-Purdue University Indianapolis. Although students came to Purdue from all over the world, 53% system-wide came from within Indiana.

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Adams	64	307	-	371
Allen	960	3,938	-	4,898
Bartholomew	297	10	43	350
Benton	96	4	4	104
Blackford	18	6	-	24
Boone	669	9	2	680
Brown	31	4	5	40
Carroll	109	4	9	122
Cass	124	7	7	138
Clark	132	5	53	190
Clay	31	1	-	32
Clinton	163	10	11	184
Crawford	2	1	2	5
Daviess	42	1	1	44
De Kalb	56	290	-	346
Dearborn	94	4	1	99
Decatur	69	4	6	79
Delaware	109	19	13	141
Dubois	106	1	1	108
Elkhart	376	162	11	549
Fayette	31	2	5	38
Floyd	148	9	36	193
Fountain	82	2	-	84
Franklin	95	-	3	98
Fulton	49	65	1	115
Gibson	59	2	5	66
Grant	105	38	7	150
Greene	40	1	1	42
Hamilton	2,791	88	22	2,901
Hancock	417	25	11	453
Harrison	45	2	16	63
Hendricks	826	29	4	859

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Henry	81	9	10	100
Howard	233	37	49	319
Huntington	70	279	1	350
Jackson	98	3	7	108
Jasper	150	150	-	300
Jay	25	10	-	35
Jefferson	41	4	3	48
Jennings	21	6	6	33
Johnson	492	18	8	518
Knox	37	1	4	42
Kosciusko	212	275	-	487
La Porte	291	580	1	872
Lagrange	42	147	-	189
Lake	1,416	4,712	3	6,131
Lawrence	80	9	-	89
Madison	204	23	27	254
Marion	1,842	164	14	2,020
Marshall	134	37	8	179
Martin	13	1	1	15
Miami	69	51	10	130
Monroe	202	16	1	219
Montgomery	142	2	-	144
Morgan	132	7	1	140
Newton	54	61	1	116
Noble	84	284	-	368
Ohio	7	1	-	8
Orange	32	1	-	33
Owen	25	1	-	26
Parke	21	1	2	24
Perry	14	1	4	19
Pike	9	1	2	12
Porter	678	1,247	2	1,927

County	West Lafayette	Regional Campuses	Statewide Technology Locations	Total
Posey	46	-	-	46
Pulaski	49	16	-	65
Putnam	73	1	-	74
Randolph	33	8	7	48
Ripley	61	1	3	65
Rush	27	1	2	30
Scott	18	1	7	26
Shelby	82	6	2	90
Spencer	43	-	1	44
St Joseph	733	160	45	938
Starke	27	54	-	81
Steuben	65	97	-	162
Sullivan	29	1	1	31
Switzerland	5	-	-	5
Tippecanoe	2,489	70	90	2,649
Tipton	51	2	11	64
Union	16	2	3	21
Vanderburgh	240	9	2	251
Vermillion	15	3	-	18
Vigo	127	11	-	138
Wabash	70	86	-	156
Warren	41	-	-	41
Warrick	139	6	2	147
Washington	26	1	9	36
Wayne	88	4	23	115
Wells	77	272	-	349
White	166	13	5	184
Whitley	66	339	-	405
Unknown	550	271	1	822
Total	**20,639**	**14,624**	**659**	**35,922**

ACKNOWLEDGEMENTS

The following staff members of the Treasurer's Office prepared the 2021-2022 Financial Report.

Kathleen E. Thomason, *Comptroller*

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Rebecca L. Miller, *Senior Accounting Operations Manager*

Corbin T. Richter, *Accountant*

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APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL

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April 6, 2023

The Trustees of Purdue University
West Lafayette, Indiana

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

Truist Commercial Equity, Inc.
Cincinnati, Ohio

Wells Fargo Municipal Capital Strategies, LLC
Chicago, Illinois

JPMorgan Chase Bank, N.A.
Chicago, Illinois

Re: $98,125,000 The Trustees of Purdue University Purdue University Student Facilities System Revenue Bonds, Series 2023A (the "Series 2023A 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 Twenty-Second Supplemental and Amendatory Indenture dated as of April 1, 2023 (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 Series 2022B Bonds to provide funds to finance the current refunding of the Refunded Series 2022B 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 Series 2023A 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 Series 2023A 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 Series 2023A Bonds is exempt from income taxation in the State of Indiana. This opinion relates only to the exemption of interest on the Series 2023A Bonds from state income taxes.

4. Under existing laws, regulations, rulings and judicial decisions, the interest on the Series 2023A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. This opinion relates only to the excludability from gross income of interest on the Series 2023A 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 Series 2023A 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 Series 2023A Bonds, the Corporation and the Trustee and the enforceability of the Series 2023A 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 Series 2023A Bonds, the Corporation and the Trustee and the enforceability of the Series 2023A 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 2023A 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 2023A 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, 2023, 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, 2023, 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 2023A 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 2023A Bonds, or other material events affecting the tax status of the Series 2023A Bonds;
— modifications to the rights of owners of the Series 2023A Bonds, if material;
— Series 2023A Bond calls, if material, and tender offers;
— defeasances;
— release, substitution or sale of property securing repayment of the Series 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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 2023A 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

The Refunded Bonds consist of the following:

1. The Trustees of Purdue University, Purdue University Student Facilities System Revenue Bond, Series 2022B-1, issued November 8, 2022, identified below:

Maturity Date	Principal	Interest Rate
07/01/2047	$ 60,000,000	*

2. The Trustees of Purdue University, Purdue University Student Facilities System Revenue Bond, Series 2022B-2, issued November 8, 2022, identified below:

Maturity Date	Principal	Interest Rate
07/01/2047	$ 60,000,000	*

* Variable Rate

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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 June, 1 2022
and
Effective Upon the Conditions Stated Herein

PURDUE UNIVERSITY
STUDENT FACILITIES SYSTEM REVENUE BONDS

INDENTURE OF TRUST

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Page

AMENDED AND RESTATED
INDENTURE OF TRUST

THIS AMENDED AND RESTATED INDENTURE OF TRUST dated as of June, 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.

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[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

PURDUE
UNIVERSITY

THE TRUSTEES OF PURDUE UNIVERSITY • PURDUE UNIVERSITY STUDENT FACILITIES SYSTEM REVENUE BONDS, SERIES 2023A

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